



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 104<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 141

WASHINGTON, THURSDAY, NOVEMBER 16, 1995

No. 182

## Senate

The Senate met at 9 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord God, You are the light of truth for those who know You, the security of those who love You, the strength of those who trust You, the patience of those who wait on You, and the courage of those who serve You. Fill this Senate Chamber with Your presence. May all that we say and do here today be said and done with an acute awareness of our accountability to You. Help us to ask, "What would the Lord do?" and then, "Lord, what do You want us to do?" In our present impasse over the Federal budget, give us long fuses to our tempers and a long view for our vision of the future of America. We invite You not only to dwell in this place but in our minds so that we can think Your thoughts and discover Your solutions. In the name of our Lord. Amen.

The PRESIDENT pro tempore. The able Senator from Oregon is recognized.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

Mr. HATFIELD. Mr. President, the Senate has before it what?

### RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

### FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 1996

The PRESIDING OFFICER. The Senate will now consider House Joint Resolution 122, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 122) making further continuing appropriations for the fiscal year 1996, and for other purposes.

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

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

Mr. HATFIELD. Mr. President, the Senate now has under consideration House Joint Resolution 122, making further continuing appropriations for fiscal year 1996. The resolution provides authority to obligate funds for programs and activities normally funded in the nine regular appropriations bills not yet signed into law. The rate of operations is to be the lowest of the current rate, the rate proposed by the Senate or the rate proposed by the House. Programs and activities terminated or significantly reduced under that formulation may be maintained at a rate not to exceed 60 percent of the current rate. And the rate of operations may be adjusted further to avoid reductions in force.

The expiration date of this continuing resolution is December 5, 1995. This resolution does not include the provision relative to Medicare part B premiums that was in the measure vetoed by the President on Monday. Let me emphasize, that has been removed. That was the great focus of debate and discussion on that first continuing resolution. That is gone.

Instead, there is included the following provision which I will read in its entirety.

Section 301 of this continuing resolution:

(a) The President and the Congress shall enact legislation in the 104th Congress to achieve a unified balanced budget not later than the fiscal year 2002 as scored by the nonpartisan Congressional Budget Office.

(b) The unified balanced budget in subsection (a) shall be based on the most current economic and technical assumptions of the Congressional Budget Office.

That is it. Nothing more. Simple, straightforward. Mr. President, I want to say, in adopting this resolution, we are simply recommending and recommending ourselves to a balanced budget. That is a commitment I believe we all share.

There is nothing in this resolution, Mr. President, that says we will achieve balance with tax increases or with tax cuts. There is nothing here that says whether defense spending will rise or fall. There is no mention of Medicare or COLA's or highways or education or the environment. We will have our arguments about all of those things, but we ought to be able to agree that we will balance the budget. That is all we are committing ourselves to.

And in stipulating that our efforts should be measured by the Congressional Budget Office, we are only restating what we are already required to do and what the President of the United States, Mr. Clinton himself, asked us to do in his address to a joint session of Congress some time ago. We cannot bring any proposal to this floor that has not been scored by the Congressional Budget Office. The President has agreed to that.

As one of those who voted against the constitutional amendment requiring a balanced budget, I argued that we did not need to encumber the Constitution when we could achieve balance within legislation. Members on the other side of the aisle argued the same. I still hold that position, and I ask my

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



Printed on recycled paper containing 100% post consumer waste

S17103

colleagues who stood with me to stand with me in voting for this continuing resolution.

I am very interested to hear responses. I cannot understand how anybody can stand on this floor or before the American public and say they are against balancing the budget. We say 2002, and we only say the Congressional Budget Office shall do as is required to be done to score proposals. How can anyone oppose this continuing resolution, unless they have turned their back on the very principle of balancing the budget?

Now, if that is so, so be it, but let us be honest and frank with one another. This stalemate we are in now is unnecessary, and we can end it. At the same time, we can commit ourselves to the American public that is expecting us to give some kind of a statement as to when we are going to balance the budget.

So let us not get into all these byways and these sidetracks about Medicare and education and all those things. My position is well known on those social programs. I would have liked to have written perhaps a certain major reduction in military spending, but that is a personal view. I will argue that at some other time. But on this continuing resolution, let us put the Government back on track, let us end the stalemate, let us say to the American people we have a separation of powers, but at the same time we can unite ourselves, regardless of our party, regardless of the branch of Government, to a simple goal of balancing the budget by 2002. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend from Oregon for his opening remarks, and I am pleased that we are at least getting to this so-called continuing resolution. I hope that we can move on it in an expeditious fashion, because after we move on it and after it passes the Senate, as it is foreordained that it will give the commitment that the majority in the House and Senate have expressed, everyone knows it is going to the President. Everyone knows when it gets to the President, he is going to veto it.

So we continue the charade that we have been going through now for entirely too long. This is the third day of the Government shutdown. Tomorrow will be the fourth day and the day after that will be the fifth.

Mr. President, it seems to me it is time we begin to get serious about this and stop the charades, but nevertheless, under the process, we must go through it.

The real issue, I suggest, before us today is whether the Congress of the United States wants to stop acting like a bunch of spoiled children and start acting like adults. On the way in this morning, I was treated to a radio program that was unbelievable. It said that the Speaker of the House of Rep-

resentatives said that he was very upset, piqued by not being treated properly by the President en route to the funeral in Israel. Someone suggested that probably that was not a proper way to act, and I believe the words by the Speaker were something like, "Well, it may be petty, but it's human."

That is a sad commentary, indeed, but probably sums up much better than I could in any words how ridiculous this whole process is.

We have this continuing resolution which was just explained by the leader of the Appropriations Committee. I simply say to my friend that regardless of how well-intentioned this continuing resolution is—and as yet I have not even seen the numbers, but as I understand it, it is a continuing resolution to continue the Government of the United States and get people back to work until sometime in December; is that correct?

Mr. HATFIELD. December 5.

Mr. EXON. I have been advised, for the record, on the 5th of December.

Mr. HATFIELD. Will the Senator yield for a moment for me to give a little further explanation?

Mr. EXON. Yes.

Mr. HATFIELD. Mr. President, as you well know, we have 13 appropriations bills. We now have 7 of those 13 bills that are in the process of being sent down to the White House that we expect to be signed. We have had three or four signed by now: transportation, energy and water, the military construction, and the agriculture bills. We have acted upon foreign operations, and we will be acting today probably on Treasury-Post Office. We have already acted on the legislative.

In other words, I think we will have by, hopefully, the end of today seven of these bills on the President's desk signed into law. That means we have the remaining bills. The Defense bill we hope to have acted upon today, the conference, to reach some kind of a conclusion. HUD is meeting today. In other words, December 5 has a very specific reason; we believe that we can get the rest of these appropriations bills completed. And we have stripped things from those bills that have been unacceptable by the President, as the Istook amendment on the Treasury-Post Office, as abortion language that was on the foreign operations bill. So what I am saying is simply that by the December 5 deadline, we expect to have all of those 13 bills completed and, hopefully, signed by the President.

As the Senator knows, as the President signs each one of these bills, that part of the Government drops out of this particular stalemate, because that means that money has been appropriated and approved by the President.

So we are hoping to have all 13 of those bills completed by December 5.

As I say, we hope to have seven signed within the hours of today, or maybe early tomorrow. That is all out of the continuing resolution, all seven

of those bills. As we pass each succeeding bill, that will be removed from the continuing resolution, and that part of the Government will be back in full operation, like the energy and water, and agriculture, and so forth, that we have now assigned, and transportation. So that is the reason for the December 5.

Mr. EXON. I appreciate the explanation by my friend. Another way of saying that is that you were hopeful that in the next few hours, or in the next few days at least, that seven of the 13, or roughly half of the appropriations bills, will have been completed and, hopefully, signed by the President.

Mr. HATFIELD. Yes, of which we have four of those seven now signed by the President.

Mr. EXON. Now, another way of saying that is that we only finished approximately half of the 13 key appropriations bills and presented them to the President, is that correct? Or we will in the next day or so?

Mr. HATFIELD. Yes. Let me further explain that the real problem we have had with appropriations in this particular year is—there are a number of reasons, but let me give you two major reasons. As the Committee on the Budget, on which the Senator serves as the ranking member, presented the budget resolution to this Congress, it called for about a \$22 billion reduction in nondefense discretionary programs. Therefore, all of the nondefense programs had to make a rather serious and severe reduction, and the judgments on that have certainly varied. And so we have faced a dollar question, a reduction of dollars. I would like to have had far less in the defense spending. But somehow, the Budget Committee and the bodies, the House and the Senate, have agreed that that is not part of our great reduction scheme. But rather, it is going to be the nondefense programs—education programs, health programs, welfare programs, and so forth. So the committee had to make those judgments.

The second problem we have faced—and there are not sufficient dollars to meet the needs on the level of spending that the President has requested or wants—but the other problem we have had increasingly over the years, as the Senator knows, is that nonappropriation matters have been piggybacked on appropriation bills—abortion, school prayer, striker replacement, on and on I could go about legislative matters on the appropriations bills. We could have handled a number of these bills far faster if we had not had to deal with the riders. That has been the second factor. We had an abortion issue on three separate appropriation bills, with a little different wording, a little different application, and so forth and so on. You know how hot an item that is. I happen to be pro-life. The Senator happens to be pro-choice, but nevertheless—

Mr. EXON. Let me correct the Senator, so that we keep the record straight.

Mr. HATFIELD. I will just say that some Senators are pro-life and some are pro-choice.

Mr. EXON. To advise and correct the RECORD, this Senator has, I think, been generally along the same line with the Senator from Oregon. I am a pro-life Senator, not a pro-choice Senator. Let us correct the RECORD.

Mr. HATFIELD. I will correct the RECORD, as well, by saying that the Senator and I have agreement on that. We do not share that same agreement, of course, with other views here in the Senate. Consequently, what I am saying is that that issue has been a very contentious issue over the years. As a consequence, it has slowed the whole process of appropriations down.

Those are the reasons that we are at this point in time relating to the appropriations process. We are hoping to strip the riders, as we have been doing, or modify them, or amend them, to make them acceptable downtown in the White House.

So I just wanted to indicate again why, from the appropriations point of view, we happen to be in this situation today and are fast trying to extricate ourselves from it, as indicated by the fact that we have seven bills on the President's desk, four of them signed, and how we hope to get the others down to the President within the period between now and December 5.

Mr. EXON. Let me further inquire of the chairman of the Appropriations Committee, with whom I have worked very long and very well over the years. I believe that the Senator from Oregon has been on the Appropriations Committee nearly all of the time he has served with great distinction in the U.S. Senate.

Does the Senator from Oregon ever recall a time when we have been this far behind in passing appropriations bills, regardless of what the reason was for the delay?

Mr. HATFIELD. Oh, yes. I would say that back in the 1980's we had a CR that went a whole year. We could not resolve those problems. We had other CR's. We had probably three or four in a period from 1981 to 1985, short-term CR's. We had the Government shut down for a couple of days. This is not new. It is not the way to do business.

Mr. EXON. I thank my friend. Again, I will proceed with my remarks.

I was saying, Mr. President, I was disappointed in the fact that we have delay upon delay upon delay, and we are going through charades, as we are going through today on this continuing resolution that is going to be passed, very likely, and vetoed by the President.

So this is an exercise in futility, unfortunately, at a time when the Nation is wanting. I simply say, Mr. President, that in negotiations during the last few days, myself and others have been pleading, and the administration has been pleading, with the Republican majority to just give us a clean continuing resolution. By "clean," I mean

every extraneous measure, or thought, or condition, or concept would be thrown off, and we would just have a continuing resolution for 24 hours, or 48 hours. That was rejected. I was mystified by that because I could not understand how any reasonable group of people, regardless of their political affiliation, would not agree that it was wise to continue the normal functions of Government, at least for a short period of time, while we continued to negotiate.

I now understand why we were turned down flatly on what would appear to any reasonable person as the course of action which could be taken. It was because the Speaker of the House of Representatives, and others, clearly had in their hip pocket this new, ludicrous plan that they knew it would not open up Government once again, but it might give them, on a political scale, some advantage, or an up-bump in the polls that have been quite devastating to the Speaker and others in the last few weeks.

The measure before us today is a farce. It is game playing. It is not the way to do business, and it is not doing business; it is playing politics. Grown-ups know that it is a childish game to shut down the Government in order to blackmail the President into accepting extreme measures, the extreme Republican budget, and trying to make excuses for why they are doing it.

The sad part is that this game has real consequences to real people. Hundreds of thousands of Federal workers do not know whether they are going to be able to pay their bills. Thousands of Americans who are entitled to sign up for Social Security are not able to do so because no one is at work to process the new legitimate claims. Thousands of veterans who should be signing up for new benefits that they have earned are not able to do so because Government is not on the job. Thousands of Federal contractors are not being paid, but the Government has agreed to pay them.

According to press reports, for example, Mr. President, 39 illegal immigrants—I repeat, Mr. President, according to press reports, 39 illegal immigrants—were detained, as they should have been, and sent on their merry way, smiling and laughing on Tuesday because the Government was shut down. It left the Immigration and Naturalization Services shorthanded.

Another matter, the Colorado State Police stopped a van, called INS, and was informed they would be unable to investigate because they lacked the manpower to do so because the staff had been furloughed.

This is no way to run the Government. What we should do is pass a clean continuing resolution to allow the Government to serve the people, pay its bills, and do so in a timely fashion. That is our duty.

The majority wants to set the terms for the coming negotiations on the deficit reduction bill. All this political

posturing about how to do the big deficit reduction bill is just a transparent attempt, I suggest, to coerce the President to weakening his negotiating position before—before—negotiations even begin.

The responsible thing to do, of course, would be to pass a clean continuing resolution for either a shorter or a longer number of days and allow the Republicans to get the extreme budget proposals that they are pushing out of their system, because they are not going to prevail.

We should let the President go ahead and veto these bills, which is what he is going to do, and then and only then start some real serious negotiations where people of good will can sit down and say, "We are not, any of us, going to get exactly what we want." Through negotiations and compromise, we can do our job as we were sent here to do.

In these real negotiations, everything should be on the table. Let me repeat that, Mr. President, because that is not the mode that we are operating under now. In these real negotiations to come that I am quite prepared for at this time, and will have some recommendations to make at the proper time that I think might be an important step toward bringing us together—bringing us together—these real negotiations have to start with everything being laid on the table. Otherwise, we will not get anything done.

The length of time it takes to balance should be on the table, along with everything else. The economic assumptions that we use should be on the table. What do we need to make the extreme cuts in Medicare that the Republicans advocate should be on the table, and will be on the table. At least I am pleased that the Republicans at this very late hour have taken the Medicare matter off the table temporarily.

Also on the table should be whether we want to give tax breaks to the wealthiest among us. That has to be on the table. Let me tell my colleagues, I have run the numbers on this budget and I have been trying to figure out a way to get to a balanced budget. I do not agree with the White House with regard to a 7-year budget. I think we can come to agreement to balance a budget by 7 years.

I believe under the proper circumstances we would be able to convince the President to sign such a measure if we can put everything on the table and if we can sit down as adults and reach a compromise.

I must say, Mr. President, that if the Republicans continue to insist—I repeat this, if the Republicans continue to insist—on a \$245 billion tax break for the wealthy, and if they continue to insist on using CBO assumptions only and purely, there is no way that we can get to a balance in 7 years without extreme and deep cuts in Medicare, in nursing home care, nursing homes, and in education.

We hold out the hand, the offer of compromise, once again. After we get

through with this ridiculous exercise that is going nowhere today, maybe we can get to that point tomorrow or the next day or the day after that.

I am proud, and the President is right to oppose such a budget. I support him in that. Passing of the continuing resolution that has just been offered to us from the House of Representatives would tie the President's hands to such an extent that it would be almost impossible to start meaningful negotiations on a compromise.

Therefore, I will strenuously oppose this continuing resolution and hope that we can move it along to a fair and honest role that can pass both Houses and receive the President's signature, and stop this charade and game playing. I yield the floor.

Mr. GREGG. Mr. President, I have listened to the Senator from Nebraska, whom I greatly admire as ranking member of the Budget Committee, and from what I have heard him say, I can understand no reason why he would not vote for this resolution.

This resolution does not use specifics as to how we reach a balanced budget. It does not say that we must follow the outline laid down by the Republicans on our side of the aisle—which outline I happen to think is a fairly reasonable one.

The Senator from Nebraska has characterized it as "extremist," but I do not know what is extreme about balancing a budget over 7 years, allowing the Government to grow by 3 percent over that period of time, allowing Medicare to grow by 6.5 percent, or \$349 billion, over that time, allowing Medicaid to grow by about 5.4 to 5 percent or \$146 billion over that period of time, saying to senior citizens, "We will spend \$4,800 on you today but in the year 2002 we will spend \$6,700 on your health care." Those are hardly extreme positions. They are fairly reasonable positions, and they allow us to reach a balanced budget by slowing the rate of growth of the Federal Government.

If you allow the terminology of the Senator from Nebraska to apply—"extremism"; this is what is being used often on the other side as a reason for rejecting a balanced budget—even if you accepted what the Senator from Nebraska has said that he would, however, be willing to agree to a budget which reaches balance in 7 years and that that is a doable event—he does not like our budget but it is a doable event.

What this continuing resolution says is, "Let's reach a balanced budget in 7 years." It does not say how. It does not give specifics. It does not bind the President or the members of the other party to a specific glidepath to reaching that balanced budget. It simply says the President and the Congress shall enact legislation in the 104th Congress to achieve a unified balanced budget not later than the fiscal year 2002 as scored by the nonpartisan Congressional Budget Office.

Therefore, all it is saying is that we have to reach a balanced budget by the

year 2002. It is not saying how we reach a balanced budget. It is not demanding a certain set of specifics be used for reaching that balanced budget. It simply is saying, during the term of this Congress, during our watch, we must put in place a balanced budget that is scored by the Congressional Budget Office which, of course, is what the President initially said he would use as a scoring agency.

Therefore, when the Senator from Nebraska, the ranking member of the Budget Committee, gets up and states he is for a balanced budget in 7 years, it seems to me he should be comfortable with this resolution which says exactly that: Let us reach a balanced budget in 7 years. It does not say let us reach the Republican game plan for a balanced budget, it says let us reach a balanced budget in 7 years. So, I do not see this resolution as being on the extreme. In fact, this resolution is right in the mainstream of the comments made by the distinguished Senator.

The further comments were made that it is ludicrous, and there is an attitude of futility here, in pursuing a balanced budget under these types of terms. Why is it ludicrous? Why is it futile to bind the Congress and the President to reaching a balanced budget in 7 years? We are not saying, in this resolution, you have to cut this program, you have to cut that program, you have to slow the rate of growth in this program, you have to raise this tax or cut that tax. We are just saying let us do it. Let us agree we are going to do it, we are going to balance the budget in 7 years. What could be ludicrous or futile about that? That seems like a fairly constructive statement. It is a statement which I suspect most Americans would say is maybe too passive on the issue of reaching a balanced budget. I suspect most Americans would like us to say specifically how we are going to do it.

We as Republicans have. We have laid down a plan for that. From the other side we have not seen such a plan, but we have heard statements, like the Senator from Nebraska's, saying they would agree to balance the budget in 7 years. So all we have done in this continuing resolution is say: All right, let us take one little baby step on the road to balancing the budget. Let us, as a Congress, agree, with the President's support, that we shall balance the budget in 7 years. Let us not get into specifics, but let us just take this little step into the water. Let us put our toes in the water, the water of a balanced budget, and say we are going to commit to it. That is neither ludicrous nor futile. That is what we are supposed to be doing as a Government. We do not say do it in 4 years or 5 years, which is what the President originally said he would do when he ran for this office, and what many of us would like to do. We say 7 years, which is a fairly reasonable timeframe.

During this period of 3 weeks, while we will be functioning under the continuing resolution, we have not unfairly impacted the spending accounts of this country. We have simply set up a structure which says we will spend at the levels, the lower levels of either the House or the Senate numbers. Or, if there is no spending on a program, we will have it function at 60 percent of its level, which is a fairly reasonable thing to do when we are talking about a short timeframe.

Why would you want to excessively fund programs over their funding levels which have been laid out in the appropriations bills as they have been coming through? It would be unreasonable to fund them at the higher level. It would be inconsistent with good government to fund them at a higher level when we as a Congress may choose the lower level when we finally pass the appropriating bills. So it is the safer and more thoughtful course to take the lower level.

Thus, this is a resolution which really does not do a whole lot. As I say, it just puts our toe in the water of the balanced budget issue. In fact, I happen to think it is far too weak. I have serious reservations about it. I personally am on the borderline of whether I even want to vote for something that is this weak on the issue of balancing the budget.

But the fact is, it is not extreme, it is not futile, and it is not ludicrous to suggest the Congress, the 104th Congress, should commit with the President on this resolution that we are going to balance the budget by the year 2002. That is not only not extreme, ludicrous, or futile, that is our job. That is what we should be doing. That is what the American people hired us for. And therefore I take a bit of exception to the statements of the Senator from Nebraska and ask him to review those statements in the context of the resolution. I think if he does, he will come to the conclusion he can support this resolution.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise to join those who expressed their reservation in opposition to the proposal that passed the House of Representatives last evening, some 16 pages or 17 pages of continuing resolution plus the words that have been mentioned in reference to the balanced budget.

I think it is only appropriate to look at where we are today to understand why the President is deeply concerned about signing this particular proposal. We have to really understand what the significance of all of this means, beyond just the words which are included in the continuing resolution. We have to look back at the fact that, in the spring of last year, the Speaker of the House had indicated what was going to happen in the late fall, that there would be a clash between the executive

branch and the Congress on a budget for this country, and that he planned to shut the government down to get his way. He has said that repeatedly, in the spring and in the early fall. My colleagues have included those statements in the RECORD.

Effectively, to sum up what the Speaker was talking about, Speaker GINGRICH's at-all-cost strategy shows little hint of compromise or common ground. For months he has implemented a strategy to blackmail the American people and the President into accepting his budget priorities. We have to consider all of the statements that were made by the Speaker predicting where we were going to be in the fall, the impasse that we find ourselves in today. That was all predicted. It is part of a plan. It was his intent to do so and this is where we are today as a result of that intransigence. This crisis we are facing today was predicted and planned by the Speaker and other Republican leaders. So no one should suddenly be surprised that we have this situation, because we have had a long period of notice.

Now it was not only the statements of the Speaker, but it has been how the House and the Appropriations Committee have been dealing with their business. Up to just a day or two ago, only 4 of the 13 appropriations bills were actually sent to and signed by the President of the United States.

I listened with interest to my good friend from Oregon, the chairman of the Appropriations Committee, who said we will be up to almost half in the next couple of days. The fact of the matter remains that, of the major appropriations bills that deal with the heavy commitments of the Federal Government, about 80 percent have not been sent down to the President. So we find, on the one hand, the prediction by the Speaker of the House of Representatives of the United States saying we will have this train wreck, we will slow or stop the Government—repeatedly stating that. And with the other actions of the Speaker—because, as all of us know, those appropriations initiate over in the House of Representatives—we know we are going to have, effectively, the crisis, because he is not going to pass the appropriations bills. If you do not pass the appropriations bills you have the continuing resolution.

It was by design and intent, design and intent by Republican leadership, that we were going to have crisis—both by the statements and by the failure of the appropriations process and the leadership in the House of Representatives in sending those appropriations over here.

I would just add, as I heard the chairman of the Appropriations Committee say, "then there were so many riders that were put on those bills." Who is in charge here? Who put the riders on? They could not get on if they had not had the support of our Republican friends and colleagues. And, as we

know, the tradition of this institution is we do not provide legislative matters on appropriations. We never used to. We do this year, because of the majority, and that has slowed the whole process down.

But, Mr. President, the Republican leadership understood that would be the direct impact of adding rider after rider on appropriations. The conferences have not done their work. They have not finished the appropriations and set them down and had them completed. So, where we are today should not surprise any Member here. It will become increasingly clear to the American public why we are here, and who intended us to be here with this particular crisis.

Mr. President, I listened last night to the debate over in the House of Representatives. I am mindful what is going to be on the floor of the Senate tomorrow—the Republican budget, the reflection of their priorities. You know something, Mr. President, in 24 hours we will probably have here on the floor of the U.S. Senate those same cuts in Medicare that were included in the continuing resolution. I mean come on, colleagues. We know exactly what is going on here. They are not even going to wait 24 hours. We are going to have the same cuts in Medicare that were included in the continuing resolution, tomorrow, on the floor of the U.S. Senate. What is the idea? They say, let us work this out together, we are coming with clean hands, and we are prepared to work with the President of the United States on a balanced budget—but they still bring their cuts in the Medicare Program.

This is a back-door cut in Medicare, and every senior citizen ought to know about it. And 24 hours from now we will have that budget with those cuts on the floor of the U.S. Senate. We will have the budget with those tax breaks for the wealthiest individuals. And we will have the cuts in education programs on the floor of the U.S. Senate. We are going to have to have it within 24 hours.

So spare us the arguments my friends, the Republicans, that you just want to work this out with the President of the United States. Why did you not work out the budget with the President of the United States? Why did you not sit down and say, "All right. This is acceptable, and can't we work this out in order to move toward a balanced budget?" He is committed to do that, but we never had that opportunity. We never had that negotiation.

As has been stated repeatedly on the floor by the relevant committee chairman, most of the Democrats were not included in the conferences. They never had a chance to express an opinion. We were reduced the other night to a situation where Members could not address this body, or talk for their constituents in their State about what was really happening around the consideration of the budget.

Last night I took the time to watch that debate over in the House of Representatives. There was not one single Republican, not one, that stood up and said, with the passage of this proposal we are prepared to take Medicare off the table. Not one. Not one of them said, pass this resolution and we will reconsider our tax breaks for the wealthy. Not one. Not one of them said, pass this particular resolution and we will reconsider the severe cuts in the education programs that will put a dollar sign on every college door in this country that says "Only the Wealthy Need Apply." In 3 hours of debate, not one of them said we are going to reconsider our position on tax cuts and Medicare cuts. Not one.

So what are we left with? We are left with the language that we heard from a number of our Republican colleagues last night. They said, let us give the President a message. Let us put him on the spot. Let us drop this on the door of the President of the United States—over and over again.

So we ought to understand where we are, and why the President is absolutely correct in vetoing this measure. Mr. President, passage of this measure is just another indication that there will be cuts in the Medicare Program. Make no mistake about it. Do not listen to this Senator. Just take the time to listen to the debate tomorrow on the floor of the U.S. Senate. That is a better indication of where the Republican priorities are than all of the speeches that are made here this morning, this afternoon, and maybe even this evening. They can say, we are really just trying to do what the President says he wants to do. And they can say, all you have to do is put your toe in the water and move us toward a balanced budget. But that is hogwash. And every senior citizen ought to know about it. Their plan means an increase in premiums. It means an increase in the deductible. It means an increase in the copayments. It means a diminution of quality of health care. And it means taking away from the seniors their ability to choose their doctors.

So when our colleagues say, we want to go back to the basics, and we want to work this out with the President, we are really approaching this with good faith on that—that just does not fly, not when you look at the facts.

In the meantime, Mr. President, we see where we have gone with our Republican friends. They say everything is on the table. Yet, in this continuing resolution—they cut the heart out of many of the education programs which are essential to improving the quality of education for the young people of this country.

They reduce the Goals 2000 legislation. They cut it by some 40-percent. That is a block grant that makes sense. That says that 90 percent of the funds to improve and enhance the education of the young people of this country are going to go to the local school districts, go to the parents, go to the

teachers, go to the school boards, and let the local communities help develop a program to increase academic achievement. It goes for education at the local level. It passed overwhelmingly with Republicans and Democrats alike last year. And nonetheless, because it was a President Clinton initiative on education, it was zeroed out in the House of Representatives—abandoned. Now it hobbles along under this particular resolution reduced from the previous resolution of the Republicans that left it at 90 percent. Now it is going to be funded at 60 percent—a 40-percent cut, Mr. President.

What will the Republican resolution be on December 6? This resolution only goes to December 5. And we have that kind of a cut from 90 percent. We cut it 40 percent in this continuing resolution. That is unacceptable.

You take safe and drug-free schools. How many times do we listen to our Republican colleagues talk about the problems of substance abuse, and here they are cutting out a significant program. That is not the answer. All of us understand from various hearings on these programs, you need not only a program in the schools, but you need after-school programs, and preschool programs. You need employment, you need sports, you need a variety of different activities to involve young people in this country. Safe and drug free schools and communities has been an effective program in many schools—and it is cut by 40 percent.

Take the funding for new technology for schools, which is already available to so many children in many of the private schools in this country. Effectively, that program is gutted—cut by 40 percent. Making new technology available in the public schools of this country is being cut by 40 percent.

Take the Eisenhower Professional Development Program. It is one of the very best teacher training programs in the Nation. It enhances the academic achievement and accomplishments of teachers and offers wide range of new courses to strengthen their academic background and overall experience so that they can be better teachers in the classrooms across the country. That program is cut by 40 percent.

Then the Perkins Loan Program, which is an additional college loan program to help the students of this country pursue their education is cut by 40 percent. These are cuts in efforts to reform the basic education programs, cuts in technology, cuts again in help and assistance for those that are pursuing higher education.

And the summer jobs for youth is cut 40 percent. I guess an awful lot of those teenagers cannot vote. This program is zeroed out in the House of Representatives—summer jobs for youth, a program that makes a big difference to many of the young people in this country, and in urban and rural areas alike. Major cities, such as Boston, receive extensive matches in funds by the private sector. There is an effective re-

cruiting mechanism for young students in the inner cities to find employment as they work in the summer jobs. They then work for many of these companies and corporations in the cities. This important effort is cut by 40 percent.

So there it is, Mr. President. That is what we are being asked to do. On the one hand, we are going to hear the same statements repeatedly today. They will say, let us just ask the President to work with us on a balanced budget. But every single Member in this body knows that we are facing the Republican budget tomorrow that cuts the Medicare Program, provides tax breaks for wealthy individuals, and cuts education.

If they were serious, they would have said, let us work out the priorities in those areas. Let us really move to a bipartisan balanced budget. Let us find out what we can do working together, and then have the opportunity to get beyond what the Speaker of the House called a train wreck. A train wreck that he predicted and an event that he effectively implemented by failing to provide leadership to ensure the timely completion of the appropriations bills. Let us not fool the American people, Mr. President. We know what is happening here.

They are just trying to score the political points, trying to put something to the President of the United States. They will not say today, all right, we will reconsider our tax cut.

I am going to watch today and see whether any Member who supports this proposal will say, look, we are operating in good faith. We will reconsider our tax cut for the wealthiest individuals. We will reconsider that. We will reconsider the Democrats' position on the Medicare Program and their wish to ensure its financial stability to the outer years. We will reconsider our \$270 billion, and we will reconcile that with your \$87 billion. We will look at that. We are serious about today. We will meet with you all during the day with our Budget Committee to consider some of the Democratic priorities. And we will also take another look at these extraordinary cuts that have been made in education. We have addressed the education issues. We have had some success in restoring them here. But do you think that is reflected in the continuing resolution? Absolutely not.

So, Mr. President, I think we all understand what is at risk here. The President is wise to reject this. But the President should challenge Republicans and Democrats alike to sit down and work this out. We have no preconditions, no preconditions to moving toward a balanced budget, as has been repeated by the President and leaders, every Member of this side. They are for the balanced budget, but not for the Republican priorities.

That is the problem. The Republicans are saying, oh well, you have to vote for this because it says balanced budget but we are going to stick it to the elderly on the Medicare cuts, and we

are going to stick it to the children, and we are going to enhance the wealthiest corporations and richest individuals with unjustified tax breaks. That is wrong. This resolution should be defeated.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first, I thank the Chair for recognizing me. I wish to say for Republicans on our side so they will understand, this is an appropriations matter. Chairman HATFIELD is going to be managing the bill. There are no time limits thus far. So if Senators think that we can allocate time, there is no allocation. It is a question of the Chair observing the precedents of the Senate in recognizing Senators either to speak or offer amendments. So everyone should know I do not think I can get them time if they just call on the phone. There is open debate unless and until we reach some unanimous-consent agreement with reference to the situation.

Mr. President, I wish to make a couple of points rather than go into a lot of detail. The Senator from Massachusetts [Mr. KENNEDY] has failed to mention to the American people one thing. As he goes through a litany of reductions and cuts, he failed to tell the American people what we have before us is a 19-day bill—one-nine, 19 days.

For the next 19 days, if this is signed, the U.S. Government will continue to operate under an interim funding program described in this bill. This is not a year. This is 19 days. So all the comments about what is being reduced in expenditures, how much we are asking programs to take a cut is for the next 19 days, and until we finally reach a conclusion between the President and the Congress on the full year, this 19 days is a very insignificant portion of what is going to be funded and how things are going to come out.

It is generally and historically true around here that when the Congress and the Presidents are battling over expenditures continuing resolutions are funded at less than what you finally agree to do. So as to make the point, in this case we want to spend less overall rather than more. The problem we have is that some Democrats—and of late it seems the President joins with them—just want to spend more money rather than less while they are talking about reducing the deficit. So let us make sure that everybody understands, whoever comes to the floor from whichever side of the aisle during the next 3 or 4 hours and talks about what is being cut on the appropriations side, we are talking about an interim, short-term funding measure for 19 days. We are not talking about the entire year. We are not talking about final appropriations numbers.

For those who wonder about not getting all the appropriations bills done on time, let me suggest that the very

last Democratic Senate with a Republican President had six continuing resolutions. If I recall, we have had one, so far. They had six to make their case to a President and then eventually were able to work something out. So it is not untoward or unexpected or something we have invented. At the end of the year, when you are arguing over important differences, frequently you have short-term extensions of the appropriations bills while you attempt to get something worked out.

Let us talk about getting something worked out and why we are here today. We are here today because we want to open the Government, put the people back to work, have a 19-day extension of funding, and then presumably the day after tomorrow we will pass a Balanced Budget Act of 1995. We will send that to the President. He has said he will veto it, and then we are left with nothing. We are left with no serious deficit reduction. Presumably, according to the President, he would like to work with us then. He submits that he would like a budget, a short-term appropriations bill that says, look, give us the right kind of funding, do not worry about that, and let us just state in there that we are going to get together after all of these vetoes and we are going to work on the budget. Then and there we are going to agree on when it is going to be balanced, and then and there we are going to agree on what economic assumptions we are going to use.

I see that as the end of a balanced budget. There is no chance you can work anything out that way. With the differences that exist, if there is not some kind of a benchmark that guides and leads those negotiations, you will be nowhere and probably nowhere forever.

Having said that, let me suggest that there is going to be a lot of debate on the other side of the aisle on how onerous and difficult this 7-year balanced budget using real economics is. There is going to be a lot of debate that the Republican agenda is mandated by this balanced-budget-in-7-years portion of this bill. Neither is true. This is not a balanced budget amendment that says how we will get to balance, when we start negotiating with the President.

It is not how we get there. It is whether we get there. It is not how we get there. It is whether we get there. The truth of the matter is that all the ideas for spending more money, for reducing the tax cuts, for saving every program that everybody wants to stand up and say we ought to save, they are all on the table. When the President comes to that meeting with his experts talking about this issue, they are all on the table. There is no agenda that is predetermined. Whatever any Member of the House or Senate says, the language is clear. Republicans do not dictate the agenda and the President does not. The benchmark is that we will all start with one premise, 7 years, and we will balance.

It seems to me that the President and others are saying we do not know if we can do a balanced budget in 7 years using real economics. Let me suggest there are 71 Senators that have said we can and have voted for a plan to do it.

Nineteen Democratic Senators voted for a plan, a bill, that says we should have balance in 7 years using real economics. Nineteen of them, added to the 52 Republican Senators, my arithmetic says that is 71. So, 71 have said it can be done. Nineteen say, "Do it a different way." Fifty-two say, "Do it the Republican way."

It is my understanding that last night 48 Democrats joined the Republicans in recommending this to the President. Previous balanced budgets this year voted on by the House, 299 House Members, considering two different plans, one by Democrats and one by Republicans, voted for a balanced budget in 7 years using real economics. What is the President afraid of? What are Democrats afraid of in terms of a 7-year balanced budget that says, "We aren't telling you how, we're just telling you whether we have a balanced budget or not?"

Having said that, Mr. President, I would like now to just read a few comments from *The Washington Post* editorial of this morning. Mr. President, it is called, "The Real Default." It is about half a page. I might suspect some would say, "If it's the *Washington Post*, they are probably saying the Republicans are 'in default.'" I regret to tell you Democrats, it is not us that they say are in default. It is the President and the Democratic leadership that this says are in default. I would like to just read a little bit of it.

The budget deficit is the central problem of the Federal Government and one from which many of the country's other, most difficult problems flow. The deficit is largely driven in turn by the cost of the great entitlements that go not to small special classes of rich or poor but across the board to almost all Americans in time. The most important of these are the principal social programs for the elderly, Social Security and Medicare. In fiscal terms, Medicare is currently the greatest threat and the chief offender.

Bill Clinton and the congressional Democrats were handed an unusual chance this year to deal constructively with the effect of Medicare on the deficit, and they blew it. The chance came in the form of the congressional Republican plan to balance the budget over 7 years. Some other aspects of that plan deserve to be resisted, but the Republican proposal to get at the deficit partly by confronting the cost of Medicare [and its own default] deserves support. The Democrats, led by the president, chose instead to present themselves as Medicare's great protectors. They have shamelessly used the issue, demagogued on it, because they think that's where the votes are and the way to derail the Republican proposals generally. The President was still doing it this week; a Republican proposal to increase Medicare premiums was one of the reasons he alleged for the veto that has shut down the government—and never mind [says the editorial] that he himself, in his own budget, would countenance a similar increase.

We've said some of this before; it gets more serious. If the Democrats play the Medicare card and win, they will have set back for years, for the worst of political reasons, the very cost of rational government in behalf of which they profess to be behaving. Politically, they will have helped to lock in place the enormous financial pressure that they themselves are first to deplore on so many other Federal programs, not least the programs for the poor. That's the real default that could occur this year. In the end, the Treasury will meet its financial obligations. You can be pretty sure of that. The question is whether the president and the Democrats will meet or flee their obligations of a different kind. On the strength of the record so far, you would have to bet on flight.

Now, there is much more. I ask unanimous consent that this editorial be printed in the *RECORD* at this point.

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

[From the *Washington Post*, Nov. 16, 1995]

#### THE REAL DEFAULT

The budget deficit is the central problem of the federal government and one from which many of the country's other, most difficult problems flow. The deficit is largely driven in turn by the cost of the great entitlements that go not to small special classes of rich or poor but across the board to almost all Americans in time. The most important of these are the principal social insurance programs for the elderly, Social Security and Medicare. In fiscal terms, Medicare is currently the greatest threat and chief offender.

Bill Clinton and the congressional Democrats were handed an unusual chance this year to deal constructively with the effect of Medicare on the deficit, and they blew it. The chance came in the form of the congressional Republican plan to balance the budget over seven years. Some other aspects of that plan deserved to be resisted, but the Republican proposal to get at the deficit partly by confronting the cost of Medicare deserved support. The Democrats, led by the president, chose instead to present themselves as Medicare's great protectors. They have shamelessly used the issue, demagogued on it, because they think that's where the votes are and the way to derail the Republican proposals generally. The president was still doing it this week; a Republican proposal to increase Medicare premiums was one of the reasons he alleged for the veto that has shut down the government—and never mind that he himself, in his own budget, would countenance a similar increase.

We've said some of this before; it gets more serious. If the Democrats play the Medicare card and win they will have set back for years, for the worst of political reasons, the very cause of rational government in behalf of which they profess to be behaving. Politically, they will have helped to lock in place the enormous financial pressure that they themselves are first to deplore on so many other federal programs, not least the programs for poor. That's the real default that could occur this year. In the end, the Treasury will meet its financial obligations. You can be pretty sure of that. The question is whether the president and the Democrats will meet or flee their obligations of a different kind. On the strength of the record so far, you'd have to bet on flight.

You'll hear the argument from some that this is a phony issue; they contend that the deficit isn't that great a problem. The people who make this argument are whistling past a graveyard that they themselves most likely helped to dig. The national debt in 1980

was less than \$1 trillion. That was the sum of all the deficits the government had previously incurred—the whole two centuries' worth. The debt now, a fun-filled 15 years later, is five times that and rising at a rate approaching \$1 trillion a presidential term. Interest costs are a seventh of the budget, by themselves now a quarter of a trillion dollars a year and rising; we are paying not just for the government we have but for the government we had and didn't pay for earlier.

The blamesters, or some of them, will tell you Ronald Reagan did it, and his low-tax, credit-card philosophy of government surely played its part. The Democratic Congresses that ratified his budgets and often went him one better on tax cuts and spending increases played their part as well. Various sections of the budget are also favorite punching bags, depending who is doing the punching. You will hear it said that someone's taxes ought to be higher (generally someone else's), or that defense should be cut, or welfare, or farm price supports or the cost of the bureaucracy. But even Draconian cuts in any or all of these areas would be insufficient to the problem and, because dwelling on them is a way of pretending the real deficit-generating costs don't exist, beside the point as well.

What you don't hear said in all this talk of which programs should take the hit, since the subject is so much harder politically to confront, is that the principal business of the federal government has become elder-care. Aid to the elderly, principally through Social Security and Medicare, is now a third of all spending and half of all for other than interest on the debt and defense. That aid is one of the major social accomplishments of the past 30 years; the poverty rate for the elderly is now, famously, well below the rate for the society as a whole. It is also an enormous and perhaps unsustainable cost that can only become more so as the baby-boomers shortly begin to retire. How does the society deal with it?

The Republicans stepped up to this as part of their proposal to balance the budget. About a fourth of their spending cuts would come from Medicare. It took guts to propose that. You may remember the time, not that many months ago, when the village wisdom was that, whatever else they proposed, they'd never take on Medicare this way. There were too many votes at stake. We don't mean to suggest by this that their proposal with regard to Medicare is perfect—it most emphatically is not, as we ourselves have said as much at some length in this space. So they ought to be argued with, and ways should be found to take the good of their ideas while rejecting the bad.

But that's not what the president and congressional Democrats have done. They've trashed the whole proposal as destructive, taken to the air waves with a slick scare program about it, championing themselves as noble defenders of those about to be victimized. They—the Republicans—want to take away your Medicare; that's the insistent PR message that Democrats have been drumming into the elderly and the children of the elderly all year. The Democrats used to complain that the Republicans used wedge issues; this is the super wedge. And it's wrong. In the long run, if it succeeds, the tactic will make it harder to achieve not just the right fiscal result but the right social result. The lesson to future politicians will be that you reach out to restructure Medicare at your peril. The result will be to crowd out of the budget other programs for less popular or powerful constituencies—we have in mind the poor—that the Democrats claim they are committed to protect.

There's a way to get the deficit down without doing enormous social harm. It isn't

rocket science. You spread the burden as widely as possible. Among much else, that means including the broad and, in some respects, inflated middle-class entitlements in the cuts. That's the direction in which the president ought to be leading and the congressional Democrats following. To do otherwise is to hide, to lull the public and to perpetuate the budget problem they profess to be trying to solve. Let us say it again: If that's what happens, it will be the real default.

Mr. DOMENICI. Now, Mr. President, I want to repeat to every Democratic Senator here, to the President of the United States, this continuing resolution in this very simple language:

The President and Congress shall enact legislation in the 104th Congress to achieve a unified balanced budget not later than the fiscal year 2002 as scored by the non-partisan Congressional Budget Office.

The unified balanced budget in subsection (a) shall be based on the most current economic and technical assumptions of the Congressional Budget Office.

If ever there was a simple statement of whether or not we intend, whether or not we as a Congress, intend, and the President, as our leader, intends to stop spending our children's, grandchildren's, and unborn children's wealth to pay for programs of today, there could not be a better statement than that. Do you want to continue that or not?

I have been at it for a long time. I have been unsure from time to time when we could reach a balanced budget. But, Mr. President, and fellow Senators, I am absolutely convinced, and 19 Democrats backed this, and 299 House Members have voted it, that 7 years is ample time to get rid of the legacy of debt, and pass on a legacy of opportunity to our children. I am absolutely convinced it can be done.

For those who would argue we are trying to force our agenda, then I submit this is the people's agenda, 7 years using real economics. It is not a Republican agenda. And we are not even saying how you should do it. We are saying that we ought to continue this Government of America, put our people back to work, but we ought to make a commitment to the American people, and our President ought to join us. He has said he wants a balanced budget. And at one point he said 5 years. At one point he said 10 years. At another point he said 9 years, maybe 8.

Mr. President, you have to seriously consider what you are saying when you say, "We will not do one thing with the Republicans. We will not negotiate," if they say let us start with a very basic marker of a balanced budget in 7 years.

Mr. SANTORUM. Will the Senator from New Mexico yield for a question?

Mr. DOMENICI. I would be pleased to yield without losing my right to the floor.

Mr. SANTORUM. Mr. President, it is my understanding that anyone who votes for this resolution will not be voting for a tax cut or promise to vote for a tax cut, will not be voting for a reduction in Medicare spending, will not be voting for a reduction in Medic-

aid spending and will not be voting for any of the specifics that are laid out in the Republican budget? None of that is referenced in the continuing resolution; is that correct?

Mr. DOMENICI. The Senator from Pennsylvania is absolutely correct.

Mr. SANTORUM. No one can make the claim they are voting against this because they are against the Republican budget as outlined; is that correct?

Mr. DOMENICI. That is correct. I might put it another way. Nineteen Democratic Senators offered their own plan to balance the budget at the same time as the Republicans using the same economics. If that is what the Democrats want when we go meet with the President, and if that is what the President wants, it has the exact same validity and the exact same merit as the Republican budget.

Mr. SANTORUM. One additional question. The only other thing, other than saying we are to balance the budget in 7 years, is that we will use the Congressional Budget Office as the final arbiter; is that not correct?

Mr. DOMENICI. That is correct.

Mr. SANTORUM. Has there ever been objection by the other side using the Congressional Budget Office as the final arbiter that you are aware of?

Mr. DOMENICI. I am not going to say I never heard anyone on the other side of the aisle object to using the Congressional Budget Office, because they might have, but let me tell you, never in the Budget Committee as we debated this did I hear any of my good friends on the Democratic side, including their leader in the budget matters, say that we ought to depart this year or last year from the Congressional Budget Office's economics. I have not heard that.

Mr. SANTORUM. My understanding is that the Democratic leader said on June 25, "We will come to whatever accommodations that are to ensure that CBO is the final arbiter of the numbers." So that is the Democratic leader speaking.

I just want to know if anybody else has spoken differently, to your knowledge?

Mr. DOMENICI. I know of none.

Mr. DORGAN. Will the Senator yield for a question?

Mr. DOMENICI. I will be pleased to.

Mr. DORGAN. I thought I heard the discussion suggested that the only other change with CBO is also the case that this 15-page continuing resolution cuts by 40 percent some programs, including, for example, low-income energy assistance. It is now wintertime, of course. I come from a State that gets pretty cold. Some low-income folks get energy assistance. Does this not cut that by 40 percent? Is that not a change? I am using that as one example. Would that not be an example of other changes you put in this 15-page document?

Mr. DOMENICI. Might I answer the Senator this way. You were not on the



floor, I believe, so I will answer again. This document does not run Government for the entire year of 1996. It runs Government for 19 days. And during those 19 days, those who are managing the programs cannot spend on the program you described at more than a rate of 60 percent of current program funding, but it does not set the year-long funding for those programs.

Continuing resolutions are for a short period of time only. I add, it will be for 19 days. I cannot conceive that that would be the level in the long run that we would be at. That is what we still have to work out, and that is what continuing resolutions are for.

I thank you for the question, and anybody who has questions on all the other 10 programs, the answer is the same. It does not eliminate anything. It does not set the pattern for the full year. It says 19 days from now. That is until December 5.

Mr. DORGAN. Will the Senator yield for one additional question?

Mr. DOMENICI. Yes.

Mr. DORGAN. That is a change from previous CR's where it was 90 percent. It will now be 60 percent, so the cut would be 40 percent of things like star schools, low-income energy, et cetera.

Mr. DOMENICI. It is; yes. Frankly, when you are involved in this kind of situation in trying to get something done, it is not unusual that continuing resolutions change each time, seeing if some headway can be made about the loggerhead situation by adjusting it. That has been done before.

Now, Mr. President, I want to continue on. I want to talk a little bit about what I think is the real problem. First of all, I think the problem is that the President of the United States has committed to a balanced budget, and what I am saying I do not say about Democratic Senators. They had some very serious proposals, and I believe they tried very hard—19 of them—to get a balanced budget. I believe Senator EXON would clearly try to get a balanced budget in 7 years and achieve it.

But what I think the problem is, is that the President of the United States does not want to tell anybody how much money he wants to spend. The issue is how much do you want to spend in the next 7 years, not how much you want to cut taxes.

The Senator from Pennsylvania is correct, if you vote for this, the President can go to the table saying, "I don't want any taxes." And I repeat that. He can go to the table saying, "I don't want to cut one bit of education. I want it to increase education instead of it being frozen or reduced." This does not obligate any specifics.

What I believe is the case is that the President is not prepared to tell the American people how much he wants to spend. It is spending that is ruining America's future. It is spending too much that brings the Washington Post to saying, "The budget deficit is the central problem of the Federal Govern-

ment and one from which many of the country's other most difficult problems flow."

Deficits do not come from the air. They come from spending more than you take in, and I believe if the President and his experts will sit down in a room between now and the time we finally send this bill to them and ask themselves seriously—forget the Republican agenda—"How much do we want to spend?" They do not have to tell anybody, but I believe they will come to one of two conclusions: One, they want to spend too much and, therefore, cannot agree to this, or, to their amazement, they will find under their priorities they can easily get a balanced budget by the year 2002.

I believe that without a question. In fact, I will volunteer to sit down with them and use their priorities. How much more do you really want in education? It is annually appropriated, but let us just put it on the table, I say to my colleague, Senator COCHRAN, put it on there. How much more do you want in the Environmental Protection Agency? Put it on the table. Not very big budget items. Put some more on that they have been talking about. Put them on the table.

Look at this resolution: "The unified balanced budget shall be based on the most current economic and technical assumptions of the Congressional Budget Office."

We did not use those because we kept our budget resolution to the April ones. But, Mr. President, I say to my fellow Democrats, I ask that you look at those. See how much more that gives us to spend. I will guess \$30 billion. Your priorities can be plugged into those, but why in the world, with the effort that has gone forth and with over 85 percent of Americans wanting a balanced budget, why would the President not commit and why would Democratic Senators not vote for a very basic, simple cornerstone for the beginning of serious negotiations by the Executive and the Congress, and there are no other conditions? Right?

It does not say how we get there. It does not say what committee does it. It does not say which programs are in, which are out. Very, very simple: Do you want to agree to the cornerstone of fiscal sanity, which is 7 years using real economics, and sit down and do it? As a matter of fact, I would assume that if it turns out to be impossible, that it would turn out to be impossible because there is great justification on the part of the President not to do it and even that the American people might buy in after serious negotiations.

Nobody goes to jail. Nobody is run out of office. It just says the Congress and the President shall do this. We cannot tie our President's hands. We can just say let us get on with this.

Let me put into my last thoughts—this idea is sort of budgetese and hard to talk about—but whose economic assumptions should you use? Let me try

to draw a distinction that maybe everybody can understand. We created an institution called the Congressional Budget Office, led by Democrats and Republicans, I am very pleased to say to this day to this Senator's satisfaction, and in my opinion, they are very objective and they are very good. Nobody owns them. They do not work for the majority or the minority or the President. They have a cadre of economists that are as good as any. They have number crunchers that are the best.

Why did we do that and why did we tell them to do their work and to give it to the U.S. Congress? Because we wanted a neutral, objective evaluator of the realities of the American economy, especially if you had to do some predicting.

Nobody is going to take the floor and say that they are inferior to the President's people who do the same kind of work. Most will say they are superior to the President's people. Most will get the record out and say they are right more times than any of the others, which is true.

What is this battle about? The President of the United States got up at a joint session of Congress. He had his first budget before us as President. In that budget, he used what? Congressional Budget Office assumptions. He bragged about it, and he said that we are not cooking the books anymore. I am paraphrasing. We are not cooking the books anymore. No more smoke and mirrors. We are using the real authenticator of economics.

Who was it he was talking about? The Congressional Budget Office. He directed that sort of at Republicans that night. At least we took it that way. The Democrats cheered. Republicans sort of said, I guess he is picking on us.

The very next year, the President of the United States, for some reason, said, "I am not using them anymore. I am going to use my own people." Everybody should understand that those who do this work for the President work for him. The Office of Management and Budget Director is appointed by the President. We confirmed him. His Chief of Economics, head of that council, he picks them. The Secretary of the Treasury, he picks them.

Why did we create CBO? Because we were not too sure that when it came to these kinds of things, that you would not just lean a little bit toward your boss, right? We think some of those did that for Ronald Reagan, and we were the ones that took it in the neck for it. We had to end up saying we do not like these magic asterisks anymore and rosy economics.

So, for some reason—I think I now know why—the President, after 1 year, changed his mind, and he produced a budget that used different economic assumptions—growth, interest rates, and how much programs would cost, such as Medicare and Medicaid. He did that with his people and said, "If you want

to use the Congressional Budget Office up there on the Hill, that is your business." But it turns out, right now, that it happens to be everybody's business because, essentially, if you use what the President's own people did for him, you have a no-pain budget. You do not have to change things very much because you pick up great savings because of assumptions. You even save a huge amount of money on Medicare and Medicaid without changing anything. You do not change a sentence in the law, put a new period in; you just assume more savings and then the program costs less.

I must say, I really wish that, before I went to the trouble of producing the budget that we are going to bring up the day after tomorrow and that we voted on here, somebody would have given me a present. What kind of present? A \$475 billion present saying you do not have to worry about \$475 billion of these reforms and restraints and reductions, because we just found them. Where did you find them? We found them because the President's men, the President's workers, the President's OMB Director found them by changing the books.

Now, I understand—and there is no inference that there is anything illegal about this at all—they have their views, and they are competent, smart, informed people. But the truth of the matter is that they work for the President and the Congressional Budget Office does not, nor does it work for Republicans. They have been more right than wrong, and we have been burned many times using economic assumptions that turn out not to be right.

Mr. CONRAD. Will the Senator yield for a question?

Mr. SANTORUM. Will the Senator yield?

Mr. DOMENICI. I yield to the Senator from Pennsylvania.

Mr. SANTORUM. What I think I am hearing from Members on the other side is they are trying to find a reason to vote against this continuing resolution. They may not be comfortable with voting against it because it balances the budget in 7 years or because we are using Congressional Budget Office scoring. But some are trying to find a reduction in the expenditure levels in the continuing resolution as a reason to vote against this continuing resolution.

I want to ask the Senator, who I know is on the Appropriations Committee—and I conferred with the Senator from Mississippi, who is also on the committee—is it not a custom that when a continuing resolution is passed, in that continuing resolution you use the lower of the House- or Senate-passed levels of spending for the various programs, and that becomes the continuing resolution? Is that not the custom of continuing resolutions, I ask the Senator from New Mexico?

Mr. DOMENICI. While I was not intimately involved in the process that developed that theory, it actually has a

name. It is called the Michel rule, which is from the former minority leader in the House, Representative Michel, because at a point in time when he was in his leadership role, we were confronted with a Republican President and a Democratic Congress, and they were trying to work together to get some time, like we are, in a continuing resolution. Bob Michel suggested the lower of either House for this short interval, and it has thus been known as the Michel rule. So that is the case. That has been the practice.

Mr. SANTORUM. This bill conforms with the Michel rule?

Mr. DOMENICI. Right.

Mr. SANTORUM. Have Members on both sides voted for CR's that do that?

Mr. DOMENICI. Yes. We have to lay that on the table. There is a slight addition because there are programs that are zeroed out in the Michel rule application. The House feels strongly about those. The President feels strongly about those. And so rather than using the Michel rule, which would have said the lower of either means zero, we have compromised at 60 percent for the next 19 days.

Mr. SANTORUM. So actually we are even spending more money than the Michel rule would require because we are taking programs that would have been zeroed out because the House zeroed out those programs. They are spending 60 percent just to continue those programs during this period of time. So, in fact, we are being more generous than previous CR's would have been; is that correct?

Mr. DOMENICI. Yes, in the sense that if you had a zero and applied the Michel rule, that would be the lowest possible one. So it would be zeroed out. I do not know if there has ever been any such zeroing out in a continuing resolution applying the Michel rule. Maybe the Senator from Mississippi knows that.

Mr. SARBANES. Will the Senator yield for a question on that point?

Mr. DOMENICI. Yes.

Mr. SARBANES. The Michel rule never applied to a set of facts in which you were zeroing out programs.

Mr. DOMENICI. I just said that.

Mr. SARBANES. That is absolutely right. So the response to the question put from the Senator from Pennsylvania is contrary to his assertion. The Michel rule never reached the matter we are confronting with all the zeroing out of these very important programs, including the Low-Income Home Energy Assistance Program, which the Senator from North Dakota made reference to earlier.

Mr. CONRAD. Will the Senator yield for a question?

Mr. DOMENICI. I say, first, to Senator SARBANES, one might put it another way and be just as accurate as your statement. One might say that the Michel rule has to be modified because, as it was applied, there were no zeroing out of program funding. So it is being modified. And we are modifying

it and saying 60 percent funding for a temporary period of 19 days. That is one way to say it. I think that is what we are acknowledging.

Mr. CONRAD. If the Senator will yield for a quick question, I ask if the Senator from New Mexico is aware that, this morning, the Wall Street Journal has endorsed the economic assumptions of the President, rather than the economic assumptions of the Congressional Budget Office. The Wall Street Journal this morning said: "While the Congressional Budget Office predicted 2.3 percent annual economic growth, OMB boosted it to 2.5 percent." And, interestingly enough, the Wall Street Journal, this morning, said: "In our view, both growth assumptions are overly pessimistic. Corporate profits look fairly cheerful. There is no reason the economy should not grow at 3 percent," according to the Wall Street Journal. "Government policies, whether monetary or fiscal, should not be designed to foreclose this result."

I wanted to know if the Senator from New Mexico was aware that the Wall Street Journal—this is perhaps the most conservative journal in the country with respect to these issues—has this morning endorsed the economic assumptions of the Office of Management and Budget—if you look at the last 2 years.

I further ask, is it not true that the actual results of economic growth have exceeded both CBO and OMB assumptions, and that the actual results on deficit reduction have been better—the actual results—than CBO or OMB assumptions?

In fact, both have been overly conservative, and that perhaps the Wall Street Journal has got it right in that both OMB and CBO are overly conservative.

Mr. DOMENICI. Is that the question?

Mr. CONRAD. That is the question.

Was the Senator aware the Wall Street Journal has endorsed the President's economic assumptions, saying that both OMB and CBO are overly pessimistic?

Mr. DOMENICI. I was not aware, but it does not surprise me. I have the greatest respect for the Wall Street Journal but their charter is not to balance the budget. Our charter is to balance the budget. Theirs is to write editorials and make assessments and predictions. They are good at it.

The fact of the matter is if you put to the American people in language they could understand, if you are going to work at a balanced budget would you want to take a chance on using a rosy economic scenario and pulling us in again, or do you want to be more conservative?

If the conservative economics are right, lo and behold, we will have a nice surplus. Is that all so bad? Especially when you look at what we have done to get there, and if the Democrats will look at what we have done to get there, and apply their priorities on it, you get to a balanced budget using the

Congressional Budget Office's more conservative, historically more accurate, economic assumptions than those prepared either by OMB or confirmed by the Wall Street Journal in their opinion as being more appropriate.

Now, Mr. President—

Mr. WELLSTONE. Will the Senator yield?

Mr. DOMENICI. Sure.

Mr. WELLSTONE. I have tremendous respect for the Senator and I want to ask one thing. There are a number of us here who are anxious to be part of the debate. Will the Senator hold the floor longer, or is there an opportunity to have this debate, I think many of us would like to have?

Mr. DOMENICI. I am fully aware you want to debate, and I am sure we will debate and I will be through very soon.

Mr. WELLSTONE. I thank my colleague.

Mr. DOMENICI. Mr. President, let me just give you, the people listening and those who at least understand where I am coming from, my last observations.

Mr. President, I want to give my last observation of the situation: It is going to be very difficult to get a balanced budget. Once the President has vetoed the Balanced Budget Act we will present, it will be very difficult. Then there is no game plan and we will have to sit down as best we can and see if we can put one together.

I predict with almost certainty that if we do not have at least a cornerstone from which to start that work of a balanced budget in 7 years with agreed-upon economics, I submit it will never happen. I sense that in my discussions with people from the White House.

The differences are so severe that we will be all over the lot, and without 7 years staring us in the face and agreed upon priorities—and I say "agreed upon" because they are not ours at that point, they are negotiable—we will not get there.

Senators on your side want to debate things, and I wonder, is Senator EXON the manager?

Mr. EXON. There are no time restraints. It is open season, so to speak.

I believe the Senator from North Dakota was very, very early, but it is up to the Chair.

The PRESIDING OFFICER. Does the Senator yield?

Mr. DOMENICI. I did not yield because of the nature of this amendment that is pending and the fact that it can be amended. I have to either ask that there be no amendments to it for the next 30 minutes or 40 minutes or an hour or I will have to bring the Republican leader to the floor.

Mr. EXON. Would the chairman of the committee please restate the request.

Mr. DOMENICI. If I give up the floor without getting the majority leader to the floor so I can talk to him, could we have an agreement for the next hour we will debate and there will be no amendments?

Mr. EXON. There are some amendments that we want to offer. I simply

inquire—we could not agree to that without further consideration.

The floor is open to amendments at any time.

Mr. DOMENICI. I was unaware of a conversation between the majority leader and your leader that has already occurred that straightens out my problem, so I yield the floor.

Mr. DORGAN. Mr. President, I have listened for some while this morning, and I will respond to some of the discussion that I have heard.

This is either, in theatrical terms, a comedy or tragedy. I suppose some view it both ways.

A comedy—I came to the Capitol this morning to see a newspaper that says "Cry Baby," and a newspaper saying that the Speaker had a tantrum and closed down the Government because Clinton made him sit at the back of the plane.

I do not know the veracity of the news piece but the quote that is in this piece says, claiming that Clinton refused to open budget talks and snubbed him aboard Air Force One, GINGRICH said, "That's part of why you ended up with us sending down a tougher stop-gap spending bill."

Well, I hope that is not the case. I hope that is just hyperbole, but if it is the case, it truly is comedy—low-grade comedy. It does not make any sense for this country to be in this situation. The tragedy is this affects a lot of people in a lot of significant ways.

I know that truth is often the first casualty in debates like this. I know that on the floor of the Senate there are people today who will work very hard to make the case that this debate is about whether we should balance the budget.

We will see contortions and acrobatic approaches today that suggest this is only about whether we should balance the budget. It is not about that at all.

Of course we should balance the budget. Of course we should balance the budget. I do not think anyone in here disagrees with that. That ought to be the goal.

The question is, how do you balance the budget? What approach do you use to balance the budget? I know that we will have people for the next hour who will say the debate here is about CBO versus OMB. I bet a lot of people do not understand the interests of that—CBO versus OMB. I do not care whether it is CBO, OMB, AT&T, or the NFL.

That is not the issue with me. What I do care about is the notion that people are bringing legislative initiatives to this floor to—they say—balance the budget, in a manner that cuts health care for the elderly and the vulnerable in our country, takes kids off the Head Start Program. It does dozens of things to the more vulnerable parts of our society and then rewards others with tax breaks.

As long as people are coming to this floor saying what we need to do is borrow money to give a tax break, some \$245 billion, 80 percent of which will go

to the top 20 percent of the income earners, as long as people are saying we must do that, and in order to pay for all of that, we ought to take a big hunk out of Medicare, Medicaid, education, low-income energy assistance for poor people, when they are trying to heat their homes during the winter as an example, I am not going to be interested in talking about CBO versus OMB.

I am for 7 years. That is fine. If we can do it quicker, that is fine as well. The fact is, we ought to do it the right way, and the right way is not to borrow money to give a tax cut which will reward the privileged in this country.

There was an article the other day that described in summary what we are facing here. The "how to balance the budget," represented by the priorities of the road map already given us by the majority party, is to do it this way. It says, you take a roomful of people and have that roomful of people represent the population of the United States. Then you divide them. You take the 20 percent of your room that have the lowest incomes and you put them on this side of the room in chairs. You say: You sit over there because you have the lowest income in the room, you 20 percent. Now we are going to cut spending in a way that says you 20 percent with the lowest incomes get 80 percent of the spending cuts. You bear the burden of 80 percent of all we are going to do on the spending cut side.

In the same room you say: By the way, we would like to take the 20 percent that have the highest incomes in this room and put them over here in chairs on this side of the room. Then you go over to them and say: By the way, we have good news for you. You 20 percent with the highest incomes in this little room of ours, we are going to give you 80 percent of the tax cut.

Now we have our room divided, a microcosm of our country. We have the 20 percent of the lowest income earners on this side of the room and we have 60 percent in the middle and then we have the 20 percent of the highest income earners on the other side of the room. And we have said: You folks that do not have much, we are going to make things a lot worse for you because you are going to take 80 percent of the spending cuts, that is what we are saddling you with. And you folks that have the most, we are going to reward you with 80 percent of the tax cuts. That is what we are facing. That is the road map.

Mr. COCHRAN. Will the Senator yield for a question?

Mr. DORGAN. I will be happy to yield when I have finished, if I have any time left, but I have just begun my statement—

Mr. COCHRAN. Let me just ask, about the tax cut—

Mr. DORGAN. We were generous with the Senator from New Mexico, who had the floor for some while—

Mr. COCHRAN. He yielded to you for a question.

Mr. DORGAN. All right. I will yield for a question of—

Mr. COCHRAN. I was just going to ask the Senator if there is any tax cut in this bill? This is a continuing resolution that provides, is it not true, for 3 weeks for a cooling-off period to fund Government and get everybody back in the agencies and departments? There is not anything in this resolution that would require any tax to be cut, is that not true?

Mr. DORGAN. I get your question. Let me ask you a question. Would you agree to balance this budget without a tax cut so you are not borrowing money to give a tax cut to the wealthy?

Mr. COCHRAN. We are not debating how we get to the balanced budget, is my response. That is what you are trying to convert this into, is a debate over tax cuts. This is a debate on getting the Government functioning, is it not true? That is what the continuing resolution is about.

Mr. DORGAN. Let me reclaim my time. We already know what your plan is. It has been on the floor twice, just as recently as a couple of weeks ago. It includes a tax cut. We know that.

My question to you, Senator COCHRAN, was would you agree to balance this budget without giving a tax cut? Because the fact is, every single dollar of tax cut you are going to borrow.

I simply ask that question of you.

Mr. COCHRAN. I will be happy to respond to my good friend. This is not a debate over how we balance the budget. It is a debate over whether or not we ought to commit ourselves to working together to achieve a balanced budget. That is the provision in this resolution.

Mr. DORGAN. I appreciate the Senator's response. The fact is, he did not answer my question. The reason he did not answer my question, he and I both know, is that you have no intention, the majority party has no intention and never has had an intention, of bringing a balanced budget resolution to the floor of the Senate that does not include a big tax cut that will, in most cases, reward the most privileged of people in our country and every single dollar of the tax cut you are going to borrow. The fact is, every dollar that is given as a tax cut to someone during the next 7 years will be a dollar that is borrowed and increases this country's debt. If you call that conservative economics, I do not know what school teaches it.

The fact is, we know what the plan is. So to come here and say this is about 7 years and CBO and put blinders on—here is the journey. Do not remember, by the way, where we have taken you in the past. We know exactly what that journey is about and we know all of the stops along the way.

Among those stops are a very significant tax cut, because that is the centerpole in the tent on the contract for America. The fact is, the American people are a lot smarter than a lot of the folks running around town. They understand that, when the job in front of you is to balance the Federal budget,

you roll up your sleeves and you talk about how you do it. They also understand that those who roll up their sleeves and talk about a tax cut while you are up to your neck in debt do no service to the future of this country.

I know it is popular. I know why my colleagues, some of my colleagues on the House and Senate side, want to talk about tax cuts. Because it is enormously popular. I have a couple of kids who want to eat desert first every single meal. I know why they want to do that. And I know why you all want to talk about tax cuts. But you all know, if you are honest, that every single dollar of the tax cut will be borrowed.

Let me just suggest a couple of other points about the tax cut. We do not know what this tax cut is going to be, but let me give some examples of what it can be.

In the House of Representatives, they give a \$2 million tax cut apiece for 2,000 corporations by eliminating something called the alternative minimum tax. That does not mean much to anybody. Eliminate the AMT. That is pretty foreign stuff. Nobody knows what that means.

What it means is this. In the old days we used to read stories about a corporation that would make \$2 billion in income and guess what they paid in taxes? Zero. Nothing. Then we put together something called an alternative minimum tax, to say that is not fair. If you make \$2 billion, and somebody goes out and works 8 or 10 hours a day and makes \$8 or \$10 an hour, guess what? They have to take a shower at night and fill out a tax return and they are going to pay a tax. It is not fair, if you make \$2 billion and pay zero, so we are going to have an alternative minimum tax.

Our friends in the House said we do not want an alternative minimum tax. Why should we want those big interests to start paying taxes again? Let us eliminate that. Let us give 2,000 corporations \$2 million each in tax breaks and then let us tell 55,000 kids we cannot afford Head Start for them. Tell them we cannot afford a Head Start Program for you.

In this bill—you know, it is interesting. We are told this is an innocent little piece of legislation. The only thing that matters on this piece of legislation is the last page, page 15, which talks about 7 years and CBO.

What about page 9? I wonder if somebody wants to talk about page 9. Page 9 says the Star Schools Program—which deals with math and education and science, in which we are going to try to boost America's schools—that program we ought to get rid of. What we do is we cut funding 40 percent on the Star Schools Program. And the Senator from New Mexico says, that is only for 19 days; what are you concerned about? Cut Star Schools by only 40 percent for 19 days.

Do you know something? The same people who bring us these priorities, cutting Star Schools, and call them-

selves conservatives and say they want to balance the budget, are off trying to build star wars for \$48 billion, building an astrodome over America. The Soviet Union is gone, but now we want to build an astrodome over America for \$48 billion because, when it comes to star wars, the sky is the limit. We have plenty of money. Let us spend it like it is Saturday night and we have unlimited credit cards. But when it comes to Star Schools, we are sorry, it is just not in the rank of priorities for us.

I somehow do not understand the priorities. We are here, not by accident. This is an engineered circumstance. All of us know that. I have read before, but I want to read again, statements by the Speaker last April. He vowed "to create a titanic legislative standoff with President Clinton by adding vetoed bills to must-pass legislation increasing the national debt ceiling."

This is not an accident. We are not here by some trick of fate. This is a deliberate, engineered shutdown. Why? I guess—I do not know. Maybe it is because somebody was not invited to get off the front of the airplane and he got piqued. It is human. Maybe it is petty. Maybe it is human. Or maybe because there is a genuine difference in priorities.

I guess they want the debate today to be a debate about 7 years CBO. Seven years does not matter to me. Six years will be fine, as far as I am concerned. If we get good economic growth, maybe get some moderation of health care prices, we can do it faster than 7 years. But the fact is, the differences between us are differences in priorities, very substantial differences in priorities.

Just a couple of other quick points. We have heard a lot already this morning, and we will hear all day, that they have a plan to balance the budget. Of course they do not have a plan to balance the budget. The Congressional Budget Office says their plan results in a \$110 billion deficit in the year 2002. I hope the Senator from South Carolina, who is on the floor, will address this as well. What a fraud. It does not balance the budget and never has. The only way they address it is to take money from the Social Security trust funds, move it over, and then claim after they have taken the money they have balanced budget.

Everybody in this room knows it is a sham. I said it in 1983 and offered an amendment in the Ways and Means Committee in the House in 1983, and said: This is what they are going to do with the Social Security surplus if it is not protected. And 12 years later, sure enough, every single year they have done it. So they say we have a balanced budget. Sure they do.

They got to a balanced budget by, in my judgment, dishonestly using Social Security trust funds in the operating budget. No. 1; No. 2, borrowing money to give a tax cut, 80 percent of which will go to the top 20 percent of the income earners in the country.

The fact is this is all about special interest, all about big money. I come from a rural area. I know about the sound of hogs in a corn crib and feeding. I tell you. This is all about feeding. It is about who gets helped and who gets hurt, who gets saddled with the cost and who gets the benefit.

And predictably when you look at winners and losers—not whether we balance the budget but who wins and who loses under this plan—it is pretty clear.

There is an old song by Bob Wills.

Mr. COCHRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. COATS). Does the Senator yield?

Mr. DORGAN. I will not yield.

There is an old song by Bob Wills and the Texas Playboys that I have used on the floor before with lyrics that I think are appropriate to these priorities. "The little bee sucks the blossom, and the big bee gets the honey. The little guy picks the cotton, and the big guy gets the money." That is what this is about. This is about queen bees and big guys. Guess who ends up with all the money, and guess who winds up with all the hurt?

What we ought to do—all of us—is get in a room and talk about what works and what does not. Who needs help and who does not? How do we move our country ahead? What kind of incentives provide opportunity and growth? All of those things are important to everyone of us in this room. Our differences at this point are over priorities, and choices. And honestly I think there are some who do not want them solved. I understand that. There are some who are piqued. There are some who are upset about what end of a plane they got off of at some point. But there are others, myself included, who believe it is worthy to balance this budget. It is important to the country to do it, but to do it with the right choices and the right priorities so that all of the American people benefit from this exercise.

I am happy to yield.

Mr. COCHRAN. I thank the distinguished Senator for yielding.

My question was simply to refer to the statement he made, and to ask him whether or not on the Star Schools issue he realized that in the Senate committee that has jurisdiction over education we recommend in the bill that we tried to call up the other day that Star Schools be funded at the same level that it was funded last year; that the House provided no funding in their bill. And the suggestion of the Senator from North Dakota though is this continuing resolution, if it passed, would zero out Star Schools. The program is forward funded anyway. But in the Senate bill, which the Democrats refused to let us bring up when they refused to permit us to agree to the motion to proceed to the bill, would fund that program at the same level that was funded at last year.

Mr. DORGAN. The Senator is correct. He is also correct that the House ver-

sion of the appropriations bill zeroed it out. I guess I have little faith that rather than getting the best of each we will probably get the worst of both.

So I think that when you come to this floor saying that the Star Schools Program shall have a reduction in funding of 40 percent, which is what I said, the Star Schools Program be reduced by 40 percent in this continuing resolution at the same time that we have a bunch of folks who are genuflecting trying to build a star wars program that will cost \$48 billion. I am scratching my head. Who sees the bigger picture for our country—those who want the best in schools and kids, or those who want to build a star wars project with money we do not need and do not have?

That is the only point I was trying to make. That is why I think this is truly about choices. This it about priorities. This is a very worthy debate. We ought not have it while the Government is shut down. There ought to be, in my judgment, more thoughtful programs keeping the Government open trying the prioritize as we balance the budget, and, yes, in 7 years. That is fine with me. Score keeping is not the issue here. It seems to me that it is choices and priorities.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. DORGAN. Yes.

Mr. SARBANES. Is the article to which the Senator was referring the one from the New York Daily News that starts out "House Speaker Newt Gingrich admitted yesterday that he provoked the government shutdown in a fit of pique over how President Clinton treated him on last week's trip to Israel"?

Later on it says, "And so, Gingrich's wounded pride fueled the shutdown that forced the furlough of 800,000 Federal workers and closed nonessential services—costing taxpayers hundreds of millions of dollars."

Is that the article?

Mr. DORGAN. That is the article to which I was referring to.

Mr. SARBANES. Mr. President, I ask unanimous consent that article be printed in the RECORD.

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

[From the Daily News, Nov. 16, 1995]

CRY BABY—NEWT'S TANTRUM: HE CLOSED DOWN THE GOVERNMENT BECAUSE CLINTON MADE HIM SIT AT BACK OF PLANE

(By Timothy Clifford and Dave Eisenstadt)

WASHINGTON.—House Speaker Newt Gingrich admitted yesterday that he provoked the government shutdown in a fit of pique over how President Clinton treated him on last week's trip to Israel.

Claiming that Clinton refused to open budget talks and snubbed him and Senate GOP Leader Bob Dole (Kan.) aboard Air Force One, Gingrich (R-Ga.) said, "That's part of why you ended up with us sending down a tougher [stopgap spending bill]."

On Monday night, Clinton vetoed the GOP bill that would have kept the government running through Dec. 1.

Clinton rejected the measure because Gingrich and Dole put in provisions that would have raised Medicare premiums and cut deeply into education and environmental programs.

And so, Gingrich's wounded pride fueled the shutdown that forced the furlough of 800,000 federal workers and closed non-essential services—costing taxpayers hundreds of millions of dollars.

Even though Gingrich and Dole spent 25 hours flying to and from Israeli Prime Minister Yitzhak Rabin's funeral, the speaker groused that they never talked about the budget.

And Gingrich told reporters that White House staffers ushered him and Dole off the back of the aircraft on their return—far from the media cameras focused on Clinton and former Presidents George Bush and Jimmy Carter walking out the front.

"You just wonder, where is their sense of manners, where is their sense of courtesy?" Gingrich told reporters. "I don't know. Was it just a sign of utter incompetence or lack of consideration, or was it a deliberate strategy of insult?"

Despite conceding that his complaints sounded "petty," Gingrich argued, "We think they were sending us a deliberate signal that they're not going to negotiate; they don't care what we are doing, that they have, in fact, decided on their path and that is the path of confrontation."

Democrats immediately ridiculed Gingrich—saying that the President let the speaker bring his wife on the trip.

"I'm amazed that he would be the biggest whiner," Senate Democratic Leader Tom Daschle (S.D.) said. "We'll give him another flight over there, and the President can play cards with him. . . . It's crazy."

And Clinton spokesman Mike McCurry said, "You all know that they were going to mourn a death by assassination of the Israeli Prime Minister Yitzhak Rabin. And the speaker was treated with utmost courtesy."

Dole distanced himself from Gingrich's outrage, joking about the incident.

"We got in on the front exit, went out the rear exit," Dole told reporters. "Maybe that's just the normal rotation."

Slightly backing down last night, Gingrich and Dole proposed a new stopgap funding bill without the controversial Medicare provision.

But the measure also would force Clinton to accept balancing the budget in seven years and retains the cuts to environmental and educational programs.

The White House immediately announced that Clinton would veto that bill.

With polls showing public support for his stand, Clinton told CBS television that he would not cave to the Republicans. "I'm not going to do it, even if it's 90 days, 120 days or 180 days. If we take it right into the next election, let the American people decide," the President said.

Meanwhile, Treasury Secretary Robert Rubin took more than \$60 billion from two Civil Service retirement funds to stave off the first default in U.S. history.

Clinton vetoed the GOP's debt limit extension Monday, forcing Rubin to take the extraordinary action that guarantees that the U.S. can pay its bills through the new year.

The financial markets showed approval of Rubin's actions, but the Federal Reserve failed to cut interest rates as many expected it would.

Mr. SARBANES. Mr. President, is the Senator familiar with the articles which appeared in today's Post and today's Baltimore Sun, one headed "Underlying Gingrich's Stance Is His Pique About President," and the other one,

"Gingrich links stalemate to perceived Clinton snub."

This is an absolute tragedy. You have 800,000 employees out of work, services cut down at great expense, and it is all because the Speaker has had a fit of pique about this matter.

Mr. President, I ask unanimous consent that those articles be printed in the RECORD as well, along with a column by Lars-Erik Nelson, of the New York Daily News, headed "Crisis reveals Newt depths of pettiness."

This is incredible. The Speaker himself at a breakfast in effect conceded that this provoked him into taking this action.

The PRESIDING OFFICER. The Chair informs the Senator from Maryland that the Senator from North Dakota has the floor.

Mr. SARBANES. That is right. I am finished.

I ask unanimous consent that the articles to which I referred be printed in the RECORD.

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

[From the Washington Post, Nov. 16, 1995]

UNDERLYING GINGRICH'S STANCE IS HIS PIQUE ABOUT PRESIDENT

(By John E. Yang)

The budget battle between President Clinton and Congress turns on many things, but House Speaker Newt Gingrich keeps coming back to that long plane flight back from Israel when he says the president ignored and insulted him.

Gingrich (R-Ga.) yesterday said the tough terms of the interim spending bill Clinton vetoed Monday night, triggering a partial government shutdown, were partly the result of pique he and Senate Majority Leader Robert J. Dole (R-Kan.) felt on Air Force One during the long round-trip flight to Jerusalem for the funeral of Israeli Prime Minister Yitzhak Rabin.

"This is petty," he told reporters. "[But] you land at Andrews [Air Force Base] and you've been on the plane for 25 hours and nobody has talked to you and they ask you to get off the plane by the back ramp. . . . You just wonder, where is their sense of manners? Where is their sense of courtesy?"

At a breakfast with reporters, Gingrich delivered an almost stream-of-consciousness analysis of the current political crisis, a candid performance he said he knew his press secretary would not like. Gingrich alternately and astutely described how his party was positioned in the current debate over the budget, and angrily relived—at length—the disrespect he felt he suffered at the president's hands aboard Air Force One. He said that the fact that Clinton did not speak to him or Dole during the trip to and from Jerusalem is "part of why you ended up with us sending down a tougher" interim spending bill.

"It's petty. . . . but I think it's human."

Gingrich's comments brought immediate disdain from Democrats. Senate Minority Leader Thomas A. Daschle (D-S.D.) who was also on the trip to attend Rabin's funeral, called on Gingrich to "quit the whinning—let's get on with the real business here."

And White House press secretary Michael McCurry reacted with mock disbelief when asked about Gingrich's allegations of disrespect on the part of the president.

"You all know that they were going to mourn the death by assassination of the Is-

raeli prime minister, Yitzhak Rabin," McCurry told reporters at his daily briefing. "And the speaker was treated with utmost courtesy. In fact, so much courtesy that his wife was invited when other wives of this delegation were not invited. And until someone shows me these words in black and white. I will refuse to believe that the speaker said anything that as you described it as so petty. . . . I just fail to believe the speaker would somehow connect this to the current budget crisis."

As the budget battle intensifies, the bickering between Clinton and congressional Republican leaders is becoming increasingly bitter and personal.

During Monday night's Oval Office meeting between Clinton and congressional leaders, for instance, House Majority Leader Richard K. Arney (R-Tex.) complained about having "to listen to these lies" from the White House, according to a participant.

Clinton responded by saying the congressional Republicans had been worse in their attacks, telling Arney who had criticized Hillary Rodham Clinton during last year's health care debate: "I never, ever have and never expect to criticize your wife or members of your family."

A phone call last Saturday produced complaints of rudeness on the president's part. Dole complained publicly that Clinton had all but hung up on him when he called to discuss a possible budget deal, and Gingrich was angry that Clinton promised to call them back and never did. The White House explained that Clinton was leaving for a Veterans Day event when the Republicans called and that Clinton said then he could talk for only five minutes.

The tension is not surprising. Gingrich is in the midst of the most crucial week yet of his speakership. Not only is he engaged in a high-stakes confrontation with Clinton, but he and his leadership team are struggling to complete work on the massive Republican balanced-budget bill—which leaders vowed would be done last Friday. Gingrich called the measure "central" to Republicans. "It will decide for a generation who we are," he said.

"This is not a game of political chicken. . . . this is not a bunch of juveniles," the speaker said. "This is a serious, historic debate and a serious, historic power struggle. . . . That's why there will not be an immediate resolution to this crisis."

Gingrich told reporters that is why the lack of negotiations aboard Air Force One was so serious.

The speaker said the airborne silence was a signal "that they had made a decision because of their political calculation that they wanted a fight. . . . Our calculation was that they hadn't seen us deliberately. . . . Our feelings aren't hurt."

The speaker said the terms of the interim spending bill were toughened because it was clear it would have to pass without Democratic support.

Whether Gingrich took it as an affront or not, the incident became a rallying cry among House Republicans, who rarely failed to mention it when asked about the possibility of working with the administration.

Among the other things on which the budget battle is turning, Gingrich said, is instinct. That, he said, was the basis for the Republicans' demand that the federal budget deficit be eliminated in seven years. Clinton is refusing to accept that time frame and, earlier this year, proposed balancing the budget in 10 years.

"Seven [years] is the longest period in which you can maintain the discipline to insist on it happening," Gingrich said. "Ten [years] allows you to avoid all the decisions that get you to a balanced budget."

Asked on what that was based, the speaker gave a one-word answer: "Intuition."

Gingrich also dismissed polls indicating that more Americans blame congressional Republicans than Clinton for the budget impasse, saying that his party would win in the long run.

Gingrich said the average American "frankly hasn't thought about it, doesn't particularly care. . . . If the choice [of whom to blame] is a vacillating, extremely misleading president who refuses to make any serious decisions, who refuses to tell the truth and shows up on television trying to make you like him by telling you things that aren't true, and a Congress that says in a very firm, adult way: 'Yeah, we're going to balance the budget.' Now of those two, which one is more likely to get blamed?"

But, Gingrich said, the Republicans will prevail. "The public relations fight is easy," he said. "That's why we've ignored it. . . . We're on the right side of history, we're on the right side of this culture."

[From the Baltimore Sun, Nov. 16, 1995]

GINGRICH LINKS STALEMATE TO PERCEIVED CLINTON SNUB

(By Susan Baer)

WASHINGTON.—In remarks that reveal the personal tenor of the budget battle, House Speaker Newt Gingrich suggested yesterday that he and Senate Majority Leader Bob Dole toughened the spending bill that has led to the partial government shutdown because they felt President Clinton snubbed them on a recent plane ride.

At a breakfast session with reporters, Mr. Gingrich said he was insulted and appalled that, on the long trip aboard Air Force One this month to and from the funeral of Israel Prime Minister Yitzhak Rabin, the president failed to invite the Republican leaders to the front of the plane to discuss the budget, and then made them exit at the rear of the plane.

"I think that's part of why you ended up with us sending down a tougher continuing resolution," Mr. Gingrich said.

"This is petty, and I'm going to say up front it's petty, and Tony will probably say that I shouldn't say it, but I think it's human," the speaker added, referring to Tony Blankley, his spokesman.

Mr. Gingrich's remarks suggest that the shabby treatment he perceived helped shape the "continuing resolution," the temporary spending bill that Mr. Clinton vetoed Monday. The bill is at the heart of the budget impasse that has closed parts of the government and furloughed 800,000 federal workers this week.

Mr. Gingrich said he thought "a couple of hours of dialogue" among the three leaders on the plane might have averted the stalemate that has led to the partial government shutdown.

As he has done repeatedly since returning from the Nov. 6 Rabin funeral, Mr. Gingrich railed against Mr. Clinton's treatment of him and Mr. Dole during their 25 hours in flight—specifically the president's decision not to discuss the federal budget with them.

Upon arriving back in Washington, he and Mr. Dole had to exit the plane by the rear door instead of by the front door with Mr. Clinton and former Presidents George Bush and Jimmy Carter.

"When you land at Andrews [Air Base] and you've been on the plane for 25 hours and nobody has talked to you and they ask you to get off by the back ramp so the media won't picture the Senate majority leader and the speaker of the House returning from Israel, you just wonder, where's their sense of manners, where's their sense of courtesy?" the speaker said.

"Had they just been asleep all night and it hadn't occurred to them that maybe Bob

Dole deserved the dignity of walking down the front ramp? Forget me—I'm only speaker of the House. But you just have to say to yourself, was it deliberate calculated aloofness or just total incompetence?"

Mike McCurry, Mr. Clinton's spokesman, called Mr. Gingrich's remarks "incomprehensible" and said he could not believe the speaker would connect the trip to the Rabin funeral with the current budget crisis.

When pressed by reporters, Mr. Gingrich tried to dismiss the notion that his tougher negotiating stance on the spending measure was a result of a bruised ego.

Rather, he said, the Republican position was influenced by his sense—stemming from the neglect he and Mr. Dole perceived on the plane ride—that the White House was itching for a fight and was simply not interested in negotiating.

"It was clear to us getting off that airplane they had made a decision because of their political calculations that they wanted a fight," the House speaker said.

During the plane trip, he said, he and Mr. Dole tried to grasp the message of the administration's apparent snub.

"It's like Kremlology," Mr. Gingrich said. "You have Clintonology. What are they doing? What are the signals? One of the signals was that in 25 hours it was not worthwhile to sit down and talk. One of the signals was, once we arrived back in America, we no longer mattered."

Asked at a news conference whether he, too, was offended by his treatment aboard Air Force One, Mr. Dole said, "I wondered why I went out the rear exit. We went in the front exit. Maybe that's just the normal rotation."

Mr. McCurry said that, during the flight, Mr. Clinton walked back to the Republican leaders to thank them for joining the delegation to Israel. Budget negotiating, Mr. McCurry said, was not the purpose of the trip.

"The president of the United States lost a friend," Mr. McCurry said. "And I don't think he much felt like talking about budget politics with speaker Gingrich, with all due respect."

Mr. McCurry said the speaker was treated with "so much courtesy" on the trip that he was permitted to bring his wife, Marianne, on Air Force One. The privilege was not extended to anyone else in the delegation, including Mr. Bush and Mr. Carter.

Other Democrats, in the heat of the budget stalemate yesterday, seized on the speaker's remarks. South Dakota Sen. Tom Daschle, the Senate minority leader who was also on the trip, said Mr. Gingrich "must have been sleepwalking that night" because the president had spoken with the congressional leaders several times.

Noting Mrs. Gingrich's presence on the plane, Mr. Daschle said: "For a person who was given extra privileges, extra opportunities to experience this extraordinary piece of history, I'm amazed that he would be the biggest whiner."

[From the Daily News, Nov. 16, 1995]

CRISIS REVEALS NEWT DEPTHS OF PETTINESS  
(By Lars-Erik Nelson)

WASHINGTON.—Across the breakfast table, House Speaker Newt Gingrich was doing a good imitation of Capt. Queeg at the end of "The Caine Mutiny" court-martial, slowly unraveling into resentment and self-pity.

He was fighting liars, he said. And disrespect. "Forget me, I'm only the speaker of the House," he said. Here was Newt Gingrich, leader of the Republican Revolution and defender of civilization on this planet, forced to sit for 25 hours in the back of Air Force One, waiting for President Clinton to stop by and negotiate a budget deal.

But Clinton never came back. So Gingrich, in his rage, drafted two resolutions that forced Clinton to bring the federal government to a grinding halt.

The extraordinary behind-the-scenes tale Gingrich told yesterday morning at a Christian Science Monitor breakfast is either comedy or tragedy, or junior high school cafeteria intrigue, take your pick. It surely was not what you expect to hear from the stewards of your government.

Gingrich had been invited aboard Air Force One last week to fly to the funeral of Israeli Prime Minister Yitzhak Rabin. With a budget crisis pending, he expected Clinton would take time out during the flight to talk about a possible solution.

But Clinton, who seemed to be genuinely grieving over Rabin's death, stayed up front in a cabin with former Presidents Jimmy Carter and George Bush on both the outward-bound and return trips.

Then, when the plane landed at Andrews Air Force base outside Washington, Gingrich and Senate Majority Leader Bob Dole were asked to deplane by—gasp!—the rear door.

"This is petty," Gingrich confessed. "I'm going to say up front it's petty, but I think it's human. When you land at Andrews and you've been on the plane for 25 hours and nobody has talked to you and they ask you to get off by the back ramp . . . you just wonder, where is their sense of manners, where is their sense of courtesy?"

To Gingrich, the professor of history, this was one of the snubs of the century, ranking, he said, with the time Charles Evans Hughes stiffed Hiram Johnson of the California Progressive Party back in 1916, a slight that cost Hughes the California vote and the presidency. And it was this disrespect, Gingrich continued, that caused him to send the President two temporary financing and spending bills he knew that Clinton would have to veto—thus shutting down the federal government.

As Gingrich spoke, feeling sorrier and sorrier for himself and Dole over their treatment aboard Air Force One, he realized that what he was saying did indeed sound petty. So he changed his tack. "This was not petty," he insisted. "This was an effort on our part to read the White House strategy. . . . It was clear to us coming off that airplane that they had made a decision because of their political calculation that they wanted a fight."

But then again, he wasn't sure. "Was it just a sign of utter incompetence or lack of consideration, or was it a deliberate strategy of insult?" he asked himself. "I don't know which it was."

Either way, the federal government is shut down, 800,000 employees are laid off, the Treasury is scrambling to honor payments on its bonds, the once-in-a-lifetime Johannes Vermeer exhibit at the National Gallery of Art is padlocked, the Statue of Liberty is closed down for the duration and Gingrich, second in line for the presidency, walks around town seeing plots against his dignity.

Well, what about it, George Stephanopoulos? Did you intentionally snub the speaker of the House aboard Air Force One?

"I think the speaker needs a weekend off," Stephanopoulos said. "The President was in mourning for a friend. He had several briefings with the speaker, and the rules for Air Force One are that only the President goes out the front door."

Mr. DORGAN. Mr. President, before I yield the floor, I fervently hope that thoughtful people will sit down, and that we will reason together and compromise on these choices—not on the question of whether we should balance

the budget. Of course, we should. Not on the question of 7 years or score keeping—compromise on the question of priorities and choices that allow us to get our fiscal house in order, and allow us to build a better future for this country.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

AMENDMENT NO. 3055

Mr. DASCHLE. Mr. President, I know that there are a number of amendments to be offered. I think it is important that we get on with them.

So, in interest of doing so, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from South Dakota (Mr. DASCHLE) proposes an amendment numbered 3055.

Strike all after the first word and insert the following:

Section 106(C) of Public Law 104-31 is amended by striking "November 13, 1995" and inserting "December 22, 1995".

Mr. DASCHLE. Mr. President, let me first explain the amendment. It very simply says let us get down to business here. Let us put aside all of the debate, all of politics, all of the charges, and let us do first things first. Let us pass a continuing resolution to the 22d of December, about a month, giving us time to work through what we know is going to be an extraordinarily difficult 4 weeks. We know we are going to have more of this debate. We know we are going to have many differences. We know that we are not going to resolve many of them. But we also know that we cannot let all of what is happening out there for the last 48 hours continue day after day after day.

I do not have today's report, Mr. President. But let me give you yesterday's. So far, in just 2 days, 56,000 people have been unable to apply for Social Security benefits—56,000; 3,226 veterans have been unable to file new claims for compensation and pension benefits; 1½ million visitors have been turned away in 2 days from our national parks; 46,000 people have been unable to apply for passports.

Mr. President, I could go on and on. But that is result of what is happening here. Until we resolve the issue of a continuing resolution, we are not going to see changes except for the fact that these are going to get worse and worse and worse. Those are the changes we can expect.

So my amendment simply says this. Let us agree to disagree on all of the other issues for now, and let us at least agree that this cannot go on; that the American people expecting services from the Federal Government ought to get them; that this looks worse and worse, and that we ought to resolve at least this part of it. I do not think that is too much to ask, Mr. President.

So I would hope every Senator could support at least this. That is all we are

doing today—offering an amendment that says the Government must continue to function.

What is all the more troubling is what we have just heard in the dialog and in the colloquy on the floor between the distinguished Senators from North Dakota, from Maryland, and others who have laid out what may be the motivation behind this impasse.

It sounds to me more like this impasse is directly a function of the result of a hunch and a grudge on part of the Speaker—a hunch and a grudge, a grudge that somehow he was not given adequate consideration on the plane to Israel. Well, I must tell you—and I will tell my colleagues what I have said repeatedly now in the last week or 10 days on the floor and in public forums throughout the last week and a half. I was in that same room, and I do not know whether this is selected memory or sleepwalking on an airplane or what. The President came back on a number of occasions, talked to us a number of times about the extraordinary nature of the trip itself. We were going to one of the most difficult, one of the most emotional, certainly one of the most memorable occasions that I have had in public life, the burial of a head of State. He came back. We talked at some length about that with the Israeli Ambassador, who, by the way, was also in the room. We had those conversations. The Speaker was there. Why he chooses now not to remember that is something I do not understand.

He came back on other occasions talking about the need to find agreement, the need to breach our differences, the need to find a way with which to resolve the impasse. And when he was finished coming back, the Chief of Staff came back on several occasions and asked about whether or not we could resolve our differences.

I must remind my colleagues, I recall very well when I got the call from the White House that this was a development that had just occurred and could I come back to Washington. I was in South Dakota. Reference was made to spouses, and I was informed that spouses in this situation just were not welcome. And I said I understood. I knew the plane would be crowded. I knew how difficult the trip. I knew all the logistical problems. So I did not challenge whether spouses ought to be there or not. But I am told the Speaker did. The Speaker said: I have got to have my wife there, and she was there. I do not deny her the right. I am glad she was. She is a delightful woman, and I appreciated having the chance to have her on the airplane and for her to experience what we experienced. However, it makes all the more petty, all the more demeaning this whole affair. I do not understand it. And so, Mr. President, I must say that for him to be using this, given the facts, is absolutely incredible.

And then to go beyond just the grudge—the hunch. The hunch. Yesterday morning, the Speaker was asked,

on what do you base your calculation that this has to be done in 7 years? What is it about 7 years that you think really drives the need to have a balanced budget in that timeframe? The question was, what do you base it on? His answer? Intuition. Intuition. That is my answer. That is how it is that we have concluded a 7-year balanced budget is the right number of years.

As my colleagues have said and as the Wall Street Journal says again this morning, maybe it is time to privatize these economic projections. I hear arguments on the other side that we ought to privatize everything. Well, there have been seven economic analyses. The CBO is the most conservative of the seven. In 1993, they were so conservative they were \$100 billion off in 2 years—\$100 billion. And now we are saying we have to use these conservative estimates as we project for the next 7 years in spite of the fact—and I hope everyone just thinks about this for a minute. It is one of the most inexplicable inconsistencies. Maybe our Republican colleagues can enlighten me here—our economic growth for the last 25 years has been 2.5 percent, 2.5 percent.

CBO is projecting economic growth for the next 7 years at 2.3 percent. But we are told—and I think there is a mutual agreement—that if we balance the budget, if we do all the things that we should be doing to spur economic growth, it should be more, not less, than what it has been historically. It ought to be more than 2.3 percent. So what the Republican majority is apparently telling us is that we are going to go through all the pain, all the difficult choices, all these circumstances so that we can enjoy a growth rate less than what we have enjoyed for the last 25 years.

Mr. President, somebody smarter than I has to explain why the American people should buy that. Everyone is entitled to buy their own projections but somebody ought to explain that to the American people. And again I go back to whether or not—

Mr. STEVENS. Mr. President, will the leader yield?

Mr. DASCHLE. I will yield when I finish. I will be happy to yield to the Senator from Alaska as soon as I finish my train of thought.

I will stand by whatever we may ultimately agree to here, but let us be real. Let us be honest. The Government does not have a monopoly on good numbers. If the private sector is telling us not once, not twice, but on five different analyses done about economic growth in the future, if they are all telling us, look, you are missing something here, we think it is a lot better because of what you have been doing, it is going to be a lot better than 2.3 percent, why not consider it? Why not think about it? Why not privatize economic growth? If we are privatizing everything else, let us privatize this, too. Because if we privatize it, we are going to be in a lot better position to better

understand the implications of all this than we are right now.

So, Mr. President, that is what this is about. I am very, very disappointed that we have not been able to resolve our differences on the continuing resolution at least. We will have more to say about the balanced budget, but let me just emphasize we have all voted for a balanced budget. Many of us have voted for a balanced budget in 7 years. But to say under any condition you just have to accept the fact that it is going to be 7 years and we will fill in all the blanks later makes me very, very skeptical, frankly.

The Republicans have been very uneasy about the fine print in that 7 years, and now we want to get on to the large print. I think we have to go back to the fine print and look at exactly what we are talking about in 7 years. I hope we can agree to 7 years at some point. But if we do or if we do not, before we are called upon to vote on a 7-year budget, I hope everyone understands it is like buying a house from the curb. We look at it from a distance and it looks like a nice house. It looks like a great house. But what happens when you walk inside? Is it a money pit? Is it a house of horrors? What will that house include? Does it have a roof? Does it have a basement? What will be the definition of this house? What will be the design?

That is something we are going to start working on tomorrow. As early as tomorrow the reconciliation package will be before us. If we have some concern about what this house looks like, maybe it is for good reason, because we have already seen the Senate-passed and the House-passed reconciliation bills. We know what they look like. We know that they cut \$270 billion out of Medicare for tax cuts totaling over \$200 billion. We know that. We know they cut over \$185 billion out of Medicaid. We know that. We know they have made deep cuts in education.

There is a room we ought to look at. Let us walk into the education room for a minute. There on one side of the room I see a lot of cuts directly affecting school programs. I see a loss of student loans to college students. I see a whole array of losses in the education room that I am not prepared to accept.

Then I walk into the working person's room, and I find dramatic cuts in the earned-income tax credit, almost a complete demolition of the EITC.

So the more I walk through this house, Mr. President, I have to tell you it is a house of horrors, and that is why we are very skeptical about whether or not signing on to this house from the curb makes a lot of sense to us regardless—regardless—of whether or not we agree on an amendment by a date certain.

I know a lot of people have asked to speak, and the distinguished Senator from Alaska sought recognition for purposes of yielding for a question. I will be happy to do that. Let me just again state my motive here.



Our motive is simply to say let us have that debate tomorrow. Let us have it on Friday when reconciliation comes. Let us get into next week if we have to, but let us at least agree that the thousands of people—the thousands of people—who are not getting the services that they expect from their Government, services they have paid for in their hard earned taxes, that at least that much we can agree on, that we are going to give those services back to the people who expect them. This amendment provides that. And I hope it will enjoy broad bipartisan support.

Mr. STEVENS. Will the Democratic leader yield?

Mr. CONRAD. Will the Democratic leader yield?

Mr. DASCHLE. I will be happy to yield to the Senator from Alaska since he sought recognition first.

Mr. STEVENS. I listened with interest to the leader on the other side of the aisle. There are two questions I have. There are two parts to the resolution that is before us: One deals with recognizing the economics through the CBO, and the other deals with the date, 7 years.

Could the leader tell me what has happened since the President of the United States stood before us in joint session, and said, "I'm going to rely on the CBO, and ask you to rely on the CBO. Let's get out of this business of having different numbers."

My memory is the Democratic side of the aisle cheered very wildly at that time. What has happened since that time, since the President asked us to rely on the CBO?

Second, my memory is that the President's group that was put together on Medicare said that Medicare would be bankrupt by 2002, that the 7 years came from the Medicare report. And it was the President himself in the first instance that said we should do it within 7 years.

What has happened to change the position of the people on the other side of the aisle from what the President asked us to do, rely on CBO, and what the President's people predicted, that unless we act that Medicare fund will itself be bankrupt by 2002? That is the reason for the 7 years. What has been the change, Mr. Leader?

Mr. DASCHLE. I will be happy to answer both questions of the distinguished Senator from Alaska. And they are good questions.

The first question: I think it is fair to say our confidence has been shaken a little bit when any Government agency happens to make, in a 2-year time-frame, a \$100 billion mistake—\$100 billion. We said, "We're going to listen to you, but I hope you're going to be right. And if you are not right, would it not make sense to go back and find whether or not there is a better way to calculate whether, as we make one of the most important decisions regarding our spending for the next 7 years, that we not use numbers that are more ac-

curate?" If we are off \$100 billion in 2 years, what is that calculated for? How much more off are we going to be in 7 years?

So that is the first question. He assumed they could calculate, that they could give us an accurate assumption of what we were going to be experiencing for 2 years. But to be off \$100 billion, that sounds like another governmental agency that needs some work.

The answer to the second question is, yes, absolutely we have got to solve the Medicare bankruptcy problem, the problem involving the trust fund. But nothing we are talking about here does that. If we are going to solve the problem with regard to the trust fund, we have only got to deal with part A, and for that we need \$89 billion. And, of course, the distinguished Senator from Alaska has read the same trustees' report that we have. The trustees say, "You're going to need \$89 billion."

That begs the question, why in the Republican budget do we need \$181 billion more than the \$89 billion? Why the \$270 billion? We know why the \$270 billion, because \$181 billion of that \$270 billion is going for the tax cut, to pay for \$200 billion-plus in handouts to those that do not need them. Those are the best answers I can give to the distinguished Senator from Alaska.

Mr. EXON. Will the Senator yield?

Mr. DASCHLE. The Senator from North Dakota was seeking to ask a question. I yield to him.

Mr. CONRAD. I would ask the Senator from South Dakota if he was aware that the Wall Street Journal this morning has endorsed the President's economic assumptions? Was the Senator from South Dakota aware that this morning the Wall Street Journal has said the estimates of both CBO and OMB are overly pessimistic, that both of them are wrong? Based on what? Based on what has actually happened the last 2 years.

I would just ask the ranking member of the Budget Committee, who has brought charts that show the actual results the last 2 years, that demonstrate CBO and OMB have both been wrong with respect to what has actually occurred with economic growth, have both been wrong with respect to deficit reduction.

Mr. DASCHLE. I yield to the Senator from Nebraska, the ranking member of the Budget Committee, because it is directly relevant to the Senator from Alaska's question. Perhaps he can explain the chart.

Mr. EXON. The Senator from Alaska—

Mr. SPECTER. Parliamentary inquiry.

Mr. EXON. The Senator from—

Mr. DASCHLE. Mr. President, who retains the floor?

The PRESIDING OFFICER. The Democratic leader retains the floor.

Mr. DASCHLE. I would yield for a question.

Mr. SPECTER. Parliamentary inquiry.

The PRESIDING OFFICER. The minority leader has the floor.

Mr. EXON. The Senator from Alaska's question was a very good one, and this chart answers it directly. I am confident that the Senator from Alaska did not know about this. He seems to think that the projections of both CBO and OMB are infallible. This chart indicates the opposite and indicates and answers the question of what has happened to projections.

You will note on this particular chart that President Clinton delivers on deficit reduction. When we passed—

Mr. SPECTER. Mr. President, I call for the regular order.

Mr. EXON. Would you kindly direct the Senator from Pennsylvania to follow the rules?

The PRESIDING OFFICER. The Democratic leader has the floor and may only yield for the purpose of a question.

Mr. DASCHLE. Which is what I did. I yielded to the Senator from Nebraska for a question. Part of the question involves an explanation of a chart for which I hope to give an answer as soon as the explanation is complete.

Mr. EXON. May I ask this question of the Democratic leader? Was the Democratic leader aware, as a response to the question asked by the Senator from Alaska, that the reason that we are questioning these projections are that this chart showed very clearly that after the President's deficit-reduction bill, which was projected by both CBO and OMB to be in the range of \$275 billion, very close, actually the deficit reduced dramatically less than that, clear down to the \$175 billion level? Was the Democratic leader aware of that?

Mr. DASCHLE. I was not aware of it. And I appreciate the Senator from Nebraska's explanation.

Mr. EXON. One more thought that maybe the Senator from Alaska or the Democratic leader indicated—

Mr. DASCHLE. I yield to the Senator from Nebraska for another question.

Mr. EXON. Was the Democratic leader aware, on the projection idea, as to what economic growth has come about? Economic growth is what the article that has been referred to by many Senators this morning with regard to the Wall Street Journal—the economic growths that were predicted both by OMB and CBO, as a result of the President's actions, came at this level. Notice they are almost parallel.

The PRESIDING OFFICER. The Chair would remind the Senator from Nebraska that the Democratic leader has yielded for the purpose of a question.

Mr. EXON. I am asking a question. I am asking a question.

The PRESIDING OFFICER. It did not appear to be.

Mr. EXON. I am asking if the majority leader knew that, in addition to the other chart, on this particular chart the numbers were far, far more than either CBO or OMB had estimated?

Mr. DASCHLE. The Senator from Nebraska makes the point in his question, and I think it goes to the very issue raised by the Senator from North Dakota. They have both been too conservative, not accurate; and as a result, they miss the mark by more than \$100 billion.

Mr. SARBANES. Would the Senator yield?

Mr. DASCHLE. I know the Senator from Mississippi has been seeking recognition for purposes of a question. I yield to him at this time.

Mr. COCHRAN. Mr. President, I thank the distinguished Democratic leader.

My question is this: The Democratic leader's amendment seeks to extend the time for the continuing resolution. My question is whether you support the continuing resolution with this change and would recommend that the President sign it.

Mr. DASCHLE. I would recommend—I am not sure I understand the question completely. But if the Senator is asking, would I recommend to the President to sign a clean resolution taking us through December 22, my answer is, of course, yes. I would hope he would sign it.

Mr. COCHRAN. My understanding is that the amendment the distinguished leader has offered has simply extended the date of the resolution, as offered, to well over into December rather than—

Mr. DASCHLE. The Senator is correct.

Mr. COCHRAN. My question is, if this amendment is adopted, that we vote for it, would you recommend it to the President?

Mr. DASCHLE. Yes, he would. He would sign it.

Mr. COCHRAN. Without any change in the content of the resolution?

Mr. LEVIN. No.

Mr. DASCHLE. My amendment modifies their resolution to take out any other references, to take out balanced budgets, to any of the other intentions—

Mr. COCHRAN. I thought it was just changing the date.

Mr. DASCHLE. No. No. I apologize.

Mr. COCHRAN. The Senator is taking out all of the language in the resolution completely?

Mr. DASCHLE. As I said, I describe this as a clean resolution, a resolution that allows us to debate the question of a balanced budget on a time certain, beginning tomorrow during the reconciliation, when we should. This simply says, let us pass a resolution through December 22 at the level of funding we established in the previous continuing resolution.

Mr. COCHRAN. But not making any commitment to achieve a balanced budget?

Mr. DASCHLE. We can make a—absolutely. We would certainly make a commitment. The question is, does it have to be written in as a language specific to CBO as part of the CR, the continuing resolution?

Mr. COCHRAN. And if I could ask.

Mr. DASCHLE. I yield again to the Senator.

Mr. COCHRAN. Does your amendment say there will be a balanced budget in 7 years, that that is the commitment that is being made by the Democrats to achieve a balanced budget in 7 years?

Mr. DASCHLE. I am sorry the distinguished Senator from Mississippi was not listening to my remarks, because I thought I made it very clear. I will be happy to clarify one more time.

We support a balanced budget by a date certain. Many of us could even support a 7-year balanced budget under the right set of circumstances, but we have to know what the house looks like from the inside, not just the outside. And while we are looking at the house, I think it is important that the services of Government continue to be provided.

That is what this does. It allows us to have a good debate about a balanced budget, with all of its ramifications, including Medicare and tax cuts, something you heard us talk about a lot, all of that beginning tomorrow, but it allows the Government to continue to run, as we expect it to run, through December 22.

Mr. SARBANES. Will the Senator yield?

Mr. DASCHLE. I will be happy to yield to the Senator from Maryland.

Mr. SARBANES. As I understand the leader's position, the examination of the rooms within this house—the education room, the Medicare room, Medicaid room, so forth—should take place in the course of considering the reconciliation.

Mr. DASCHLE. Exactly.

Mr. SARBANES. That is the package under which that examination takes place; is that correct?

Mr. DASCHLE. The Senator from Maryland is absolutely correct.

Mr. SARBANES. And that examination should take place in a circumstance in which a gun is not being held at the head of the people conducting the examination by virtue of closing down the Government and terminating all these services. This is a coercive measure which has no place—

Mr. SPECTER. I call the Senator on rule XIX.

Mr. SARBANES. In our consideration; is that not the leader's view?

Mr. DASCHLE. The Senator is correct.

Mr. SARBANES. Let me ask the leader one other question on these estimate figures. Is the leader aware that the blue chip consensus, which is derived from a monthly survey of 50 private sector forecasters, disagrees with CBO and, in fact, agrees with OMB on the forecast? So the private sector forecasters, in effect, do not validate the CBO projections; they agree with the OMB projections. Is the leader aware of that?

Mr. DASCHLE. I was aware of that, and the Senator is right to point it out.

Mr. SARBANES. And furthermore, the CBO projections have been notably short in recent times—

Mr. SPECTER. I call the Senator under rule XIX.

Mr. SARBANES. In terms of hitting the mark with respect to the growth figures; is that not correct?

Mr. DASCHLE. The Senator is correct.

Mr. LEVIN. Will the leader yield?

Mr. DASCHLE. I will be happy to yield for a question from the Senator from Michigan.

Mr. LEVIN. It had been represented a little earlier this morning that there are only two parts of the resolution before us that came over from the House. On one part, we are told that there is a commitment to a 7-year balanced budget, and the other part is that CBO figures would be used. Is it not true that those two parts are only part of title III, which represents less than one page of the CR that came over from the House, and that the other 14 pages contain other significant changes, including 40-percent reductions in low-income home energy assistance; 40-percent reductions during this CR period of 18 days of drug elimination grants; 40-percent reductions of housing for severely distressed folks; VA construction cuts of 40 percent; 40-percent cuts during this period of impact—

The PRESIDING OFFICER. The Chair reminds the Senator from Michigan that the leader has yielded only for the purpose of a question.

Mr. LEVIN. I am in the middle of a question.

The PRESIDING OFFICER. The Chair was not certain about that.

Mr. LEVIN. Is it not also true that this same document that came over from the House, in addition to the two parts of title III that have been referred to, contain 40-percent cuts in dozens of programs during this period of the continuing resolution?

Mr. DASCHLE. The Senator is accurate. That is the case. As the resolution has been presented, not only does it address the issue of whether or not we ought to be confined by numbers which have been demonstrated to be extraordinarily erroneous over the last 2 years, but we are also compelled to vote for dramatic, draconian, extreme cuts in current funding levels.

Mr. President, I do not want to abuse my floor privileges. I know others have sought recognition.

Mr. WELLSTONE. Can I ask the Senator a brief question?

Mr. DASCHLE. I yield for a brief question from the Senator from Minnesota.

Mr. WELLSTONE. Which will require only a very brief answer. My question to the minority leader is as follows: Is the Senator aware that right now some of these programs, like the Low-Income Energy Assistance Program, which my colleague from Pennsylvania has been a very strong advocate for, the funding is not getting out to the cold weather States, and for those States this is an issue right now?

Is the Senator aware that on this continuing resolution, as my colleague from Michigan just stated, we are talking about only 60-percent funding of a very minimum amount nationwide?

And, finally, is the Senator aware—that as I please put this in human terms—that as a matter of fact, if we keep this up here, there are people who could go cold and freeze to death? That could happen. Is the Senator aware of that? That is not melodramatic. Is the Senator aware that that could happen?

Mr. DASCHLE. My answer to the Senator from Minnesota is yes, I am aware of that, and that is the reason we are offering this amendment.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Can we agree to vote on this amendment or on a motion to table this amendment, say, at 12:45?

Mr. DASCHLE. Mr. President, I would be willing to enter into that agreement, as long as we have the understanding it is either a tabling motion or up or down; that it is not subject to second degree.

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

Mr. DOLE. And equally divide the time. I will say, we will not offer a second-degree amendment. That will give each side additional time to debate. I understand there is one additional amendment.

Mr. DASCHLE. As I understand it, the Senator from South Carolina has asked for the opportunity to offer an amendment, and he would be willing to commit to a relatively short time-frame. So I think it would be three amendments.

Mr. HOLLINGS. Let me indicate, I have been here since 9:30—we all have—and I am not complaining about it, but I do not want any agreement, I say to the distinguished leader, to forego the chance to offer an amendment sometime today and a fair chance to debate it as relative to the unified budget versus using Social Security funds.

We just voted on Monday not to use Social Security funds. Now today it appears by the resolution—and I want to be able to correct it with an amendment—we are going to use Social Security trust funds to balance the budget, and that is just a one-line amendment. I have it drawn, as the Parliamentarian has indicated, where I can present it again and again and again, second degree or perfecting or otherwise. That is why I am stating this so the majority leader understands the intent of the Senator from South Carolina.

Mr. DOLE. It was impressed on me, which is why I did not file cloture last night, that there would be two amendments offered today. More can be offered. If that is the case, I may get my cloture motion out. If we are going to shut the Government down by filibuster or offering amendments throughout the day, then do not blame this side of the aisle.

Mr. DASCHLE. Mr. President, let me respond to that.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. I understand the majority leader's concern. There is absolutely no interest in filibustering this bill. We would agree to time agreements on each of these amendments, as I have indicated. I will enter into those time agreements whenever it is appropriate. We already have a time agreement on the first amendment, and we will do so on the second and third as well.

Mr. CONRAD. Will the leader yield?

Mr. HOLLINGS. I will be glad to enter into a time agreement.

The PRESIDING OFFICER. Who yields time on the amendment?

Mr. CONRAD. Will the Senator yield just for a comment?

Mr. DASCHLE. You can take the floor.

The PRESIDING OFFICER. Does the minority leader yield time? The minority leader is recognized.

Mr. DASCHLE. If I am recognized, I will be happy to yield to the Senator from North Dakota.

The PRESIDING OFFICER. The minority leader can yield for a question.

Mr. DASCHLE. Because of the time agreement, I understand, I will yield such time as he may require to the Senator from North Dakota. As I indicated, it is not our desire to monopolize the floor. There have been people waiting on both sides. I yield to the Senator from North Dakota for a question.

Mr. DOLE. As I understand it, we do have an agreement there will be a vote on or in relation to the pending amendment at 12:45?

The PRESIDING OFFICER. That is the agreement.

Mr. DOLE. And that time is equally divided.

The PRESIDING OFFICER. That is the agreement.

Mr. SPECTER. Was that unanimous-consent agreement entered into?

The PRESIDING OFFICER. Yes, it was.

Mr. DOLE. I yield 10 minutes of that time to the Senator from Pennsylvania, Senator SPECTER, after the exchange between the minority leader and the Senator from North Dakota.

Mr. CONRAD. I thank the Republican leader. I was going to alert the leaders that I, too, have an amendment on which I would be happy to take a short-time agreement. But I think it is important that an additional amendment be offered. I would like the time to do that. I would be happy to take a short-time agreement to do so.

Mr. DASCHLE. Well, we will work that out.

Mr. SARBANES. Will the majority leader yield me 30 seconds to make a point?

Mr. EXON. I yield 30 seconds to the Senator.

Mr. SARBANES. Mr. President, I want to put this in the RECORD. The

Government private forecast, fourth quarter to fourth quarter, on GDP growth for 1995 was 2.5 percent. The CBO forecast was 1.3 percent, which fell way short of what the actual growth has been over that period of time.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. SPECTER. Mr. President, I have been on the floor for a considerable period of time and on my feet, and I had called Senators to order under rule XIX, where there had been a succession of questions, which I think, fairly stated, really went beyond a question. The rules of the Senate do not permit any Senator, even a leader, to yield to another Senator on the floor for anything other than a question. The proceedings went far beyond a question. I just wanted to make that explanatory statement as to why I was on my feet seeking recognition and seeking that the rules of the Senate be complied with, so that others might have an opportunity to seek recognition.

As I have listened to this debate, Mr. President, I am reminded of the statement by a very distinguished Senator from Maine, Senator Margaret Chase Smith, who made the distinction between the principle of compromise and the compromise of principle.

As I listen to this debate, we are not talking about first amendment issues. We are talking about dollars and cents and some sort of an accommodation. I heard the question raised by the Senator from Minnesota, Senator WELLSTONE, about low-income energy assistance and how it was not being provided to the poor people of America. And he made a reference to what this Senator had been trying to do. I think that characterizes the situation on the Senate floor, where we have a bill on Labor, Health and Human Services, and Education, the subcommittee which I chair, which has not been brought to the floor because there is a filibuster effort by the Democrats on a provision relating to striker replacement. I do not say that in the context of fixing blame on the Democrats, necessarily, because that provision is a substantive provision added on to an appropriation bill by Republicans and we really ought not to use the appropriations process for substantive provisions which are contested.

I think that is what has happened now when we have had the Government shut down for 2 days, and we have had many, many Americans inconvenienced. There has been a recitation of the people who have been inconvenienced—the Social Security beneficiaries cannot apply, and the veterans, and the situation with passports, and immigration issues, and visitors.

I received a call yesterday from my hometown of Philadelphia, where people cannot go to Independence Hall, and they are saying, "What is going on down there?"

Mr. President, I believe we are witnessing a real spectacle in the Congress

for the last 2 days. What we have been seeing over the past several years has really been a demise of democracy. When I first ran for public office, not too long ago, 70 to 75 percent of the people of Philadelphia came out to vote in a mayoral election. Last week, we had an election in Philadelphia, and less than half of the people came out because of the disillusionment, disenchantment with what is happening in Washington, DC, inside this beltway, and really around America in the political process. What is happening here—and it is no surprise and it is understandable, in a sense—is this maneuvering for political advantage.

I suggest to my colleagues, both in the Congress and in the executive branch, that nobody is getting any political advantage now. This is not a win-win situation, this is a lose-lose situation for everybody. When Senators come to the floor and decry the issue of political advantage and go on and on about what the Speaker's wife did as a passenger on an airplane, that is hardly going to the issue of what we are trying to do to solve this crisis in Government and this crisis in confidence.

Mr. President, what is really involved here is a question of priorities. I think it is far beyond the issue of pique. I think people do not understand really how tired everybody is in Washington and how tired everybody is around the country about what is going on in Washington. But we have late-night sessions, and many of the people just went to Israel for the sad funeral of Prime Minister Rabin—16 hours over and 16 hours back. There is a certain sense of exhaustion which is working here. We certainly do not want the American people to think that the Government is being run out of a sense of pique or out of a sense of grudge. What we are boiling down to here, Mr. President, I think, is a crystallization of the issues which have to be decided at the next election.

The issue of a balanced budget is one where a lot of lip service is being given on both sides of the aisle. But I suggest that the record is reasonably clear—and it is hard to have a reasonably clear record on anything in Washington, DC—that it is pretty much a party issue, with every Republican, except one, voting for a balanced budget amendment. And on the Democrat side of the aisle, there was substantial disagreement with six Senators last year in favoring a balanced budget amendment, and now not favoring it.

The President of the United States—and not in a harsh rhetoric sense—opposes a constitutional amendment for a balanced budget. We may be clarifying an issue here about having the 7-year timeframe for a balanced budget amendment, as postulated on this continuing resolution. It is my hope that President Clinton will sign a continuing resolution that has two qualifications. One is a 7-year time limit, which, on occasion, he has endorsed,

and a second on figures from the Congressional Budget Office, which, again, on occasion, he has endorsed.

Of course, you can raise arguments as to anything on any issue at any time, anyplace, especially around here. But those are not unreasonable conditions to move ahead with a continuing resolution, to get the Government back in operation. If the President decides not to sign that continuing resolution, then I think we have to come to terms, leave the issue for the 1996 election in fairly crystal form, and get this Government running again.

If we come back to basic principles, we all agree that the Congress passes legislation which has to be signed by the President, unless there are two-thirds of each body of the House and Senate that will override a Presidential veto. And if we have a gridlock, if the President is adamant, for whatever reason, and if the Congress is adamant, for whatever reason—and I think the American people see it as a lot of political posturing on both sides and are saying "a plague on both of your houses"—why cannot the Congress of the United States come to terms? This is not freedom of religion; this is not due process of law; these are dollars and cents which, customarily, have been split. If we cannot split them, let us crystallize the issue for the 1996 election. But let us not tie up the Government of the United States in the context where we all look so foolish.

Yesterday, I had my regular weekly radio news conference, and the only question asked was about the stalemate in Washington and the gridlock. I said, candidly, that it was an embarrassment. It was embarrassing to be a Senator when what is happening in Washington, DC, goes on without any resolution. So I hope, Mr. President, in the first instance, that President Clinton will accept this continuing resolution. It is not too onerous.

There is no commitment as to what is going to appear in all of the rooms discussed by my colleagues within the 7 years. I have been on the floor of this body objecting to the tax cuts at a time when we are seeking to balance the budget and to tighten our belts and we are asking people to take cuts in programs. I have the chairmanship of the appropriations subcommittee covering three big departments:

Education—where we have added \$1.6 billion on a Republican bill which is being filibustered by the Democrats. Again, I do not question it, really, because a substantive measure was added on striker replacement.

Health and Human Services—both the House and the Senate have agreed to add substantial funds to the National Institutes of Health on their important research projects. That is being held up because of the bickering. Certainly the President would agree to sign that.

And we cover the Department of Labor. Our subcommittee came back in on a \$70 billion discretionary budget

and cut \$8 billion with a scalpel instead of a meat ax in a way which satisfied the distinguished Senator from Iowa, Senator HARKIN, who has worked with me on that subcommittee.

So we really ought to come to terms here. If there is a limitation of 7 years, it does not say that is going to be done to any one of the departments. There is plenty of time to object at a later stage.

I hope the President will sign a continuing resolution with these two relatively modest limitations. If that does not happen, Mr. President, I hope we heed the words of Margaret Chase Smith and distinguish between what is the principle of compromise as opposed to the compromise of principle and recognize that our Constitution gives the President the veto power and a dominant role, or at least an equal partnership role, unless we have two-thirds to override—which we do not—so that we can end the charade, get the Government going, and crystallize that issue for the 1996 election.

I yield the floor.

Mr. HOLLINGS. Mr. President, I had talked to the distinguished ranking member on the other side of the aisle and asked for 10 minutes but he is not here so I yield myself 10 minutes.

Mr. President, my colleague from Pennsylvania talks about the resolution without smoke and without mirrors.

Let me point to the smoke and let me point to the mirrors. It says here on the last page about commitment to a 7-year balanced budget: "The President and the Congress shall enact legislation to achieve a unified balanced budget."

Now you have the smoke. Now you have the mirrors. This is exactly what the U.S. Senate on Monday—today is only Thursday—exactly what the U.S. Senate on Monday voted 97-2 against, this smoke, this mirror.

Let me quote, since the distinguished Senator from Pennsylvania is here, our late colleague, the distinguished Senator from Pennsylvania, Senator John Heinz.

Since 1983, when we may have saved the Social Security goose, we have systematically proceeded to melt down and pawn the golden egg. It doesn't take a financial wizard to tell us that spending these reserves on today's bills does not bode well for tomorrow's retirees.

I quote another statement from Senator John Heinz:

The truth is that Congress, by counting the old-age, survivors and disability income trust funds as part of general revenues, radically distorts the actual financial health of this Nation by pretending that the money paid in by workers to Social Security will never be paid out.

Stating further:

Mr. President, in all the great jambalaya of frauds surrounding the budget, surely the most reprehensible is the systematic and total ransacking of the Social Security trust fund in order to mask the true size of the deficit.

Now, that is exactly, Mr. President, why I have an amendment at the desk

which I will call later in its due time. We have the amendment on the date of December 22, which I favor, but I thank the distinguished leadership for yielding me this time because here on Monday, here on Monday, the distinguished leader stated, when we read in here that "on the Budget Reconciliation Act of 1995, the U.S. Congress agrees to honor section 13301 of the Budget Enforcement Act of 1990 so as not to include in the conference any language that violates that section."

Now, what does that section that Senator Heinz had enacted back and signed into law on November 5, 1990, say? I ask unanimous consent that section 13301 be printed in the RECORD.

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

Subtitle C—Social Security

**SEC. 13301. OFF-BUDGET STATUS OF OASDI TRUST FUNDS.**

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

- (1) the budget of the United States Government as submitted by the President,
- (2) the congressional budget, or
- (3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: "The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title."

Mr. HOLLINGS. In order to vote for the resolution you have to vote to violate the law. They know it. That is the smoke and that is the mirror.

On Monday, they agreed—in fact, the Senator from New Mexico, the chairman of the Budget Committee talking now about "unified" stated at the time we passed the Heinz-Hollings-Moynihan amendment, "I support taking Social Security out of the budget deficit calculation . . ." Again, on Monday, he voted that way.

It reminds me, Mr. President, of a contest that we had for an insurance company and they wanted a slogan for the new insurance company. The winning slogan we finally got was, "The Capital Life will surely pay if the small print on the back don't take it away."

Now, Mr. President, that is the gamesmanship you see here. That is \$636 billion. This is a problem not of technicalities. It is real. For we, at the present moment, owe Social Security \$481 billion. Pass this GOP budget and you will use again another \$636 billion.

So, come the year 2002 we will say, "Oops, what a smart boy am I. I have made solvent Medicare but, oh, heav-

ens above, I have forced Social Security into bankruptcy. I owe \$1 trillion and there is nobody around ready to raise \$1 trillion worth of taxes to make the IOU sound."

Let me look at the morning paper here and see exactly what it says. It says:

Treasury Secretary Robert E. Rubin announced plans yesterday to pull \$61.3 billion from two Federal retirement accounts, an unprecedented fiscal move he said was necessary to save the U.S. Government from the first default in its history.

He authorized withdrawal of the entire \$21.5 billion held in a Federal savings plan known as the G-fund, and as much as \$39.8 billion of the \$350 billion in the Civil Service retirement fund. In effect, both funds would be given a temporary IOU that would obligate Treasury to make complete repayment with interest after a permanent increase in the debt limit is finally approved.

Now, Mr. President, that is my point. We should reduce deficits. We should eliminate deficits. We should not move deficits. You move them from the general fund over to the Social Security trust fund. Or as the Secretary of the Treasury did yesterday, you move it from the general fund over into the Civil Service retirement fund. That moving around is absolute trickery and is putting us in such a position that we are no longer allowed the luxury of children and grandchildren arguments. We will get it through the neck here in about 2 years.

We owe, this minute, trust funds \$1.255 trillion—right this minute. If we continue to spend now under this so-called continuing resolution, a unified budget, then we really are going to be up a creek.

Let me tell you who loves this—Wall Street. The financial market. I talked to one of them just earlier this week. They love a unified budget.

Why? Theirs is to make money. And so if you can borrow around from the other Government funds there is less of a burden of borrowing on the New York stock exchange. When we come in for borrowing funds, with the sharp elbows of Government, we shove away other capital investment. They love that. But we have the responsibility of running the Government, not of making money.

This thing was, perhaps, a good idea at one time. But now we have come with the contract and the revolution that says we are not going to have business as usual. We are going to have change.

Do not tell me what Presidents have done, what this President will do. Tell us what we will do to not have business as usual. Namely, adhere to the law—adhere to the principle and policy of not using the trust funds.

That is why there is a lack of trust in Government, if the youngsters coming along see that you are frittering away their retirement funds. I lose trust myself. So there is no mystery to this thing. Let us have an honest budget, without smoke and without mirrors. Let us get right down to the idea, here,

that we are not using the Social Security trust fund. It is against the law to do it.

On October 18, if you refer to the CONGRESSIONAL RECORD, the distinguished chairman of the Budget Committee stood on the Senate floor and he said here: I have the certificate, certified of this GOP budget, and we have a \$10 billion surplus.

When we reminded her of the law—would you think you would have to remind a Congressional Budget Office Director of the law? Once reminded of the law, June O'Neill, the Director of the Congressional Budget Office, came and said, "Oops, I am sorry. You have a \$105 billion deficit." So they went from a \$10 billion surplus, in 48 hours, to a \$105 billion deficit.

And they talk about CBO figures. That is what destroys the trust in CBO. Because they have gamesmanship there. But let us not have gamesmanship here.

We all voted on Monday to stop the gamesmanship with the Social Security trust funds. Let us again vote for this amendment when it comes up that says: Notwithstanding any other provision of this joint resolution, the 7-year balanced budget passed by the Congress to the President shall not include Social Security trust funds to reduce or apply to the deficit—to effect or obtain a balance.

Mr. President, I retain the remainder of my time and yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. DOLE. I yield 5 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EXON. Will the Senator from North Carolina yield for just 30 seconds while the majority leader is on the floor so we can maybe move to some kind of tentative agreement?

Mr. FAIRCLOTH. Yes, I will.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. EXON. Charge it to my time.

I advise the Senate that as far as I am able to ascertain at this time on this side of the aisle, we have the amendment pending, offered by the minority leader. There will be a second amendment by the minority leader, and there will be an amendment offered by the Senator from South Carolina.

I would simply say at this time, in order to give us some idea of where we are going, we want to move in an expeditious fashion. How much time, when we get to the amendment that will be offered by the Senator from South Carolina, how much time does he think he would need to further explain his amendment, in addition to the time he has just used?

Mr. HOLLINGS. The Senator indicates an hour, a half-hour to a side, just on this amendment.

Mr. EXON. I ask the majority leader, are there any amendments or second-degree amendments that he is aware of on his side of the aisle?

Mr. DOLE. I am not aware of any at this point.

Mr. EXON. I am simply saying, it seems to me—the majority leader requested a while ago, and the minority leader indicated, too, we want to move expeditiously. It would appear to me that right now we are in a position when we dispose of this at 12:45, we probably—maybe at that time we may be in a position to frame some time agreements, short time agreements, and finish and have final passage on this sometime early in the afternoon.

Mr. DOLE. I hope that is the case, because we would like to move to the Defense Appropriations conference report. Then, tomorrow, of course, we will have the Balanced Budget Act of 1995.

I do not know what happens after the CR goes to the White House, if it is vetoed, where we are as far as the Government is concerned. But I will be happy to work with the Senator from Nebraska.

Mr. EXON. I am working with the minority leader. I think we are making some real progress.

I thank my friend from North Carolina for yielding.

Mr. DOLE. Mr. President, I ask that time not come out of the time of the Senator.

The PRESIDING OFFICER. The time is charged to the minority.

Mr. FAIRCLOTH. Mr. President, I rise in strong support of the continuing resolution for the very simple reason that all this resolution says is that the Federal Government can reopen if the President agrees to balance the budget in 7 years. It is that simple.

I want to read the precise language. It might have been read before this morning, but it bears repeating.

The President and the Congress shall enact legislation in the 104th Congress to achieve a unified balanced budget not later than the fiscal year 2002 as scored by the non partisan Congressional Budget Office.

This is all the Congress is asking for. We need a commitment from the President to this timetable.

I have to wonder when the President will begin worrying about the taxpayers of this country and the children yet unborn. We are \$5 trillion in debt—\$5 trillion. Twenty years ago our total debt was \$595 billion, and in 20 years we spent \$4.5 trillion that we do not have.

It took us 200 years from the founding of this country until 1982 to build a \$1 trillion debt. We have spent almost five times that much in the last 12 years.

In the President's 1996 budget, 16 cents of every dollar will be spent to pay interest on the debt. What that equates to is 41 percent of all individual income taxes sent to the Government will be used to pay interest—41 percent. Can we really keep taxing America's hard-earned money to pay interest and run a viable economy? No,

we cannot. This has to stop. If we do not do it now, it will never be done. Now is the opportune time.

When he ran for President, President Clinton said he wanted to balance the budget in 5 years. This does it in 7 years. But he made the promise 3 years ago. This is 10 years from the original promise, and he still refuses to sign—says he is going to refuse to sign a 7-year commitment to balance it.

When he ran for President, he said he wanted to cut taxes for the middle class. This budget does that.

When he ran for President, he said he wanted welfare reform and Republicans in Congress are going to give him that. It should be clear the Republicans in Congress are keeping their commitment to the American people. Bill Clinton is not. But this should come as a surprise to no one.

When he ran for Governor of Arkansas in 1990, he said he would not run for President. If only he had kept that promise. If the President was so concerned about having the Government closed, why has he chosen not to negotiate? For 26 hours last week he was on the same plane with Speaker GINGRICH and majority leader DOLE: No negotiation.

Finally, in a typical Washington political move, he offered to meet at 10 p.m., 2 hours before the Government shutdown. Not only a typical Washington, but a more typical Clinton maneuver.

I said 2 days ago this President is playing politics at its worst. Instead of doing something good for his country and the future of this country, he is concerned with the poll numbers. His political adviser, Dick Morris, calls it triangulation. This means Clinton is supposed to appear moderate. Really, it is not triangulation; it is strangulation of the Federal Government by no leadership, no principles, and no negotiation. The President is not serious. He is not accepting responsibility. This Congress is.

We have to stop spending money we do not have. We have been doing it for far too long now.

Mr. President, I strongly urge the President of the United States to come to the table and work with the leadership of this Congress. He needs to negotiate in good faith. He needs to negotiate for the good of this country and its future.

Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, I yield 7 minutes to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Chair. I thank the ranking member.

Republicans say they want to balance the budget in 7 years using CBO numbers. The fact is the Republican plan does not balance the budget, according to the Congressional Budget Office.

Mr. President, this is a letter that I received on October 20, 1995, from the head of the Congressional Budget Office pointing out that, if we obey the law—that is, we do not count Social Security trust funds in the calculation—the Republican plan has a \$105 billion deficit in 2002. Why is that? It is because the only way the Republican plan achieves balance is to take every penny of Social Security trust fund money over the next 7 years.

The law—this is a copy of the law—specifically precludes that. Ninety-eight Senators voted for this law.

This chart shows the looting of the Social Security trust funds that is going to occur, if we adopt what the Republicans call a balanced budget by 2002. We are going to be taking \$636 billion of the Social Security trust fund surplus in order to call it a balanced budget.

Mr. President, that is not a balanced budget by law. It is not a balanced budget by any serious economic standard.

Some say, "Where is your alternative? Why don't the Democrats have an alternative?" Very simply, Mr. President, we do. During the budget resolution, I offered what I called the fair share balanced budget plan. Thirty-nine Senate Democrats voted for it. It achieved more deficit reduction by 2002 than the GOP plan. In fact, it achieved \$100 billion more of deficit reduction in that period than the GOP plan, and it achieved true balance in 9 years without counting the Social Security surpluses.

At the same time, it had different priorities. It did not slash Medicare, Medicaid, or education. In fact, we restored more than \$100 billion of the \$270 billion Republican cut to Medicare. We restored full funding for student loans, and provided additional discretionary funding for education at all levels. We had nutrition and agriculture restored by \$24 billion, and veterans restored \$5 billion so that we could have a better set of priorities.

But we did have savings out of the spending entitlements. We had \$156 billion of savings out of Medicare instead of the Republican plan of \$270 billion. We also had savings out of Medicaid.

So we had savings out of the spending entitlements. But we also recognized that the biggest entitlement of all is the tax entitlements. The tax entitlements, as this chart shows, amount to \$4 trillion over the next 7 years. It is interesting to compare the tax entitlements—\$4 trillion over the next 7 years. The Republicans never want to talk about the tax entitlements. They want to talk about the spending entitlements of Social Security. That is about \$3 trillion over the next 7 years. Medicare, that is about \$2 trillion over the next 7 years; Medicaid, \$1 trillion. But the granddaddy of them all are the tax entitlements, \$4 trillion.

In the Democratic plan we said, yes. Slow the growth of the spending entitlements, absolutely—Medicaid and

Medicare. But also slow the growth of the tax entitlements to inflation plus 1 percent. That is fair. That asks everybody in our society to contribute to deficit reduction. We don't just put middle class and working families into the front lines in the battle to balance the budget—we also ask the wealthiest among us to contribute to deficit reduction. That means no tax cut until we balance the budget.

Mr. President, we are going to be adding under the Republican plan \$1.8 trillion to the national debt over the next 7 years. Why would we be increasing that debt by borrowing money to give a tax reduction that disproportionately goes to wealthiest among us?

Mr. President, we not only have the fair share plan that a group of Democrats offered. We also have the common sense budget plan. On the question again of no tax cut, there is no tax cut because it makes no sense to be adding to the debt, to be digging the hole deeper before we start filling it in.

On the question of the Congressional Budget Office versus OMB, I think it is critically important to understand that the Wall Street Journal this morning made reference to that in their editorial. They said, "The Congressional Budget Office predicts over the next 7 years 2.3 percent economic growth. OMB projects 2.5 percent." Listen to what the Wall Street Journal says. "In our view, both growth assumptions are overly pessimistic. Corporate profits look cheerful. There is no reason this economy should not grow at three percent in good years as it has through much of the past. Government policies, whether monetary or fiscal, should not be designed to foreclose this result."

Why did the Wall Street Journal come to this conclusion? Because they have looked at what actually happened over the last 2 years. And look at what has happened. This shows economic growth. The President's plan projects on the blue line what economic growth would look like. The Congressional Budget Office is the red line. The orange line shows what has actually happened. And what has really happened in the real world is both the Congressional Budget Office and OMB have been too conservative. They have been wrong.

What are the results? Look at the deficit reduction. The President's plan shows the blue line. That is what he was predicting. The red line shows what the Congressional Budget Office was predicting. The yellow line shows what has actually happened. Again, both the Congressional Budget Office and OMB have been wrong.

Let us break the gridlock. Let us agree to a plan to balance the budget, but let us base it on the best estimates of private forecasters. Let us use the blue chip forecasters, and break the gridlock.

I thank the Chair.

Mr. AKAKA. Mr. President, I join my colleagues from both sides of the aisle

in condemning the situation that has brought us to the point where the Federal Government has shut down.

The American public should understand one thing about the shutdown: this budget crisis is completely avoidable. It was manufactured by the House Speaker as a tactic to impose his extreme budget priorities on America.

The Speaker's own words illustrate this point. Last April 3, he told reporters that he intended to "create a titanic legislative standoff with President Clinton by adding vetoed bills to must-pass legislation." With the Speaker at the helm, Republicans have put the Federal budget on a collision course with the iceberg.

Congressional Republicans are in the majority in the House and Senate, which gives them the power and votes to keep the Government operating.

Instead, they have shut down the Government and are gambling with our economy and credit rating, in a political game to force a heartless budget on the American people.

Today we have an opportunity to end the budget impasse. Our Democratic leader, Senator DASCHLE, proposed a temporary funding resolution in an effort to get the Federal Government back to work. This would have extended spending authority through December 22.

Unfortunately for the American public, the funding resolution that the Democrats proposed was rejected, and the Government shutdown orchestrated by the Speaker continues.

Senator DASCHLE's amendment provided the best opportunity to end the Government shutdown. This is an amendment that the President can sign. We should pass the Daschle amendment, put an end to this crisis, and begin the important work of negotiating a budget agreement.

How many thousands of veterans will be unable to submit new benefit claims because VA offices remain closed?

How many Americans will be turned away from Social Security offices around the country because no Government workers are available to process their applications? How many millions of visitors must be turned away from our national parks, museums, and monuments before Republicans in Congress will vote to end this stalemate and approve a clean funding resolution?

How many corporations will be unable to conduct business overseas because their executives cannot get their passports renewed?

The Republicans, led by the Speaker, have forced a political showdown at the expense of our needy, elderly, and veterans of our country. What's good about telling senior citizens who want to apply for Social Security or veterans trying to get their benefits processed that they'll have to wait until the Government reopens?

I think it is important that we review the record of the Republican Congress on spending bills.

None of the 13 appropriation bills were passed by the September deadline. All 13 of these bills should have been passed by September 30. Because of this failure, a temporary spending bill is necessary to keep the Government running.

Republicans are trying to use this manufactured funding crisis, which they could easily have avoided, to force an increase in seniors' Medicare premiums and to provide tax breaks for wealthy Americans.

We should say no to political blackmail and yes to a clean CR.

And most importantly, let us get our people back to work.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. COCHRAN. Mr. President, it is my understanding that the majority leader has asked me to control the time on this side of the aisle.

I yield 5 minutes to the distinguished Senator from New Hampshire, Senator GREGG.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

Mr. GREGG. Mr. President, I thank the Senator from Mississippi for this time, and I want to respond just briefly to the comments that were just made and make a couple of additional points.

This debate is about whether or not the President wishes to participate in balancing the budget—nothing else. Everything has been taken off of this continuing resolution that the President originally objected to. The only thing that is on this continuing resolution that does not involve day-to-day operation of the Government—remember, this resolution only runs for 19 days—the only thing that is on this resolution is a statement that the President will join with the 104th Congress in a commitment to balancing the budget by the year 2002 using the Congressional Budget Office numbers. It does not say he has to agree to our approach to balancing the budget. If he wants to use the two proposals outlined by the Senator from North Dakota, he can do that.

He can use either of those proposals if he wants to use them. And some of the ideas put forward by the Senator from North Dakota may be ideas upon which we could reach an agreement.

The point is that he has to agree initially. He has to make this initial minor step, small, incremental progress of saying, hey, I wish to balance the budget, too.

That is all we are saying to the President. Just come forward and say I wish to balance the budget, too, in 7 years. Is that an outrageous request? I should not think so since he has already on a number of occasions said he wanted to balance it in 5 years, 6 years, 7 years, 8 years, 9 years. He has been at

this position once or twice before during his term of office. We are just asking him that he sort of settle out, settle out, on the idea of 7 years. I think it is a reasonable request.

I do not think most Americans feel 7 years is an unreasonable period of time to get this financial house in order. I think most Americans look at 7 years as maybe an excessive amount of time for us to get our financial house in order. They wonder why we cannot do it a little sooner, but we do not appear to be able to. So we said 7 years.

On the issue of whether or not we use CBO numbers, of course, the opposition to that really is a red herring because the President came to this Congress and he, in rather definitive terms, said he was willing to use CBO numbers in his first statement to this body. And so the opposition to that language is, I think, a bit of a sidetracking exercise because he has already agreed to that.

If the President wants—and the Senator from North Dakota mentioned the tax issues in our budget—he can come up here with a balanced budget which raises taxes. He can do it all with tax increases, and he will be consistent with the language we have asked him to sign on to. We have not said he had to do it by reducing the rate of growth of Government as we have proposed. We suggested that the rate of growth of Government not be cut. We have not done anything that draconian. We have just suggested it grow at 3.3 percent annually, which is more than the rate of growth of the economy.

We have suggested that Medicare be allowed to grow at 6.5 percent; that Medicaid be allowed to grow at 4 percent; that senior citizens be given more choices for their health care options; that the States be given control over welfare, that people who are on welfare be allowed to only stay on it for 5 years during their lifetime, not be on there for an entire experience of their working lifetime; that they be asked to go to work after a couple of years.

These were our suggestions for how you get to a balanced budget. But we are not saying we have all the answers. If the President wants to come up here with a new tax package as he did a year, 2 years ago, when he proposed the largest tax package in history, as a way to get this budget under control, if he wants to duplicate that event, so be it. That is his option. Under this language, it would be consistent with the proposal that we are asking for. All we are saying to the President is, sign on to a balanced budget. Agree that the budget must be balanced.

Mr. CONRAD. Will the Senator yield for a question on that point?

Mr. GREGG. Yes, I yield to the Senator from North Dakota.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator yields.

Mr. CONRAD. I would just ask my colleague from New Hampshire, who I have respect for on this issue, I think the Senator has made serious attempts to make serious proposals to reduce

the deficit, and I would ask him, if the President agreed to a 7-year timeframe for balancing the budget but said to us, "I would want to use the blue-chip private forecasters rather than CBO, because it turns out that they have been more accurate over the last 2 years than has CBO or OMB," would the Senator from New Hampshire say that is an unacceptable position?

Mr. GREGG. Well, what the Senator from New Hampshire—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GREGG. The Senator may not be able to say what his position is.

Mr. COCHRAN. Mr. President, I yield the distinguished Senator an additional minute to respond to the question of the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I would say that the President was off on a tangent, and a tangent which is really not necessary to be on because the President already came up here once and said CBO is OK. In fact, he not only said it was OK, he demanded that we follow CBO.

I believe that his initial decision in that area was correct. I just want to hold him to what his initial commitment was, that CBO should be the scorer. I see no reason why we should not use CBO. They are going to be right sometimes, wrong sometimes. Blue chips are going to be right sometimes, wrong sometimes. But at least we are using one acceptable group. The CBO being the group both the President and ourselves have used over the years, it seems reasonable we accept them. Then that standard is one we should all be comfortable with. But the core issue, of course, is he has to agree to balancing the budget in 7 years.

The PRESIDING OFFICER. The time has expired. Who yields time?

Mr. EXON. I yield 7 minutes to the Senator from Nevada.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. REID. I thank the Chair.

Mr. President, my office, like most of the offices in this complex, has been besieged with calls from constituents wanting to know why we cannot pass the necessary legislation to keep the Government operating. These calls are not simply coming from people who work for the Federal Government. Most are from people who do not work for the Federal Government. They are not just from people who rely on Government services and programs.

It is interesting that most of the people who call do not identify themselves as Democrats or Republicans. They are just average Americans whose greatest expectation of Government is that it operate to serve the interests of the people, to operate in the interest of serving the taxpayer. They are the kinds of people who pay their taxes. They play by the rules and vote for the person, not for the party. They want to know why this standoff is occurring.

The answer is very simple. The Congress, which is controlled in the House and in the Senate by the Republican Party, has not allowed appropriations bills to go through this body. There are 13 appropriations bills, and they simply have not passed. Everyone knows that the morning news said the transportation appropriations bill was signed and 29,000 Federal workers reported for work today.

The reason Federal workers are not working today is because the appropriations bills have not been completed. I have been here going on 14 years. There has never been anything like this.

When was the House supposed to pass their bills? By June 10. They simply did not do it. They did not pass their bills on time, and, of course, if they do not pass their bills on time, there is no way the Senate can pass its bills on time. The House missed the deadline on every appropriations bill.

We hear all this talk about personal responsibility. Well, what about responsibility of the majority party that rules the House and Senate? Do they not have a responsibility to get us these bills so the Government does not shut down?

The deadlines missed by the House have caused the Senate Appropriations Committee to push back the dates on which they could and should have considered these measures.

While the Senate is not bound by a similar deadline, it is required to complete action on these bills by the end of September. The Senate has had more success than the House in meeting the deadlines, but it still was doing the things at the 11th hour, and after we pass them, of course, there has to be a conference.

It has been a total lack of responsibility by the majority, that is, the Republican Party controlling both bodies.

As of today, only four of these bills, maybe five, have been signed. I do not know what the latest report is. And why were these annual appropriations bills not passed on time? Let me tell you why they were not passed on time. It is because they were stuffed with some of the most controversial, radical proposals in the history of this body, in the history of the other body.

Why do I say that? Rather than going through the ordinary legislative process, they wanted things like any charitable organization, a charity would not be able to lobby Congress even if they paid for it with private funds. That held up two appropriations bills.

How is that for democracy? You cannot even come back here and talk to your Representative even if you pay for it yourself. EPA, the Environmental Protection Agency, 17 different regulations they wanted passed. They put them in appropriations bills. They could not pass these laws changing environmental laws, food safety laws, safe drinking water laws, and clean air laws through the normal course of



business. Instead, they engaged in a high stakes gamble.

In one of these bills, they completely rewrote the Housing Act in an appropriations bill. The crime bill, the Commerce-State-Justice bill—they rewrote the crime bill. And abortions held up three bills. Now, Mr. President, I am not an advocate of abortion, but this is not the way to do appropriations bills. Grazing, timber, drilling for oil, all issues that they could not get done in an ordinary legislative process, they stuck on appropriations bills. They would force the President to sign legislation that the majority of Americans oppose for the sake of keeping the Government operating.

This was apparent as far back as April. If you do not believe me, here is what the Speaker of the House of Representatives said in April. He vowed to "create a titanic legislative standoff with President Clinton by adding vetoed bills to must pass legislation increasing the national debt ceiling." This is reported in the Washington Times newspaper, April 3.

He also said, the President "will veto a number of things, and we'll then put them all on debt ceiling. And then he'll decide how big a crisis he wants."

This has been a planned crisis. It is a war, Mr. President, but it is a war that is not being won by the Republicans. Kevin Phillips, a Republican political analyst, said yesterday on public radio:

If the United States budget deficit problem does represent the fiscal equivalent of war—and maybe it does—then what we are really looking at is one of the most flagrant examples of war profiteering this century has ever seen.

That is what Kevin Phillips said. He said that the only people benefiting are the people with money with this debt crisis. And that is too bad.

We continued to learn today why the Speaker is allowing this standoff to continue. It is not even any longer for scoring political points. It is about ruffled feathers and perceived slights. Remember, he did not get to sit in the front of the airplane when they went to Israel to the funeral of Prime Minister Rabin. He indicated, it is part of why they ended up sending down a tougher interim spending bill. And he is quoted as saying, "it's petty \* \* \* but I think it's human." He has made the CR tougher because he did not get to ride where he wanted to in the airplane going to Israel. Mr. President, I respectfully submit this is just plain petty.

I return to my point that all this could have been avoided if we had done our job and the majority allowed us to vote on appropriations bills. We failed to do that. Now we are at a crisis point. If all this was part of some master plan, it is truly sad, it is truly sad. And even if it was due to simply a lack of diligence or negligence, it is also not excusable. Thousands and thousands of Federal workers are now sitting idle at home because the Speaker feels he was slighted.

The PRESIDING OFFICER. The Chair advises the Senator from Nevada that his time has expired.

Mr. REID. I ask that I be yielded 1 additional minute.

Mr. EXON. I yield 1 additional minute.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. REID. This not only affects Federal workers, Mr. President, it affects other people, because they, the Federal workers, buy groceries and clothes and cars, and they use the services of small businesspeople. It also, in the short term and especially the long term, is going to hurt the American business community.

This Senator suggests that the Speaker begin to consider the feelings of thousands of public servants and the people that depend on those public servants' paychecks. I think it is important that he consider their feelings, Federal workers who simply want to be able to come to work and get a paycheck on a regular basis and take care of their families. That is what this is all about. It is too bad they are not being recognized because they are really important to the American people.

Mr. EXON. Mr. President, how much time is remaining on each side?

The PRESIDING OFFICER. The Chair advises the Senator from Nebraska has 2 minutes remaining on his side. The Senator from Mississippi has 9½ minutes.

Who yields time?

Mr. EXON. I reserve the remainder of our time.

Mr. COCHRAN. Mr. President, I understood that I yielded 6 minutes to the distinguished Senator from New Hampshire and that that would leave us 10 minutes of time.

The PRESIDING OFFICER. You have about 9½ minutes.

Mr. COCHRAN. I yield 4½ minutes to the distinguished Senator from Utah, [Mr. BENNETT].

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. BENNETT. Mr. President, I listened to the debate here this morning with some interest. I do not have a prepared statement, but I have a few observations I want to make.

First, with respect to this forecasting issue and what should be and should not be in it, I would like to point out one fact that many have ignored with respect to forecasting. This is not a forecast; this is a historical report. Martin Feldstein, writing in the Wall Street Journal, has pointed out the difference between the forecast made 2 years ago for the President's tax increase and the amount of tax actually received is this: The Federal Government has received one-third as much tax revenue as was forecast. Nobody is talking about that. They say the President raised the taxes because he had so much courage and that solved the deficit problem. In fact, the forecasters

were off by two-thirds. We got one-third as much money as was forecast.

Now we are being told, "Yeah, the blue chip forecasters are now saying that we will get more money than CBO or OMB say we will get. So why don't we take that forecast?" I will be happy to take that forecast, Mr. President. I will do it in a heartbeat on this condition—that we use the same blue chip forecasters to score the legislation that we pass.

But we are stuck with the CBO whether we like it or not. The CBO scores the Senator from New Mexico on every budget action that he takes. Why do we have one set of numbers for our legislative action and then say we will have another set of numbers for the balanced budget circumstance?

Let us put it out very clearly, Mr. President. If the CBO is wrong and too low, that means that the bill that we pass will bring us to a balanced budget faster than 7 years. That means if the CBO is wrong, we will make the terrible mistake of balancing the budget in 5. But, if the CBO is right and OMB is wrong and we pass the President's program, that means we will balance the budget never.

I have learned since I have come to Washington the true definition of the phrase "the outyears." I never knew what the outyears meant. In Washington, the outyears mean those years that are far out there. Well, in fact, in this debate, Mr. President, the outyears mean never. We have to recognize that if we are going to balance the budget, we have to start now and not depend on a rosy scenario for the outyears, no matter who makes it, whether it is CBO or OMB or the blue chip forecasters or whoever. If we wait for the outyears to make the decision, we will never ever get there. So we must take the first step. We must take it this year. And we must not flinch.

One other thing, Mr. President. The President pounded the pulpit the other day and said some 16 times he believes in a balanced budget. Well, Mr. President, we are going to find out, because some of the political handlers at the White House did not bother to inform the President that the election is next year, not this year. And between now and then he is required by law to send us a budget. And we will see when he sends us his budget in 1997 just how serious he is. And we will see how effective it is because the budget he sent us in 1996—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENNETT. Ten more seconds.

The budget he sent us in 1996 received the resounding vote of 99-0 against it. We will see what he does next year.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. EXON. I have 2 minutes left.

The PRESIDING OFFICER. The Senator has 1 minute 44 seconds.

Mr. EXON. Let me first respond to the remarks just made. Why it is necessary that we use realistic assumptions? That is because we are overpenalizing Medicare, we are overpenalizing students, we are overpenalizing people who receive Medicaid. If we are realistic in our assumptions, we do not have to hurt people as much. Also being overlooked by those who talk the argument we have to stay with CBO is the obvious fact that they talk about paying for this in later years. If you look at the Republican budget, you see that they delay all of the hard choices to the fifth, sixth and seventh years.

Mr. President, the amendment before us is simple and direct. It will put the Government back to work. It would allow time for negotiations on the larger budget bill which is going to definitely be tough going, but we need to reduce the deficit. That is the responsible thing for us to do: Adopt the Daschle amendment.

The underlying bill will be vetoed. The underlying bill tries to stack the deck against the President in negotiations to come. The underlying bill is an attempt to force the President to accept the extreme cuts in Medicare and Medicaid and education in the Republican budget bill. It is blackmail, very pure and very simple. The President will use his veto, and properly so, to prevent that from happening.

The President would sign this bill as amended by the pending amendment. So the choice is clear. If Senators want to pass a bill that the President can sign to keep the Government running, then Senators should vote for this amendment. A vote against this amendment is simply a vote to continue the shutdown.

If we are to act responsibly, we must adopt the pending amendment.

The PRESIDING OFFICER. The Chair advises the Senator his time has expired.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. DOLE. Mr. President, I will move to table the pending amendment at the conclusion of my remarks. Somebody sent me—in fact someone from Georgia sent me a fax. I have already written a note to thank him. He included in the comments a quote from Mark Twain. I thought—at least I have not heard it before—maybe some of my colleagues have. Let me quote it:

In the beginning of a change, the patriot is a scarce man, brave and hated and scorned. When his cause succeeds, however, the timid join him, for then it costs nothing to be a patriot.

I must say, as I get into this debate again about a balanced budget, I think that quotation applies today. This is about change, it is about fundamental change. I am not an advocate of shutting down the Government. I have never been an advocate for shutting down the Government.

But this is an unusual circumstance. We have a President in the White

House who said he would balance the budget in 5 years, in 7 years, in 8 years, in 9 years, in 10 years. So we picked 7. Nothing in our balanced budget statement, if you read the language carefully, which is on the last page—in fact, I watched the debate last night on the House side, and I heard Congressman HOYER—I have great respect for him—from Maryland say:

There is nothing wrong with the first 14 pages of this amendment; it is the last page.

Everything else was OK, all except title III, which is very brief, and let me read it, because we have talked about it, but I am not certain it has been read. All it says is:

The President and the Congress shall enact legislation in the 104th Congress to achieve a unified balanced budget not later than the fiscal year 2002 as scored by the non-partisan Congressional Budget Office.

(b) The unified balance budget in subsection (a) shall be based on the most current economic and technical assumptions of the Congressional Budget Office.

I believe later today the Senator from New Mexico will quote colleagues on the other side who say we ought to use CBO to balance the budget, including the distinguished manager on the other side and the distinguished minority leader. That is all we have said.

Mr. President, there is nothing in here about Medicare, nothing about Social Security, nothing about Medicaid. It is about balancing the budget in 7 years, which 83 percent of the American people support. There is nothing in this that should prevent the President from signing this bill. It says:

The President and Congress shall enact legislation. \* \* \*

That means we are going to have a lot of discussion, a lot of negotiation or we cannot enact it, he can veto it.

So I hope when final passage comes, we will have some bipartisan support. I watched last night on C-SPAN the House action. I watched as 48 Democrats voted with Republicans, a tremendous victory, a bipartisan victory. And I listened to one Democrat from Virginia, Congressman MORAN, who said it is time we stop this foolishness, the American people want to balance the budget, the Federal employees want to go back to work.

That is all we are asking. It is nothing unreasonable. There is no Medicare. Oh, they beat us up on Medicare, but I must say, I never thought I would be around to read an editorial like this in the Washington Post called "The Real Default." In the Washington Post, believe me of all papers—well, the New York Times might startle me more—but the Washington Post, known by some of us as sort of The Daily Democrat Journal, talking about the real default, demagoguery, lack of leadership on the Democratic side, in effect setting back the cause of balancing the budget for years by trying to make Medicare a scare word with senior citizens.

Somewhere we have lost sight of what we are here to do. Somewhere we

have lost sight of what the American people expect of us, and somewhere we have lost sight of what is going to happen next week, next month, next year, and the next century.

We have stepped up to make some tough decisions, and it is not easy. We are doing the heavy lifting, as my colleague from New Mexico said a few days ago. When you are not lifting anything, it is easy.

I just suggest to my colleagues, I am one who would like to resolve this issue. I met with the President the other night. I thought he was one who wanted to resolve the issue. He told us in his first State of the Union Message that CBO numbers are the ones they are using in their budget. I remember Republicans laughed. He looked at us and said, "All those Republicans laughing, remember, they have been more conservative most of the time," the CBO numbers, the Congressional Budget Office numbers.

So I do not think we have done anything here that is so bad. We were told last night on the House floor in debate, "If you just tear off the last page, the President will sign it in a minute." What is wrong with this last page? It does not say he has to sign a balanced budget today, or next week or next month. It says "in the 104th Congress."

And if you watched TV last night and you saw the President saying, "I'm for a 5-year balanced budget," and then, "I'm for a 7-year," "I'm for a 10-year," "I'm for a 9-year," "I'm for an 8-year"—the American people are confused.

So let us send this to the President. Let us not take all day in doing it. Let us get it down to the President of the United States. I believe after reflection, he will sign it. It is a commitment to a 7-year balanced budget. That is all it is. That is what it says in the title, "commitment." It is not a law, it is a commitment.

So I urge my colleagues to table this amendment and to table the other two amendments to be offered and, hopefully, have some bipartisan support on final passage.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. CAMPBELL). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 577 Leg.]

YEAS—53

Abraham Ashcroft	Bennett Bond	Brown Burns
------------------	--------------	-------------

Campbell	Grassley	Murkowski
Chafee	Gregg	Nickles
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Cohen	Helms	Santorum
Coverdell	Hutchison	Shelby
Craig	Inhofe	Simpson
D'Amato	Jeffords	Smith
DeWine	Kassebaum	Snowe
Dole	Kempthorne	Specter
Domenici	Kyl	Stevens
Faircloth	Lott	Thomas
Frist	Lugar	Thompson
Gorton	Mack	Thurmond
Gramm	McCain	Warner
Grams	McConnell	

## NAYS—46

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Bradley	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Wellstone
Exon	Leahy	
Feingold	Levin	

So the motion to lay on the table the amendment (No. 3055) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to table the motion.

The motion to lay on the table was agreed to.

Mr. DOMENICI. I understand that Senator HOLLINGS wishes to proceed.

## AMENDMENT NO. 3056

(Purpose: To reaffirm the commitment of the Congress not to use the surpluses in the Social Security trust fund to mask the true size of the deficit in any plan for a balanced budget)

Mr. HOLLINGS. Mr. President, I send an amendment to the desk, and I ask the clerk to report my amendment.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] proposes an amendment numbered 3056.

Add at the end of the Joint Resolution, the following last section:

SEC. . . Notwithstanding any other provision of this Joint Resolution, the seven year balanced budget passed by the Congress to the President shall not include the use of Social Security Trust Funds to reflect a balanced budget.

Mr. HOLLINGS. Mr. President, it was Mark Twain who said the truth is such a precious thing that it should be used very sparingly. As a result, Mr. President, what we have been doing is calling budgets "balanced" when in reality there have been raids, or, as the former Senator from Pennsylvania, John Heinz, called it, "embezzlement" of the Social Security trust fund.

At the present moment we owe Social Security, due to this lack of truth in budgeting. We owe Social Security \$481 billion, and if you duck the proposed reconciliation tomorrow or the GOP budget, you will expend another \$636 billion of Social Security trust fund.

Now, what may have been in the original instance an instrument of

good, turned into a usurpation and a bankruptcy of Social Security if you have to borrow a few billion dollars. In the morning paper, you see the Secretary of the Treasury, in order to keep from defaulting, the Secretary of the Treasury has borrowed \$61.3 billion from the civil service retirement. And they say later on, of course, he has to pay it back with interest—and that is the point. You have to pay Social Security back with interest and at the end of the 7-year budget you will owe.

The PRESIDING OFFICER. Will the Senator withhold a moment? The Senate is not in order.

Mr. BUMPERS. Mr. President, there are nine conversations going on on the floor right now.

The PRESIDING OFFICER. The Chair is aware of it and is trying to get order.

The Senator from South Carolina may proceed.

Mr. HOLLINGS. I thank the distinguished Chair.

At the end of the 7-year period, we will all have to pay back, supposedly, over \$1 trillion into the Social Security trust fund, and no one has any idea—not any Senator or House Member—who is going to introduce the increase in taxes to refund the Social Security trust fund.

The remedy for this particular evil is to obey the law. We saw this in the Budget Committee. We tortured over it. We realized this back in 1983 when we passed the Greenspan Commission report making the Social Security trust funds solvent into the middle of the next century, we said, so the children and the grandchildren could count on it.

We raised the taxes and assured everyone—in fact, we could not have done it for defense or for foreign aid or for welfare or for any of the other endeavors of Government. We said we were raising these Social Security taxes to make certain that there was trust in the trust fund through the year 2050.

Having done that, 5 years ago we met in the Budget Committee and realized, look, on an emergency basis, yes, we borrowed from Social Security, maybe \$100 billion here, \$200 billion there. As Senator Dirksen says, it could easily run into money.

So we voted, on a vote of 20 to 1 in the Budget Committee, that we would stop this nonsense by writing into the law section 13301 of the statutory laws of the United States of America that "thou shalt not use Social Security trust funds to in any way be computed in outlays or revenues of the United States Government or in any way to obscure the size of the deficit." That particular measure passed this body by a vote of 98 to 2. It was signed into law by President George Herbert Walker Bush on November 5, 1990, and no less than reaffirmed in a solemn vote here on the floor of the U.S. Senate on Monday, 3 days ago. We said in the reconciliation—

The PRESIDING OFFICER. The Senator will withhold a moment. We have several other conversations going on on the floor. The Senate will be in order.

Mr. HOLLINGS. We said in the reconciliation instructions that they adhere to the law 13301.

At that particular time, the distinguished chairman of the Budget Committee looked at it. It was Senator GRAHAM of Florida and the Senator from South Carolina who introduced the particular language. We said about the Balanced Budget Reconciliation Act of 1995, and I read, ". . . that the conferees be instructed to honor section 13301 of the Budget Enforcement Act of 1990, and, 2, not to include in the conference report any language that violates this section." And, to that, the distinguished chairman of the Budget Committee, the Senator from New Mexico, said, and I quote: "Mr. President, the first portion of this instruction, we have never violated, so we can be instructed on it. The second section, we have never violated it, so we can be instructed not to."

Absolutely false. That is categorical. We have regularly violated it. And that is the plea, later on, of the distinguished chairman of the Budget Committee, that all the Presidents have done it. All the Congresses have done it. So, the heck with the law. He gets up and says solemnly: We have never violated it. We continue to do so.

The fact that President Reagan reported a budget that way, and President Bush reported a budget that way, President Clinton reported a budget that way, makes no impression on this particular Senator. It is our responsibility to have truth in budgeting. It is our responsibility to adhere to the statutory laws of the United States of America. It is not a technicality of law; it is a fundamental here involved.

Mr. President, I ask unanimous consent to have printed in the RECORD a budget table showing the U.S. budget outlays beginning in 1945, the use of trust funds under President Truman at that particular time, the real deficit, and then, of course, the gross Federal deficit.

When you put together the borrowing from the trust funds that must be replenished, you get the real deficit, the gross Federal debt, and the gross interest costs.

These are all on one page so all the Members cannot dance around and talk about CBO and OMB. These are the figures of the U.S. Government.

I ask unanimous consent they be printed in the RECORD.

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

BUDGET TABLES

President	Year	U.S. budget (outlays in billions)	Trust funds	Real deficit	Gross Federal debt (billions)	Gross interest
Truman	1945	92.7	5.4		260.1	
	1946	55.2	3.9	-10.9	271.0	
	1947	34.5	3.4	+13.9	257.1	
	1948	29.8	3.0	+5.1	252.0	
	1949	38.8	2.4	-0.6	252.6	
	1950	42.6	-0.1	-4.3	256.9	
	1951	45.5	3.7	+1.6	255.3	
Eisenhower	1952	67.7	3.5	-3.8	259.1	
	1953	76.1	3.4	-6.9	266.0	
	1954	70.9	2.0	-4.8	270.8	
	1955	68.4	1.2	-3.6	274.4	
	1956	70.6	2.6	+1.7	272.7	
	1957	76.6	1.8	+0.4	272.3	
	1958	82.4	0.2	-7.4	279.7	
Kennedy	1959	92.1	-1.6	-7.8	287.5	
	1960	92.2	-0.5	-3.0	290.5	
	1961	97.7	0.9	-2.1	292.6	
	1962	106.8	-0.3	-10.3	302.9	9.1
	1963	111.3	1.9	-7.4	310.3	9.9
	1964	118.5	2.7	-5.8	316.1	10.7
	1965	118.2	2.5	-6.2	322.3	11.3
Johnson	1966	134.5	1.5	-6.2	328.5	12.0
	1967	157.5	7.1	-11.9	340.4	13.4
	1968	178.1	3.1	-28.3	368.7	14.6
	1969	183.6	-0.3	+2.9	365.8	16.6
	1970	195.6	12.3	-15.1	380.9	19.3
	1971	210.2	4.3	-27.3	408.2	21.0
	1972	230.7	4.3	-27.7	435.9	21.8
Nixon	1973	245.7	15.5	-30.4	466.3	24.2
	1974	269.4	11.5	-17.6	483.9	29.3
	1975	332.3	4.8	-58.0	541.9	32.7
	1976	371.8	13.4	-87.1	629.0	37.1
	1977	409.2	23.7	-77.4	706.4	41.9
	1978	458.7	11.0	-70.2	776.6	48.7
	1979	503.5	12.2	-52.9	829.5	59.9
Ford	1980	590.9	5.8	-79.6	909.1	74.8
	1981	678.2	6.7	-85.7	994.8	95.5
	1982	745.8	14.5	-142.5	1,137.3	117.2
	1983	808.4	26.6	-234.4	1,371.7	128.7
	1984	851.8	7.6	-193.0	1,564.7	153.9
	1985	946.4	40.6	-252.9	1,817.6	178.9
	1986	990.3	81.8	-303.0	2,120.6	190.3
Carter	1987	1,003.9	75.7	-225.5	2,346.1	195.3
	1988	1,064.1	100.0	-255.2	2,601.3	214.1
	1989	1,143.2	114.2	-266.7	2,868.0	240.9
	1990	1,252.7	117.2	-338.6	3,206.6	264.7
	1991	1,323.8	122.7	-391.9	3,598.5	285.5
	1992	1,380.9	113.2	-403.6	4,002.1	292.3
	1993	1,408.2	94.2	-349.3	4,351.4	292.5
Reagan	1994	1,460.6	89.1	-292.3	4,463.7	296.3
	1995	1,518.0	121.9	-283.3	4,927.0	336.0
	1996	1,602.0	121.8	-311.1	5,238.0	348.0

\* Historical tables, Budget of the U.S. Government Fiscal Year 1996; beginning in 1962 CBO's 1995 Economic and Budget Outlook.

Mr. HOLLINGS. Mr. President, as you go down, you will see we have been borrowing sumptuously from trust funds. At the present time—not just owing Social Security the \$481 billion—at this very minute, we owe the trust funds of the United States, we owe to the veterans, we owe to the civil service retirees, we owe to the military retirees, we owe, yes, to Medicare. We have been using everybody else's monies: \$1,255,000,000,000.

So, the thrust of using the word "unified" is to obscure just that; that we are already in hock, before we begin the year, \$1,255,000,000,000. We are already in hock on a national debt of just about \$5 trillion. And, since this is all Presidential campaign politics, whoever the next President is, when he comes to town January a year from now, he will find at least \$500 billion spent for absolutely nothing, just for the past profligacy and waste, Congresses for 15 years now are spending over \$200 billion more than we have taken in.

Congress has continued to campaign on balanced budgets, and they all tell you on the political stump how they are going to balance the budget. When they come to town, they get into the smoke and the mirrors. There is no question that the smoke and the mirror are just in that one word "unified." Just say "the balanced budget."

I have heard Senators say it is not complicated. You take the revenues that the Government receives, you take the expenditures, or outlays the Government spends, and there is the balance. That is not the way.

Then they want to move deficits. They say, "Wait a minute, when you take the revenues in, the outlays out, and you look at that figure, that is too high for me to run on in the next election. So we will take an amount of money out of the right pocket and put it into the left pocket. We will take \$636 billion from Social Security in this budget that we have under consideration and put it in the general fund to make it appear we are balancing the budget."

That is what my particular amendment is. As soon as I caught this word "unified," the attempt has been made to abolish this section 13301. They do not like it. But the Senator from South Carolina watches.

So the balanced budget amendment to the Constitution which I was prepared for, ready for, and have voted for numerous times—and am ready, willing, and able to vote for at this minute—included in section 7 the repeal of section 13301. I caught that earlier in this session this year. I told the distinguished majority leader and our distinguished colleague from Illinois, Senator SIMON, who was sponsoring

this, I said, "You got my vote. I understand you got five other Democratic votes in a minute. Just take out the repeal of what John Heinz called embezzlement provisions that protects the Social Security Trust Fund from embezzlement." They will not do it. They were adamant.

Then they figured, "Wait a minute. It is good politics if we try to blame it on one vote—if we fail to pass a constitutional amendment for a balanced budget by one vote—and then take it down and offer it next year during the election year.

I have the same amendment right in my pocket. Everybody has been walking around with the contract in their pocket. My distinguished former majority leader from West Virginia carries the Constitution in his pocket. I carry around in my pocket the Social Security provision—namely, a balanced budget amendment to the Constitution that does not repeal section 13301 of the United States Code.

Mr. President, there are those who love this unified budget that has brought a modicum of dignity and financial expertise to the politician Senator. Because you go up on the financial market, and I am astounded. But still the best of economists, the best of financial officers, the biggest and the best of the banks, are reporting what? A unified budget. They are the ones

who want it because they are in the business of making money. And the less pressures of the Federal Government's borrowing in the financial market, the more the interest rates, momentarily, will drop and the ease with which to finance momentarily will grow. And, if they can have the Government itself back in Washington borrowing from each other even though, of course, the debt is up, up, and away to \$5 trillion, who cares? This crowd operates on quarterly reports, computers, tenths of a second, moving money around, all around the world. They have no responsibility. The Government, Mr. President, you and I, do.

So, it is fine, momentarily, for the financial markets in reducing the pressure. But we, who have the responsibility of serving here in public office as a public trust, have to cut out the nonsense and playing around with the smoke and mirrors. We have to cut out trying to fool the American people that under, for example, this resolution, you would have a balanced budget when it is unified. Not at all. When it is unified alone from Social Security and \$636 billion and over the 7-year period from civil service retirement and military retirees and others, we will borrow another \$200 billion. So it will be over \$836 billion needed to get to a so-called "paper balance."

Let me tell you about the paper balance because I have to listen to the talk on the other side of the aisle about this historic effort and that we finally are doing the heavy lifting. They have not lifted anything. When we lifted year before last, when we cut \$500 billion in spending, when we taxed cigarettes, when we taxed liquor, when we taxed gasoline and Social Security, when we cut Medicare \$57 billion, they wanted lifting? They were out at recess. There was not a single vote on the other side of the aisle in this body, or in the other body.

And they have the unmitigated gall to come and say, "President Clinton does not want a balanced budget." Well, he is the only one that cannot be blamed for it. The distinguished Presiding Officer, this distinguished Senator from South Carolina, may have voted for expenditures that unbalanced the budget, but not President William Jefferson Clinton. He was down in Little Rock doing what? Balancing the budgets. He balanced them for 10 years. That was part of the good record that helped in his election in 1992.

But we instead were engaged in this shabby exercise of growth, growth—that we will just cut out all the revenue and buy the vote with Reaganomics and with President Bush.

It was President Clinton who came to town, yes, to give us a change in direction. I was here under President Lyndon Johnson. He was conscientious about this political charge of guns and butter and runaway government. So with George Mahon and others working in a committee, we called at the very end, in December 1968, the fiscal year

running from the 1st of July back to the next year, June 30, and we told the President, "We can cut another \$5 billion." He said, "Don't do it." And the budget for the war in Vietnam, for Social Security, for Medicare and all these particular programs was \$178 billion.

To show how far we have gotten out of hand, the interest costs for absolutely nothing—no government is obtained there—the interest cost on the national debt this fiscal year is \$348 billion, \$1 billion a day. But President Johnson not only balanced, but he gave us a \$3.2 billion surplus.

President Nixon came to town. We were working with him again on the idea of block grants, incidentally. But in 1973, the OPEC cartel hit. We began to run some \$21 billion deficits. President FORD took over, and our friend, President FORD, knew well what the problem was. And he called us all together in a summit. He said, "Let's get our hands on this thing. It is runaway." We held it down to \$66 billion. Thereafter, President Carter came to town. He said, "I have to at least reduce this."

Now, you are looking at the author of the first reconciliation bill. I was chairman of the Budget Committee, and I went over on the Friday after President Jimmy Carter was defeated on a Tuesday in November 1980, and I said, "Mr. President, a Democrat is never going to get elected again with this deficit going up, up, and away."

He said, "How much?"

I said, "Mr. President, the Congressional Budget Office has just estimated the deficit is going up to \$75 billion."

He said, "Heavens. What are we going to do?"

I said, "There is a fancy word called reconciliation. It means cut—just cut across the board already-approved spending."

He said, "We can do that?"

I said, "If you can just take Harris and McIntyre"—who were working at OMB and the assistant at OMB trying to give away the money to reelect their President—"if you tell them to stay out of the Capitol, I will go to my good liberal friends"—I say that with reverence—"and I will get the votes, and we will cut it back."

And President Carter said, "Go to it."

I came to Warren Magnuson of Washington and Frank Church of Idaho and John Culver of Iowa and George McGovern of South Dakota and Birch Bayh of Indiana and Gaylord Nelson of Wisconsin. I said, "Before you all leave, you have to give me one vote because we have got to prove that we are fiscally responsible." They did, and we reduced the deficit down to \$57 billion, just about \$58 billion.

Then came to town the leader of them all against waste, fraud and abuse, President Ronald Wilson Reagan, and he was beginning to put up budgets that we were going to work with. But he got behind the poll, be-

hind the curve. Do not ever fool with polls. That is why I have this particular article on the desk. But getting behind it, he adopted what he had earlier rejected, namely Kemp-Roth. Reaganomics. They termed the name, and we were going to cut out all the revenues.

I stood at this desk—and I saw the distinguished Republican Senator last night—and the Senator from Maryland, Senator Mathias agreed with me, and some 10 other Democrats. We tried to hold the line. We said: Wait a minute; this thing is going to get way out of hand. What is going to grow is these deficits and debts with the very intent that you have in mind and by talking this political nonsense that we will have more sales, we will have more purchases, we will have more sales taxes, more income, more income tax revenues.

"Give the money to the people. They know how to spend it best." That was the political cry. "Get out of the wagon and help us pull" and that kind of nonsense. We are the ones up in the wagon. Who is in the wagon? The Congress has been in this wagon for 15 years. The people outside have been pulling. I am trying to get the Congress out of the wagon—\$200 billion a year more than we have taken in for 15 years.

President Reagan said he was going to balance the budget in 1 year. If necessary, I will go get the speech for you. He came to Washington after his inauguration and he said: Whoops, this is way worse than I ever thought. So I will put in a budget that we will balance in 3 years. And just like this paper document that we are going to consider tomorrow—the so-called reconciliation that nothing but a paper document—it reported formally that it would be balanced by the year 1984.

I will include that page that we have for the fiscal year 1984. It says, "Fiscal year, zero," Calendar No. 63, the 97th Congress, first session. I ask unanimous consent that the report be printed in the RECORD.

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

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1982

\* \* \* \* \*

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: \$48,800,000,000;  
Fiscal year 1983: \$21,400,000,000;  
Fiscal year 1984: \$0;

\* \* \* \* \*

Mr. HOLLINGS. Then, Mr. President, we came to one of the wonderful chapters in history, Gramm-Rudman-Hollings. I had worked earlier—and we got to wish him a happy birthday—Senator Howard Baker. Senator Howard Baker was the majority leader, and he tried to help me on the freeze. We could not get the freeze. And so I then got with Senator PHIL GRAMM of Texas and said, "Look, I understand you have an idea of cutting spending across the board."

I remember well as Governor I got a triple A credit rating doing just that. We had truth in budgeting back in South Carolina in 1959. We said that whatever your budget said was going to happen and would have to occur within the expenditures and revenues. If the expenditures ever exceeded the revenues, automatically by law—no discretion—the spending amounts across the board would be cut. And from Standard & Poor's and Moody's, I got a triple A rating ahead of Texas and up to Maryland and before any of the Southern States. I used it as my calling card as a young Governor to carpetbag the North, trying to get industry down. So I feel it keenly.

It is lost now. Why is it lost now? We have Republican administrations that are giving that same nonsense. That is why I would not join them. It is all rhetoric. It is all applesauce. We have lost the triple A credit rating in South Carolina on account of growth.

But be that as it may, Senator GRAMM, Senator RUDMAN and I put in Gramm-Rudman-Hollings. I have the tape from President Reagan giving me The Good Government Award and litany and congratulations and everything else, and, yes, the budgets were going to be balanced because we had truth in budgeting.

And then what happened? We found out that it was too severe, these \$37 billion cuts annually, and they went out in the year 1990 to Andrews Air Force Base and repealed Gramm-Rudman-Hollings. I raised a point of order on October the 19th, 1990, at 12:41 a.m., and they voted me down. I said when you get away from the automatic cuts across the board, the sequesters, what you have is so-called spending caps that are pure rhetoric, and you can see what has happened. The spending has gone up, up and away.

So they repealed it at that time. And let us go to the 1990 budget at the time of the repeal. Mr. President, that is the most interesting document for our colleagues on the other side of the aisle to ever look upon for the simple reason that it has an astounding figure to it. It says here for the 101st Congress, Second Session, report 101-820—I ask unanimous consent that this be printed in the RECORD.

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

CONCURRENT RESOLUTION ON THE BUDGET—  
FISCAL YEAR 1991

\* \* \* \* \*

(4)(A) The amounts of the deficits are as follows:

Fiscal year 1991: \$143,700,000,000.

Fiscal year 1992: \$100,900,000,000.

Fiscal year 1993: \$62,000,000,000.

Fiscal year 1994: \$14,700,000,000.

(B) The amount of the surplus is as follows:  
Fiscal year 1995: \$20,500,000,000.

\* \* \* \* \*

Mr. HOLLINGS. "The appropriate levels of total budget outlays are as follows \* \* \*" And going right down the list, the amount of surplus is as follows: "Fiscal year 1995, \$20.5 billion."

So to their crowd saying: "We are carrying the load; we are lifting things," I say you all are doing nothing. They have not voted for anything since Clinton has been in town. They have not passed the appropriations bills. They have not passed the reconciliation. I want to see that lifting.

Be that as it may, this 1990 document is another paper document—a surplus we are supposed to have, this minute, of \$20 billion. What is the actual deficit? I put the tables in. The actual real deficit at this particular minute is \$283.3 billion instead of a \$20 billion surplus.

So every 5 years, in 1981 reflecting one, in 1984 and 1985 reflecting one, in 1990 reflecting a surplus, and here we go again, in with another paper document for another 7 years.

Another day older and deeper in debt. But who will be around 7 years from now? We will have two Presidential elections under this scheme. We will have unrealistic cuts. We have had already cuts in Social Security. You are not going to get \$270 billion in Medicare. I do not care what you say or how you vote, we have been cutting.

I have been on this Budget Committee 20-some years, and every year President Reagan, President Bush, and other Presidents, they would come and they would want to cut \$5 billion to show they were headed in the right direction. We would have to restore \$2 billion or \$3 billion. So momentarily, or annually, I should say, we have been cutting billions out of Medicare. So it is under President Clinton who came to town, he cut \$57 billion in the year 1993 out of Medicare.

Last year—last year—Mr. President, he proposed a \$120 billion cut. Now, let me just as an aside and say a word about Social Security. "For by their fruits shall ye know them." In 1994, last year, I read the so-called report of the board of trustees of the Federal Hospital Insurance Fund. And from page 2:

The trust fund ratio defined as the ratio of assets at the beginning of the year to disbursements during the year was 131 percent in 1993, and then under the immediate assumptions is projected to decline steadily until the fund is completely exhausted in the year 2001.

Now, mind you me, Mr. President, that this is the same report they are talking about 2002. Last year when they said it was going broke in 2001, they did not even care about it. They went around whining, "What's the matter with health care? We have got the best in the world." There was no proposal to confront that so-called dreadful disaster 7 years from now.

But with President Clinton, not with their votes, President Clinton and the Democratic votes—and the Vice President had to vote—we at least picked up a year with the \$57 billion cut. And it was completely rejected, repudiated. The First Lady was ridiculed all last year about health care.

An interesting thing because the distinguished Senator from Texas was

saying that with Social Security taxes, they were going to be hunting us down like dogs in the street and shooting us. Like dogs in the street. Oh, they said the whole country was going into inflation. Unemployment was going to soar. Plants were going to close. The economy was going to be in a depression. And they were going to grab us politicians who voted for this and hunt us down like dogs in the street and shoot us.

Well, it was not easy to vote to tax Social Security. But, mind you me, Mr. President, when we taxed it, we said, wait a minute, the revenues from this tax, \$25 billion, shall go to—what? Shall go to help making Medicare solvent. We allocated \$25 billion to Medicare. Here we had already cut \$57 billion.

Here then we had allocated some \$25 billion. And you know what the contract crowd did in November? They came in there and said, "Do away with this \$25 billion, Medicare," that they now are worried about 7 years from now. Pure theater. An absolute sham.

They, in their contract, increase the deficit of Medicare some \$25 billion. They did not help strengthen the Medicare fund. Why is it that we pick out these straw men out here 7 years from now in Medicare, 30 years from now in Social Security, and are not worried about going broke this minute?

We have fiscal cancer. The interest costs—the automatic spending to pay the interest costs on a \$5 trillion debt—is going \$1 billion a day up, up and away. There is no plan, Democratic or Republican, that says let us cut spending \$1 billion a day.

So let us get down to the real facts. The real facts are, in the GOP budget, that for every year they increase spending, the fact is, the present budget—the reconciliation we will vote on tomorrow—will increase spending \$53 billion. \$53 billion over the present year. A \$53 billion increase in spending. You look over at the increase in revenues, and you say, well, maybe we had to spend more. But we took in more. We did have some of that growth. Not so. Not so.

You add up the 7 years, Mr. President. The expenditures, the outlays by CBO. Incidentally, I do not mind CBO figures. I do not mind the 7-year budget. I am prepared to vote for a 7-year budget and CBO figures—so long as it is a true balanced budget and not an embezzlement of Social Security. None of this unified. Do not give old HOLLINGS that. I heard it before. I hear it again. I hear the whine that other Presidents have done it.

We came to town in November, my dear Republican colleagues, for change, not for business as usual, not how Presidents have done it, not how Congress has done it before, but the truth in budgeting. But, Mr. President, the outlays exceed the revenues some \$1,052,000,000,000 during that first 7 years. How do you start with a \$283.3 billion deficit, increase spending over

revenues each year for 7 years, and get a balanced budget?

You cannot. There is no mystery to it. You use smoke and mirrors. In fact, the very authorities they use, they misquote. You look at page 3 of the conference report of Chairman Kasich over in the House side.

I ask unanimous consent that a portion of that report be printed in the RECORD at this particular point.

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

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996

\* \* \* \* \*

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

- Fiscal year 1996: \$245,600,000,000.
- Fiscal year 1997: \$234,100,000,000.
- Fiscal year 1998: \$204,000,000,000.
- Fiscal year 1999: \$192,900,000,000.
- Fiscal year 2000: \$181,100,000,000.
- Fiscal year 2001: \$140,200,000,000.
- Fiscal year 2002: \$108,400,000,000.

\* \* \* \* \*

Mr. HOLLINGS. Mr. KASICH there for the 104th Congress, the first session, concurrent resolution for the fiscal budget for the fiscal year 1996. It says fiscal year 2002.

Mr. President, everybody ought to listen. They do not want to hear it: It shows a \$108,400,000,000 deficit. Aha. They keep on these weekend shows, morning interviews, the TV, 20-second scripts. Truth in budgeting. But they themselves say in the year 2002, it is a \$108,400,000,000 deficit.

And then, of course, June O'Neill, on October 20, 1995. This, incidentally, Mr. President, was subsequent to the October 18 good Government award that the chairman of the Budget Committee came to the floor and gave his budget.

He said, now we have got it certified. Now we have got it certified. And I do not want to just repeat the record of those particular amounts, but he had them all detailed out there on October 18. And he said, the Congressional Budget Office has reviewed our budget that I have just quoted from, and they have found that we have a \$10 billion surplus in the year 2002.

I said, wait a minute, I can read. KASICH himself said a \$108.4 billion deficit. Where in the world did this \$10 billion surplus come from? Two days later, when we admonished the Madam Director to obey the law—to cut out the embezzlement of the Social Security trust—she wrote back meekly.

I ask unanimous consent that that letter be printed in the RECORD, the letter of October 20.

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

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, October 20, 1995.

Hon. KENT CONRAD,  
U.S. Senate, Washington, DC.

DEAR SENATOR: Pursuant to Section 205(a) of the budget resolution for fiscal year 1996 (H. Con. Res. 67), the Congressional Budget

Office provided the Chairman of the Senate Budget Committee on October 18 with a projection of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee. As specified in section 205(a), CBO provided projections (using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution) of the deficit or surplus of the total budget—that is, the deficit or surplus resulting from all budgetary transactions of the federal government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions. As stated in the letter to Chairman Domenici, CBO projected that there will be a total-budget surplus of \$10 billion in 2002. Excluding an estimated off-budget surplus of \$115 billion in 2002 from the calculation, CBO would project an on-budget deficit of \$105 billion in 2002. (The letter you received yesterday incorrectly stated these two figures.)

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney, who can be reached at 226-2880.

Sincerely,

JUNE E. O'NEILL,  
Director.

Mr. HOLLINGS. Mr. President, it shows there, and I read, "CBO would project an on-budget deficit of \$105 billion in 2002."

"Peace, peace, everywhere a man cried peace," said Patrick Henry, "But there was no peace." Balance, balance, balance, balance, everywhere men cry balance. There is no balance. There is a deficit.

Let us level with the American people. To quote Mark Twain, "The truth is such a precious thing, it should be used very sparingly."

And that is the credo of this Congress that is up in the wagon trying to get by again and is using the pressures of the Government closedown on itself to get what they cannot get by a majority vote. They could not get a majority vote because—I joined with one on legal services. They do not want, like the gang of 73 over on the House side, to abolish legal services. So we joined in reinstating legal services in the appropriations bill.

Mr. President, they do not want to abolish the Department of Commerce. That is why we had a voice vote to strike the provision that would have abolished the Department of Commerce.

What is happening is they are trying to force feed the White House on measures that they cannot even get a majority vote for.

And they're nagging and crying like children about where they sat on the plane going to a funeral. I do not believe anybody felt much like talking. But our distinguished minority leader, Senator DASCHLE, was there and I believe him, and he recounted the several times that the President came back. That is one thing you cannot accuse President Clinton of is not talking, for God's sake. Heavens above. Where have we come to in this town of ours putting on this show?

I ask unanimous consent to have printed in the RECORD the document "Here we go again," which has the budget tables.

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

"Here We Go Again": Senator Ernest F. Hollings

[By fiscal year 1995; in billions of dollars]

Starting in 1995 with:

(a) A deficit of \$283.3 Billion for 1995—	
Outlays .....	1,530
Trust Funds .....	121.9
Unified Deficit .....	161.4
Real Deficit .....	-283.3
Gross Interest .....	336.0

(b) And a debt of \$4,927 Billion

How do you balance the budget by:

(a) Increasing spending over revenues \$1,801 Billion over seven years?

GOP "SOLID", "NO SMOKE AND MIRRORS" BUDGET PLAN  
[In billions of dollars]

Year	CBO outlays	CBO revenues	Cumulative deficits
1996	\$1,583	\$1,355	-\$228
1997	1,624	1,419	-205
1998	1,663	1,478	-185
1999	1,718	1,549	-169
2000	1,779	1,622	-157
2001	1,819	1,701	-118
2002	1,874	1,884	+10
Total	12,060	11,008	-1,052

(b) And increasing the national debt from \$4,927.0 Billion to \$6,728.0 Billion?

DEBT (OFF CBO'S APRIL BASELINE \*)

[In billions of dollars]

Year	National debt	Interest costs
1995	\$4,927.0	\$336.0
1996	5,261.7	369.9
1997	5,551.4	381.6
1998	5,821.6	390.9
1999	6,081.1	404.0
2000	6,331.3	416.1
2001	6,575.9	426.8
2002	6,728.0	436.0
Increase 1995-2002	1,801.0	100.0

\* Off CBO's August Baseline.

[In billions of dollars]

	1996	2002
Debt Includes:		
(1) Owed to the Trust Funds	\$1,361.8	\$2,355.7
(2) Owed to Government Accts.	81.9	(1)
(3) Owed to Additional Borrowing	3,794.3	4,372.7
[Note: No "unified" debt; just total debt]	5,238.0	6,728.4

<sup>1</sup> Included above.

(c) And increasing mandatory spending for interest costs by \$100 billion? How? You don't!

(a) 1996 Budget: Kasich Conference Report, p.3 - \$108 Billion Deficit.

(b) October 20, 1995, CBO Letter from June O'Neill - \$105 Billion Deficit.

—You must fabricate a "paper balance" by "smoke and mirrors" and borrowing more: Smoke and Mirrors

(a) Picking up \$19 billion by cutting the Consumer Price index (CPI) by .2%—thereby reducing Social Security Benefits and increasing taxes by increasing "bracket creep".

(b) With impossible spending cuts:

Medicare .....	\$270
Medicaid .....	\$182
Welfare .....	\$83

(c) "Backloading" the plan:  
 —Promising a cut of \$347 Billion in FY 2002 when a cut of \$45 Billion this year will never materialize.

[In billions of dollars]

2002 CBO Baseline Budget .....	\$1,874	\$1,884
This assumes:		
(1) Discretionary Freeze Plus Discretionary Cuts (in 2002) .....		-\$121
(2) Entitlement Cuts and Interest Savings (in 2002) .....		-226
[1996 Cuts, \$45 B] Spending		
Reductions (in 2002) .....		-347
Using SS Trust Fund .....		-115
<hr/>		
Total Reductions (in 2002) .....		-462
+Increased Borrowing from Tax Cut ..		-93
<hr/>		
Grand total .....		-555
<hr/>		
(d) By increasing revenues by decreasing revenues (tax cut) .....		245
(e) By borrowing and increasing the debt (1995-2002) .....		1,801

—Includes \$636 billion "embezzlement" of the Social Security Trust Fund.

The Real Problem—  
 Not Medicare—In Surplus \$147 Billion—Paid For

Not Social Security—In Surplus \$481 Billion—Paid For

But interest costs on the National debt—are now at almost \$1 billion a day and are growing faster than any possible spending cuts

—And Both the Republican Congress and Democratic White House as well as the media are afraid to tell the American people the truth: "A tax increase is necessary."

—Solution: Spending Cuts, Spending Freezes, Tax loophole closings, withholding new programs (AmeriCorps) and a 5% Value Added Tax allocated to the deficit and the debt.

*"Here We Go Again"—Promised Balanced Budgets*

	<i>Billion</i>
President Reagan (by FY 1984)	
1981 Budget .....	0
President Reagan (by FY 1991)	
1985 GRH Budget .....	0
President Bush (by FY 1995) 1990	
Budget .....	+\$20.5

(Mr. STEVENS assumed the chair.)

Mr. HOLLINGS. Mr. President—reading from that document, which use CBO figures—during the 7-year period, the debt actually goes up \$1.8 trillion. I have listed down in that document what is owed to the trust fund, what is owed to the Government accounts, and what is owed to additional borrowing. And, of course, interest costs go up from \$348 billion to at least \$448 billion, but over the 7 years, every expert on Wall Street says interest cost is going up and will exceed \$500 billion.

So how do you do it? You do not. Mr. KASICH, the chairman, says you cannot. He records a deficit; the CBO records a deficit. How do you do it? You fabricate a paper balance with smoke and mirrors.

One of the big smokes that has recently surfaced and in 20 years I have not heard this tricky one, is that the CPI, the Consumer Price Index, has been overstated. So we will have less of a CPI and spend the money. You can-

not. When you give less to Social Security, you do two things: You cut the benefits, of course, because you are giving less, but more than anything else—and I welcome that—you increase the Social Security surplus. You do not have ready moneys to spend in violation of 13301. You do not have ready moneys for Medicare when you use a different CPI to spend for the deficit. It goes to Medicare, and we are trying to save Medicare. So let us talk sense.

That CPI is a gimmick. Use it if you will, but the result is not to lower the deficit. It is to increase the surplus. On that basis, we need to do that and the Senator from South Carolina would support it. But come down to the reality of Medicare, Medicaid, and welfare. I could go through each one of them. Let us just take welfare.

We say some \$83 billion saved in the welfare reform. The House side says \$100 billion or so. I can tell you it will cause spending more money.

I have been a Governor. You give me welfare and say, "Governor, now you have to set up a job-of-last-resort system in the government," because they have to work, and I can tell you it is going to be difficult now to get people to work because they have closed down 17 textile plants in South Carolina since NAFTA. There have been at least—and this is last week's figure—92,000 jobs lost. So we are moving our manufacturing overseas like gangbusters and here come welfare recipients.

If you cannot get them a regular job, you have to give them a government job. But to give them a government job, of course, they have to be skilled. So you not only set up a jobs program. You have to set up a skill program. That costs money.

And, oh my gracious, two-thirds of children—the other third are minority mothers, single mothers—are part of the program and you look around and say, "They can't leave the children," so you set up a child care program.

All of this costs money. The intent is splendid. Let us put everybody to work, but let us not kid the taxpayers that we are saving money. What we are doing, and I welcome it, is saving lives. Yes, let us train them, skill them, try to find jobs for them, and that is a worthwhile, necessary Government program. The market is not going to do it. That is the kind of thing we need Government for that they are trying to abolish.

But they abolish their own responsibility, the Gang of 73, by giving it back to the Governors under the chant that "government closest to the people is the best government."

So we will get rid of that responsibility and start cutting the moneys. That is not going to happen.

The worst thing of course, Mr. President, you see in this document is backloading. When I talk about backloading, if we were to adopt ipso facto the reconciliation bill that they bring out tomorrow, we will have cut

or saved, however you look at it, \$45 billion, and that is assuming the truth of everything that happened under that particular budget.

We will have cut \$45 billion. That has not been easy. We are already at Thanksgiving, and we have not gotten the bill. It is so difficult. Do you know what they say to do in the year 2002? Cut \$347 billion. This thing is just to get their attention and get out of town to get the President's election over with next November. They say, "Do not pay attention to it; oh, we'll come back, we'll change it later; it doesn't have any impact on the Presidential election."

They do not have anything there much cut as compared to the enormous task of saving billions of dollars. They put it all in the last 2 years after two Presidential elections. Gamesmanship, smoke and mirrors and, yes, Social Security embezzlement.

Now they embezzled \$636 billion. That word embezzlement is from none other than the former Senator of Pennsylvania, Senator John Heinz, when we debated and passed the law.

Now they have another little thing that has come along. They give themselves credit and say we are going to cut taxes. That, if anything, ought to expose the charade, the fraud that we are being asked to adopt. When you come around and you are looking for money and you cut well-conceived programs—education, Head Start, technology, health care, research—they then have the audacity to say we have to buy the vote for next year with this middle-class tax cut. Under the tax cut, we are going to get—like Reaganomics—increased revenues, they say. That is what they say.

Mr. President, we were faced with this 8 years ago in the Budget Committee. We had tried with the freeze during the early eighties. We tried with Gramm-Rudman-Hollings the cuts across the board. We had tried with the tax reform, with Senator Bentsen. In the Tax Reform Act of 1986, we closed the loopholes and then, yes, 8 years ago in 1987, eight of us Senators cold-sober voted what? To increase taxes. We voted for that in the Budget Committee.

I abhor taxes just like everybody else in this land. But we looked and saw what was occurring, and I conferred at that particular time with Dick Darman, the head of OMB for President Bush. I said, "Look, what we need to do is get"—actually, President Reagan was still in, but we were talking to Darman who was coming in—"we need not only freezes, we need not only spending cuts, we need not only loophole closings, but we need all of those and a tax increase." We voted that, allocating it to the deficit and the debt.

I want you to know we did not give up with President Clinton. In February 1993, shortly after his inauguration, I asked for a personal interview with the President of the United States.



And I said, Mr. President, I have been in this thing almost 20 years, and there is no way out. What we really need to do is get what cuts you can get, what savings you can get. But to get on top of this hemorrhage of interest cost spending on the national debt, you are going to need a revenue measure. And on careful consideration, we would suggest a value-added tax.

In fact, I said, "Mr. President, if you take it, I will take the lead." I had just been beat up upon, being reelected in 1992 as "high-tax HOLLINGS." But I said I would take the lead, and we could get the votes, as long as the President is leading. Nobody, for example, on the House side running for reelection is going to throw himself on the tax sword if it is going to be vetoed. One-third of those in the U.S. Senate, running for reelection, are not going to throw themselves on a tax sword if it is going to be vetoed.

So, Mr. President, you are going to have to get it. And he said, "You know, that is interesting, Senator." He said, "Last night I got a call from Lane Kirkland of the AFL-CIO. He was down in Bar Harbor at the annual conference. He said he would favor a 5-percent VAT to get rid of the deficit and the debt."

I said, "Mr. President, happy day. When I testified before the Finance Committee, that was the opposition, and organized labor was talking about the regressivity." They do not talk about the regressivity of spending for nothing. Nothing is more regressive than the present course Government is on and insisting upon raiding trust funds, just to look politically smart. "Come on," I said, "If we have the AFL-CIO, we can really get it done."

The next morning, Mr. President, the President of the United States was out doing his jog, and one of the reporters asked him about some of his thoughts. He said, "I am thinking about a VAT." Well, before he got back to the White House, they were stepping all over us and all the rest of that crowd said, "You're lying, the President overspoke; he did not say it," and everything else. I will show it to you in the newspaper. That ended any effort.

At least the President came back with \$500 billion in cuts, increased taxes on gasoline, Social Security, and the least cuts in Medicare and acted very responsibly, which has gotten us into a pretty good economic situation—for the moment. But we have fiscal cancer.

The automatic spending and interest costs on the national debt are eating us alive—are growing each day and cannot be stopped, unless we get rid of this debt and this deficit. Ironically, the only way to get rid of the increased taxes—because that is what the interests costs are. They cannot be avoided, like death and taxes; you have to pay the interest costs. The only way to get rid of the automatic increase in taxes is to increase taxes.

Now, if you understand that, you will understand the predicament the land is in. All of this other thing of force-feeding, whether it is education, whether it is the environment, whether it is Medicare and all, is beyond repair. Why argue here in November 1995 about something that is solvent and paid for like Medicare? Why argue about something that is solvent and paid for like Social Security?

Let us look at the real problem that we are trying to finesse. Let us understand that we are in the same act, same scene. And, as President Reagan said, "Here we go again." We proposed and supported a balanced budget in 1987 we proposed and supported a balanced budget in 1991, and we were supposed to, under Bush in 1990, report a surplus in 1995.

Mr. DORGAN. I wonder if the Senator will yield for a question.

Mr. HOLLINGS. Yes.

Mr. DORGAN. I know Senator HOLLINGS was serving in the Senate in 1983. I was serving in the House of Representatives and was on the Ways and Means Committee when the Social Security reform package was enacted.

I offered an amendment in 1983 in the Ways and Means Committee that failed, but the amendment that I offered—I ask a question about this—said if we are going to incur surpluses in Social Security year by year in order to save for the future, as a deliberate strategy, then we are going to have to put those surpluses aside so they are not used for other purposes, because if they are part of the unified budget, they will get used. So I offered the amendment and the amendment failed. That was 12 years ago. Now, 12 years later, we are back debating this.

Is it not the case that 12 years later we are debating that because what I feared would happen in 1983, and offered an amendment to try to prevent from happening, is happening. The Senator from Pennsylvania said it has happened under Democrats and Republicans. He is absolutely correct. But it is business as usual, and it is wrong. It has been wrong, and it is wrong now. Is that not correct?

Mr. HOLLINGS. That is exactly correct. If anybody heard anything during this week's debate, listen to the Senator from North Dakota. He was there and made the motion. I remember it well.

At that particular time, we were raising taxes on the absolute promise that it would only go for Social Security. If we said at the time we are going to raise taxes for defense and raise taxes for foreign aid and raise taxes for education—in fact at that particular time they were trying to abolish the Department of Education—and raise taxes for any of these other endeavors of Government, you could not have gotten a tax increase. You got it on a solid promise that we were keeping faith under the Social Security fund.

Mr. DORGAN. If the Senator will yield for an additional question, the

Senator then, subsequently, in future years, offered an amendment on the floor of the Senate that actually succeeded. It was an amendment similar to what I offered in 1983 and failed in the Ways and Means Committee. Senator HOLLINGS then offered an amendment that subsequently had become law that says you cannot use the Social Security trust fund as part of the unified budget, which meant that when the balanced budget agreement was brought to the floor by the majority party, on page 3 of the agreement, they had the years of the deficits and, in 2002, this document they said was their balanced budget document set deficits in 2002 of, I believe, it was \$108 billion.

Now, why would something they called a balanced budget propose a \$108 billion deficit in 2002? Is it not because, in fact, the law prevents them from bringing something to the floor that says "zero," especially inasmuch as the law says you cannot use the Social Security trust funds. But by calling it a balanced budget, they know what they are doing; they are using the Social Security trust funds as an offset against other revenue, thereby saying, yes, we balance the budget, but, in fact, they have taken the trust funds to do it, and, in fact, the budget is not in balance at all; is that not the case?

Mr. HOLLINGS. That is the case. Our only chance at getting out of this particular fix is the free press, the media.

I have dutifully called all around the clock. I think at that time President Jefferson said, "As between a free Government and a free press, I would choose the latter." Yes, you can have a free Government, but it will not remain free long unless you have a free media. Right to the point, I have gotten the Washington Post economic writer, I have gotten all the particular people—for example, on "Meet the Press." I have talked to editors and written articles. I keep talking about it, and they keep reporting just like Greenspan, like he is some authority. He represents Wall Street.

Wall Street loves a unified budget. When you say a unified budget, the Government in Washington borrows from itself and not from Wall Street. There is less of a burden on the financial market. So they have a selfish interest involved here, and they do not want to see us, as public servants, start putting this Government on a pay-as-you-go basis. Greenspan has been a lawyer here for 15 years.

I can tell you, in football, I would have had another coach long ago. I got some remarks of his somewhere here. He was talking, just the other day, to some group and he said, "We don't want to be lulled asleep." If there is one person who has lulled us asleep, it has been Alan Greenspan. He talks of unified budgets. He never says, categorically, what the truth is, and that is that you have to get tax revenues in here to do this job. When you are at \$1 billion a day, and \$348 billion a year, and use \$271 billion in defense, you can

eliminate defense and you would still have a deficit.

Domestic discretionary spending is the President, Congress, courts, Department of the Interior, Justice, go right around, Commerce, general government. That is \$273 billion. You could eliminate it, not just cut it, and you still have a deficit.

We are in a position like the character in "Alice in Wonderland." In order to stay where you are, you have to run as fast as you can; in order to get ahead, you have to run even faster.

No one wants to talk about it. We have fiscal cancer. Once again, we are prepared to lie to the American people. Therein, the Hollings amendment. It is very clear-cut. Do not give us any of this Social Security embezzlement budget. It is not the balanced budget. Read the language. Section 301 of the continuing resolution says the President, the Congress, must enact legislation to achieve a unified balanced budget. That is the trick.

We voted on Monday just exactly not to do that by a vote of 97 to 2. At that particular time, the distinguished chairman of the Budget Committee said the first portion of this instruction "we have never violated, so we can be instructed on it." False. We continually—as he argues, every President, every Congress has given budgets that way and it has been in violation. He knows it.

The second section "we have never violated, so we can be instructed not to." False. We continue to violate it. You come around and you raise a point when he is on the floor, he will say, "Senator, that is what President Clinton does." Do not give me that. I am serious. I expect to be here after President Clinton. Come on. I have been here after all of these Presidents that are running up these deficits.

We are conscientious about it. We do not want to see this charade continue. The only way to make sure that everybody knows when they vote—I will vote for your resolution, Senator, on 7 years; I will vote for CBO figures. Nothing wrong with that. But do not give me the trick, the smoke, the mirror, of unified. That is raiding the trust funds—\$636 billion, specifically, of Social Security, \$200 billion from the airport and airways trust fund, the highway trust fund, the Medicare trust fund, the Civil Service retirement, your military retirees.

The distinguished Senator from Alaska has that responsibility. You can see the trickery as they do.

Treasury Secretary Robert E. Rubin announced plans yesterday to pull \$61.3 billion from two retirement accounts.

He authorized withdrawal of the entire \$21.5 billion—in the G-fund, and as much as \$39.8 billion of the \$350 billion held in the Civil Services retirement fund. In effect, both funds would be given—IOW that would obligate Treasury to make complete repayment with interest after a permanent increase in the debt limit is finally approved.

(Mr. BURNS assumed the chair.)

Mr. STEVENS. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. STEVENS. I must say that I am saddened here when the Senator from South Carolina made that statement, because as he knows I am the author of that bill that created those funds just mentioned. It is a defect in the legislation.

We intended that to be available to the administration in the event of a national emergency. We meant a true national emergency.

Mr. HOLLINGS. Not a political war.

Mr. STEVENS. I think this is a political war and an aberration. No administration has done that before.

It is very sad because we saved the taxpayers billions of dollars by creating a separate fund in which employees contribute and the employer matches a portion of that. And, a portion of that is invested in Government securities.

What they have now done is they have reached into funds that employees have put into Government securities, pulled it out, and said, "We can run the Government on it."

This is the worst thing I have seen in the history of the Government's relationship to its employees—to invade the trust funds, and at a loss now, the employees will lose interest.

They will give the employees a chit to pay interest. What will be the interest? The interest paid on the national debt?

That is why we took it out of there, because the national debt is so fluctuating—it, too, is political in a sense.

I think it is unfortunate we have reached a point where that action was taken by the President.

I am enjoying the Senator's comments and my question is this: I heard the Senator from South Carolina say he could support this amendment—this continuing resolution—but did he say with an amendment?

Mr. HOLLINGS. The amendment that is now under the consideration of the body. Namely, it says that the 7-year balanced budget passed by the Congress to the President shall not include Social Security trust fund to re-reflect a balance.

Very simple. I have copies of it. I will be glad to try to change it around and make it clearer, but I do not know—I wanted to make you an offer you could not refuse. You just voted for it on Monday. Here it is Thursday. That was my intent.

If I do it now, then we will correct this situation and we will all be pulling forward together and finally getting out of Senator GRAMM's wagon of spending \$200 billion a year and raiding trust funds, and talking about how intent we are in doing heavy lifting and how Mark Twain, and whether we are patriots and whether we are popular—that is children's talk.

We should do the job. In order to do the job, quit moving deficits. Do not move the deficit from the general fund

over to the Social Security. Our idea is to lessen or eliminate deficits, not move them around.

Mr. STEVENS. Mr. President, I think the Senator has a germ of an idea. I am not sure I concur entirely in what he is saying. I do not believe we should have a situation where the balancing of the budget comes about because of a failure to use the Social Security trust fund the way it was intended. Is that the position of the Senator?

Mr. HOLLINGS. My position is it not be used. The budget—so far we had in the Budget Committee, the document by Chairman KASICH of the conference itself on the budget reflects a usage of Social Security trust fund—\$636 billion over the 7 years.

Mr. STEVENS. Is that not a restriction? It leaves the money in the trust fund. It does not put it in the Treasury. But we are not transferring to the Treasury.

Mr. HOLLINGS. You are. The law itself says that it cannot be used in that fashion, if I could put my finger on it. That is exactly the law you voted for and I voted for in 1990, that it not be employed in that fashion, to obscure the size of the twist.

We are spending more than we are taking in. That is what we are doing. It is not a technicality about being in the Treasury. Certainly it is in the Treasury, and it should, under our intent of increasing the taxes back in 1983, be embellishing a surplus. Nothing wrong with that.

The fact is with the surplus there, your children and my children can count on their retirement. As it is now, Senator THURMOND and I are holding free on that score but the kids are not. They are caught up because we are using all the money.

We owe \$481 billion. If we spend another \$636 billion under this budget, thereupon, at 2002 we will all be owing Social Security over \$1 trillion, and then they will be coming around on the floor of the Congress saying, "Social Security is busted and we have to save it."

How will you find \$1 trillion to save it?

Mr. STEVENS. I have another question. Would the Senator yield for a moment to make a unanimous-consent request on behalf of the leader?

Mr. HOLLINGS. I yield.

UNANIMOUS-CONSENT AGREE-  
MENT—CONFERENCE REPORT ON  
H.R. 2126

Mr. STEVENS. I ask unanimous consent when the Senate considers the Department of Defense appropriations conference report, it be considered under the following time agreement: One hour under the control of the Senator from Hawaii, Mr. INOUE, with 10 minutes of that time under the control of Senator BINGAMAN, and 20 minutes of that time under control of Senator DORGAN, 1 hour under my control, and 30 minutes under the control of Senator MCCAIN; following a conclusion or