the principals of the Congress and the administration—the President, and the distinguished majority leader, the Speaker, and the Vice President—have met now and it appears that they have made some progress. I thought they said they had reached some agreement, among other things, to in fact have scoring by the Congressional Budget Office. I am not quite sure if that was exactly what was agreed to. But there is a supplementary meeting now occurring with the Chief of Staff of the President, along with the chairman of the Budget Committee in the House and Senate, and I am sure there will be some further development of exactly what was discussed and what was agreed to. There will be meetings that will follow on tomorrow. That is good. I wonder why it has taken so long to get this serious meeting. I think it is appropriate, when you are talking about the future of your country, that the President be directly involved and not be speaking through agents. Our leaders are willing to get together to talk about this very important matter.

So it looks like we are finally making some progress right here as we approach this holiday season. I think it is worth staying here a little longer and coming back a little earlier because we are talking about a balanced budget. We are talking about taking actions now that will lift the burdens from the backs of our children and our grandchildren. We are talking about taking an action that will lead to lower interest rates and more jobs and a stronger economy. We are talking about getting some agreements on controlling entitlements.

I have always wondered why we call these programs entitlements because, in America, you should not say that regardless of what money is available or what parameters should be placed on these various programs, people are entitled to automatically get them. They are only entitled to them because Congress said they are.

This reform is long overdue. Reform in welfare—everybody said we need it. The President says we should change it as we have known it. We are on the verge of doing that. We have a welfare conference report that would, in fact, really reform welfare. We should get that done before we leave to go home for Christmas, or certainly before this year is out. Medicare, Medicaid, all of the so-called untouchables must be reformed, not to try to weaken them, but to control the rate of growth so we can guarantee they will be there in the future, not just for this generation, but for the next generation.

I really resent some people saying, my goodness, you have various agencies or park programs that are being temporarily closed down and that is so bad. Yes, we do not want that to happen, but it trivializes what we are trying to do here. This is a major effort we are trying to accomplish with this balanced budget. We should not quit. We will not quit until we get a balanced budget that has some effort to encourage growth in the economy, that reforms these programs. It can be done. It should be done, certainly, within the next week or 10 days.

I am pleased that it looks like we may be able to get an agreement on this Joint Resolution. I am pleased finally, finally, the President of the United States is meeting with the leaders of the Congress to get an understanding about how we will draw this to a conclusion, which would lead to a balanced budget with real and honest numbers before this year is out. I hope it happens. We will all be waiting and watching and hoping to participate as this process goes forward. I yield the floor.

BALANCED BUDGET

Mr. ABRAHAM. I echo the statements made by the floor leader on our side who has very concisely outlined the importance of the issues before us. I agree with him that we should not only pass this resolution but we should stay here as long as we have to to get the bigger job of passing a balanced budget done.

Today I was struck by comments made in the Washington Post business section from various financial market experts who said that people are waking up to the stalemate here in Washington. Yesterday was the wake-up call that we might not get real entitlement reform and bring the deficit under control.

We saw the result with the stock market dropping dramatically. There is a real fear on Wall Street, as was indicated in that article, that Washington might be contemplating a plan that fails to reform our entitlement programs.

Mr. President, that is a prescription for disaster, not just in the short term but for the long term, as well. What we have tried to offer with the Balanced Budget Act adopted earlier was a solution to the entitlement problems that have confronted Congress for a long time. We have understood that while there is a need to act quickly to address the solvency of Medicare part A, this is just the first step in a long series of reforms needed to accommodate the changing population that we will confront as the baby boom generation ages.

Mr. President, I hope that the resolution which the majority leader offered earlier will be available for us to vote on very soon. I strongly support the principles that are enunciated in it. I think the American people and certainly the people in my State support it as well. They are impatient with Congress. They cannot understand why it is taking us so long to get to the finish line. By combining reductions in the growth of Government with an opportunity to allow hard-working Americans to keep more of what they earn, we can dramatically shift the whole equation of government in this country.

For too long we have watched as dollars flow from hard-working Americans to fund Washington-knows-best rules dictating how our Nation's welfare, health, and other domestic programs will be run. We need to change from that approach to one where we let people keep more of what they earn, in which we let the States and the people on the front lines address the problems of our needy citizens more effectively than the Federal bureaucracy could hope, and ultimately in which we reshift the balance in this country from Washington-knows-best to a reliance on initiatives that take place at the States, and the initiatives that come from the people themselves.

Mr. President, that is the solution I think would work best and why I support this resolution as it was pronounced by the majority leader earlier. It is why I hope we will soon enact a balanced budget plan that yields, at least for the people in my State, lower interest rates, a chance to keep more of what they earn, and most importantly for the children in my State, a chance to grow up without spending most of their working lives paying off the bills that their parents left them. Instead, they should be free to spending their incomes on their own priorities. I yield the floor.

REVIEW OF RESOLUTION

Mr. MACK. Mr. President, I thought I would take a few moments to review the resolution that was offered by the distinguished majority leader and objected to by the distinguished minority leader, because I frankly did not think it was all that controversial.

The joint resolution is stated as follows:

Affirming that budget negotiations shall be based on the most recent technical and economic assumptions of the Congressional Budget Office and shall achieve a balanced budget by fiscal year 2002 based on those assumptions.

Whereas on November 20 the President signed legislation (Public Law 104–56) committing Congress and the President to ''enact legislation in the first session of the 104th Congress to achieve a balanced budget not later than fiscal year 2002 as estimated by the Congressional Budget Office;

Whereas Congress has approved legislation that achieves a balanced budget in fiscal year 2002 as estimated by the Congressional Budget Office.

Whereas congressional Democrats have offered alternative budgets in the House and Senate which also achieve balance in fiscal year 2002 as estimated by the Congressional Budget Office;

Whereas the commitment to enact legislation in the first session of Congress requires action now in negotiations;

Whereas the negotiations have no preconditions on levels of spending or taxation, except that the resulting budget must achieve balance by fiscal year 2002 as estimated by the Congressional Budget Office;

Whereas the Congressional Budget Office has updated its technical and economic assumptions following a thorough consultation with government and private experts; and

Whereas the Congressional Budget Office has begun consultation and review with the

Office of Management and Budget: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the current negotiations between Congress and the President shall be based on the most recent technical and economic assumptions of the Congressional Budget Office, and that the Congress is committed to reaching an agreement this year with the President on legislation that will achieve a balanced budget by fiscal year 2002 as estimated by the Congressional Budget Office.

Now, as I understand it, the minority leader objected to this resolution being brought up because it did not include, I guess, the full text of the language that was passed a month ago, and I must say that at this point I do not think I can speak for every Member on our side of the aisle, but I think that we are perfectly willing to put the complete text in the resolution.

Again, I do not want to bore everybody, but let me read what the additional text would be:

And the President and the Congress agree that the balanced budget must protect future generations, ensure Medicare solvency, reform welfare, and provide adequate funding for Medicaid, education, agriculture, national defense, veterans and the environment. Further, the balanced budget shall adopt tax policies to help working families and to stimulate future economic growth.

Now, that is the full text. So again, we are at a point now where we really do not know how this will play out tomorrow. The majority leader indicated that he certainly was willing to accept the full text. I suspect that one of the reasons the full language was not included was because, again, it required us to adopt tax policies to help working families and to stimulate future economic growth. These two requirements may have caused some problems for some people.

We thought that, by offering the single question about endorsing the use of Congressional Budget Office numbers, it would frankly be supported easily by both sides of the aisle. Yesterday in the House, 133 Democrats, in fact, supported this language.

So maybe tomorrow we will be able to work out this apparent disagreement, add the additional language, and be able to come to closure, again and finally. We think these negotiations, which may begin tomorrow in fact, will be done on a basis in which the Congressional Budget Office will be scoring. Everything that will be dealt with will be done so by using the Congressional Budget Office numbers.

So, I would say again, in context with what has happened today, I have a greater sense of hope that maybe we might be moving towards some agreement. Or maybe, without being too hopeful, maybe the way to say it is I am under the impression that serious negotiations will begin tomorrow.

I do not see how this would be harmful in stating, once again, the commitment that both the Congress and the President of the United States made 1 month ago to have a balanced budget, scored by CBO, in 7 years. So I think that is a fairly reasonable position for us to take.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. MACK. I will be delighted to yield to my friend.

Mr. FORD. Mr. President, the principles that we agreed to in the beginning are excluded from this resolution that was sent over to us from the House. I think the majority leader readily agreed that they should have been in it, a few moments ago. He even suggested that he would accept whatever the Democratic leader might put together as an amendment and you could then alter this resolution to accommodate that.

So, really, I do not know why we are talking about it tonight. Everybody is agreeable. Unless you are trying to make a point that you made yesterday and the day before and the day before that. And people are trying to work things out.

The principles here, that we had put in there, are the things that are very dear to all of us. The majority leader did not object to it. In fact, he was very gracious in offering the Democratic leader an opportunity to give an amendment which he would modify. So I think we will do that tomorrow. So the only agreement is on principle, I say to my friend from Florida.

Mr. MACK. I would pick up on that. It may be that we are, in fact, moving towards times where there will be more agreement as opposed to disagreement. I think all of us hope that that day will come.

The other comment you made, that we might again hammer a point we have made before, I guess, maybe for the last several days, is a fair. Frankly, yes, we do want to make the point that it has now been 1 month since the Congress passed a continuing resolution which had, in that language, a requirement for CBO to score a budget that balanced in 7 years and which contained the other items I spoke about a moment ago. For 1 month, frankly, the President of the United States has failed to produce a proposal that balances the budget in 7 years. The closest the President has come is a proposal that came out, I believe a week ago—actually this past Friday. Actually, I think it was a week prior to that, which was scored by the Congressional Budget Office, which said—let me just finish—

Mr. FORD. Two weeks with CBO, now.

Mr. MACK. It was scored by CBO as being $116 billion short of balancing the budget in the 7th year. I do not know what the total amount would be over the 7-year period, or what our differences were, but it was $116 billion over the mark. So, yes, I must admit that one of the reasons we do want to have a little discussion about this resolution is to make the point that in 30 days the President has utterly failed to come forward with a plan that balances the budget.

Mr. FORD. If the Senator will yield for another question? I just do not want to leave him out there without our trying to help our side a little bit.

Mr. MACK. I will yield.

Mr. FORD. I do not want him to yield. I just want to ask a question. Was not part of that delay, 2 weeks that it took CBO to score what was offered?

Mr. MACK. If I can respond?

Mr. FORD. Yes. Sure.

Mr. MACK. The President agreed to scoring budgets through CBO. OMB is well aware of CBO's——

Mr. FORD. Senator, that is not what I asked. I asked, did it not take 2 weeks for CBO to score what the President sent in, offered? That was part of the delay.

Mr. MACK. If the Senator will allow me to respond? I have no problem in saying it took 10 days, 12 days, 14 days. But my point is, the administration clearly had the ability to put together a budget based on the economic assumptions it knew CBO would produce. They refused to do that.

Mr. FORD. No, they did not.

Mr. MACK. They offered a plan about which they then could say to the American people, ''according to the OMB it balanced the budget.'' It did not balance according to CBO. And that is the whole point. The last plan presented by the President of the United States is $116 billion short in year number 7.

I think it ought to be pretty obvious that that is the case. So, again, we have been debating this. We will have an opportunity, I believe, tomorrow to deal with this resolution because I am under the impression that there will be an agreement to add the additional language, which is important, I understand from my colleagues on the other side of the aisle.

The additional language in there is very important to us as well, especially the tax cut for America's families and the reduction in the capital gains tax rate to spur economic growth. That language in essence will be included if there is an amendment tomorrow.

It is interesting to note that what seems to be creating some angst here this evening is a resolution that was supported without any amendment by 133—I think 133 Democrats in the other body in yesterday's vote. So it seemed fairly obvious to me that we could push this forward without any major controversy.

What we hope to accomplish, once again, is to get from the President of the United States a budget that is balanced in 7 years, scored by CBO, which is to say using real numbers. I do not think that is unrealistic. I am hopeful, after what has occurred in the meetings at the White House earlier this evening. But I have been hopeful before. So I hope my colleagues will excuse me for some degree of skepticism on my part.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Washington.

Mr. EXON. Mr. President, you are going to move back and forth, is that right?

Mr. FORD. No.

The PRESIDING OFFICER. The Chair heard the Senator from Washington first.

Mr. GORTON. I will be happy to listen to my friend from Nebraska.

Mr. President, I will be happy to listen to my friend from Nebraska. I am not in that much of a hurry and he always has wise counsel.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I intend to be here until this discussion is over. I was going to ask a question of my colleague from Florida, if I could, before he leaves the floor? Will he yield for a question, with the understanding he is not losing the right to the floor?

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. EXON. May I ask my friend from Florida, does he have any idea that, if and when we come to a resolution with regard to balancing the budget by the year 2002, as to what the chances are, given the $242 billion tax cut, and if that remains in the final product does the Senator from Florida believe that, if the tax cut remains in the package, that the budget would remain balanced in the year 2003? 2004? And 2005?

Mr. MACK. I will say to my distinguished colleague, it is my understanding that what we are dealing with here is a budget resolution that covers the 7-year period. It is my understanding, according to CBO's estimate of that, that it would be in balance in the year 2002, which is the timeframe that we have established. Yes, you can make the reductions in spending, reduce the rate of growth in entitlement programs, balance the budget, produce a bonus as a result of balancing the budget that will pay for the tax proposals.

So, I am of the opinion that, in the year 2002, that is correct.

Mr. FORD. But he is asking about 2004 and 2005.

Mr. MACK. I understand what he is talking about.

Mr. EXON. Even if it comes to that, you have not looked beyond that to see whether or not it would remain balanced in the year following, or the year following that, or the year following that? After 7 years?

Mr. MACK. Mr. President, if I may respond, it is the opinion of this Senator that, again, if we can keep a very significant component of the tax proposal intact—that is, the lowering of the capital gains tax rate—that when we hit the years numbered 8, 9, and 10, that we are going to see that the revenues that are going to be projected in fact will increase beyond that because having freed up capital that is now locked into old investments, old technologies, it will create the jobs and the opportunity in the years ahead to, in fact, create the balanced budget in year 8, year 9, and year 10.

Mr. EXON. I simply say to my friend from Florida, I hope that works out that way. But all of the figures I have seen indicate just the opposite, and we may have some more information on that in detail form in the near future.

I simply point out to all that this magnificent exercise that we are going through should be better understood by all for what it is right now. The reason that I am worried about the outyears is that the present Republican plan is so heavily loaded with regard to the cuts in spending that are necessary to balance the budget in the 6th and 7th years—and that happens to be a situation where, under the Republican plan, 60 percent of the cuts, 60 percent of the reduction in spending that will have to be made to meet that 7-year balanced budget, is done in year 6 and year 7. That is a pretty heavy load in years 6 and 7. That is called back loading.

Backloading is one of the concerns that I have about the whole proposition. But while we are backloading, where we are going, if this deal materializes, we are going to have 60 percent of the cuts made in the year 6 and in the year 7. So the first 5 years are not so bad. Katie bar the door when you come to those last 2 years. Then on top of that, Mr. President, at the same time is when the cost of the $242 billion tax cut kicks in. That is also backloaded into this program, and there the major portion of the money necessary to pay for that $242 billion tax cut comes in the 7th year and then really escalates in year 8 and year 9 and year 10.

What I am saying is that, while I hope this works out, there are lots of problems ahead as we move forward. And we have to be realistic.

I would simply say that I will be here while the rest of this discussion is going on. I was very pleased with the report from the majority leader and the Democratic leader that things now seem to be moving. But, unfortunately, I thought things were moving when we were starting detailed specific negotiations for tomorrow afternoon. It might be wise if we would all be quiet, you know, tone down our rhetoric at a time when we hope our leaders can come to some kind of an agreement and not be here on the floor making pontifical statements, that we have every right to do, but that I do not believe is going to contribute very much to the bipartisan effort that is going to have to be made to come up with a balanced budget in 7 years using the Congressional Budget Office scoring. There is going to have to be a lot of give and take. And certainly the leadership, which is undertaking those negotiations at the White House, is going to be under enough stress and strain without us on the floor of the Senate trying to take partisan shots one against the other.

I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

A BALANCED BUDGET

Mr. GORTON. Mr. President, earlier this year the House of Representatives passed by substantially more than a two-thirds majority a constitutional amendment which would have mandated a balanced budget in the year 2002 and in every year thereafter. Later in the Senate of the United States that constitutional amendment was defeated by a single vote. The reason, of course, that the constitutional amendment had that kind of prospective application was that to undo the disparity between spending and revenue which has built up over the years, contributed to by administrations both Republican and Democratic, would in all probability require that amount of time.

Since many of the Members in both Houses who voted against that balanced budget in the year 2002 did so on the stated ground, at least, that Congress should take responsibility into its own hands and balance the budget without what they called the crutch of the constitutional amendment, Members primarily on this side of the aisle took that counsel seriously. That was the origin of the drive toward a budget resolution and a series of changes in our laws which would bring the budget into balance by that year.

Mr. President, I do not know what Members of this body will think in the year 2003 or 2004 and 2005, and it was for exactly that reason that I voted in favor of that constitutional amendment, so that the kind of games of backloading, about which my distinguished friend from Nebraska complained, simply could not take place in the future. In fact, Mr. President, I am quite optimistic that a Congress will soon be elected wiser in that respect than this one, a Congress that does in fact submit such a constitutional amendment to the people.

In the meantime, however, Mr. President, I believe that it would be an accomplishment beyond anything dreamed of by more than a handful of Members of our predecessor Congresses actually to pass a series of laws that would create that balance in the year 2002. And it is to that end that we have been driving over the course of the last 6 months and more. It was that goal which we finally thought, believed, hoped that the President of the United States had joined when he signed a law creating a continuing resolution before Thanksgiving Day which included the statement that there would be a balanced budget using honest numbers derived by the nonpartisan Congressional Budget Office this year, a year that is almost over.

The disappointment, the bitterness, here and elsewhere, the shaking of faith, the faith that has caused interest rates to drop by a full 2 percent over the last year, the faith that has sustained our economy, the shaking of