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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 recommitting 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.

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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 given 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 Representatives 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 recruiting 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 consider 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 Medicaid 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 Government 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 do 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 themselves 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 version 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 nonessential 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 Israeli 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. Armey (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 Armey 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 Kremlinology,'' 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 employes 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 timeframe, 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 accurate?'' If we are off $100 billion in 2 years, what is that calculated for 7? 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—can 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 timeframe. 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 degreed 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, heavens 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 simplly 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	Bennett	Brown
Ashcroft	Bond	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	
	1952	67.7	3.5	−3.8	259.1	
	1953	76.1	3.4	−6.9	266.0	
Eisenhower	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	
	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	
Kennedy	1962	106.8	−0.3	−10.3	302.9	9.1
	1963	111.3	1.9	−7.4	310.3	9.9
Johnson	1964	118.5	2.7	−5.8	316.1	10.7
	1965	118.2	2.5	−6.2	322.3	11.3
	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
Nixon	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
	1973	245.7	15.5	−30.4	466.3	24.2
	1974	269.4	11.5	−17.6	483.9	29.3
Ford	1975	332.3	4.8	−58.0	541.9	32.7
	1976	371.8	13.4	−87.1	629.0	37.1
Carter	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
	1980	590.9	5.8	−79.6	909.1	74.8
Reagan	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
	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
Bush	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
Clinton	1993	1,408.2	94.2	−349.3	4,351.4	292.5
	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
Estimate	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 moneys: $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, behind 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

[1] 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:

	Billion
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
Total Reductions (in 2002)		−462
+Increased Borrowing from Tax Cut		−93
Grand total		−555
(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

	Billion
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 cannot. 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—IOU 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 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 AGREEMENT—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. INOUYE, 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

yielding back of the time, the Senate proceed to vote on adoption of the conference report.

This has been cleared on both sides, Mr. President.

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

FUTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 1996

The Senate continued with the consideration of the joint resolution.

Mr. STEVENS. Mr. President, I have the question, if I might ask my friend?

Mr. HOLLINGS. Yes, sir.

Mr. STEVENS. Because he is a good friend, as a matter of fact.

If we were to vote for your amendment, do you have any indication the President would support it as amended?

Mr. HOLLINGS. It makes no difference to me. I would hate to see a President want to veto that and say I want to raid the Social Security trust fund. He does know politics. I do not think he would hesitate signing that part of it, I can tell you that.

Mr. STEVENS. My question, respectfully, to my friend, is, has he discussed this amendment with the White House.

Mr. HOLLINGS. No. This gentleman is working on his own. This is no White House amendment. I can tell you here and now, if I wait on that crowd over there, we would not get it done.

Mr. President, there is one more thing to be recognized and that is the exception that makes the rule. That is, as I am critical of the media for just going fast asleep on this one, and battling the Greenspan unified nonsense, the one exception is USA Today just about a week ago—10 days ago, November 6, Monday.

I ask unanimous consent this editorial and an October 20 column by Lars-Erik Nelson be printed in the RECORD.

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

[From USA Today, Nov. 6, 1995]

THE BALANCED-BUDGET MYTH

OUR VIEW: BOTH PARTIES USE SOCIAL SECURITY TO HIDE THE TRUTH ABOUT THE BUDGET; AND IN TIME, THE PUBLIC WILL PAY.

Each day, the debate over balancing the budget produces another dire warning. The cuts are too deep! say the Democrats. Taxes must fall! say the Republicans.

But after they compromise and begin arguing over who won a few weeks from now, one truth will remain: Both sides will be lying, because neither is talking about a truly balanced budget at all.

The non-partisan Congressional Budget Office underscored that point recently. It pointed out that come 2002, when the budget will be ''balanced'' under Republican plans, the government will still be borrowing more than $100 billion a year. This is done by writing IOUs from the Treasury to Social Security and other trust funds that Congress declares ''off-budget.''

The bill for this little game won't come due in the political life of President Clinton or much of today's Congress. But the public will pay it soon enough.

To understand, look ahead to 2005. That's just 10 years away, about the time it takes for an 11-year-old child to go from grade school through college.

That year a critical balance tips. Increased costs for Social Security will begin to deplete Congress' cushion. Because the Social Security trust fund is a fiction filled with nothing but government promises to pay, Congress will gradually lose its fudge factor.

By 2013, when the trust fund peaks, taxpayers will feel a hard bit. They'll have to start doing what the trust fund was supposed to do—pay for the retirement of 75 million baby boomers. The budget will plummet into a sea of red ink, with $760 billion a year deficits by 2030. By then the government will have had to double the current 12.4% employer-employee payroll tax to cover Social Security obligations.

That's unaffordable. Yet, neither President Clinton nor leaders of either party in Congress acknowledge reform is needed to avert economic catastrophe. To do so would require Republicans to get off their tax-cut bandwagon and Democrats to accept deeper spending cuts. Both prefer the myths that a budget borrowing from Social Security is balanced and a trust fund filled with IOUs to be paid by today's 11-year-olds has value.

Those are frauds only fundamental reform can fix.

The leaders of Clinton's commission on entitlements—Sen. Robert Kerrey, D-Neb., and former Sen. John Danforth, R-Mo.—last year recommended raising the retirement age to 70 and converting a portion of the current payroll tax into a mandated personal retirement account. The Concord Coalition, a deficit watchdog, has called for cutting benefits to upper-income retirees. Other proposals include taxing all income for Social Security and subjecting all benefits to normal income taxation.

Which measures are best? Only a thorough debate of the various measures can decide. But first political leaders must give up their convenient budget myths and face the fact—a Social Security train wreck is coming, and sooner than they think.

[From the New York Daily News, Oct. 20, 1995]

BORROWING FROM SOC SEC TO AID THE RICH

(By Lars-Erik Nelson)

Washington—See that Social Security deduction on your paycheck? It's the key to the Republican plan to ''balance'' the federal budget while giving tax cuts to the wealthy.

In 2002, the year Republicans have been promising a balanced budget, they will in fact come up $108 billion short, according to the House Budget Committee's report. The Republican plan makes up the difference by ''borrowing''—the late Sen. John Heinz (R-Pa.) called it ''embezzling''—from the Social Security trust fund.

By law, Social Security deductions are supposed to be earmarked to pay benefits for future retirees. But for the past dozen years the Social Security surplus has been used to mask the real size of the federal deficit.

The Republican plan continues the embezzlement. In pure accounting terms, the Republicans are right: If the amount of money the government collects in a given year equals the amount that it pays out, the budget is in balance. But borrowing from the trust fund to cover current operating costs means raising taxes on the next generation—our children—to pay back the debt to the trust fund.

In addition, using Social Security deductions to balance the budget means that working people, who cannot escape that FICA deduction on their paychecks, make up the shortfall caused by tax breaks for the wealthy and for business.

''It's the largest transfer of wealth from labor to capital in our history,'' Sen. Daniel Moynihan (D-N.Y.) said yesterday. ''We are using a 15% payroll tax [the combined burden on employer and employe] to pay the interest on Treasury bonds, which are generally not owned by blue-collar workers.''

''These guys [the Republicans] don't have any intention of balancing the budget,'' agreed Sen. Ernest Hollings (D-S.C.). ''All they want to do is to get credit for it, make room for a big tax cut and destroy the government.''

Republican budget plans are still something of a moving target, with many details being worked out behind closed doors, often in consultation with business lobbyists. ''You're really not supposed to understand this until it's too late,'' one of the lobbyists confessed with a grin yesterday.

But the general outline is clear. The budget plans call for increasing taxes on the lowest-income Americans—those earning under $30,000 a year—primarily by curtailing the Earned Income Tax Credit for working people.

The way the tax cuts are skewed, the wealthiest 12% of Americans share $53 billion in tax breaks; the remaining 88% of taxpayers share $49 billion. Federal spending cuts also hit the low-earners harder than they do upper-income families.

More bad news: En route to their supposedly ''balanced budget,'' the Republicans run annual deficits that will add another $1 trillion to the national debt. That means that in 2002, interest costs—now running at nearly $1 billion a day—will eat up even more of the federal budget, leaving less money for spending on everything else.

Moynihan tried yesterday to strike $245 billion in GOP tax cuts and use the money to reduce the deficit, preserve the EITC and spare some of the proposed cuts in Medicare. he was defeated.

''This is simply the wrong time to cut taxes,'' Moynihan argued. Republicans did not listen.

As Ronald Reagan's conscience-stricken budget director, David Stockman, observed in identical circumstances just over a dozen years ago, ''Now the hogs are really feeding.''

Mr. HOLLINGS. Talking about the budget, the editorial says:

The nonpartisan Congressional Budget Office underscored that point recently. It pointed out that come 2002, when the budget will be ''balanced'' under the Republican plans, the Government will still be borrowing more than $100 billion a year.

The truth is, it is over $348. But then:

But after they compromise and begin arguing over who won a few weeks from now, one truth will remain: Both sides will be lying, because neither is talking about a truly balanced budget at all.

That is what I want to do, is repair the lying with this particular amendment. So both sides can be telling the truth and we are not any longer embezzling Social Security.

The title of this one is ''A Balanced Budget Myth.'' There is one particular entity, now, that has the truth and they are after us. I hope all the media will wake up and get after us. Let us start talking sense, rather than who is on top and who is lost and who is popular and what the polls show.

I absolutely, since I have the time here, have learned one thing in 40 years of public service. That is, this political polling is a cancer. Yes, you have to

get it. The opposition gets it when you run for office. But if you try to administer, if you try to govern with a poll—I think of the Marshall plan. Mr. President, 14 percent favored the Marshall plan at the time it was adopted. It was overwhelmingly opposed.

I go back as a young House member in my own State legislature, when I offered the sales tax bill and education finance reform to start building up public education in my own home State. Sales tax, at that time, was totally unpopular. As of this minute, if you took a poll in South Carolina on the sales tax, I am convinced the majority, by far, would say they oppose the sales tax.

But, in the 45 years, from 1950 to 1995, not a single bill has been introduced in the legislature to repeal it. The polls would show overwhelmingly it is a popular thing, but the people know if they did repeal it the government would go broke. We would not have any BMW's coming from South Carolina. We would not be correcting the illiteracy. We would not be giving the youngsters an opportunity in public education.

So, let us get away from this cancer, in addition to the interest costs on the national debt, of how well the President or the Congress is up or down in the polls.

We have a job to do. Under this job, let us have truth in budgeting.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I will just repeat what I said a couple of times here on the floor. We talk about who is at fault in these various things, in the impasse we have that has furloughed so many hard-working people. I could not help but think the other day, when I heard the Speaker of the House talking about the kind of discipline they now have in the House and how they are able to move, ''We told the American people we would do certain things and by golly we are doing them right on time''—et cetera.

One of the things they did was take over control of both bodies. And one of the things you are supposed to do, and get paid to do, is to pass appropriations bills on time—for example, all 13 by the end of the fiscal year in September. What they have not told the American people is that you have hired us to run the Congress, pay us over $130,000 a year to do that, but we failed to get our work done on time in September. We passed and had signed into law only two of the 13 appropriations bills. Today there are only about 4 of the 13 that have been signed into law. That is why we are debating what kind of continuing resolution we might have.

I cannot remember a time in my 21 years here—and I have been in the Senate, first under Democratic leadership and then under Republican leadership then under Democratic leadership and then under Republican leadership—I cannot remember a time that the Congress has been so derelict in passing and getting signed into law our appropriations bills. That is what has happened. That is why we are in the problem we are in.

Every appropriations bill begins in the other body. It is the other body that has a Speaker who talks of the tremendous control he has over the House and tells us how, now that we have this Contract With America, there is a new majority ruling and they will run things. They ought to at least run the trains on time.

The fact of the matter is, they were a dismal failure in just passing the legislation that Members of Congress are supposed to pass every year. There are certain things we have to do. You raise the flag up on the roof when you go into session. You turn the lights on. You show up for work. And you pass the appropriations bills.

Nobody has been over here filibustering the appropriations bills. Yet, probably it is the most dismal record of passing bills in anybody's memory in Congress. I think they virtually guaranteed we would have this shutdown. I can remember some years we might have gotten 10 of the 13 passed and we had to have a continuing resolution for a week or two, into October, to get the other 2 or 3 passed. But to have nine of them not passed by now? To have nine when you are 6 weeks past the date? If anybody was running a business and had employees who were that tardy, they would fire them all. They would fire them all.

Then we hear on some of the things when he finally does take an interest, when the Speaker has taken an interest—he has taken an interest in one thing, in the farm programs. He has announced to the Senate, which passed a dairy compact 2-to-1, he is just going to take that out. It does not affect his little district in Georgia so, even though it affects all the Northeast, he is just going to take it out. All New England—he is just going to take it out, regardless of the fact the Senate passed it 2 to 1 with Republican and Democratic majorities on it. He will just take it out. He says next time around he will take out anything else that affects us.

Frankly, I would be happy to have the Speaker of the House come up to Vermont and see how hard dairy farmers work. In fact, I guarantee, so he will be in a good mood, he can ride in the front of the airplane and he can come out the front door of the airplane. We will have somebody greet him there. While he will not have the chauffeurs and bodyguards he might have here, I will personally drive him. He can ride right up front. We will give him an ice cream cone and give him anything else he wants. We will make sure we give great attention and deference to him, talk to him whenever he wants. I will shine his shoes, do whatever he feels is his due. He should come up and see just how hard farmers work in Vermont.

He should come up and see how hard farmers work in Vermont. He should come up and see how hard a lot of other people work in Vermont. He should see how hard the Immigration and Naturalization Service works in Vermont for all of us, Republicans and Democrats, and independents alike. He should see how hard the people who run our Forest Service work in Vermont, the people who have been furloughed because of temper tantrums over where he may sit on the airplane. He should see how hard the people work who have to pay the mortgage, have to pay the tuition, and have to pay the children's dental bills. He should see how hard they work, those people now without a job because under his control and his leadership, the majority control, we have one of the most dismal records of passing appropriations bills that I can remember in my 21 years here.

During that whole time I have never, during Democratic Presidents, Republican Presidents, seen the Congress so lax in doing what we are paid $133,000 a year to pass the bills that keep this Government running.

You could vote to change this way or that way. They have the majority. They can pass them in any form they want. But at least pass them. Do it. Get it passed. There has never been a situation like this.

So, in case you start wondering who is at fault, are we at fault? Is the Government closing down because the Speaker did not get the seat he wanted on Air Force One? Most of this country would feel pretty privileged to ride on Air Force One, if they just wanted to go to a funeral or something. Are we closing the Government down for that? Apparently, that is one reason. But the biggest reason even predates that. The biggest reason is people are supposed to keep these things running, and they did not get things done on time. They did not get their work done in time. They have not completed their work, and there we stand.

So I have heard those who are speaking here. The distinguished Senator from South Carolina, former Governor of his State, a good friend, Senator HOLLINGS, made a very good point here.

I simply close with this, Mr. President. Let us not talk about gamesmanship. Let us stop trying to say who is up in the polls this day, who is up in the polls tomorrow, who is going to be running in this Presidential primary, who is going to be running in that, and who is going to have their face on Time, or Newsweek, or U.S. News this week, or who is going to be on there next week. Let us at least do the Government's business. We will vote different ways on different issues. Republicans will vote differently than Democrats on some, and different Democrats will vote differently than each other. Some Republicans will vote differently than each other. But at least get the bills up and get them passed.

Let us do the things we are hired to do. Let us at least pass the basic bills

that run the Government as we are hired to do. The new majority may well change what they think the priorities are with the Government. They have the right to do that. But at least get it done.

This is sort of like having somebody who is going to repair the roof on your house before the thunderstorm comes, and they keep coming to you every day and saying, ''We will be there. We will be there. Keep paying us. You paid us to fix the roof. We will get there someday. We will get there someday.'' In the meantime, thunderstorms come.

I ask my friend from North Dakota, is that not so?

Mr. DORGAN. If the Senator will yield for one brief question, I will make it a brief question.

He raises the point about the continuing resolution and where we are at the moment. I made a point on the floor earlier today about two little issues, actually two issues—one little, and one big—that sort of described the dilemma of this continuing resolution. One is a program called star schools, and the other is a program called star wars. I have some additional information.

I was wondering if the Senator from Vermont knows the information. I was unaware of it until I looked into it. Star schools is a tiny little program designed to improve math, science scores, to help schools advance, to help kids, and it is an investment in education to create star schools. It was funded at only $25 million for the whole country. Under this continuing resolution, this program is going to go from $25 million down to $15 million. So it is going to lose 40 percent of its funding because the House wants to kill the whole program.

So this continuing resolution says on star schools you kick 40 percent of the funding out. But another program, star wars—the star wars program for which the administration requested $371 million for R&D. That is all they requested. They requested no money for deployment. The Congress said in their bill let us stick in an extra $300 million for deployment. We invest. You spend that.

So what happened in this continuing resolution? The continuing resolution means that the star wars gets $300 million extra money, and Star Schools gets 40 percent less. If there ever is a vivid description of warped priorities, it is the juxtaposition of star wars and Star Schools. That is what this is about.

I ask the Senator. When people come to the floor and say, ''This is a tiny little decision, it is 7 years, and the Congressional Budget Office,'' is it not true that it is much more than that? Because this continuing resolution, which is 15 pages long, also says to Star Schools, guess what? You are unworthy. We cut you 40 percent, and then allows generously $300 million more for star wars. This is about big guys and little guys, about big interests and little interests. That is what this is all about. Guess what? Is it not true that the big interests get rewarded and the little get penalized?

Mr. LEAHY. It is. I say to my friend that, if we wanted to simply pass a continuing resolution to have the Government continue, we could do that in a one sentence—in one sentence say we will continue the expenditures at whatever percentage until such a time as the appropriations bills are passed. But instead we have not done what the public is led to believe with a simple continuing resolution. But every single piece of special interest legislation that can be packed on in the back room somewhere with no debate. That is what this continuing resolution is. It is a continuing resolution that rewrites the farm bill. It rewrites our education bill. It rewrites health, and does all these things with no hearings, no votes—done in a back room.

Why not do what the American people pay us to do? Bring up each of the appropriations bills, and in those if they want to cut out the money for education and star schools or anything else, then have a vote so that people can look and say, ''This Senator voted for the education bill. This Senator voted against the education bill. Here is their reason.'' Be accountable. But no. We do not do it.

If we are going to have star wars to defend against the Soviet Union, for those who have not been reading the newspapers and do not understand where the Soviet Union is today, then at least have a vote on it. Vote to spend hundreds of millions of dollars of our tax dollars, or vote against it. But stand up and be accountable.

What we are doing is saying we will take care of all these special interests. We will get rid of all these things people might want. But there will not be any fingerprints on them.

It makes me think of the days when I was a prosecuting attorney, and we would come in and realize the burglar had worn gloves. That is what happened here. The burglar is wearing gloves.

I have cast a lot of votes that I knew would be unpopular in this body in the last 20 years. But I am willing to stand up and do them. This is something being done by people who do not even have to vote. Let us vote on it. If we are going to fund a B–2 bomber, vote on it.

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

Mr. LEAHY. In just a moment, because of my great respect for the Senator from Alaska. He and I serve on the Appropriations Committee. We usually get at least most of the bills passed by the end of September. That is my point.

I, of course, yield to the Senator from Alaska for a question.

Mr. STEVENS. Mr. President, the continuing resolution is even more fair than in the past. In the past we took the lower of the House or the Senate figure. This time there is a 60 percent, in the event that defunded items are in the budget this year. That is much more fair than in the past during the time the Senator's party was controlling the Congress, and we had Republican Presidents. What is more unfair than in the past?

Mr. LEAHY. If I might respond to my friend, the point I make is this. I do not remember a time in this body—and he has been here longer than I—a time under either the Republican leadership in the Senate or the Democratic leadership, under Republican Presidents or Democratic Presidents, that we were so derelict in the number of appropriations bills that have passed—certainly by the middle of November—passed and signed into law. I can remember sometimes we had continuing resolutions for a few. But I can think of sometimes, certainly in the last 3 or 4 years, when we had all thirteen passed.

Mr. STEVENS. Mr. President, if the Senator will yield again, I can remember distinctly the times back in the days when we had the Republican majority in the 1980's when we had the problems with regard to the House, and we had continuing resolutions that had all 13 bills in it.

As a matter of fact——

Mr. LEAHY. For how long? A week?

Mr. STEVENS. It was the Armed Services bill——

Mr. LEAHY. For a week or maybe 2 weeks in October but never mid-November. Never mid-November.

Mr. STEVENS. That is my question to the Senator again. We gave the President a continuing resolution from October 1 until November 13. We are under the second continuing resolution now. As a matter of fact, the resolution before us is again short term. The Senator is making it look like—does the Senator wish the public to understand we have cut those programs in this bill? This does not cut them. It preserves their funding for 2 weeks.

Mr. LEAHY. Mr. President, I yielded for the question. I would say this: Before the Senator from Alaska came in, it was pointed out that we cut Star Schools very substantially in this continuing resolution and increased very substantially star wars beyond what the President——

Mr. STEVENS. Mr. President, will the Senator yield? It is just not true.

Mr. LEAHY. If I could, just for a moment. It is, if you read the continuing resolution. My point is this—and I think the Senator from Alaska would have to agree—never have we been down to mid-November—to mid-November—with so few—in fact, before Monday I think we had only 2 of the 13 appropriations bills signed into law, and on Monday we had signed 3 of the 13. I guess now we sent down another one. But does the Senator from Alaska remember any time under either Republican or Democratic leadership that we were down to mid-November with only two of the appropriations bills signed into law?

Mr. STEVENS. I would be happy to answer that if I may. In 1988, we had a continuing resolution that had all 13 appropriations bills. Three of them had not even been considered by the Senate.

Mr. LEAHY. Was that November 15?

Mr. STEVENS. This was November, yes. Yes. As a matter of fact, it was a time of the Nicaragua contra aid problem, if the Senator will remember. But we had all of them in the bill at one time. And at that time the Senator's party was in the majority.

Mr. LEAHY. But not down this late. Not down this late, I would say to the Senator from Alaska. Not this late into the session.

Mr. STEVENS. As a matter of fact, if the Senator will yield again, the Senator will recall there was a sequestration ordered that year. It was late. We finally had to pass a continuing resolution to suspend the sequestration under the Budget Act.

Mr. President, my question to the Senator is, he implies that we have raised star wars by this bill. We are going to bring to the floor—we just got the agreement now—the Defense Department appropriations bill for this coming year. It deals with the star wars issue. Because of the fact that bill is almost ready to go, it appears that it is higher than the other funding, but the other funding is in another bill. We are continuing the funding for the Star Schools for a 2-week period rather than leave them out altogether.

Does the Senator object to that?

Mr. LEAHY. We have also seen, I would say, Mr. President, in these continuing resolutions, we have even arranged a way to do the LIHEAP program. I will give you some idea of what happens when you do not pass your appropriations bills on time.

The LIHEAP program is to provide heating assistance for those of us in States with severe weather, none more severe than the Senator from Alaska, obviously. But in my own State we have 25- and 35-below-zero days. This is to give heating assistance to the people, aid in heating to the poorest people in our States, to help them weatherize their homes, or whatever else. Not only is the program cut substantially, but it is set up so you can pay out only 1/365 per day. So, in other words, if you are in Montana or Alaska or Vermont and it is 25 or 30 below zero in January, you are told: Sorry, we do not have enough, but come back in June and we will probably be able to take care of you.

Mr. STEVENS. Will the Senator yield again?

Mr. LEAHY. Of course.

Mr. STEVENS. I remember the time when because of the controversy over the SST we carried through the continuing resolution to the following March. Does the Senator remember that?

Mr. LEAHY. On one bill.

Mr. STEVENS. As a matter of fact, in 1988——

Mr. LEAHY. On one bill.

Mr. STEVENS. When we had that, it was December when we had this.

Mr. LEAHY. I do not remember. I must admit that was before —

Mr. STEVENS. Does the Senator know Star Schools are forward funded? It is not affected by this bill at all.

Mr. LEAHY. The SST, I would say, was before I was old enough to be in the Senate so I will have to take the remembrance of the Senator from Alaska on that.

Mr. STEVENS. Senator THURMOND and I remember that very well. We stepped off the *Mayflower* and voted at that time.

Mr. LEAHY. The SST was before I had reached the constitutional age of 30 to be here.

Mr. STEVENS. Again, will the Senator answer my question? Does he know that Star Schools are forward funded; they are not affected by this bill at all?

Mr. LEAHY. I will tell the Senator to go back to the comments made earlier by the Senator from North Dakota who read the specific chapter and verse.

Mr. STEVENS. I wish I would get a chance to talk to the Senator from North Dakota about that.

Mr. LEAHY. I am sure the Senator will.

Mr. STEVENS. I hope the Senator will not mislead the public here as to the Appropriations Committee, on which we both serve so well. I think we try to do our best. And this bill is a better bill than previous continuing resolutions. It leaves out less programs as a result of its total breadth than have been covered by prior continuing resolutions. Under that circumstance, it should be readily approved by the President.

Mr. LEAHY. Mr. President, I say to my friend from Alaska, I have always enjoyed, and I think enjoyed more, serving on appropriations than any other committee. One of the reasons for that is my relationship with the Senator from Alaska. I know of nobody who works harder. I have no higher respect for anybody than he. And he and I have served on several subcommittees together. I probably now ruined his electoral chances in Alaska by saying nice things about him here.

The fact of the matter is there was no Nicaragua Contra debate, there was no sequestration debate, there were none of these things that stopped us from getting the appropriations bills through, bills that begin in the other body, at the time we are required to, expected to and paid to. That is the end of September.

But when I hear the Speaker of the House tell about how they are able to do all the things they are supposed to do, and they are running things on time and all, the fact of the matter is these bills begin over there and have not gone through at the speed they should, and were all the appropriations bills done, we would not have a Government shutdown. In those areas where we have passed appropriations bills, there are no shutdowns.

All I am saying is let us stop worrying about who sat where on the way to a funeral or who got off which door. Let us get on with the business.

I think the Senator from Alaska may recall this. I started saying in August, in July, that Democrats and Republicans have got to sit down and start figuring out how to get these budgets through; that there will not be a Clinton budget exactly, there will not be a Gingrich budget exactly, there will not be a Stevens or a Leahy budget exactly. But all of us working together could get a budget that might make sense for the country.

I see my friend from New York is here, and he has been waiting at a time when others were waiting, such as my friend from Washington, so I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I rise this afternoon to strongly support and endorse the underlying resolution, House Joint Resolution 122, called the continuing resolution.

I doubt if the American people really know what a continuing resolution is, but let me say one thing. I have no doubt that the American people are absolutely fed up with what they see going on. I have no doubt that the American people do not want us to continue doing business as usual. Some want us to just continue our merry way—spend and spend, tax and tax for programs that they have decided are good for the American people whether they like them or not. We have colleagues here who have said we are going to give the American people health care whether they like it or not. That is the kind of attitude. That is why the people are angry.

People voted for change. They voted for change in 1992. They did. And in 1994, when they saw that it did not happen, they said, by gosh, we want you to change things. We want you to really keep your commitment.

Now, President Clinton, for all his noble politicking—and he is good at it—has a happy facility of forgetting what he says. He will say just about anything to get your vote or to go up in the popularity polls, and then when it becomes a little tough, he goes the other way or conveniently forgets when the pressures from his party come up. When he ran in 1992, he was the new Democrat. He was going to change things. He was going to cut taxes for working middle-class families. That was his promise. Not only was he going to cut taxes, he was going to balance the budget in 5 years—not 7 years, not 10 years—5 years.

Promises made; promises broken. And that is why in 1994 you saw a revolution. People said, we are sick and tired of it. And we want people who are going to go down and do the job. All over the country they sent a message.

Wherever there was an open seat, they elected Republicans who said, yes, we are going to cut taxes, cut spending, we are going to let middle-class working families keep their money, and we are going to have less Government—that was the message—and balance the budget over 7 years.

Here you have a President that said, ''I'm willing to balance the budget in 5 years.'' And yet he is having trouble saying, ''Yes, I'll do it in 7.'' Here is a President who said we are going to use the real legitimate figures to ascertain what economic growth is, how much money we owe, how much money we do not. That is called the Congressional Budget Office, CBO. Most Americans do not understand, but here is the President, and he says, ''I'm going to balance the budget in 5 years. And I'm going to give tax cuts to working middle-class families. We're going to use the Congressional Budget Office to be the official accounter for whether or not a budget is in balance,'' and now, 1995, he has forgotten that.

I am proud that those men and women who were elected for change are down here fighting for change. I do not think we are doing a good job in getting the message out. I think we are doing a terrible job. I think the President is beating our pants off. And the media loves him and they play his score. What do we hear? We hear the President sanctimoniously saying, ''I have to tell you I'm not going to allow them to cut programs for the senior citizens, Medicare, Medicaid, and give tax breaks to the wealthy.'' That is hokum, Mr. President. That is just simply an overstatement and an exaggeration that comes down to being untruthful. It is disingenuous.

As a matter of fact, the cuts he has proposed in Medicare, or reducing the rate of growth, in many cases, parallel those that we have put forth, in many cases. Now, let us take a look at the so-called tax cuts for the wealthy.

We have proposed, and the President will not even come to the table to discuss it, a package of $245 billion worth of tax cuts. Here is a famous Governor from my State, a Democrat, who said something many years ago that we should refer to. He said, ''Let's look at the record.'' So we look at the record to see exactly where the so-called tax cuts go. We will find they do not go to the wealthy people. Indeed, 70 percent, $171.46 billion, 70 percent, goes to family relief. I hear all of this jargon and all this talking and all the crocodile tears about ''we care about families.'' Well, we do. We really do. And that is what this tax package puts forth, $171.46 billion in tax relief for the working middle-class families of America.

And indeed, the child tax credit, if you are talking about one person, it is phased out at $70,000; a couple it is phased out at $110,000. So we are talking about giving relief for families under $100,000. Most of them, the bulk of them, fall in this $50,000 to $70,000, $45,000 to $70,000 area. They are not wealthy people. So 70 percent—and let me give you a breakdown.

When we talk about the child tax credit, that means if you have a child you will get back $500 in taxes that you would otherwise pay. A family of three, $1,500. That is pretty good. Families earning $45,000 a year, that means they can keep $1,500 that they can invest, that they can spend, that they can save. They will make a determination, not some bureaucrat down in Washington. I like that. That is $147 billion of the total of $245 billion that just goes to families who have children.

Mr. President, I heard a lot of talk about the marriage penalty. I daresay, many people will say, what are you talking about, a marriage penalty? Under the Tax Code, if a couple gets married, they can have the same incomes, they join, and they wind up paying more than if they lived separate and apart or lived together and were not married. It is called a marriage penalty.

We are talking about trying to bring American families together, helping families. Government cannot do it by way of stepping in itself. But it can relieve some of the inequities, some of the burdens. They can say, if you have children, you are to get $500; if you are going to get married, we are not going to penalize you for getting married. We begin to phase it out. That is a small step. That is $8 billion worth of relief.

Let me ask you, Mr. President, is a child tax credit for the wealthy or is it really going to most working middle-class families? Is phasing out the marriage penalty for the wealthy or is it going to working middle-class families who are being penalized for doing, I guess, that which we want to encourage—people getting married—as opposed to people living together who do not get married paying less taxes? We penalize people for getting married? There was this—ever since I was a kid I heard politicians talking about doing away with this, phasing it out. Here we start to do it. That is $8 billion.

We talk about the homeless and we talk about abandoned children and we talk about those who need help. And almost $2 billion, $1.9 billion, in this family package—you know, you hear ''family friendly''—this is a tax-friendly package. It is a tax-friendly package for families. And $2 billion is to be provided for those families who want to adopt children. It seems to me we have had so much in the way of discourse and disagreement as it relates to children, those who are unwanted. And here we provide an opportunity for those families who are willing to take in children, to make it possible for them to pay the cost that otherwise, in many cases, would keep poor families and working middle-class families from adopting a youngster who would have no home, who would be in foster care, who would be a charge of the State. That is $2 billion.

I do not hear anybody—Mr. President, why do you not tell the American people? Do you support giving credits for families who are going to adopt children or are you opposed to it? Are you opposed to a $500 tax credit for children for working families? Are you for it or against it? Do you want to keep the marriage penalty in place? Are you for it or against it? Is that for the wealthy families or is that for middle-class Americans?

Student loans: We provide $1 billion to help. I would like to see it more. And maybe if we got to compromise and sat down with the President, began the work, we would find some more money for students. Mr. President, $1 billion.

Tax deductions for elderly parents living with their children: Do we want to see elderly parents placed as charges of the State who are poor or do we want to provide some incentive for youngsters to keep their elderly parents in their homes? That is almost $1 billion.

We add that up, it is almost $160 billion, Mr. President. Now, let me tell you, I said $171 billion. And 70 percent of all the taxes go to families. I am a little bit short, $11.8 billion short.

IRA's, individual retirement account: One of the things we do is we say, for those spouses who are taking care of children, who are taking care of the home, should they not be entitled to an IRA and not be able to put $2,000 aside for their retirement for the days when they become elderly? Is that something that is used by the wealthy or is it something that will be used by working middle-class families? The vast bulk of that will be working-class families. So $11.8 billion in individual retirement accounts is made available.

So, Mr. President, we come up to $171.46 billion, and 70 percent of the so-called tax cut for the wealthy goes to families. If you make more than $110,000, you do not qualify for most of that or any of that. Where does the balance go? Let me talk to you about some of the balance.

Long-term care insurance: a deduction. All right. Should people be permitted to go out and buy insurance for their long-term care if they have a catastrophe or do you want them to be Government charges? We provide $5.7 billion. A 50 percent deduction for small business insurance, $1 billion. That is $6.7 billion. Small business being able to deduct expenses for purchases of equipment, $3 billion.

Mr. President, I submit to you that when President Clinton says that we are cutting programs to advantage the wealthy, that is just not true. It is disingenuous. And I would debate with the President any time on the business of whether or not we should have a tax cut that is going to help create jobs, because let me tell you something, I—think we do need that.

I think we need a capital gains tax cut. And we do provide for that, and it does and will help creativity, job expansion, capital formation. It will

bring about more in the way of jobs and more in the way of revenue. And, indeed, as Al Smith said, ''Let's look at the record.'' It was John F. Kennedy who brought in a capital gains tax cut that produced revenue. Somehow our colleagues like to forget that. If you give business the opportunity to expand, reward people for investment, they will do exactly that, you will get more economic activity, you will get more jobs, you will get more growth.

So, Mr. President, with any reasonable calculations, more than 80 percent of tax cuts that we have provided will go to individuals earning less than $100,000, and those tax breaks that go for capital gains tax cuts, I submit to you, in the fullness of time, will advantage more working people, more middle-class people, more poor people than bigger spending, than larger deficits

I think that President Clinton has an obligation to sign the balanced budget act into law and stop playing political games with the economic well-being of our country, and that is exactly what he is doing. He will be taking a poll in about 2 hours, and his pollster will come in and tell him whether or not he is gaining on extending this politically. If they say he continues to gain, he is going to draw this out. At some point in time the people are going to really make it known they are holding him responsible, too, and maybe then he will begin to bargain in good faith.

I think that is a heck of a way to run Government or make policy. I submit to you that is exactly what is taking place. The American people want us to balance the budget, and what this continuing resolution says is we will give you until December 5 to do exactly that.

Listen to the great commitment it has. It is a commitment that anybody should be willing to sign off on. It continues Government basically at the same spending levels. Oh, you can make an argument that there is a little percent here or there that is out of whack, but it continues the essential programs that people want and need. Then it says in section 301(a):

> The President and the Congress shall enact legislation in the 104th Congress to achieve a unified balanced budget no later than the fiscal year 2002 as scored by the non-partisan Congressional Budget Office.

Putting aside the legalese, that means the President would be committed, he will be making a commitment that he is going to work for a balanced budget over the next 7 years. That is the basis on which we go forward. We do not say it is our numbers, our programs, he has to agree with all our tax cuts and tax programs. But we do say we have to have an honest method of accounting, not pie in the sky.

By the way, I have been here when I have seen pie in the sky. I have been here when Dave Stockman cooked the books and projected economic growth that was unrealistic and interest rates that could absolutely not be achieved. If you want to balance the budget, predict a 4-percent economic growth when, indeed, it is 2.3. That will bring you in tens and tens of billions of dollars of extra revenue. Therefore you say, ''I balanced the budget.''

You predict the interest rates are going to be lower and you predict billions of dollars. That is why we insist we use an honest scorekeeper, not your scorekeeper or mine—an honest one. If, when the President took office, he said he was going to use the Congressional Budget Office to be that official scorekeeper, what is wrong today? What has changed? Promises made, promises broken. The President says, ''When I'm elected, I'm going to cut middle-class taxes.'' He raised them. Then he had to say, ''I made a mistake.''

Did he make a mistake when he said we will use the Congressional Budget Office as the official scorekeeper to determine whether or not we are really going to have a balanced budget? What did he mean and when did he mean it? Was he just kidding us when he made that promise to the American people, when he came before and addressed the Congress and said, ''We are going to use the CBO''? Was he kidding then and is he serious now, or is he kidding now and was he serious then? Is he jockeying for partisan political advantage, and I fear he is? I think the American people know that.

The American people are not exactly throwing bouquets at us, because I think we have done a poor job in explaining what we are trying to do here. I really do. Whether or not I got off the back of the plane, the beginning of the plane, the side of the plane, they would not even let me on the plane. So what? And let me tell you, I went on a different plane and they did not even want me to go on that plane. They did everything they could to keep me from going. And that is a fact. That is a fact.

You want to talk about partisanship, well, let us put the partisanship away. Let us do the business of the people. I want to tell you something, if this goes on much longer—the American people are fed up. They want a balanced budget, they want us to cut taxes, they want us to give future generations the economic opportunity that they are entitled to. They expect us to make the tough decisions, and if we continue this nonsense, they are going to say ''a plague on both your houses,'' and they will be right. That means we have to stand tall and call them the way we see them, and we also have to be open and ready to deal with the President, but to deal with him honestly, and he has to deal with us honestly and not the political sloganeering.

So, Mr. President, I support the commitment to go forward, to extend, yes, and to continue spending for a limited period of time basically at the same rate for the next 2 weeks provided that the President says he agrees he is committed to balancing the budget using real numbers, using the Congressional Budget Office as the real referees, not my favorite guy or his favorite guy, not someone who is going to cook the books to disadvantage one side as opposed to the other, but an honest scorekeeper. The American people are entitled to that.

I ask the President of the United States, ''You tell us why you have changed your mind now, why you want a new referee, your referee to call the game your way? Are you really serious about doing the business of the people and bringing in that impartial referee and getting down to doing the business of the people?'' That is what they expect.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I want to commend the Senator from New York for his comments. They are right on. I think he hits the nail right on the head. This is about the future of our children. This is about balancing the budget.

I am glad as a member of the Finance Committee he took on all these assertions to talk about tax cuts for the rich. The Senator from New York is right. These are tax cuts for middle-income families.

The only thing that would not be targeted for tax cuts for middle-income families would be capital gains. The Senator from New York correctly said capital gains reductions are job-creating engines that employ middle-income families. So whether you are giving them a tax break or you are giving them an opportunity to get a job, it is targeted toward families of middle income.

We, obviously, do not do a very good job getting our message out. I keep hearing over and over again—I talk to folks from Pennsylvania who are in the Capitol, I talk to them as they call into my office, whatever the case may be. I explain to them what we do, what we are trying to accomplish here, and they say, ''Why doesn't anybody report that?'' Well, talk to the national media why they do not report what is in this bill.

The reason we are so passionate about sticking up for a balanced budget over the next 7 years and the reason we care so much about what we are doing here and why we invested all this time in putting this bill together is because we honestly believe that when we pass this into law, the American public will approve in overwhelming numbers what we do. If we thought this was bad policy, I can guarantee no one would be standing here taking on every sacred cow in Washington, DC.

It is amazing to me some suggest this is being done on our side for partisan political advantage. Let me assure you—and if you do not believe me, look at the poll—let me assure you, there is little partisan political advantage in trying to reform Medicare, in trying to reform Medicaid, in trying to make decisions on education. There is no partisan advantage here.

The advantage is it is the right thing for America, for our children, and for our future. This has nothing to do with politics. It has everything to do about the future of this country. It has everything to do about deeply held, passionate policy beliefs about what direction this country should take.

That is what we are debating here. I know this is all sort of seen from the outside as sort of a squabble between the President and Congress and Republicans and Democrats. I assure you that this is not partisan politics. This is a fundamental difference of opinion about what is right for America. We believe what is right for America, which is in the continuing resolution, is a balanced budget—not talking about it, not saying we like it, not saying that, gee, we would like to get there some day, but doing it. Doing it for our children.

I look up in the galleries and walk around here, and there are students around all the time. Sometimes I have to look down. I do not know how Members around here who keep voting for more and more spending, more deficits, more and more passing the buck to future generations, can stare at a kid today and say, ''You pay the bill. I get the votes, you pay the bill.'' That is what is going on. It has been going on here on both sides of the aisle for 25 years. We are trying to say today: Enough. Enough. Let us do the right thing.

This is not hard, Mr. President. Balance the budget using real economic assumptions. How hard is this? You said you wanted to do it. Everything in this resolution, you have made public statements saying you want to do. You want to balance the budget in 7 years. You said that.

Now, I know promises do not mean as much down at the White House as they do up here. See, we believe our promises should be kept. Those of us who ran—and Senator ABRAHAM was here and the Presiding Officer, Senator THOMPSON, ran in 1994—made a promise. We said we were going to come to Washington and change this town, and we were going to, first, balance the budget. We happen to believe promises are made to be kept, not just to get elected. There is a difference here. My dad always told me you do not make promises to get what you want and then go do what you want. You make promises and you give your word. Remember when a handshake used to mean a contract in this country? You gave your word and that meant everything. We did not need all these lawyers filling out all these forms. You gave your word.

There was a day when people listened to a politician who gave them their word, and they actually believed them. Think about that. You watched him give a speech, and you actually believed what they were saying was actually what they were going to do. Nobody believes that anymore. No wonder we have politicians here and politicians down at the White House who just say whatever the polls tell them to say today. No wonder people are sick and tired of this place. No wonder they have no faith in our institutions. Promises do not mean anything.

I think promises do mean something. You ask me why we are stuck in cement over here or standing firm. Because promises mean something. We are going to stand firm. We are going to get a balanced budget. We will get a balanced budget over the next 7 years. We will. I do not know how long it will take, but we will because it is the right thing to do. It is the right thing to do.

The plan we put together, while I agree with it and I think it is an excellent plan, is not everything I want to do. We have a few things on the agriculture side we are not particularly crazy about. Would I do it differently? Absolutely, I would. But we did the best we could. Now, is all that stuff negotiable with the President? Of course, it is.

Mr. GREGG. If the Senator will yield for a question on that point, I was just listening to the President speak.

Mr. SANTORUM. I am sorry I missed it.

Mr. GREGG. He said—and maybe he does not understand this. He said that in order to sign this continuing resolution, ''I would have to sign on to the Republican budget.''

Now, as I understand this continuing, all it says is that he must agree, or should agree, to join with the Congress in promoting a proposal that reaches balance by 2002, the practical effect of that being he can put forward his proposal and we can put ours forward, and we can reach an agreement.

Is he right, or is my understanding of this right?

Mr. SANTORUM. Some might find this hard to believe, but the President is not being forthcoming in this issue. I know you find it incredible that he is not owning up to the facts.

I asked the chairman of the Budget Committee, Senator DOMENICI, that question earlier. By voting for or signing on to the Republican balanced budget plan, the specifics—the tax cuts, the reductions in the growth of Medicare, the changes in Medicare—does all that then come with signing this? He said, ''No, it does not.'' It says two things. I will read you this. And remember, those of you listening, the President of the United States just said—would you repeat exactly what he said, or paraphrase it?

Mr. GREGG. Without your yielding to the floor——

Mr. SANTORUM. I yield for a question.

Mr. GREGG. He said that to sign this continuing resolution would mean that he would have to commit to the Republican budget proposal.

Mr. SANTORUM. Let me read what this continuing resolution says. Do you want to know who is telling the truth, what promises mean?

Section 301: 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.

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

That is all it says.

Mr. GREGG. If the Senator will yield for another question.

Mr. SANTORUM. Yes.

Mr. GREGG. Therefore, when the President cited that to sign this continuing resolution, he would have to sign on to the Republican budget, he was wrong. What he should have said was, to sign this continuing resolution means I have to commit to a balanced budget by the year 2002, under any terms I want. That would have been his reason for rejecting this.

Mr. SANTORUM. That would be the only reason you would reject this.

Mr. GREGG. I will ask another question. Earlier today, I heard the Chief of Staff, who used to be the head of the OMB and the Budget Committee in the House, state that the reason they oppose this continuing resolution was because it meant massive cuts in the Medicare Program.

Now, it is my understanding—and I wish the Senator would clarify this for me—first, that this budget resolution deals with discretionary spending, am I not correct? And it deals with Medicare entitlement spending, and this continuing resolution has no impact of any nature on any Medicare spending that is presently occurring, because Medicare spending is an entitlement program, is that correct?

Mr. SANTORUM. The Senator from New Hampshire is exactly correct. To explain, a continuing resolution needs to be passed because we have not gotten it enacted here in the Congress or signed by the President. Discretionary spending—that means spending that is not mandatory, which we have to spend. These are programs that we have to appropriate money for every year. If we do not appropriate that money by October 1, we then have to pass a resolution to continue spending, because if we do not, no spending is permitted. That is on discretionary programs.

Medicare is not a discretionary program. Medicare is a mandatory program. That means the money is spent, whether we have a budget or not. And so when someone says that they will be signing off on reductions in Medicare by signing a continuing resolution, a spending bill, they either fundamentally misunderstand how Government works in this town—and I know the former chairman of the Budget Committee understands how the budget works—or there was a deliberate attempt to mislead and, I would go further, to scare seniors.

There is nothing here—I will read the operative part one more time:

The President and the Congress shall enact legislation in the 104th Congress to achieve a unified balanced budget not later than the

year 2002, as scored by the nonpartisan Congressional Budget Office.

Enact legislation. It does not say enact Senate bill such and such, or enact the Republican reconciliation or budget bill. It has enact legislation. Very broad. It does not nail anybody down to anything.

Mr. GREGG. May I ask the Senator another question?

Mr. SANTORUM. I am happy to yield for a question.

Mr. GREGG. If I am to understand this correctly, when the Chief of Staff of the President comes out on the portico of the White House and says to the national press, ''The reason we oppose this continuing is because it means cuts in Medicare,'' he either, one, does not understand how the continuing resolution works—which would be difficult to believe in light of his history as head of OMB and head of the Budget Committee—or alternatively, he is continuing this rather jingoistic theme of trying to scare seniors without substance, which appears to be the policy of this White House relative to this budget process, is that correct?

Mr. SANTORUM. I think the Senator from New Hampshire is correct. I finished last night reading Harry Truman's biography written by David McCullough. Every time I look at the current occupants of the White House and see them get up there and say these kinds of things and deliberately mislead to scare people—this is not enlightening. This is fear. This is just misleading people for fear.

This is from the White House. There are people all over the world who look on the White House as a center of freedom, as sort of this ground that democracy first took hold.

Here we are—have we reached that, have we really reached that low in this country that we cannot sit and have an honest discussion? Do you know what this continuing resolution asks for? An honest discussion. An honest discussion. That is all this is.

A balanced budget in 7 years, sit down and negotiate, using real numbers—not trumped-up numbers, not numbers that wish away problems, but real numbers. An honest discussion.

We have a President who will not even agree to an honest discussion on things he says he wants. We have a President who says he wants to balance the budget. We balance the budget. We want it balanced. We have a President that says he wants to end welfare as we know it. In the budget bill that we have, we end welfare as we know it—frankly, pretty close to what the President had suggested.

We have a lot of things in there that the President actually proposed himself. We really did reach out. I think we—as we did in the Senate bill—got 87 votes on the Senate floor for the welfare reform bill. I think we can get that many for this. We save the Medicare system, which, according to his trustees, his office, is going to go bankrupt in 6 years, 7 years.

He even suggested change. Sure, we can negotiate how much, what to do, but we both agree it has to be brought up. He wanted a middle-income tax cut for families. We provide it. You heard the Senator from New York, a middle-income tax cut for families.

If we were talking massive buildup in defense, huge tax cuts on the wealthy, slashing a bunch of programs, if we were miles apart on this thing, then I think we could have sort of the logjam we are in now. We would be miles apart. Folks, we are not miles apart.

For those who see this as sort of the reason we tried to get elected here, to try to bring this fiscal sanity to Washington and to see that the sides on this issue are so close, yet if you listen to the national media you would think that he is in California and we are in Maine and we are not even talking the same language.

But we are not that far apart. That is the frustrating thing. Not only are we not that far apart, but we are willing to negotiate to come closer.

I know the polls are bad. As I said before, we took on sacred cows. When you take on sacred cows, you have someone standing up at the House—at the White House—out there using that position to scare people, using the Presidency of the United States to scare 81-year-old people. Boy, the power of the White House, the bully pulpit. The moral compass for the world. We are now out to scare people who rely on Social Security and Medicare to make ends meet.

Mr. President, I want to turn now briefly to the Hollings amendment.

I know he has offered this amendment, and I know he sincerely feels very strongly about this.

I find it absolutely incredible for the Senator from South Carolina and the Senator from North Dakota, who was just on the floor every day talking about how the Social Security are being used to ''balance the budget.''

No. 1, I do not know how you can stand here and talk about, through an accounting measure, the Social Security trust funds are being used when in fact nobody is taking the money out and using it. In fact, that money that is in the Social Security surplus, the trust fund, is being invested in Government bonds and earning interest, right now. And at the same time, right now, the President of the United States is raiding—raiding—the pension funds of Federal employees—raiding them. Not using them for accounting purposes to balance the budget, but literally reaching in there, taking the money out to pay for debt service—raiding the money. Not paying interest, taking the money, physically taking the money.

Now, I have heard a lot of demagoguery around here, but when you say we are in the right because we are not going to use the Social Security trust fund for accounting purposes to determine whether we have a balanced budget or not, that is one thing; but when you have your President at the same time you are making that argument literally raiding trust funds, raiding pension funds—it is like a CEO who is running a corporation and the bank will not lend him any more money. What does he do? He raids the pension fund. Do you know what happens to CEO's where banks will not lend them any more money and that CEO goes into the pension fund and raids the pension fund? They go to jail. They go to jail. We do not raid pension funds in this country. We have a Pension Benefit Guarantee Corporation set up so they do not raid pension funds. Now we have all this whining and gnashing of teeth about using accounting measures to determine whether we balanced the budget on Social Security. And the President is raiding pension funds.

Where are the protestations? Where are the people grieving for the Federal employees who are having their pension funds raided? Where is the other side saying, ''Oh, the President should not be doing this.''

Mr. HOLLINGS. Will the Senator yield?

Mr. SANTORUM. Wait until I am done.

Mr. HOLLINGS. I protested.

Mr. SANTORUM. You had a chance to vote on that. Senator MOYNIHAN offered an amendment to the debt limit, and in the debt limit we had a provision in there saying we could not do that. We had a provision in there saying you could not raid pension funds to keep the debt going.

Guess what? No protestations over there. They voted to strip it out. And the President vetoed it.

Oh, yes, you can protest. Put the votes down. Put the votes down. Where are the protestations? Raiding pension funds, that is what we are doing.

Let me just summarize it. We have a President, a Chief of Staff of the White House, at the White House today, at the United States of America's White House, out there scaring seniors; at the same time, raiding seniors' pension funds, who are Federal employees. Do you know what they are telling them? Do you know what they are trying to do? ''Please trust us, we know what we are doing. Please trust us, we know how to balance this budget. We are protecting you.''

Give me a break. Come to the table. Let us work this out. This is an embarrassment. The more this goes on the more embarrassing it is going to get. You are not solving problems, Mr. President. It is time to be President, not to run for President. It is time to be President. It is time to solve problems.

Mr. DOMENICI. Will the Senator yield?

Mr. SANTORUM. I am happy to yield for a question.

Mr. DOMENICI. I wonder if we could get a unanimous consent and have a vote on this particular amendment. I do not know how much longer you would like to speak, but Senator MURRAY would like to speak for 6 minutes.

Then we will vote on the Hollings amendment on a motion to table.

I ask unanimous consent that Senator MURRAY be granted 6 minutes and Senator SANTORUM 6 minutes, after which we proceed to a rollcall vote on a table. I ask it be in order at this point to ask for the yeas and nays.

Mr. BUMPERS. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. DOMENICI. Senator, I thought I had gone over and talked to the leader and I thought when I came to the floor, it had been agreed.

Senator MURRAY was the only one on your side that would speak before we voted on this, or I would not have imposed that. We have been on this for a long time. Your side has a lot of time.

How much time would you want? We have another amendment from your side, too, shortly, right now, on this issue. How much time would you need?

Mr. BUMPERS. Senator, I know you want to get this amendment disposed of. I do not want to be an impediment to it. I will take 8 minutes and remove my objection.

Mr. DOMENICI. Can we add 8 minutes for Senator BUMPERS and then proceed with the rest of my request?

Mr. SANTORUM. Give me 3 more minutes to respond.

Mr. DOMENICI. To be equal, we will add 3 minutes to Senator SANTORUM.

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

Mr. DOMENICI. Mr. President, I ask it be in order that I seek the yeas and nays on a motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. And do we have a motion to table, that the yeas and nays have been ordered on?

The PRESIDING OFFICER. The yeas and nays will be ordered.

Mr. DOMENICI. Could I have it in order now, even though there is time, that I ask for the—I move to table.

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

The PRESIDING OFFICER. The yeas and nays have been ordered.

The Senator from Washington.

Mrs. MURRAY. Mr. President, the Federal Government is now in its third day of shutdown, and just like 3 days ago, there certainly is no end in sight and it seems like we in Congress are destined to flounder for a couple of more days because the majority is insisting on debating a continuing resolution that the President has vowed he will veto.

Listening to the rhetoric of the last hour it seems to me this is more about putting somebody into somebody's face than it is about solving problems. It seems like it is more about drawing lines in the sand and calling names than it is in making sure that this country gets moving again.

I have to ask the question, why are we doing this? Why are we not putting together a proposal that we can all agree on, that will get the Government running again, restore public services, and put people back to work?

I heard my colleague from Vermont a short time ago say it does not take 15 pages of paper with a lot of additions. It only takes one sentence to get us back to work again.

I have to remind my colleagues the American people are tired and impatient. They want solutions, not politics and rhetoric. They want to know that Government works for them. They want to feel secure and have faith in their elected officials.

Unfortunately today they are probably watching us in disbelief. They cannot believe we are unable to solve the country's problems.

That concerns me. I want to move forward. I want Congress to get its act together and balance this budget. And the longer we take to do so, the more disaffected our constituents become. We just reinforce in their minds the belief that Congress is unaware of their real needs and concerns. They look at us and they say, ''How can those people really understand how difficult it is for me to pay the rent, put food on the table for my kids, or take care of my elderly parents? All they can do in DC is whine and squabble about where they sat on an airplane.''

As we muse about Presidential politics and other hi-jinks, we better not forget what this Government shutdown really means. We have all heard the numbers. We know that 30,000 people a day are unable to apply for Medicare. And we know this Government shutdown is costing us $200 million a day in lost productivity.

But the shutdown comes a little closer to home when we put human faces on those numbers. One woman, an attorney from Seattle, called my office yesterday. She is trying to adopt a child in China. For months she has been filling out paperwork and dealing with bureaucratic redtape.

She finally got her plane ticket but because the United States Consulate in China is closed, she cannot get her baby's visa. So she was forced to postpone her trip.

She has no idea when she will finally be united with her new baby daughter. She is a real person. And she is hurting because of what we are doing on this floor.

Last weekend I was in central Washington for the opening of the Yakima Valley Veterans Center. Many of the people I talked to wanted to celebrate the opening of the new center, but because of the pending Government shutdown they were too worried about whether or not they were going to receive their veterans benefits. Today's Spokesman-Review paper ran an article about a young man in Spokane, WA, who quit a stable computer-based job to take his dream job. He was going to become a physical fitness director aboard a cruise ship. The young man was offered the job unexpectedly on November 4. He scrambled to get his paperwork taken care of and a passport in time to sail by November 25.

Unfortunately, this Government is shut down. He cannot get his passport and time is growing short.

I want to read that young man's words into the RECORD. They could not be more to the point. He said:

> This is a dream in my heart that finally manifested. The Government is getting in the way of people's dreams. I've got airplane tickets. Everything is settled. Everything but this last hurdle.

These few people provide just a few examples of what a Government shutdown really means. They are angry and concerned. They have bills to pay, families to care for, business to conduct, and dreams to fulfill. Instead, we are telling them, ''not now.''

So, Mr. President, I urge my colleagues to act wisely. Let us move on. Let us put together an honest and reasonable continuing resolution that will get this country back on track.

My view is pretty straightforward. As a Member of the Budget Committee and the Appropriations Committee I know I have a job to do. The job is to pass a budget plan and 13 appropriations bills. So far, this Congress has done neither. In fact, just yesterday the House failed to pass the Interior bill for the third time. There are five other bills that have not even made it to this floor yet.

Instead of getting our work done, we are debating a bill we know will be vetoed. It will be vetoed because it stacks the deck against working families and senior citizens in favor of unneeded tax breaks. We are not moving the process forward one bit; we are ensuring that it will go nowhere.

I say it is time to get our work done. We can balance the budget. We can stay true to our priorities. And we can do it without interrupting the lives of regular, everyday people in our States.

All we need to do is pass a clean interim spending bill and then get on with our business of finishing the overall budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I saw an article this morning where the Speaker of the House was asked, ''What is sacred about 7 years?''

I thought that was a good question. I have been curious about that myself.

And the Speaker said, ''Well, it was just intuition. All major decisions are based on intuition.''

I do not like the idea of one man's intuition determining the fate of the country. His intuition may not match mine. It may not match anybody's. Frankly, I think intuition is always a fine thing, if a man is getting ready to make an investment. I think his intuition is important in a lot of ways. But when it comes to putting in concrete the time in which the Congress will have to balance the budget, I do not want anybody's intuition. I would like to see some hard figures.

In this particular case, this amendment deals with Social Security. Everybody says we are going to balance the budget by the year 2002. If everything went swimmingly, according to every projection, we would still, in the year 2002, have used $650 billion in Social Security trust funds.

I am not quarreling with that. The Republicans can come back and say, ''You did it. This President has done it.''

That is all well and true. But it still means there is $650 billion that was used that has to be paid back, just as certainly as the national debt has to be paid back.

I think I have to say the tax cut in this bill is the most repugnant part of it. What in the name of all that is good and holy are we doing cutting taxes $245 billion in the name of deficit reduction? We tried that in 1981.

The Washington Post editorial this morning, which has been cited a number of times here today as though it came right out of the Holy Bible, talks about how the Democrats have been demagoging the Medicare issue, and that Medicare really is in trouble, and that the cost of Medicare continues to go up. That is true. I do not quarrel with the idea that the Medicare system is in considerable trouble and needs to be fixed. I think $270 billion in cuts out of Medicare over the next 7 years is unacceptable.

The thing I find most unacceptable about it is that it is being used to provide a $245 billion tax cut. And for whom? The wealthiest people in America who have not asked for it. But the people who really need it do not get it.

A Post editorial this morning obliquely suggested that the addition of $3 trillion worth of debt during Ronald Reagan and George Bush Presidencies was somehow or other Congress' fault, with no mention of the fact that neither one of them could ever find their veto pen when they were in the President's office. President Reagan never vetoed one single spending bill, Mr. President—not one. All he did was send out millions of letters saying, you know, ''I cannot spend a dime that Congress does not appropriate.'' Congress cannot appropriate anything unless they have 67 votes to overcome his veto. But he looked through his desk drawer time and again and could never find his veto pen.

The U.S. Government now owes four times as much money as it did when he took office. It took 200 years to get to $1 trillion. It took 12 years to get to $4 trillion. The Nobel award-winning economist at MIT said it was the most irresponsible economic policy in the history of the world.

On that tax cut, Mr. President, I made this point yesterday, but I am going to make it every day that I can get the floor. You hear this unctuous, solemn business about the tax credit for our children. There are 5 million households in this country that have 11 million children in them. With those 11 million children and those 5 million households, the parents—not the children—will get a partial or full $500 tax credit. There are 8 million households in this country with 11 million children that will not get one single thin dime.

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

Mr. BUMPERS. You bet.

Mr. SANTORUM. Why would 8 million households not get it?

Mr. BUMPERS. Because they have not paid income tax.

Mr. SANTORUM. Thank you.

Mr. BUMPERS. A family with a man and a wife and three children making $25,000 a year do not pay any income tax. A man and wife with three children making $100,000 will pay $10,000 to $20,000. They get the full $1,500 refund. The people who need it, the man and wife with three children making $25,000 a year, do not get one red cent.

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

Mr. BUMPERS. Yes.

Mr. SANTORUM. Does a family of three making $100,000 a year qualify for the EITC?

Mr. BUMPERS. Do they qualify for what?

Mr. SANTORUM. Does a family of three earning $100,000 qualify for the earned income tax credit?

Mr. BUMPERS. Certainly. I hope so.

Mr. SANTORUM. Does a family making $320,000 a year qualify?

Mr. BUMPERS. They used to qualify for it. I do not know whether they are going to or not. That is another $32 billion.

We are not just depriving people of an education. We are not just depriving people of school lunches. We are not just putting another million children in poverty under the welfare bill. We are not just savaging the Medicaid Program for the poorest children in America to have health care. We are also savaging a program that even Ronald Reagan said was the best thing that was ever invented to keep people off welfare. We said ''no.'' No. If you are working for $4.25 an hour and trying to keep body and soul together and stay off welfare, in the past we have said, if you will stay off welfare, we will give you a couple of grand at the end of the year. We are savaging that program.

Mr. President, I agree with the Senator from Pennsylvania on one thing. I do not like taking pension funds. Do you know why we are taking pension funds? Because the Senator from Pennsylvania will not send a debt ceiling to the President that simply said we spent the money, let us pay for it. No. You want to put habeas corpus and regulatory reform on the debt ceiling, of all things. Of course the President vetoed it. I would never have voted for him again if he had not.

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

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, just by way of quickly responding to the earned income tax credit under the conference report that will be coming out, no one, with the exception of families who have no children, no family that has children will get less money under it than they would have gotten under current law. No family will get less money under the earned income tax credit next year than they would have under current law. Some will get more because some qualify also for the tax credit for children. That is in the bill.

So do not talk about slashing the EITC, [the earned income tax credit], for working families. We do not. In fact, the increase that is projected that is in law under the President's 1993 Budget Act—those people at least get that much, and some will get more. Particularly families who are in the $15,000 to $20,000 to $25,000 range will actually get more because some of them actually do pay taxes.

I will be happy to yield the remainder of my time to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, what is the situation on time?

The PRESIDING OFFICER. The Senator has 3 minutes 20 seconds.

Mr. THOMAS. The other side?

The PRESIDING OFFICER. No time.

Mr. THOMAS. Thank you, Mr. President.

Mr. President, it would be interesting, would not it, to look in on this recent conversation, this recent debate if you came from somewhere and you knew nothing about the background of what was going on here? I suppose you would say, ''Gosh. What is this all about? What is the issue here?'' We are talking about all kinds of things. We are talking about Medicare, slashing Medicare, when in fact it does not slash Medicare. We are talking about raising premiums on Medicare when in fact it does not raise premiums at all. They stay where they are.

You would say, ''Gosh. What is happening? What is this?'' You would hear this morning the Senator from Nebraska saying this resolution is ridiculous. It deals with balancing the budget. I think you would go on to say there are some principles. What is ridiculous about a principle of balancing a budget that this body has not balanced for 30 years?

It would be interesting to sort of sum up the years that the opposition on that side of the aisle has been in this place and never has balanced a budget. They talked about it. They say now we are for a balanced budget. For 30 years they have not balanced the budget.

You would say, ''Gosh. What is going on here?'' Everyone who has risen has said, ''I am for balancing the budget.'' And it has not happened. I guess they would say, ''What is wrong?'' People who ran in the last election particularly said we have a priority to balance the budget. That is what we are talking about doing here.

I guess you might also be surprised at how difficult it would be if you were a newcomer looking at it, and saying, ''Gosh. What should be so difficult about balancing the budget?'' You do it in your family, and I do it in my family. You do it in my business because you have to. Do you do it in government? Is that not financially and fiscally responsible as we move into a new century? Is it not responsible to balance the budget rather than continuing to charge it to your children and your grandchildren? Is that what it is about? If that is the issue, why are we talking about all of these other things?

A balanced budget is not extraneous. Someone rose this morning and said, ''Oh, gosh. This continuing resolution has extraneous materials on it.'' Balancing the budget is, after all, the key issue. All we are asking is that the President certify that in 7 years he will join us in balancing the budget, and use the Congressional Budget Office numbers that the President said in his State of the Union Message we all needed to use so we all work in the same place. It is not a new idea.

The minority leader, who a short while ago objected to the idea of CBO, stood up not 2 weeks ago and said we all will do whatever accommodation to use CBO numbers.

So I think you would say, gosh, what is it? You would probably soon recognize that part of it is philosophical. There is a difference in view. There is a legitimate view among liberals that we ought to have more Government and more spending. That is a legitimate view. I do not share it. I do not think the majority of people here share it. Nevertheless, there is a populace view that is there.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Ms. SNOWE). Are there any other Senators in the Chamber who desire to vote?

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

[Rollcall Vote No. 578 Leg.]

YEAS—53

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

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 table the amendment (No. 3056) was agreed to.

Mr. GRAMM. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Order in the Senate, Madam President.

The PRESIDING OFFICER. The Chamber will be in order. May we have order in the Chamber, please?

The Senator from South Carolina is recognized.

Mr. THURMOND. Madam President, life does not often provide second chances, but the Congress is giving President Clinton just that. With this continuing resolution, we are providing the opportunity for him to right the terrible wrong committed by vetoing the previous continuing resolution and shutting down the Government. This resolution will allow the U.S. Government to reopen and remain open while Congress and the President resolve outstanding issues on the remaining appropriations bills and the Balanced Budget Act.

As a Presidential candidate, and early in his Presidency, President Clinton told the American people that he wanted to balance the budget. Here is his chance to fulfill that pledge, since he has failed to send a balanced budget plan to Congress. President Clinton said he wanted to use Congressional Budget Office numbers. Here is his chance to commit to that. President Clinton recently stated that he raised taxes too much. The Congress will give him a chance to correct that mistake and fulfill his pledge for a middle-class tax break.

Madam President, President Clinton's veto of the previous continuing resolution brought the Federal Government to a standstill. Here is his chance to right that wrong. President Clinton must put aside his reelection concerns and focus on his responsibility to govern. By agreeing to this continuing resolution, he can do the right thing, restore full Government services and put the hundreds of thousands of Federal workers who are facing the holidays without a paycheck back to work immediately.

Congress and the President previously approved a continuing resolution which funded the Government through November 13. The Congress sought to extend it earlier this week, for the purpose of avoiding a shutdown of the Federal Government. We are giving President Clinton another chance to keep the Government operating and to fulfill his promise to balance the budget.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senate minority leader.

AMENDMENT NO. 3057

Mr. DASCHLE. Madam President, subject to the majority leader's intention, as I understand it, we may set this bill aside. But given the informal agreement we had this morning, I now send the second Democratic amendment to the desk—I guess it is the third Democratic amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 3057.

Mr. DASCHLE. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

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.

SEC. 2. (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.

(b) The unified balanced budget in subsection (a) must assure that:

(1) Medicare and Medicaid are not cut to pay for tax breaks; and

(2) Any possible tax cuts shall go only to American families making less than $100,000.

Mr. DASCHLE. I yield the floor.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

APPROPRIATIONS BILLS

Mr. HATFIELD. Madam President, I would just like to give the body a brief report on the process of the Appropriations Committee of the Senate and where our bills are at the moment.

I would like to, first of all, indicate that the Senate Appropriations Committee reported all 13 bills to the floor by September 27. The Senate has acted upon 12 of those 13 bills. I, first of all, say they were reported by September 15, and we acted upon 12 of the 13 in the body by September 27. Right at the moment, four of those bills have been signed into law by the President. We have concluded the conference on three more, and we expect to conclude our conference on VA–HUD and the District of Columbia within either hours or within the next day or two.

So we can say that that is the movement.

There is one bill that has eluded us, and that is the Labor-HHS appropriations bill upon which the Senate has not acted. I want to say further that as we consider the continuing resolution, if this one is passed and vetoed or if the next one is passed and agreed to, we have to have a benchmark in relation to how we are going to fund Labor-HHS.

Up until now, the other side of the aisle has not permitted us to move to bring up the Labor-HHS to be considered here on the floor.

So I think in order that we as the members of the Appropriations Committee—I speak at least for myself—I would like to be able to conclude our job on the Senate side. It has to go to conference, of course, with the House-passed bill.

I would like to propound a unanimous-consent agreement at this time. I ask unanimous-consent that the majority leader, upon consultation with the minority leader, be authorized to call up H.R. 2127, the Labor-HHS appropriations bill for 1996.

Mrs. BOXER. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Reserving the right to object.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. There are a number of provisions that are troubling to a number of Senators who believe in a woman's right to choose, and that is one of the reasons why we have had trouble agreeing to bringing up the bill. So I would have to object, unless I knew that those provisions were being handled. So I would object.

The PRESIDING OFFICER. Objection is heard.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996—CONFERENCE REPORT

Mr. DOLE. Madam President, I submit a report of the committee of conference on H.R. 2126 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

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

(The conference report is printed in the House proceedings of the RECORD of November 15, 1995.)

Mr. DOLE. Madam President, it is my understanding that this will not take any great length of time. I am also advised that about 400,000 civilians, who might be affected by the Government shutdown, are affected by this bill. Maybe we can pass this bill and get it down to the President.

Unless I misunderstand it, it would be about half the total. It seems to me that it is something we should do as quickly as we can. I do not know the President's intentions with reference to this bill. At least it will be another major appropriations bill that we can send to the President.

I also understand that we have the legislative appropriations bill and the Treasury, Post Office bill, which have been completed, which I think would be sent to the President if there was some indication that he would sign those bills. Again, that would help in some areas, and some of the people who are not essential could come back to work.

In the meantime, I will be discussing the pending legislation with the Democratic leader.

Mr. DASCHLE. Madam President, this is acceptable to our side. I think, also, the foreign operations bill is prepared to be sent. So we are making progress on some of these bills. I think it is important that we get as many done as we can. Some of them are going to be vetoed. This may be one of them. I think it is important to keep the process moving along, and this will accommodate that need.

I yield the floor.

Mr. STEVENS. Madam President, I might state, for the Senate's knowledge, that we have 2½ hours. I do not think we will use the whole 2½ hours. I expect the vote to take place some time right after 6, depending on who else might want to speak.

Just to set the record straight, I had reminded the majority leader of the number of people in the Department of Defense that were affected by the furlough process, and it was our estimate that it was approximately 400,000 that could be affected. I am told that it is somewhere around 260,000 that actually have been furloughed so far. He was correct that approximately 400,000 would be affected by the bill in the long run.

We believe it is in the best interest of all concerned to get the bill passed. I am hopeful that we will get word from the President that he will sign it so we can expedite delivery of the bill to the President.

This is now the conference report on H.R. 2126, the Department of Defense Appropriations Act for 1996. I first want to start off by applauding the House for the expeditious move on this bill today, and I appreciate the support of both leaders for allowing us to bring the bill to the Senate now.

Senator INOUYE and I have sought to move this conference report prior to the commencement of the fiscal year on October 1. The original conference report, however, was rejected by the House. That resulted in a substantial delay in bringing the bill before the Senate, and I take part of the responsibility for that. We have been negotiating for a period of time on one particular issue.

Before proceeding further, however, I do want to express my high regard and thanks to the chairman of the House Defense Subcommittee, Congressman BILL YOUNG, for the work he has done on this bill. This has been the first year that he has been the chairman of that subcommittee, and he was the chairman of our conference, and he has shepherded this large and complex bill through the House and then the conference with great skill. His determination to meet the needs of the men and women of the Armed Forces shows throughout the legislation.

I think Members should become aware of this bill because it is a very different defense appropriations bill.

I also recognize the hard work and cooperation of the ranking member on the House side, Congressman JACK MURTHA. Senator INOUYE and I have worked with Mr. YOUNG and Mr. MURTHA for many years now, and we appreciate their willingness to work with us on the tough issues in this bill this year.

Madam President, the conference report before the Senate now closely matches the bill previously filed under the report No. 104261. That report has been available to all Senators since September 25. On that basis, I do not intend to take the Senate's time to detail the contents of the report. Instead, I want to speak to the Senate today on why we need this bill now and why I feel the President should sign this bill.

This pending bill provides about $1.7 billion more for defense than was appropriated in the fiscal year 1995. Taking inflation into account, this amount represents a decline in real spending for the Pentagon. That is the reality of this bill. It really continues, in terms of real dollars, a downward trend in real defense spending for another year.

This further decline in real defense spending comes in the face of increased commitments of the United States overseas, increased deployments overseas, and the determination by the Joint Chiefs that we need more money for modernization for the Department of Defense.

Let me speak first about those overseas deployments. Today, there are 241,000 U.S. military personnel permanently stationed overseas. That does not reflect their dependents. This is military personnel. It also does not reflect the contingency deployment to Bosnia, Iraq, or Haiti. These are the day-to-day demands on the men and women of the Armed Forces. They face these demands constantly.

Last September, we took a trip and met with some of our military people in the British Empire, in London. We found, in many instances, that our pilots, for instance, have been deployed in several different places within 1 year. We are stretching these people to the nth degree almost daily now, in

terms of the demands that face the Armed Forces in the United States and throughout the world.

Added to these actual permanent commitments are the additional unplanned and unauthorized contingency missions that the Commander in Chief has sent our military people on.

I ask unanimous consent to have printed in the RECORD a table that shows the current overseas military deployment.

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

ACTIVE DUTY, U.S. MILITARY PERSONNEL OVERSEAS

241,000 soldiers, sailors, Air Force personnel and Marines including:
212,000—ashore
29,000—afloat

U.S. MILITARY PERSONNEL IN EUROPE AND EUROPEAN WATERS

121,000 soldiers, sailors, Air Force personnel, and Marines including:
76,000—in Germany
12,800—in the United Kingdom
11,500—in Italy
7,400—afloat
3,100—in Turkey
2,800—in Spain
2,000—in Iceland
1,700—in Belgium
1,000—in Portugal
734—in The Netherlands
620—in Macedonia
490—in Greece

These totals include the following ongoing operations:
Deny Flight—Bosnia No Fly Zone
Provide Promise—humanitarian airlifts into Bosnia
Sharp Guard—sanctions enforcement in the Adriatic Sea
Able Sentry—Macedonia border observers
Provide Comfort—humanitarian aid to Kurds in Iraq

U.S. MILITARY PERSONNEL IN EAST ASIA, THE PACIFIC REGION AND PACIFIC WATERS

92,000 soldiers, sailors, Air Force personnel, and marines including:
39,600—in Japan
35,800—in Korea
15,600—afloat
320—in Australia

These totals include the following ongoing operations:
Joint Task Force Full Accounting—to determine the fate of American POW's and MIA's
Cope North and Annualex—U.S. and Japanese forces naval and air defense exercises
Foal Eagle—U.S. and Korean forces training exercise

U.S. MILITARY PERSONNEL IN THE NEAR EAST, NORTH AFRICA AND SOUTH ASIA AND RELATED WATERS

6,100 soldiers, sailors, Air Force Personnel, and marines including:
1,400—afloat
1,200—in Egypt
1,050—in Saudi Arabia
900—on Diego Garcia
460—in Bhrain
435—in Kuwait

These totals include the following ongoing operations:
Southern Watch—Southern Iraq No Fly Zone
Vigilant Sentinel—deterring another Iraq invasion of Kuwait
Arabian Gulf Maritime Interdiction Operations—enforcing U.N. sanctions against Iraq
Bright Star—U.S. and Egyptian forces training in Egypt

U.S. MILITARY PERSONNEL IN THE WESTERN HEMISPHERE AND RELATED WATERS

17,000 soldiers, sailors, Air Force personnel, and Marines including:
8,000—in Panama
4,600—at Guantanamo Bay Naval Station, Cuba
2,500—in Haiti
1,400—afloat

U.S. MILITARY PERSONNEL IN SUB-SAHARAN AFRICA AND RELATED WATERS

3,500 soldiers sailors, Air Force personnel and Marines.

Mr. STEVENS. This is a very interesting chart. I invite Members of the Senate to look at that. I know we cannot print the map. I will not ask to put it in the RECORD.

We have soldiers, sailors, airmen, and marines in Germany, in the United Kingdom, Italy, afloat on the seven seas, in Turkey, Spain, Iceland, Belgium, Portugal, Netherlands, Macedonia, and Greece.

We are continuing such as: Deny Flight to the Bosnia no-fly zone; Provide Promise to the humanitarian airlifts in Bosnia; Sharp Guard—this is the sanctions enforcement of the Adriatic Sea; Able Sentry to the Macedonia border; Provide Comfort and humanitarian aid to the Kurds. We have soldiers in Japan, Korea, and afloat in the Pacific.

We have 320 in Australia. We have a whole series of movements going on with regard to North Korea.

In the Near East, Asia, South Asia, 1,400 are afloat; 1,200 are in Egypt; soldiers and sailors and marines are in Saudi Arabia and Diego Garcia, Bahrain, and Kuwait. Southern Watch, the no-fly zone in Iraq, and another deployment to deter a further Iraqi invasion in Kuwait has our men and women serving where they are needed. The Arabian Gulf Maritime Interdiction Operations that enforce the U.N. sanctions on Iraq, and Bright Star, the United States and Egyptian forces that are training in Egypt are just another example.

We have additional forces in Panama and Guantanamo Bay Naval Station in Cuba, Haiti, and another 1,400 afloat down in the Western Hemisphere and related waters. Another 3,500 soldiers and sailors and Air Force personnel are in the sub-Sahara in Africa and other areas in that part of the world.

Now, Madam President, that ought to tell anyone that we are dealing with a situation now that has never been faced before in peacetime. We are the last superpower in the world, and we are acting like one. We have our Armed Forces deployed around the former Yugoslavia, in the Caribbean, in Southwest Asia, and Korea. I am told by the Pentagon, we have 14 ongoing contingency operations.

Just last week five Americans died in Saudi Arabia, the victims of another terrorist attack. Our forces, as I said, are in Saudi Arabia and will remain there because of our commitments for some time.

In my judgment, we cannot have it both ways. We cannot be the world's only remaining superpower and continuously reduce the amount of money available to the men and women who carry out these chores for us around the world. We cannot respond to every world crisis, to every humanitarian crisis with this military force. These forces have to be carefully allocated, and it has to be thought over where we send them, Madam President.

The President has committed United States military personnel to operations in Somalia, Rwanda, the Middle East, Northeast Asia, the Caribbean, and now to the Balkans. But nevertheless, this President has consistently pressed to reduce our military forces, reduce the money for modernization, and reduce the spending for defense.

Madam President, this is a bill that will determine whether or not that stops. Despite its downward trend, we have to turn the corner on modernization in this bill.

We have critics of this bill who say we have too much money. One is the President of the United States. We significantly increased the amount of money that is available to procurement and research and development for the Department of Defense in this bill. We did so to meet the specific priorities identified by the service chiefs themselves. Every significant procurement item in this bill is included in the military's modernization plans except the B–2. I am including the F–22, the F–18, the LHD–7 amphibious assault ship, the third DGG–51 destroyer, the Army's M1–A2 tank upgrade, the Comanche Scout helicopter and multiyear procurement of the Longbow Apache.

We did not come up with these programs. They were not added and thought up by me. The Pentagon has requested them.

Now, what we have done with our modernization initiative is to save taxpayers hundreds of millions of dollars over the next 10 years.

Think of this: In the LHD–7 alone, we are going to save $700 million by continuing that procurement in 1996 rather than postponing it for 4 years. Now, by continuing the ongoing line, we will have another LHD–7 and save $700 million.

More importantly, we are providing equipment to meet military needs now for the people who are being deployed overseas. We are doing this now rather than waiting 10 years to try and modernize the equipment that they are currently using.

Some in the House claim this bill exceeded the amounts requested by the military and the Joint Chiefs. What we have learned since we passed this bill in September is we actually did not go far enough.

Recent press reports indicate that General Shalikashvili's chairman's program assessment for the Department's 1997 budget has determined we should be spending about $60 billion for procurement. The budget presented to

the Congress by the President was $39 billion; this bill is $44 billion for procurement. We have increased the President's request, but we are still considerably below the amount that is listed as being the minimum by the Chairman of the Joint Chiefs.

The Chairman's assessment—and this is General Shalikashvili's chairman's program assessment—reflects the decisions by our national military leaders on what we need to meet our defense obligations and to provide the men and women of the Armed Forces the equipment they need to minimize casualties.

Let me add, in my judgment, this is not a political document. I am talking about the Chairman's program assessment. Every member of the Joint Chiefs and every vice chief was appointed by this administration. I, for one, am willing to accept and advocate their judgment.

On this matter, I ask unanimous consent that recent articles from the Washington Post and the Los Angeles Times be printed in the record following my remarks.

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

(See Exhibit 1.)

Mr. STEVENS. Madam President, for these reasons alone, in my judgment, the President has no alternative but to sign this bill. In our work on this bill the conferees have sought, to the maximum extent possible, to accommodate the concerns of the administration on this bill.

Now, we referred repeatedly to the statements of the administration policy at the request of the Joint Chiefs as we accommodated the President's and his appointees' priorities. In the case of funding for the Nunn-Lugar program, we preserve $300 million for 1996. We have sustained $195 million for the technology reinvestment program, which was a program terminated by the House.

One exception was that the conference provided $493 million to provide one last consideration of additional production of the B–2 bomber. The Senate bill did not, when we passed the bill here before, include funding for the B–2.

We have not voted on the B–2 since the control of the Senate changed to our side of the aisle. The House sustained funding for the B–2 on three separate votes. They were adamant that this bill come back approving their position on the B–2.

While I have some concerns about the affordability of the B–2 in the next few years, this funding permits the President to make a final decision in the 1997 budget. He, of course, has the right to ask for a rescission if he does not want the money in this bill.

An important initiative included in this bill and supported intensely by Secretary Perry is funding for contingency operations. This year, we had to pass a mid-year rescissions bill that realigned over $3 billion to pay for overseas contingency operations. That was because they were not funded in the bill that covered 1995.

In this bill, for the first time, we are providing money at the beginning of a fiscal year for these operations. Madam President, $647 million is funded in this bill for operations in Iraq and Southwest Asia. The Department readily concedes that no moneys were requested in the President's budget for 1996 to pay for these ongoing missions. Everyone agrees we must pay the bills, and we decided to include the money now rather than wait for some supplemental process next year.

Madam President, in my judgment, as I said, this bill must be enacted into law. Looming ahead of us is the potential deployment of United States military forces to Bosnia. This bill makes no provision for that deployment but expresses the strong concern of the conferees about the merit of this mission and the belief that the President should consult and seek the authorization of Congress for any such deployment.

Simply put, however, without the money in this bill, there is no way that the Department of Defense or the President could send 25,000 ground troops to Bosnia.

We cannot have it both ways, Madam President. We cannot be against this bill and also want to send troops to Bosnia without money.

In the view of this Senator, I cannot conceive of the circumstances where the Senate would vote to endorse a deployment of United States forces to Bosnia if there were no funds available to support that mission. This is especially true if those funds were not available for the Department through the 1996 bill that we have before the Senate now.

According to the Pentagon, a full-year mission to Bosnia will cost in excess of $2 billion, and only with the money that is in this bill could that be possible.

Again, we are not crossing that bridge. I, for one, do not support that deployment. However, I do believe we must be up front about it. Let me point out that those who do want to support a deployment of forces to Bosnia ought to realize it would not be possible but for the funding and the way the money is divided in this bill for the functions of the Pentagon.

Let me close with this, Madam President. I hope we can sustain the longstanding tradition of bipartisan action on these defense issues. This bill poses no severe policy issues. It provides funding consistent with the congressional budget resolution and the Appropriations Committee's 602(b) allocation to this subcommittee for the Department of Defense.

Senator INOUYE and I have fought to present this bill on a nonpartisan basis and this conference report reflects that determination. The cooperation and partnership of my friend from Hawaii is still a very essential ingredient to this bill. I have worked with him in the past, and he with me. We have rotated as being chairman of this subcommittee. I continue to thank him for his work and his commitment to the people in the armed services.

I would like to recognize the work of the subcommittee staff. It is a very interesting staff, which enjoys substantial stability as far as professional competence is concerned. They are professional staff. The Senate has benefited from this approach, in my opinion. Jay Kimmit, Peter Lennon, Mary Marshall, John Young, and Mazie Mattson have been stalwarts on the committee staff for several years.

Some of them I brought on the staff when I was chairman before. The Senator from Hawaii maintained them as professional staff, and we have continued with them. They are real professionals.

With the transition this year, Jim Morhard and Sid Ashworth have come from the minority. Susan Hogan and Justin Wheddle have joined the subcommittee staff. All have made contributions to the bill and to the subcommittee. This has been especially true during the conference.

In addition, we have had the assistance of two detailees, Mr. Joe Fenglar and Ms. Sujata Millick.

I might point out, in 1982 Charlie Houy joined the staff of the subcommittee when I was the chairman. His counsel to Senator INOUYE and the members of the subcommittee is invaluable. He now works with Senator INOUYE. It shows the professionalism that we all still value in our relationships. His contribution is invaluable and it is a pleasure to work with him in this new assignment as the minority chief clerk.

Madam President, this is a good bill. I do think it will meet the needs of the men and women of the Armed Forces and our national security. One of the reasons it is a good bill is because of the continued assistance that I have from my good friend, the chief of the majority staff for the subcommittee, Steve Cortese, who is here with me today.

Our bill passed with a strong bipartisan support in the House. In my judgment, the Senate should adopt this bill now and permit the work of the Department of Defense to move forward. The majority leader has made the decision to bring it up now because of its impact on those who have been furloughed under the existing hiatus. I, too, hope the President will sign this bill if we get it to him as soon as possible.

EXHIBIT 1

[From the Washington Post, Nov. 11, 1995]

PENTAGON LEADERS URGE ACCELERATED 50 PERCENT BOOST IN PROCUREMENT

(By Bradley Graham)

The uniformed leaders of the armed forces, worried about aging weapons and equipment after a decade of declining procurement, have recommended a roughly 50 percent jump in spending on purchases over the next two years.

Clinton administration plans call for spreading the same rise over four years. But top military officers are skeptical about ever seeing all the money, noting that past projections have rarely been realized.

So to highlight what they see as an urgent problem, the military chiefs have asked that the Defense Department set a goal of boosting annual defense procurement from about $40 billion at present to $60 billion by fiscal 1998, not 2000 as the administration has proposed. ''We now don't expect it to go up like the projection shows it will. It never has before, I don't expect it to now,'' said Adm. William A. Owens, vice chairman of the Joint Chiefs of Staff. ''And secondly, 2000 is too late.

''So our view is, you have to get to $60 billion as soon as you can, and 1998 would be a good year.''

The recommendation was included in a budget assessment submitted last month by Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, to Defense Secretary William J. Perry. It reflected heightened concern about a potential erosion of military capabilities unless purchases are accelerated. It also marked a shift in focus from last year, when the Pentagon, intent on shoring up the current readiness of military units, reduced procurement to cover higher-than-expected operational and maintenance costs. Procurement spending has fallen to its lowest level since 1950, forcing the military services to defer buys of jet fighters, helicopters, ships, trucks and other assets to replace earlier models entering, in some cases, their fourth or even fifth decade of use.

''We are significantly underfunded in the procurement line,'' Owens said. ''Our thrust is to say we must do something, we've got to fix it.''

He said the military chiefs are concerned not just about low procurement but a rising ''bow wave''—the piling up of postponed programs.

At the same time, Owens indicated the message from the chiefs was not intended to be confrontational or divisive with the Pentagon's civilian leadership, and may have been aimed less at Perry than at the military services themselves. By committing all the chiefs to an ambitious new procurement goal, the memorandum is especially useful to Shalikashvili and Owens in their nascent effort to exercise more central discipline over individual service plans.

The memo, which represents the consensus view of the chiefs and vice chiefs of the Army, Navy, Air Force and Marine Corps as well as regional commanders in chief, is said by Pentagon officials to be short on details about just how to bolster procurement and on what to spend the extra funds. ''It's a broad statement, expressing a broad sense of concern,'' said a senior defense official. ''But the details get a little thin.''

Shalikashvili makes clear the chiefs do not expect the added funds for modernization to come from higher overall defense spending but rather through cuts in some programs under development and other savings. Even with a Republican-controlled Congress committed to boosting the defense budget, the military leaders are assuming little if any growth in military spending.

Nor are the chiefs suggesting reversing the priority given last year to readiness over procurement—that is, draining funds from the operational and maintenance accounts that support current readiness to pay for more modernization. Rather, the biggest adjustments proposed in the Shalikashvili memo would involve cutting back on competing service programs in such development areas as theater missile defense and unmanned aerial vehicles and reducing modeling and simulation activities.

Even so, these recommended savings would not come close to providing the roughly $20 billion increase in annual procurement the chiefs would like to see between now and 1998. ''We acknowledge the answers are not all there,'' Owens said.

But he expressed confidence that substantially more funds for procurement can be found by eliminating redundant systems, embracing economical high-tech innovations and realizing Pentagon plans to farm out more defense activities to the private sector. Significantly, the chiefs have decided not to look for more savings by shrinking troop levels below the 1.45 million active duty service members called for in the administration's plan.

In its 1996 budget proposal to Congress, the administration provided for $39 billion in military procurement, a drop of 71 percent in inflation-adjusted dollars from the 1985 peak. House and Senate defense appropriation committees have tentatively agreed to raise procurement to $43 billion, but their conference report has yet to win floor approval.

The administration's five-year budget plan envisions a 47 percent increase in modernization spending between 1996 and 2001. But much of that is not projected to materialize until the turn of the century—and assumes still uncertain savings from military base closings and reforms in Pentagon buying procedures. Responding to Shalikashvili in an Oct. 24 memo, Perry agreed that $60 billion in annual procurement ''is an appropriate goal'' and offered ''to work closely with you to accelerate'' reaching it.

But Shalikashvili's initiative, known formally as the chairman's program assessment, has come late in the 1997 budget cycle. A final defense budget proposal is due at the White House next month. Perry suggested major adjustments in Pentagon plans would have to wait until next year and depend largely on what more the services have to offer. ''I will be particularly interested in seeing your specific program recommendations for achieving efficiencies and funding reductions in programs of lower priority from a warfighting perspective,'' the secretary wrote. For the chairman of the Joint Chiefs to be weighing into the Pentagon budget debate with his assessment is indicative of an increasingly assertive Joint Chiefs' role in coordinating individual service plans and articulating a consensus view of military requirements. The Shalikashvili memo emerged from the deliberations of the Joint Requirements Oversight Council, a panel headed by Owens and including the services' vice chiefs. Over the past year and a half, Owens has strengthened the panel's role in formulating common investment objectives and reducing overlap among service programs.

[From the Los Angeles Times, Nov. 12, 1995]

JOINT CHIEFS SEEK MORE FUNDS TO UPDATE ARMS

(By Art Pine)

WASHINGTON—Reflecting growing concern over recent reductions in defense spending, the nation's top military leaders have warned that the Pentagon must boost its budget for weapon modernization sooner than planned or risk eroding military preparedness.

In a memo to Defense Secretary William J. Perry, the military service chiefs recommend increasing the modernization budget to $60 billion a year by fiscal 1998, rather than fiscal 2000, as currently anticipated. The budget now stands at $39 billion.

The unusual move by Gen. John M. Shalikashvili, chairman of the Joint Chiefs of Staff, and the heads of the four individual services, is intended to serve as a warning flag, both to the Clinton Administration and to the top generals and admirals involved in putting together the military budget.

Although President Clinton has promised to restore some of the recent defense spending cuts by fiscal 2000, the services say they are being squeezed and have had to use funds from their modernization and procurement budgets to help maintain military readiness.

There has been no immediate indication that the Administration would adopt the Joint Chiefs' recommendation in the fiscal 1997 budget, which is due out early next year. Clinton is already under pressure to hold down spending levels, and an increase of that size would be difficult to grant.

Although Perry pledged in a return memo to Shalikashvili and the other chiefs to ''work closely with you to accelerate'' the budget increase, officials said the memo has come so late in the budget preparation process that any serious consideration is likely to have to wait until next year.

Military leaders have been warning for months that many of the weapon systems and types of equipment in need of upgrading or replacement were not being modernized on schedule, but there has been little extra money available.

As a result, all four services have put off purchases of a wide array of new and replacement weapons and equipment, from fighter aircraft and helicopters to ships, tanks and trucks. They also have begun falling behind on maintenance.

Clinton asserted last winter that the squeeze on modernization would be temporary and pledged to restore much of the earlier cutbacks by the turn of the century. With pressures on overall federal spending mounting daily, however, military leaders have been skeptical that the White House can come through.

In the fiscal 1996 budget that it sent Congress last January, the Administration requested $39 billion for procurement—a drop of 71% from the 1985 peak, after adjustment for inflation. The Republican-controlled Congress raised that to $43 billion, but the House and Senate bills are stalled in a conference committee.

The Administration and the Joint Chiefs want the individual services to provide at least some of the difference by saving money in other areas, such as eliminating unnecessary programs and transferring some jobs to civilian contractors, but the effort is not yielding much.

Senior military officials insisted that the memo, while strongly worded, is not intended to provoke a confrontation with the Administration.

Critics have been contending for months that the Administration has not been budgeting enough to finance the size of military force that it has said it wants to maintain. The White House insists that it can find the money through savings coming from procurement reforms, but so far those gains have been elusive.

Mr. INOUYE. Madam President, the conference report is before the Senate for its consideration because of the extraordinary leadership and wisdom demonstrated by our chairman, the Senator from Alaska. If it were not for his leadership I think we would still be back in H–140, the conference room.

Madam President, this is a good bill. But before I proceed with my statement, pursuant to the consent agreement reached by this body, I am pleased to provide 20 minutes to the Senator from North Dakota [Mr. DORGAN].

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I appreciate very much the courtesy. I want to say at the outset I understand it is far easier to be critical and to oppose. I regret very much, for that reason, that I cannot vote for this conference report. I have voted for a number of conference reports, defense appropriations, and defense authorization bills. But I want to explain, during this period of time, why I cannot vote for this one.

Before I do that, I would like to respond to something the Senator from Alaska said earlier when I was not on the floor, because it will relate to something I am going to talk about in this conference report. I had spoken about the juxtaposition of Star Schools and star wars. I just used it as a metaphor of the choices that we often make.

I pointed out in the continuing resolution that we were about to consider, there is a 40-percent cut in funding in the small Star Schools Program, which is I believe a $25 million program whose funding will be cut to $15 million, a 40-percent cut.

The Senator from Alaska said, since this is forward funded, these schools are not going to be cut. My point was, when you cut something from $25 million to $15 million, the Senator may be right, if they are forward funded they are not cut this year but if you cut the funding, sometime they are going be cut.

The reason the 40 percent was included in the CR, 40-percent cut, 40 percent of funding, was because the House has determined they want to kill the Star Schools Program.

The only reason I raise the point on the floor was, in the priorities that we are involved with here in Congress, it is choosing one versus another. Can we fund this or that or the other thing? What can we afford? What can we not afford?

The point I was making is the star wars program, which I am going to talk about at some length here, is juxtaposed against star schools. One we can afford; we have plenty of money for. The other we decide we either want to kill or we want to cut it back. The CR does take it from $25 million to $15 million. At some point in the funding cycle, that is going to affect someone. That was the point I was making.

Let me come to the point of my appearance on the floor on this piece of legislation. We are talking a lot about balanced budgets and spending and a lot of it is theory and debate. But the steps that you take, albeit baby steps, to deal with budget deficits, is when you start spending real money on the floor of the Senate. That is what we are talking about with respect to this bill. This is a spending bill. This is not theory. This is not idle debate. This is a decision about whether we spend money and how we spend money.

Now the question is, Who are the big spenders? Who on this floor wants to cut back on spending? Resist waste? Cut spending where it is inappropriate and unneeded? Let us see. Let us review.

This is the Defense Department. The men and women in our Armed Forces are critically important to preserving liberty in defense of this country. I understand that and salute them. I think they deserve our praise every single day. But all of us know there is waste in the Pentagon. Why else would we hear about $700 hammers and $500 ash trays and $1,800 toilet seats? I know those are some older stories, but there are legendary stories about procurement problems, even in recent times.

But let us talk about the procurement in this bill. This bill is for defense. The Pentagon said, with respect to T–39 trainers, they did not want to buy any. The Congress said, ''I am sorry, you are wrong about that. You might not want to buy any but we insist, we want to spend $45 million and we insist you buy 17 T–39 trainers.''

The Pentagon said, ''We do not need any EA–6 strike aircraft modifications.'' We said, ''We are sorry, you are wrong about that. We insist you spend $165 million.''

The Pentagon said, ''We do not need two amphibious assault ships.'' The Congress said, ''Well, we must need one.'' And then the Congress said, ''Let us buy two, while we are at it. Let us buy two, one for $900 million and one for $1.3 billion. The sky is the limit. Let us buy two.'' So you add $2.2 billion.

F–15 fighters. Let us buy six of those. The Pentagon said they did not want to buy any. We said, ''Pentagon, you are wrong about that. We insist you buy them.''

''F–16 fighter aircraft,'' we said, ''You ought to buy six.'' We are going to spend money for six of them. The Pentagon did not ask for them. Cargo aircraft, three, $133 million.

Let me get some of the big ones. Black Hawk helicopters, Longbow helicopters. I could go on. M–1 tank upgrades, heavy tactical vehicles. I come from a small hometown. We do not use those terms. It is called trucks; heavy tactical vehicles, trucks, trucks the Pentagon said they did not want, trucks the Pentagon did not order, and the trucks the Pentagon did not need. But guess what? The Congress said let us buy some trucks. Spend the money because we have a credit card. By the way, we want to talk about cutting spending, but we want to buy trucks that nobody asked for.

That is not really the reason I came to the floor. I came to the floor to talk about two big items, the B–2 bombers and star wars. B–2 bombers—the administration says let us keep the production line open. Let us keep the production line open. Congress says let us start buying more B–2's. We have 20 of them. Let us buy 20 more. Let us obligate ourselves to spend over $30 billion on B–2 bombers the Pentagon did not ask for.

That is trouble enough. That is not really the reason I came to the floor of the Senate. The reason I came to the floor of the Senate is to talk about star wars. The cold war is over. There is no Soviet Union. This afternoon as I speak we are crushing missiles over in the old Soviet Union, drawing down launch vehicles, and destroying warheads as a part of our arms control agreement. But the cold war is not over everywhere. It is not over in this Chamber. The appetite to build things we do not need with money we do not have rests right here on this little line, ''national missile defense,'' albeit star wars, ABM. The only one built in the free world was built in North Dakota, my home State. A couple of billion dollars was spent, and 30 days after it was opened and was declared operational it was mothballed. That is the way it works sometimes.

Now that there is no Soviet Union, we are involved in arms control. We are destroying missiles and weapons on both sides. We have a Congress that says to the Pentagon, by the way, we insist that you start deploying a star wars program. We insist that you deploy missiles in the ground by 1999 on an accelerated basis with a space-based component and multiple sites, which will abrogate the ABM Treaty, among other things.

What is this? I do not understand. I guess I missed something. We have people here who say we are out of money and in debt up to our neck. We want to pass an amendment to the Constitution to require us to balance the budget. The very same people bring to the floor of this Senate an unending appetite to spend the public's money—as long as it is not on milk or shelter for kids—to spend the public's money on something called star wars. I think people can be excused for wondering what kind of air is being breathed in these Chambers. This makes no sense at all.

I mentioned earlier the juxtaposition of priorities. I do it again because—let me remind people what we are talking about this year. If you say it is not related, you do not understand the process. We only have a certain amount of money to spend. Of 55,000 kids, every single one has a name who is going to be told, ''We are sorry. You will get kicked out of the Head Start Program.'' If you come from a low-income family, from a circumstance of disadvantage, tough luck. ''We do not have any money for you. No Head Start Program for you, Timmy, Tommy, or James.'' There are 600,000 kids, low-income, disadvantaged city kids, will be told, ''We are sorry. No summer jobs. We cannot afford it. Tough luck.'' And 2.2 million Americans will be told, ''We are sorry. I know we have a low-income home heating program to help you pay the heating bills in the winter in States where you have harsh bitter cold.'' We say, ''We are sorry. Home heating is a luxury. You can do without it.''

I wonder if those who say that have been in these sheds or shacks where people sit on the floor with diapers and

kids ill-clothed and the wind is howling through the cracks in the walls, and have seen the desperate condition, especially on Indian reservations and elsewhere. Then would you say to these people, ''We are sorry. When it is 25 or 30 below, low-income home heating help does not matter. You can do without.''

There are dozens and dozens of those kinds of choices. Then we say, ''By the way, even though we cannot afford those things—which I happen to think are necessary—the sky is the limit when it comes to ships, planes, and submarines and helicopters that the Pentagon did not order.''

But especially galling to me is the resurrection of the star wars program, to decide that we want to start building a monument that will cost $48 billion—$48 billion for a star wars program. We had people bring on the floor of the Senate charts that show us that North Vietnam is a big threat, and Libya is a threat, and Iraq is a threat. Lord wonders how they can sleep at night. Maybe that might be the problem. Maybe those who are so frightened by Qadhafi and others simply are not sleeping, and the result is a proposal to build a star wars program.

Everybody in here who thinks that ought to understand that a far greater threat to this country, if in fact there is a nuclear threat by a rogue nation, is not from a sophisticated intercontinental ballistic missile. It is the threat from a nuclear bomb packed into a suitcase, or put in the trunk of a Yugo car and parked at a New York City dock. Everybody understands that is a much higher potential threat than some rogue nation getting an ICBM. Or what about a glass vial about that big full of the most deadly biological agents known to mankind? Or what about somebody that rents a truck and builds a fertilizer bomb? Do you all think that some rogue terrorist nation is going to get an ICBM and a nuclear tipped warhead so we can spend $48 billion we do not have? Look, this is an appetite that simply cannot be satisfied.

I would vote for this conference report if there were several changes. But I am not going to vote for a conference report at a time when this country is out of money. This country is choking on debt. This country is saying to everybody, tighten your belts. And then we say to those folks who are building a star wars program that we have been planning for 15 years, we know the world has changed, we know the cold war is over, we know there is no Soviet Union, but guess what? The appetite to build a star wars program goes unabated. Frankly, probably one of the locations for the star wars program will be in my home State. I have some folks pretty upset with me. ''Why don't you support this? This is jobs.'' It is not jobs. It is waste. I support things that defend this country, that represent strength and represent the ability to preserve liberty.

But I think when we start making choices, real choices on spending and come to the floor of the Senate with these kind of add-ons—I know the Senator from Arizona was going to talk about some others—but especially add-ons like the B–2 bomber program and a star wars program, I just wonder what people are thinking about.

Again, let me say we will probably be in session tomorrow, Saturday, Sunday, and the rest of the week, over whether you balance the budget in 5 years, 7 years or 10 years. You know, those who want to do that deal with the theory of it. They might just as well get a pipe, eat a croissant with their feet up and ruminate forever about it.

The way you balance the budget is bring spending bills to the floor that cuts spending. This bill adds $7 billion to the President's request for defense, and explained where it is added. But the most significant thing this bill does is it commits this country to two areas of spending—the B–2 bomber and the star wars program that will bleed tens and tens of billions of dollars in the next 5 and 10 years from the taxpayers' pockets in this country for something we do not need.

I am anxious for those who support this bill, for those who say we have plenty of money for star wars but not enough for Head Start, plenty of money for star wars, a star wars program the Secretary of Defense did not ask for, the star wars program the President says we do not need—I am just anxious to see those folks who say we have plenty of money for star wars but not enough for star schools come to the floor again and talk about their appetite to cut spending. If there is an appetite to cut spending, this is a good place to start. We do not have to wait until January. We do not have to wait until December 1. A good time to start would be today at 5:30, if we can get a chance to vote—maybe adding close to $400 million for star wars. It does not seem like a lot of money to some. But if you grow up in a town of 400 people and graduate from a high school class of nine and do not understand much about $400 million, then understand they say we just cannot afford these other little programs that would help folks that are in need, help folks send their kids to college, and help folks do the right thing. Then we start thinking maybe this is not just about the old theoretical debates. Maybe it is once again the same old debate we have every time we discuss money on this floor. Big interest and little interest, and little interest be damned. The big interest, guess what? Start smiling, because in our envelope behind door No. 1 is the big prize for you.

I regret that I cannot vote for this conference agreement. But it seems to me, if all of the angst and all of the energy and all of the anxiety we have heard on the floor of the Senate now for the last several weeks about spending is indeed real, then those who express it should come to this floor and auger in on questions like the B–2 bomber and like the star wars program, and, yes, like the other programs where we have added planes, ships, submarines and helicopters that were not ordered, were not needed, were not asked for. Come to the floor, stand up, and proudly pull up their suspenders and say, ''Count me in. I want to cut spending.'' Or will they come to the floor and just button their suit and say, ''Well, here we go. I sure like this kind of spending. Let's add to it. Let's take 7 billion bucks and stuff the Pentagon's pockets and let's decide that is our priority. Not star schools, star wars. That is our priority.''

It is, with all due respect to those who believe it is the right thing, a warped priority for this country's future. And I hope that when the dust settles on all of this debate, the American people will understand when some waive their arms and raise their voices and boast to the heavens that they are the ones who are against all the big spending, they are the ones who are between the taxpayers and calamity because they are the ones who want to cut the deficit, they are the ones who want to balance the budget, I hope they will take a look at how they voted on this, an obligation for my kids and yours to ante up $48 billion for a star wars program that does nothing to add security to this country.

Madam President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 31 seconds.

Mr. DORGAN. I would like to reserve the 3 minutes.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Pursuant to the consent agreement, I am pleased to yield 15 minutes to the Senator from New Mexico.

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

Mr. BINGAMAN. Mr. President, I thank you and I thank the Senator from Hawaii for his constant courtesy and helpfulness to all of us here in the Senate.

I also regret that I must rise in opposition to this conference report on the Defense appropriations bill. It is clear to me that the bill should be vetoed, and that the President is going to veto it.

Let me quote from a letter that the President sent to Congressman LIVINGSTON dated October 18. It said:

> However, by appropriating $6.9 billion more than I requested, the conference report did not address my fundamental concerns about spending priorities. As the bill now goes back to conference following its defeat on the House floor, it is important that the conferees understand where I stand. Absent a broader agreement with Congress that adequately funds crucial domestic programs in other appropriations bills, I will veto any defense appropriation bill that adds extra billions for defense programs not in my request.

Mr. President, the conferees did not address the President's fundamental concern about misplaced priorities in their second conference. And this conference report, like its predecessor, is full of unrequested, unneeded, and unsustainable add-ons. As for funding of crucial domestic programs in other appropriations bills, particularly the Labor, HHS, the VA–HUD and the Commerce, State, Justice bills, it is absolutely clear that we have made virtually no progress since the President wrote.

The fiasco of closing down the Government has only widened the gulf between the majority party and the President on what our domestic priorities should be. Indeed, the majority party's interest in cutting programs for education, the environment, civilian research, heating assistance for low-income citizens, national service, Indian programs, and many others seems to grow as we proceed through this budget debate.

I voted against the bill when the Senate passed it early in September. I thought it was worthy of a veto then. In my view, the conference has not improved it. In fact, it has made it worse.

This bill has truly become a weapons-for-everybody bill. When it left the Senate, the bill was $6.45 billion above the President's request. It is now $6.9 billion above the President's request. But that figure alone understates the net addition because, according to press reports, the conference report that we are here considering takes back $1 billion that the National Reconnaissance Office, [NRO] had accumulated in unspent funds. That money was spent on unneeded, unrequested, unsustainable weapons that were not in the Senate version of the bill, just as the other $6.9 billion were. If you adjust for the NRO money, this bill is in fact about $8 billion above the President's request, not $7 billion.

The conferees had enough money to buy ships, planes, trucks, helicopters of every description, some of which—like a $20 million Cyclone class patrol craft—were in neither bill prior to going to conference.

The total add-on package is in the range of $10 billion. There are offsets in the range of $2 billion as well.

The obvious question is what is it that justifies this extraordinary increase in defense spending, and I for one cannot point to a threat.

We spend twice as much as all of our potential adversaries combined. If we put together the budgets—our budget with those of our NATO allies and Japan—we and our allies are outspending our potential foes by more than 3 to 1. Of course, it will be argued that much of the additional spending in this bill is somewhere in the Pentagon's budget for the next 6 years. That was the argument that was made for the $1.3 billion HLD–7 amphibious assault ship that the Senate debated when we passed the bill in August. The Navy planned to buy that ship in the year 2001. That will undoubtedly be the argument that is used to justify the $900 million LPD–17 amphibious transport dock which the House insisted on in conference. The Navy planned to buy that in 1998.

Mr. President, this is really an extraordinary argument. Essentially those who make it are saying that they can pick and choose anything in the 6-year plan that the Department of Defense has that helps their State or district and that plan when you add it up totals about $1.6 trillion. Where else in our budgeting this year are we finding the ability to do that? The answer clearly is nowhere. Everywhere but in this case of the Pentagon we cannot find enough for this first year's budget, let alone find money to add $1 billion projects in the States or districts of powerful members of the Republican leadership.

But worse are the programs that do not even fit in the 6-year plan. Some of these have huge budgetary implications. The B–2, which was not in the Senate bill, has an outyear requirement for tens of billions of dollars. National missile defense, which my colleague from North Dakota spoke about, will require tens of billions of additional dollars not in the 6-year plan. There is certainly no money in future year budgets for the Hellfire-2 and the CBU–87 antiarmor munitions. The Pentagon's own inspector general told Congress that we already had enough of these munitions to cover every target in a 2 major regional contingency scenario, and yet the Senate voted to continue to buy these unneeded weapons, and the conferees agreed to spend tens of billions of dollars on them as well.

There certainly is no money in the 6-year plan for most, if not all, of the member interest add-ons in the research and development budget, which always seems to have an outyear requirement that goes on and on. I have in mind items that the Senator from Arizona has on his earmark list, like the curved plate technology program, the Center for Astronomical Adaptive Optics—which presumably should be funded by the National Science Foundation's astronomy program, if at all—the Pacific Software Research Center. There are many others.

It is frankly disconcerting to me that the Technology Reinvestment Project, which is a competitive and a cost shared program, was cut by $305 million while noncompetitive, noncost share programs like those I referred to flourish in these supposedly austere budget times. Obviously, austerity stops at the door of the Pentagon as far as this bill is concerned.

Mr. President, we cannot afford these add-ons even under the Republican budget. There is no money in the outyears to sustain the programs. As Congressman OBEY has repeatedly pointed out, the Republican defense budget over the 5-year period from fiscal year 1998 to 2002 is less than the President's. Let me repeat that. The Republican defense budget for fiscal years 1998 to 2002 is less than what the President has asked for. According to an article from the November 6 issue of Aviation Week, the Republican majority is considering reducing the net 7-year addition to the defense budget from $20 to $8 billion in the final negotiations over the budget with the President, whenever that negotiation occurs.

I ask unanimous consent that that article from Aviation Week be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. BINGAMAN. Mr. President, whatever figure emerges, this bill is inconsistent with it. This bill assumes future Congresses are going to spend tens of billions of dollars more for defense than the Republican budget resolution allows.

The Senate Armed Services Committee earlier this year made clear in its report that it had not designed the authorization bill to be consistent with the realities of the out-year Republican defense budget totals. The committee said on page 3 of its report:

> The Committee remains concerned about the adequacy of funding levels for national defense programs in coming years. * * * Budget levels proposed for future years do not adequately fund even the level of forces required for the Bottom-Up Review Force. * * * The limited progress reflected in this bill cannot be maintained unless future funding is increased.

Mr. President, increasing defense spending above the June budget resolution is not even on the table. Nor should it be. I hear no one in the Republican leadership saying they want to increase defense spending even more. Despite the rhetoric in last year's campaign about the President not spending enough on defense, the fact is all the 7-year Republican defense budget does in its current form is provide a 2-year infusion of pork this year and next followed by 5 years in which Republicans are saying that the President is being a tad too generous to defense. Mr. President, I say we should forgo the pork this year and next. Let us put this money to better use in the domestic appropriations bill, particularly Labor-HHS, VA–HUD, and Commerce-State-Justice, all of which require additional funds to sustain critical programs. I suspect that by the end of this year's budget process, at least some of the unneeded, unrequested, and unsustainable projects will be stripped from this bill.

Mr. President, there are several other provisions which concern me in this bill. When the Senate debated this bill in August, the senior Senator from Arkansas, Senator BUMPERS, offered an amendment to trim the defense export loan guarantee authority in this bill from $15 to $10 billion. The vote to table that amendment was 53 to 47. Yet the conferees came back with $15 billion in loan guarantees for defense exports, to the extent they are authorized. Unfortunately, a loan guarantee

provision is included in both the House and Senate versions of the authorization bill. So if there is an authorization bill, this appropriations bill will put the taxpayers at risk to the tune of $15 billion for defaults on payments for defense exports.

Mr. President, when Senator KEMPTHORNE started working on this issue a couple of years ago, he sought authority for a trial program to guarantee about $1 billion in defense exports to a limited number of countries. At that time, it was a subsidized guarantee. Now it is supposed to be paid for by the defense industry itself. But we have moved in 2 short years from a $1 billion trial program to a full-blown $15 billion program of defense export guarantees.

Mr. President, we should not be attempting to prop up our defense industry by turning it into the arms merchant for the world. It is our own troops who will too often be facing off against these weapons. Instead, we should be taking the lead in trying to negotiate arms transfer restraints. There is a historic opportunity with the end of the cold war and with nations across the globe attempting to free up funds for economic development and useful infrastructure to scale back regional arms races. This loan guarantee provision is just bad public policy and I regret it was not at least scaled back by the conferees after the close vote on the Bumpers amendment.

Mr. President, I also regret the cuts made in this bill to the technology reinvestment project and SEMATECH. The $305 million cut in the technology reinvestment project and the $50.5 million cut to SEMATECH in the last year that it was seeking Federal funds, send precisely the wrong signal to the Pentagon's research bureaucracy. The signal is that rather than leveraging the commercial sector in innovative ways to save the taxpayers' money in developing and procuring dual-use technologies, it is OK to hunker down and pursue duplicative, ultimately dead-end research with a military label on it. In fact, not only is it OK, but it is the preferred approach of the congressional majority.

This is again bad public policy which the Pentagon cannot afford to pursue at a time of limited resources and which will come back to haunt us in the next century if it is not soon reversed.

Mr. President, I could go on and on and cite additional problems with this bill. I think the point is well made. And I will not delay the Senate further in discussing the details of the conference report. I urge my colleagues to vote against the bill. I urge the President to carry out his threat to veto the bill. It reflects a set of priorities with which I for one do not want to associate myself at a time when we are doing so much damage to many vital domestic programs.

Mr. President, as stated by the Senator from North Dakota, this bill does make a mockery of all the speeches that I have been hearing here on the Senate floor about deficit reduction, about the need to balance the budget, about the need the tighten our belts. The Congress can and must do better than to ratify the misplaced priorities reflected in this bill.

Mr. President, I ask unanimous consent to have the letter to Mr. LIVINGSTON printed in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, October 18, 1995.

Hon. BOB LIVINGSTON,
Chairman, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding the conference report on the Fiscal year 1996 Defense Appropriations Act. I want you to know that I appreciate your hard work and leadership on this bill, as well as that of Senators Stevens and Inouye. The Conference Report had many commendable features. For example, a number of policy provisions that raised serious constitutional and national security concerns were satisfactorily resolved in conference, and funding was secured for several programs that were of particular importance to me and to the national security of this country, including the Cooperative Threat Reduction program and the Technology Reinvestment Project.

However, by appropriating $6.9 billion more than I requested, the Conference Report did not address my fundamental concerns about spending priorities. As the bill now goes back to conference following its defeat on the House floor, it is important that the conferees understand where I stand. Absent a broader agreement with Congress that adequately funds crucial domestic programs in other appropriations bills, I will veto any defense appropriations bill that adds extra billions for defense programs not in my request.

I am ready to work with Congress to ensure that we reach that agreement.

Sincerely,

BILL CLINTON.

EXHIBIT 1

[From Aviation Week & Space Technology, Nov. 6, 1995]

DEFICIT HAWKS GAIN, THREATEN DEFENSE HIKES

(By David A. Fulghum/Washington)

U.S. Republican lawmakers are considering a deal that could cut $12 billion from promised defense increases—a key element in the party's Contract With America.

Defense boosters and fiscal conservatives are trying to craft compromise budget language that would make the cuts over the next six years. The Republican leadership is attempting to satisfy lawmakers who believe deficit reduction should take priority over defense increases. The compromise is aimed at gaining passage of the Fiscal 1996 reconciliation bill, catch-all budget legislation that funds the entire federal government.

The compromise defense language is still in flux. But if it survives in the overall reconciliation bill, the Republicans' much ballyhooed $20-billion defense spending hike above the Administration's request could be slashed to only $8 billion, according to a Democratic congressional aide. But a Republican aide said it is not yet clear if all $12 billion in cuts ''will be directly translated to defense.'' Complicating matters, the fate of the reconciliation bill is in serious doubt because of White House and congressional squabbling over the best way to balance the budget.

If the Republican leadership decides for the sake of fiscal peace with its deficit hawks to renege on its promised defense increases, the Pentagon could find it impossible to buy as much new armament as GOP defense hawks would like. That includes C–17 airlifters, B–2 bombers, missile defense, ships and submarines.

Moreover, organized resistance to defense hawks appears to be mounting. A coalition of freshman lawmakers, heavily influenced by Sen. John McCain (R.-Ariz.), has concluded that defense is not a top priority, and they are forming a task force to begin examining the whole issue of defense spending early next year.

''From the reconciliation bill will flow the defense budget top lines,'' the Democratic congressional staffer said. If there are major cuts, ''there will be no money to sustain buying C–17s at a high rate or additional B–2s.''

The U.S. military is being unequivocal in its support for purchasing an airlifter fleet made up of 120 McDonnell Douglas C–17s. A plan to buy less expensive C–33/Boeing 747–400 freighters or Lockheed C–5Ds has of late had shrinking support in the Pentagon. However, congressional opponents of purchasing an all-C–17 fleet contend there is still a flicker of interest from the White House in the Boeing 747–400. Consequently, they expect the Pentagon to leave the door open for a mixed purchase at least through the 1996 presidential election.

However, senior defense officials believe that the reasons for buying a mixed fleet have disappeared. The C–141 fleet, which C–17s are to replace, is no longer grounded and is expected to soldier on in decreasing numbers well into the next century. Meanwhile, McDonnell Douglas has transformed the C–17 from a troubled program to an operational and technological success.

Congressional supporters of a mixed fleet point out that a Pentagon recommendation to buy 120 C–17 equivalents is simply an acquisition decision. It does not mean the money is in the long-term defense budget.

''It means they go from standing in the acquisition line to standing in the budget line and that's a whole new ball game,'' a Democratic staffer said.

Some staffers contend the Air Force can sustain only a $2.5-billion per year investment in airlifters, which would equal only eight C–17s. At that rate, the U.S. Air Force would actually lose airlift capacity until 2007 because of the retirement of C–141. Airlift could be sustained only by buying some high-payload 747–400s, they said. Some congressional and aerospace industry officials thought the Pentagon might keep the C–33 option alive as a goad to McDonnell Douglas to keep C–17 prices down.

Senior defense officials said they do not believe the Defense Acquisition Board (DAB) will sustain the option, choosing instead to use contractual methods to ensure McDonnell Douglas prices stay low. Moreover, Air Force planners believe the defense budget as now projected will allow them to buy C–17s at a greater rate than eight per year, thus avoiding an airlift shortage.

But, there are indications that defense planning could receive some severe jolts. A senior Air Force official candidly admitted that planners are being forced to ''look at the issue with blinders on.'' They have not made budgetary excursions to project what will happen if, for example, they are forced to buy more B–2s. The requirement is considered a likely inclusion in a compromise Fiscal 1996 defense appropriations bill. If the Republican Congress forces the Pentagon to buy more B–2s without additional long-term

funding, Air Force leaders will have to rebuild their budgets and likely cut or stretch out C–17 purchases.

But in a move guaranteed to keep the airlifter debate alive, Congressional Budget Office researchers have just completed a study that offers compelling arguments for buying a mix of aircraft to meet the Pentagon's requirement for 120 C–17 equivalents.

''Buying 32 more C–17s plus 30 C–3s would provide the same delivery capability as 80 additional C–17s,'' the CBO report said. ''That option would also be nearly $8 billion cheaper.''

CBO researchers said the mix of C–17s and C–33s would cost about $28 billion to buy and operate and would be a better deal if there were adequate room on airfields to land and unload the less maneuverable C–33s.

''If, however, U.S. forces were limited to a few airfields that had a small amount of ramp space [such as Macedonia], the [C–17/C–33 mix] option might not deliver cargo as quickly as would 80 more C–17s,'' the CBO report said. ''And such a combination would not provide as much flexibility to handle specific military missions such as strategic brigade airdrops [flowing directly from the U.S. to a foreign battlefield].''

CBO noted that the first 40 C–17s cost about $300 million each in 1996 dollars but predicted the company light like to achieve a flyaway cost of $203 million each, without government furnished avionics and engines.

ESTIMATED COSTS IN 1996 DOLLARS OF THREE STRATEGIC AIRLIFT OPTIONS

[In millions of dollars]

	1997	1998	1999	2000	2001	Total 1997–2001	Total 1997–2020
Option 1: Buy 80 Additional C–17s							
Quantity purchased	8	8	8	10	12	46	80
Acquisition costs	2,510	2,490	2,430	2,670	2,910	13,010	20,730
Operation and support costs	0	0	50	140	250	440	15,470
Total costs	2,510	2,490	2,480	2,810	3,160	13,450	36,200
Option 2: Buy 65 C5Ds							
Quantity purchased	4	10	12	12	12	50	65
Acquisition costs	[a]2,420	2,010	1,840	1,780	1,630	9,680	11,690
Operation and support costs	0	0	0	120	290	410	15,540
Total costs	2,420	2,010	1,840	1,900	1,920	10,090	27,230
Option 3: Buy 32 Additional C–17s and 30 C–33s							
Quantity of C–17s purchased	8	8	8	8	0	32	32
Quantity of C–33s purchased	1	1	6	6	6	20	30
Acquisition costs	[b]2,930	2,660	3,400	[c]3,120	1,170	13,280	15,470
Operation and Support Costs	0	0	50	140	290	480	12,850
Total costs	2,930	2,660	3,450	3,260	1,460	13,670	28,320

[a] Includes $850 million for the cost of restarting the C–5 production line.
[b] Includes $275 million in costs to develop the C–33.
[c] Cost declines in 2000 because advanced procurement funds are no longer needed for the C–17.
Note: All options exclude any costs associated with procuring or operating the first 40 C–17s.
Source: Congressional Budget Office.

Mr. BINGAMAN. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I am prepared to yield some time to the Senator from Maine. But I want to say to the Senator from New Mexico, I am saddened to hear those comments. I wish we had a little more time. I would be glad to disabuse him of some of the comments he made.

To the contrary, I am sure there are New Mexican men and women around the world in some of these deployments we have made. I will be very interested to see how he is going to vote on the deployment to Bosnia, whether he supported the deployment to Somalia, whether he supported the support for the Kurds, the humanitarian assistance to Bosnia that is going on now or the deployment to Macedonia or the Adriatic blockade or the blockade of Iraq.

I do not see how we can send our people, our young men and women, throughout the world, and then complain we are providing them the equipment they need to survive. And in my judgment, the amount of money in this bill is literally a decline from last year in real terms. And I really think that to request the President to veto this bill, and at the same time to consider deploying forces to the Balkans, is just the height of really—well, I do not want to use the word here on the floor of the Senate.

It boggles my mind to think some people will vote against this bill and then vote to deploy forces to the Balkans.

I yield 5 minutes to the Senator from Maine.

Mr. BINGAMAN. Would the Senator from Alaska yield for a question?

Mr. STEVENS. I will be glad to get to the Senator later on. But I want to yield to the Senator from Maine 4 or 5 minutes.

Mr. COHEN. Mr. President, first let me thank both the Senator from Alaska and the Senator from Hawaii for their efforts in trying to negotiate with their House counterparts. I and other Members have been locked in negotiations for weeks now with our House counterparts on the authorization bill, and we have yet to reach success. And so I appreciate the work that the Senators have put in and, especially, in working out the differences in the funding requirements.

One area that troubles me is the B–2 bomber. For several years now I think we have gone on record as saying no more than 20. We decided that several years ago.

At first there was a notion we had to have a penetrating bomber because after we fired off our ICBM's in an exchange with the Soviet Union, we would need the B–2 bomber to penetrate Soviet air defenses, what remained of them, to go in and hunt down mobile missiles. When that became rather impractical, to say the least, when we finally exposed the rationale for that, the Air Force at that point came back and said, well, we do not really need it as a nuclear penetrating bomber, perhaps we can use it as a conventional bomber.

They used to present us with a chart indicating that the B–2 will replace some—I cannot recall the number now—but somewhere from 40 to 50 aircraft. If you have one B–2, you will not need all these other aircraft. This one B–2 can fly back and over. No jamming aircraft needed, no F–15 escorts, and so on. I said, ''Fine, take all the B–2's and eliminate all the other aircraft. We do not want that tradeoff,'' they said. ''We want to have the B–2 and all the other aircraft.''

But we are now on the eve of this particular conference report, and once again, we find there is roughly $500 million included for the B–2 bomber. I want to ask a question of my colleague from Alaska as to whether or not it is his and his colleague's intent, the managers of the bill, to open up the B–2 line to start producing more B–2 bombers?

I can tell you why I am concerned about this. We are in the process now of negotiating with the other body. The other body by 3 votes—3 votes—approved additional funds for the B–2 bomber. They want to open up an entire new line to produce another 20 B–2 bombers. That is with life-cycle costs of roughly $30 billion.

I want to know, where is the $30 billion going to come from? Now, I could see some are making the case, saying, ''Well, maybe we need to do a little more experimentation here on the B–2, that this is, by the way, 1970's technology. We are moving into the 21st century. We may have to update the B–

2 with some new research and development.''

I can see the case being made for the purchase of even spare parts for the existing B–2 fleet. But I am really concerned that we might start down the path, an irrevocable path, to build 20 more B–2 bombers, at a cost of $30 billion, and I do not know where the money is going to come from.

So, I want to know from my friend from Alaska as to whether or not the Appropriations Committee is committing itself and committing this body to opening up this line, to taking the cap off, to starting another process of building at least 5, 10, 20, more B–2 bombers. If that is the case, I would have great difficulty with this measure.

Mr. STEVENS. Mr. President, I would say to the Senator from Maine that, as I made the statement in the opening part of this discussion on the bill, we have provided the money for the continuation of the line. The decision will be the President's as to whether that will go forward, or at least it will be with the Armed Services Committee, because we have no authorizing language in the bill. We have just funded it.

It is not within our province to start a multiyear procurement line with an annual appropriations bill. I will say, though—I am constrained to say that 20 B–2 bombers is equivalent to four *Seawolf* submarines. I have fought every *Seawolf* that has come before the Senate, and yet they are going forward. And we need *Seawolf* submarines a lot less than we need B–2 bombers. At least B–2's are force projections and capable of meeting some of our needs on an international basis. The *Seawolf*, in my judgment, is not needed at all. But I tell the Senator that some of these decisions are not made by individual members of either the Armed Services Committee, on which the Senator serves, or the Appropriations Committee, of which I am pleased to chair the subcommittee.

The answer to the question directly is, we have not opened up this line by the language in this bill.

Mr. COHEN. I thank my friend for his comments. I point out this body has gone on record saying no more than 20. Whether or not the Senator agrees with the need for the *Seawolf*—that is a debatable matter obviously—the fact is that the Senate has gone on record that no more than 20 B–2 bombers should be built. And here we are at least opening up the prospect of a new line of more B–2's at a time when, in the outyears, I do not know where the money is going to come from.

I know that the Senator from Alaska, the Senator from Hawaii, have been creative over the years in coming up with money that is necessary to fund our programs. But if you look past the year 2000, I do not know that even he and the Senator from Hawaii can be persuasive enough for their colleagues to say we have to appropriate that kind of money.

By the way, looking at the SCN account, the Navy's shipbuilding and conversion account—and the Senator from Alaska can correct me on this—we have roughly $4 billion in the SCN account. And in order to meet the Navy's needs, by the year 2000, it is going to go up to——

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

Mr. COHEN. Could I have 1 more minute?

Mr. STEVENS. I will be glad to give the Senator 1 more minute, but let me precede that by saying we have provided the money for long lead-time items for the new B–2 line, should the President decide to open it up. We have not funded money for any single B–2.

We have given the administration a chance to revisit the question of keeping the B–2 line open by virtue of making the money available for long-lead-time items for new B–2's should the decision be made to procure them.

Mr. COHEN. I thank my friend.

As I indicated before, we are going to be going in the SCN account, the shipbuilding account, from $4 billion, roughly, up to $15 billion in the year 2000 and beyond to get the ships that the Navy indicates it is going to have to have in order to meet its requirements.

I do not know where that money is going to come from. I do not know how we are going to have enough money in the shipbuilding account at the turn of the century, and I am not sure there will be a Congress willing to vote the money to fund it. That is one reason why I raise the issue on the B–2.

I am at least consoled somewhat by the Senator's statement that it is not the intent of the appropriators to open up a new line but rather it is the intent to leave it up to the President to decide whether he is going to overrule his own Secretary of Defense and Chairman of the Joint Chiefs, both of whom indicated they do not need the B–2 or want it given the cost requirements of the program.

I thank the Senator for yielding me this time.

Mr. STEVENS. Mr. President, I thank the Senator from Maine for his contribution and his comments. Although we were criticized by another Senator on the floor, it is a fact that we have saved money by accelerating the decision to buy the LPD and LHD now. That, in fact, will make room for the outlays that are necessary to carry on the ship procurement that the Senator from Maine has mentioned.

But there is severe strain in the Department's budget in the outyears, and both the President and the Congress have noted that in terms of the last 2 years of the 7-year period. It will be a difficult thing to fund the items that are started, both in the shipbuilding and the aircraft procurement accounts. However, there are decisions that are going to be made, I assume, that will take care of the outyears by the authorizing committee.

Mr. President, the Senator from Arizona has 30 minutes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I yield myself such time as I may consume, and I do not think I will consume the entire time allotted to me, I tell my colleagues.

First of all, I paid close attention to the colloquy between Senator COHEN and the distinguished chairman of the subcommittee, who I believe, along with the Senator from Hawaii, has worked very hard on these issues for many, many years.

I note and I think it is an important aspect of what I am about to say, that since 1985, the defense budgets have declined by 35 percent in real dollars, with another 10 percent decline by the turn of the century.

There is no possible way that we will be able to meet a Bottom-Up Review, a modified Bottom-Up Review or anything resembling it with those kind of numbers staring us in the face, which is one reason why I was a strong supporter of the $7 billion increase in defense spending, because I believe that we are terribly short and facing block obsolescence in items such as sealift, airlift, amphibious capability, tactical air, depot maintenance, that terribly unsexy word, 4 or 5, 6, 10 years behind. Training funds are miserably short. We had a situation not too long ago where the U.S.S. *Inchon* came back from 7 months off the coast of Somalia, was back home approximately 2 weeks and then went out for another 3 months off the coast of Haiti. Mr. President, there is no way you will keep qualified men and women in the military under those kinds of conditions that the crew of the *Inchon* was subjected to.

So, I believe that there is a clear and compelling requirement for us to increase spending, which increases the depth of my bitterness at how we have spent this additional $7 billion. I can identify, and I will in my statement, $4.1 billion, or over 60 percent of this total $7 billion, wasted on projects which do little or nothing to enhance the readiness of our forces today or to modernize our forces to ensure their future readiness.

We live in a very dangerous world. I strongly disagree with the comments of the Senator from North Dakota about the fact, in his view, we do not need to spend money on ballistic missile defense. I think any casual observer of the passing scene will recognize the incredible threat posed by the proliferation of weapons of mass destruction and the means to deliver them. We are finding out that in Iraq, Saddam Hussein was very, very close to having both delivery capability and the weapons needed to have changed that conflict in a most dramatic and significant fashion.

So, I am not arguing for cuts in defense spending, but I am saying this,

and I am saying it as much and as sincerely as I have said anything on the floor of this Senate: If we do not stop wasting these tax dollars, if we do not stop this pork barreling, if we do not stop spending money on projects and programs that have no relevance to the post-cold-war era, the American people will not support a minimum level of defense spending.

One of the problems, I have to tell you, Mr. President, is we no longer have a conceptual framework for the threats that face our national security interest. The Bottom-Up Review, in its day, was an important step forward. It is no longer relevant because it cannot be built. There is no way that we are going to maintain the Bottom-Up Review. But what we have to do is ascertain what the threats are to our national security, which I have been over many times on this floor, and what we need to meet those.

The administration has failed to do it, and we in the Congress have failed to recognize them. So, therefore, it opens the door wide to not only pork barreling of additional projects, but also funding of major weapons systems, major commitments to multibillions of dollars in the future years that have no relevance to the threat.

I, obviously, speak specifically of the B–2 bomber and the *Seawolf* submarine. I was pleased to hear that the distinguished subcommittee chairman said this additional $493 million for the B–2, which is in this bill, does not commit us to an additional $36 billion. I have been around here long enough, I have been around here long enough to know that once you get your fist in the tar baby, you do not get out. If we start that line up again, we are not going to shut it down until we have expended an additional $36 billion, which we simply do not have.

Mr. President, I want to also point out, I find it interesting that the President has threatened to veto this bill on the grounds that much of the spending is unneeded and much of it may be wasteful and unrequested items. If he should have ever vetoed a bill, he should have vetoed the military construction appropriations bill.

Did the President miss the fact that there was $700 million added on in the military construction bill which was neither requested nor required, items such as hypervelocity ballistic-range facilities, such as fire stations, such as a foundry renovation at Philadelphia Navy Shipyard that is being closed, such as a dining facility at Fort Bliss, a highway overpass at Fort Sam Houston?

Did the President miss all those? If the President was serious, then the President of the United States would have vetoed the MilCon bill in a New York minute.

What we are doing, I will tell you again, and, as I say, I am dead serious and the reason why I risk offending my hard-working colleagues on these appropriations bills is the American people in 1994 said they do not want any more of this pork barreling and wasteful expenditures on defense and they will not support it. Everyplace I go, it is almost a joke. I am not going to go through all of these tonight, because I have gone through them so many times before.

Earmarks: $5 million grant to the Marine and Environmental Research and Training Station in Oregon for ''programs of major importance''; $25 million to the Kaho'olawe Island conveyance, where I am led to understand there is already $50 million sitting idle, not in either bill, not in either bill, it comes out in the conference; $3.4 million for private physicians ''who have used and will use the antibacterial treatment method based upon the excretion of dead, decaying spherical bacteria'' to work with Walter Reed Army Medical Center for a treatment of Desert Storm Syndrome. That may be a valid requirement. Why did we not discuss it? Why did it appear in the final bill?

Authority to provide free medical care at Army medical facilities in Hawaii to citizens of surrounding islands. I visited Hawaii, I understand that there are needs on the islands around Hawaii for medical care. I also know that there are rural places in my State and there are rural places all over America that do not have medical care either. Why do we not provide free medical care for all of them?

Prohibition on downsizing or disestablishing the 53d weather reconnaissance squadron; prohibition on using Edwards Air Force base as the interim airhead for the National Training Center at Fort Irwin. There is a little more to these than meets the eye.

Somebody wants to have a runway extended at Barstow Daggett Airport when the Army has determined that Edwards Air Force Base is the facility that should be used and has plenty of facilities there.

So how do we beat that? We beat it by prohibiting using Edwards Air Force Base for our people to land and then be transported over to Fort Irwin. It goes on and on. Cleanup of the National Presto Industries site in Eau Claire, WI. I have been through before. It was in litigation in the courts. We had no business providing $15 million for that until the courts had settled it. Then there is $7 million for the Center of Excellence for Research in Ocean Science; $6 million for a Pacific Disaster Center; $1.5 million for the Beaumont Army Medical Center computer support; $3.5 million for distributed manufacturing demonstration project; over $200 million in earmarked medical research projects; a natural gas boiler demonstration, $2 million; earmark for Mississippi Resource Development Center.

Here is one of my favorites: $5.4 million in unrequested funding to continue ongoing efforts with an established small business development center to be administered as in previous years, focused on developing agricultural-based services, such as bioremediation. The committee supports targeted research and development projects and agricultural development activities in zones surrounding military installations.

What in the world does that mean? ''The committee supports targeted research and development projects and agricultural development activities in zones surrounding military installations.''

Next is $8 million to be ''competitive awarded to a qualified Washington, DC, region-based institution of higher education with expertise and programs in computational sciences and informatics capable of conducting research and development that will further efforts to establish an effective metacomputing testbed.''

I will not even ask what that means.

''The committee urges the Department to provide not less than $8 million in financial and technical support toward the study of neurofibromatosis. The committee urges the Department to provide not less than $1 million in financial and technical support toward the study of Paget's and related bone diseases.''

Report language calls for $5 million for instrumented factory for gears; $2.7 million for standard monitoring control system; $10 million for FDS-deployable refurbishment and spares procurement.

The list goes on and on and on and on. I saw the Treasury-Postal appropriations bill that we passed yesterday. It was a clean bill, a good bill. It did not have earmarks, it did not have special projects in it, which was a dramatic change from the previous years. It proved to me that we do not have to have this practice in appropriations bills.

Mr. President, we have 50,000 enlisted families in America in our Armed Forces that are eligible for food stamps. I suggest that if we had additional money, maybe we ought to give them a pay raise—the enlisted people. Maybe we ought to do that and take them off of eligibility for food stamps. Maybe we ought to do a lot more in the way of quality of life and make sure that there are enough ships like U.S.S. *Inchon*, so they do not have to spend 7 months at sea and come back and then go out for another 3 months.

Instead, we make sure that the Reserve and National Guard are not only taken care of, but we also earmark funds and a list of specific equipment for them.

The bill also includes $977.4 million for unrequested Guard and Reserve equipment. While the report allocates the funds among generic categories of miscellaneous equipment for the Reserve components, the report also strongly suggests that priority be given to a long list of specific items. The report also specifies that the funds will be used to buy C–130 and C–126 aircraft, long a staple of congressional add-ons for the Guard and Reserve.

Mr. President, I support the Guard and Reserve. I think the Guard and Reserve are vital components in our ability to defend our Nation. But when we do not have the fundamental basics that our active duty forces need, and the prospects of them getting it any time soon are remote, we have to stop the earmarking.

I want to waste a little more time here on both the B–2 and the *Seawolf*. If this were 1989, before the cold war was over, there would be no stronger supporter on the floor of the Senate than this Senator for both of those programs. The B–2 bomber would have really been a vital and important part of the triad, which I was always supportive of. Now the B–2 bomber is being advertised as some kind of long-range attack weapons delivery system which will be stealthy.

I do not argue that, Mr. President. I really do not argue that at all. I would be curious which commander is going to send an over $1 billion per copy aircraft anywhere in a conventional scenario. I have long recommended that we not put ejection seats into that plane because the pilot that ejected would be the subject of investigation for the rest of his or her natural life.

The fact is that this is an incredibly expensive weapon system for which there is no relevance today in the post-cold war era. What we need in the post-cold war era, Mr. President, is the ability to project power over long distances with an ability to remain there for a significant period of time and have enough firepower to affect the battlefield equation. The B–2 can do a little of that. But we do not have enough of the tactical aircraft, the carriers, amphibious ships, the airlift that were really the fundamental components of that capability. So we have opened the door to another $36 billion over the next 20 years to spend on B–2 bombers.

This, interestingly enough, is despite the objection of the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and even the Chief of Staff of the Air Force. Why does the Chief of Staff of the Air Force, who is a fine and decent man, oppose the B–2 bomber? He opposes it for a broad variety of reasons, and I do not want to put words in his mouth. But one of the reasons is he does not see enough money there in order to fund the F–22, which the Air Force and he believes—and this could be a subject for debate on the floor—are a vital component in our ability to defend the Nation's vital national security interests in the next century. They need a follow-on fighter aircraft. If you siphon off $36 billion in the next 20 years for the B–2 bomber, it is hard for them to see where you will get the money for the F–22.

As far as the *Seawolf* is concerned, Mr. President, it is well known that during the Presidential primary, President Clinton went to Connecticut and said he would support the *Seawolf* submarine. It is clear that this is a jobs program. There is no doubt that there have been tremendous cost overruns. We now have two shipyards that can build nuclear powered submarines. We now have two of them. I can envision no scenario in the future where we have a requirement for two shipyards to build nuclear submarines. But perhaps more important, Mr. President, is that we continue to hear this argument that the former Soviet Union, Russia, today, which cannot meet anywhere near its quota of conscription for the year; estimates are between a quarter and a third of those conscripted show up; they have an incipient revolt in Chechnya on their hands, which has cost them the blood of many hundreds of their young fighting men and women; and their officers, which were moved out, and their families, out of Eastern Europe back into Russia, are living in boxcars.

The state of their military establishment, by all objective observers' estimates, is in a terrible and horrendous condition—not to mention the threat that we have of how we are going to dispose of the nuclear weapons that abound throughout the former Soviet Union.

So, Mr. President, what we are supposed to believe, given the conditions and the threats to Russia's vital national security interest, which they see clearly are as they have been for most of its history in the so-called ''near abroad,'' that they are going to spend an enormous amount of money that they do not have on fast, quiet submarines.

Mr. President, they are not. It does not make any sense. It does not make any sense to believe that the Russians are spending billions of dollars on fast, quiet submarines when they cannot even get their officers out of boxcars into houses, when they cannot make their yearly annual conscription to man their armed forces to any degree whatever, when they are fighting a guerrilla war in Chechnya, when they have problems in practically every part of what the Russians call ''near abroad.''

I do not believe that the Russian defense experts are so naive and so uninformed that they sit around and say, gee, forget all those problems I just articulated, build some fast, quiet submarines.

Mr. President, we are really doing the American taxpayers a great disservice.

I want to say, finally again, I appreciate the hard work that is done by the members of the Appropriations Committee. I know they have difficult issues to wrestle with. I am sure that, in fairness, the chairman of the subcommittee and the ranking member should bring up the legitimate point that the authorizing committee has so far failed to come up with any legislation, so they have had to make many of these decisions. I think that is a very legitimate statement on the part of the appropriators.

I will say, finally, one more time, Mr. President, and the last time, and mark my words, if we keep doing this, if we keep wasting taxpayers' dollars in this fashion, we are going to lose the confidence of the American people and at some point there will be great resistance to adequately fund our defense forces and we may see a threat posed to our national security that we cannot meet because of our failure to articulate to authorize and to appropriate adequate funding to meet the real threats to our vital national security interests.

I reserve the remainder of my time.

Mr. STEVENS. How much time does the Senator desire?

Mr. GRASSLEY. Ten minutes.

Mr. STEVENS. I yield the Senator 10 minutes, but I do want to thank the Senator from Arizona for his contribution. He does not know how often we use his positions in conference in order to achieve savings—which he does not mention.

Some of the items he mentioned, I think, are legitimate complaints. Others I think have legitimate military value. We can discuss that on the floor.

His last comment is the correct one. We did not have the guidance of the Armed Services Committee this time and we just did our best. I think that is because of some of the problems we face here on the floor.

I yield 10 minutes to the Senator.

Mr. GRASSLEY. Mr. President, I would like to speak briefly on the conference report on the Department of Defense [DOD] appropriation bill.

The amount of money provided in this measure is too high.

I argued for a lower figure when we debated the budget resolution.

And I argued for a lower figure when we debated the defense authorization bill.

The cold war is over.

The Soviet military threat is gone.

We are closing military bases. Our force structure is shrinking.

Defense budgets should be coming down—not going up. But we lost that battle.

For unknown reasons, Congress decided on the higher number, and that's that.

Mr. President, I didn't come here to argue about the size of the defense budget.

I come to the floor to thank my friend from Alaska, Senator STEVENS, for his advice and assistance with the DOD unmatched disbursements problem.

Last year, with the help of my friend from Hawaii, Senator INOUYE, we began the process of trying to fix the $30 billion unmatched disbursement problem.

We established thresholds at which DOD must match disbursements with obligations—before making a payment.

This year, Senator STEVENS helped to reenergize and continue that process. He is helping to keep the pressure on.

And DOD Comptroller John Hamre is doing his part. He's helping, too.

In the coming months, both the General Accounting Office [GAO] and DOD Inspector General [IG] will be conducting detailed reviews of DOD's emerging capability to prematch disbursements.

Next year, at this time, I hope we are in a position to lay out a road map for ratcheting down the thresholds.

Next year, I hope we can move the threshold to zero.

Mr. President, as I have said many times, with $30 billion in unmatched disbursements, there are no effective internal controls over a big chunk of the DOD budget.

That means those accounts are vulnerable to theft and abuse.

Mr. President, we must keep the pressure on and keep moving down the road toward the time when all DOD payments are prematched.

I thank Senator STEVENS, Senator INOUYE, and Mr. John Hamre for their help in trying to fix this problem.

Mr. President, I would also like to seek the advice and assistance of the committee's leadership on another issue.

I am concerned about the possible existence of a slush fund at the Central Intelligence Agency [CIA].

Recent press reports suggest that bureaucrats in just one CIA office—the National Reconnaissance Office [NRO]—accumulated a pool of unspent money that totaled between $1 and $2 billion.

Now, I know that the committee has taken certain steps in this bill to recover some of the money.

The bill also includes restrictive language governing the availability of CIA appropriations.

The restrictive language is embodied in section 8070 of the bill.

I commend the committee for taking these important steps.

However, in my mind, the action taken in the bill is a short-term fix.

We need to get at the root cause of the problem.

We need to understand the mechanisms that allowed bureaucrats in the NRO—and possibly other CIA offices—to accumulate huge sums of money.

And we need to develop a long-term solution.

Mr. President, we must not allow the CIA to accumulate huge sums of money in a honey pot that lies outside of the law.

The CIA must handle unspent appropriations in ways that are consistent with the requirements of title 31 of the United States Code, and in particular, the M account reform law.

Senator ROTH and I have sent a letter on this matter to the committee chairman, Senator HATFIELD.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to Senator HATFIELD, along with an article from the Washington Post on the same issue.

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

U.S. SENATE,
Washington, DC, October 3, 1995.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MARK: We are writing to express concern about the possible existence of a slush fund at the Central Intelligence Agency (CIA) and to seek your help in launching an independent review to determine the origins of the money and root cause of the problem.

The source of our concern is a series of reports that appeared recently in the Washington Post and New York Times. These reports suggest that one office within the CIA—the National Reconnaissance Office—has accumulated ''a pool of unspent money'' that totals between $1 billion and $1.7 billion and that some of these funds may have been used for unauthorized purposes.

In the wake of these disturbing revelations, unnamed intelligence officials readily admitted: ''The agency's financial practices were governed by custom, not by written rules. . . . Many of the financial practices were time-honored, but they were not documented. . . . They were just folklore'' [New York Times, September 25, 1995, page 11].

On the surface, based solely on these very sketchy news reports, we have to conclude that the CIA's books need more scrutiny. A potential multi-billion dollar slush fund in just one CIA office plus a possible breakdown of discipline and integrity in accounting equals a recipe for abuse.

We must not allow the CIA to accumulate a ''pot of gold'' that lies outside of the law.

As you may remember, back in the late 1980's, Congress discovered the infamous M account slush fund at the Department of Defense (DOD) and at other agencies as well. The M accounts, which were also known as the ''honey pot,'' were being used by DOD to circumvent the law—primarily the Anti-Deficiency Act (31 USC 1341)—and to fund cost overruns and other unauthorized activities beyond the purview of Congress. DOD, for instance, had stashed at least $50 billion in these accounts.

After holding extensive hearings that examined abusive M account practices as revealed in audit reports prepared by the Inspectors General and General Accounting Office, Congress took decisive steps to close down the entire M account operation.

The M account reform legislation was signed into law by the President on December 5, 1990. It is embodied in Sections 1405 and 1406 of Public Law 101–510. It closed the M accounts, canceled billions in unspent balances in ''merged surplus authority,'' and place strict limits on the availability of ''unspent'' appropriations of the kind described in the above-mentioned press reports. To the best of my knowledge, this law applies to all government agencies, including the CIA.

The M account reform law in combination with all the other laws governing the use of appropriations—as spelled out in Title 31 of the U.S. Code—are supposed to make it very difficult—if not impossible—to create a slush fund within any government institution.

If the CIA is indeed ''hoarding'' money, as White House Chief of Staff Leon Panetta has suggested, and stashing it away for a rainy day, then Congress needs to know about it. We should know about it because we have passed a law that is designed to prevent bureaucrats from accumulating money outside of the law. If the CIA has succeeded in doing that, then we would like to understand exactly how it was done. There may be a loophole in the law that needs to be plugged.

For these reasons, we are seeking your advice and assistance on how to initiate an independent review of the CIA's accounting records pertaining to balances of unobligated and unexpended appropriations.

We need to know if the CIA is complying with the M account reform act. Toward that end, certain questions need to be answered: Were the agency's merged surplus and M accounts closed and balances canceled as required by law? Are expired appropriation account balances being canceled after five years as required by law? Is the agency protecting the integrity of expired appropriations accounts as required by law? Have the agency's no-year accounts been handled according to law? No doubt, there are other important questions, but these are the ones that immediately come to mind.

Between August 1991 and October 1992, the GAO conducted an audit of residual M account monies throughout the government. The results of this audit were published in a report entitled ''Agencies Actions to Eliminate M Accounts and Merged Surplus Authority'' in June 1993, Report Number AFMD–93–7. Unfortunately, the CIA was not among the agencies reviewed. The GAO, we are told, cannot get the access needed to audit CIA accounts. The inability of the GAO to audit the CIA's books leaves a gaping hole in our knowledge regarding government-wide compliance with the M account reform law.

Mark, we would like to feel confident that the monies Congress appropriates for the CIA are being controlled and used in ways that are consistent with the requirements for Title 31 of the U.S. Code, and in particular, the M account reform law.

We have never examined a financial management issue at the CIA and need your advice on how to proceed with such a review.

Your assistance in this matter would be appreciated.

Sincerely,

CHARLES E. GRASSLEY,
U.S. Senator.
WILLIAM V. ROTH, JR.,
U.S. Senator.

[From the Washington Post, Nov. 15, 1995]

DEFENSE GIVES ITS ACCOUNTING SYSTEM A '3'

(By Dana Priest)

Despite efforts to turn around what the Pentagon concedes is an error-prone, cross-eyed financial accounting system, top Defense Department officials yesterday said that on a scale of 1 to 10, the ability to track where $260 billion is spent each year rates only a sorry ''3.''

''We are far short'' of being able to produce clean, auditable annual financial statements, Richard F. Keevey, director of the Defense Finance and Accounting Service, told a congressional panel yesterday.

Summoned by a subcommittee of the House Committee on Government Reform and Oversight—called in part to respond to Washington Post articles about the problem in May—the department's top financial officers and investigators from the General Accounting Office and the inspector general's office explained, defended and criticized the way the department manages the money Congress gives it.

Only three members of the subcommittee showed up, and one only briefly, perhaps a testimony to how arcane and complicated the subject can be.

Chairman Rep. Steve Horn (R-Calif.) described the state of Pentagon bookkeeping as something not even up to the standards of ''every Mom and Pop store in America.''

''What you're telling us today is a disgrace to the American fighting men and women,'' said ranking minority member Carolyn B. Maloney (D-N.Y.), her voice rising in frustration before she bolted out the door for a quick floor vote. ''I'm sorry, I'm a little upset.''

What was upsetting to Maloney and Horn was good news to the Pentagon officials who

point out that their accounting problems are decades-old and are only now getting better. For instance:

The accumulated amount of payments that cannot be traced with certainty to particular purchases has fallen from $50 billion in June 1993 to $20.5 billion in September.

The department now refuses to pay any bill larger than $1 million without the proper bookkeeping. The threshold used to be $5 million, although the higher figure still applies to its major, trouble-plagued Columbus, Ohio, check writing center because contractors there complained that a new standard would dramatically slow payments.

On the other hand, department Inspector General Eleanor Hill testified the financial data ''for the vast majority of [Defense Department] funds remain essentially not in condition to audit,'' according to Hill's written statement.

''The same types of system problems and internal control weaknesses that hamper preparation of annual financial statements,'' she said, ''also impair the efficiency of day-to-day operations.''

So concerned is the IG's office about the problems that it is deploying 700 auditors to snoop around the finance and auditing areas at the department. Still, it does not expect a significant turnaround until the year 2000, she said.

Mr. GRASSLEY. We are asking for advice on how to initiate an independent review of the CIA's accounting records pertaining to balances of unobligated and unexpended appropriations.

Mr. President, I would like some assurances from the chairman and ranking minority member that they will work with us in developing an acceptable approach to our request.

Our purpose is simple.

We want an independent review of the CIA's unspent balances.

Are they being maintained and controlled according to law?

But how do we do that?

We need the committee's advice and assistance.

We have been told, in news reports, that CIA Director John Deutch is launching his own investigation to review the NRO's ''deliberately obscure fiscal practices.''

That is fine and dandy.

But that's not an independent review.

I hope the committee will work with us to find a way to conduct an independent review of the CIA's unspent balances.

The taxpayers of this country have a right to know that their money is being spent according to law.

Mr. President, I would also like to ask the committee's leadership these three questions:

First, could the committee conduct an examination of the CIA's appropriations accounts to determine whether they are maintained and controlled as required by law?

Second, could the committee do the job if assisted by knowledgeable personnel from the DOD IG's office and the GAO?

Third, could the DOD IG do the job?

I just hope my two colleagues help us get to the bottom of sense things. I know you have the same concerns I do. But I would like to move forward with this, to make sure we are not—my point is, we are not relying just upon internal CIA investigations to make sure this does not happen. We ought to have some sort of independent, outside group, make sure that the job is being done and done correctly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I welcome the attention of the Senator from Iowa to what we call the classified annex that discusses some of the problems that are raised with regard to the CIA carryforward funds. Others have referred to them as slush funds. I found no slush funds. I have found carryforward funds that represent program changes, programmatic decisions not to spend money but carry the money into the future, and downsizing that led to savings that were from money that was not limited in terms of years.

We have dealt with that. It is not proper, in my opinion, for us to discuss that here. I direct the consideration of the Senator from Iowa to discussing it with the Intelligence Committee. We take our lead from the Intelligence Committee and Armed Services Committee, but this year we did take an extraordinary initiative in dealing with these funds to make sure they would not be carried forward. It is discussed in our classified annex. I invite my colleague's attention to that.

I do not want to delay, if the Senator from South Carolina wishes some time. I am saddened to hear my friend discuss the needs of the Department of Defense, however, in the terms he has. I wish he would see these needs through my eyes. I get tired of seeing pilots fly C–130 E's that were made in 1964. I get tired of flying in VC–137's that were made in 1938. I get tired of going out and watching the people on the flightline go to fly and train in F–14's that were made in the 1970's, the early 1970's.

The 5-ton trucks we have in our Army were made in the 1960's, and we have not replaced them since. The M–1 tanks were made in the 1970's.

You find me any other part of our economy that is asked to train and live in things that are 30 years old. I remember, when I was a young man, how much General Patton criticized the Army because they were training in the 1940's in things that were made in the early 1930's. Our people pray that they train in things that were made in the early 1990's.

Again, I say to my friend, criticize the amount of this money if you wish, but if you do wish to criticize them, then take action to reduce the commitments of our people abroad. I read earlier today the number of our people who are permanently living abroad now. Almost 250,000 Americans plus their dependents live abroad permanently as members of the armed services. There is just no reason for those people to live and be in harm's way. Many of them are daily in harm's way, in equipment that is old. We are trying to upgrade our procurement. That is the basic decision we have made. We are trying to upgrade our research and development. That is another basic decision we made.

Senator INOUYE and I face a severe amount of criticism concerning the amount of money in this bill. We are now in a 7-year, level-funded concept for the Department of Defense. We reached out and brought some of that, from the late 1990's, into this bill because we can save money. We are doing our best to stretch this money out so it will not make additional demands on the American taxpayers.

At the same time, I ask, how many of us are driving home in 1964 cars? If the American public wants us to have a status as a world power, and we are the only world power left; if we want someone in the world to have the capabilities we have; then we must fund our people so they can carry out their responsibilities and live in doing it. We are losing too many people, now, because they are flying and driving in and on vessels that are too old. We are doing our very best to do it, and I do not like to hear Members of the Senate complain about the amount of money we are spending given the commitments.

If you do not like the commitments, then use your power to stop the deployment of our forces abroad. Consider again deployment of forces to Bosnia. Consider whether we need to still have people in Haiti.

Did you know they were supposed to be out by March? They are still there.

Mr. GRASSLEY. They will be there until after the election, because things are going to blowup if they get out, and it will make the President look bad.

Mr. STEVENS. But you have to finance them. If they are not going to get them back and you have to keep them there, keep them there safe. They are still in Rwanda. Around Iraq, we have a no-fly zone. There are young pilots flying over that country every day to prevent them from launching once again and becoming the second largest Air Force in the world.

I tell you, my friend, I understand the Senator from Iowa with regard to the financial management. Incidentally, those problems came about because we brought all the records into Washington. It used to be if you wanted to audit these things, you could go to Denver, go to San Francisco, go to Panama, go somewhere in the world and find those records.

Five years ago we just consolidated them in Washington. That is still going on. It is true that there are a lot of those disbursements and the record of what was gotten for the disbursements have not been matched up. That is a delay in the computerization program in terms of verifying expenditures once they have been authorized. I agree 100 percent.

We have done more in this bill, I think, than the Senator has ever had done before to meet his objectives, and we agree we ought to have—and by the end of next fiscal year, 1997, I hope we will have—the zero amount there.

We should be able to balance our checkbook. I do not know about the Senator from Iowa, but I still have trouble balancing my checkbook and figuring out what I wrote the check for. I know where I wrote the check that I got something for, but sometimes I do not write down what I write it for. That is what happened at the Department of Defense. No one has brought before us positive fraud or thievery. It is a question of lining up the records of actual acquisitions with regards to authorization for expenditure. We are doing our best to do that.

The other committee which I chair, the Governmental Affairs Committee, will be happy to work with the Senator from Iowa on that matter. I thank him for his consideration. The only thing I wish we would do is look again at the amount of money we need to put up for the armed services, for the people who are doing the job for us to be in harm's way as a superpower. If we do not want to do that, then let us cut the budget. If you want us to do the job we are doing, then you have to fund what these people need, and you have to give them the assistance that will help keep them alive.

Mr. GRASSLEY. Could I please have 2 minutes?

Mr. STEVENS. Yes.

Mr. GRASSLEY. Mr. President, first of all, in Iowa for the benefit of the Senator, I drive a 1961 Oldsmobile 98. So some of us do drive around in old cars.

Mr. STEVENS. Mine is a 1965 Ford.

Mr. GRASSLEY. The second thing is you complimented me for what I was doing on accounting. But you castigated me for what I was saying about the level of expenditures, it seemed to me. My point is they are very, very tied together. It seems to me that before we put more money into the pot, we ought to be able to prove what we are buying, and have a system of accounting that makes sure that every dollar that we put into defense gets us a dollar's worth of defense.

The second thing, and more appropriate to what the Senator from Alaska was saying about the level of expenditure—I think I said this on the floor in the debate originally—but I was told by leaders on military issues in the House of Representatives when we were on the budget—and I am the second senior person on the Budget Committee; so I was involved in those discussions—confidentially they said to me, ''CHUCK, you know we have to have about $6 or $7 billion more than what the President wants because we have to take care of our Members. We have to take care of our Members.''

Mr. STEVENS. Who said that?

Mr. GRASSLEY. I am not going tell the Senator who said that.

Mr. STEVENS. It was not this Senator.

Mr. GRASSLEY. I am talking about leaders in the other body. ''We need $6 or $7 billion to take care of our Members,'' meaning projects that Members had that they wanted in the Defense budget.

That is just exactly the amount of money that we are above the President's figures. So I figure we have about $6 or $7 billion in here just to take care of a bunch of pork barrelers.

That is what I am complaining about.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STEVENS. The Senator from South Carolina, if you do not mind, asked us to yield him time. I will do so. Then we would be happy to take care of the Senator from Ohio.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from South Carolina.

How long does the Senator yield?

Mr. STEVENS. Such time as he uses.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to join my colleagues in complimenting Senator STEVENS, the chairman of the Subcommittee on Defense Appropriations and Senator INOUYE, the ranking member of the subcommittee for bringing this conference report to the floor. This has been a difficult conference for them and I congratulate them on their diligence and perseverance in arriving at this conference report.

Mr. President, as I have indicated many times, these conference reports represent compromises made by both the House and Senate. They will never please everyone. There are items in this report that I believe could be better, but on the whole it provides the critical funds to ensure the continued readiness of our forces both in the near term and in the out years.

Mr. President, we may soon have to vote on commiting our forces to maintain the peace agreement in Bosnia. Although I may object to sending the forces, I am confident that they will have the means and training to carry out the mission. I am confident of that fact because over the past years the Congress has provided the funds to ensure their capabilities. The conference report that we are considering today provides the funds to ensure our armed services can continue to fulfill their mission and the tasks that are placed on them by our Nation.

Mr. President, I want to thank my good friends, Senator STEVENS and Senator INOUYE for their dedication to and support of our Armed Forces. They have brought a sound conference report to the Senate and I urge the Senate to support them and this conference report.

In closing, I want to say this: There is nothing more important to this Nation than to keep a strong defense. It means our very survival. We could do without a lot of things, many things. But we cannot neglect our defense, if we want to maintain this great Nation. Our Constitution provides this country with the greatest freedom of any nation in the world. It provides us with more justice, more opportunity, and more hope than any people have ever been provided in the history of the world. And we want to keep this. But, to keep this, we have to keep a strong defense.

Again, I compliment Senator STEVENS and Senator INOUYE for this fine report.

Mr. President, I yield the floor.

Mr. STEVENS. I reserve the remainder of our time and Senator MCCAIN's time under my control.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. I am pleased to yield 2 minutes.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I wanted to comment on Senator GRASSLEY's concern. His concern is very well taken about the fact that we have an inadequate accounting system over at the Defense Department. But let me carry it beyond defense also.

We also have an inadequate accounting system across all of our Government. Governmental Affairs worked on this going back about 7 or 8 years in the late 1980's, and for the first time—it is unbelievable that up until 1990 there was no requirement in the Federal Government to do a bottom-line audit at the end of the year. Some departments did it. Some agencies did it. Some did not. The Defense Department was one that basically did not. We put through a Chief Financial Officer Act; arcane, people did not even show up at hearings because it was such a boring subject. But once we passed that act, as Charles Bowsher, head of the GAO, said, it was probably the ''best financial management act that we passed around here in the last 40 years,'' to quote his words.

Over in Department of Defense, they are trying to get that under control. But back in the years before that we would not even give them the money to do the upgrades on computers, and so on, to manage their equipment, manage their accounts.

I have been out to the DFAS Center, the Defense Finance and Accounting Service, and have gone through what they go through on trying to decide whether to pay a bill or not. Do you know what they are doing? They go from an office, and they go down the hall to a warehouse. They go down a long line of hundreds of thousands of manila envelopes, folders on metal racks, bring those files back, and lay them out on the table to decide. Yes, we will pay this, or not that, or something else. That is the way much of this work has been done.

They are making great strides. They have even contracted some of this out.

I have been out there. I think we are making great strides and John Hamre deserves a lot of credit for taking this on.

Have we solved the problems yet in the time period to 1990? No, we have not. So we do not have the problem solved yet. But we are making progress. Meanwhile, I can quote horror story after horror story about how contractors have sent back in $700 million they said we had not sent bills in for, and things like that.

I wanted to add my support for Senator GRASSLEY's concern. I share his concern. I just want everyone to know that we are making progress in this area. I do not think we will have it by the end of next year, as Senator STEVENS said. It is still a big job over there to get done. We are making a lot of progress in this area. We never required that until 1990.

Mr. STEVENS. I said the end of fiscal 1997.

Mr. GLENN. I misunderstood. I am sorry.

Mrs. MURRAY. Mr. President, I rise today in opposition to the conference report on the Department of Defense appropriations bill, and I would like to take this opportunity to outline several of my concerns.

In the coming year, American families across this country will begin to feel the very real effects of the budget cuts this Congress has made in most of the fiscal year 1996 appropriations bills. Programs across the spectrum are being deeply cut or eliminated in an attempt to eliminate this country's spiraling national debt.

Unfortunately, while the Republican spending bills make deep cuts in programs for children, the poor, veterans, and the elderly, defense spending has been insulated from cuts and, in fact, increased dramatically. The bill before us increases defense spending by $7 billion above the President's request, at a time when we are cutting $270 billion from Medicare, $170 billion from Medicaid, $114 billion from welfare, $36 billion from nutrition programs, and $5 billion from student loans.

Mr. President, I have a deep and strong respect for our Nation's military, which is second to none in the world. Our Armed Forces deserve the gratitude of this Nation for the protection and security they provide to the American people. Congress has an obligation to ensure that our military personnel are adequately compensated for their work, and that they have the best tools possible to work with as they undertake their many and difficult missions.

But in this era of shared sacrifice where no one is spared the budget ax—not children, seniors, nor veterans—I cannot support a bill that goes so far beyond the Pentagon's request for defense spending and fails to cancel even a single major weapons program. This bill is a bad deal for the taxpayer and a bad deal for our military, who will have to live with unrequested and unneeded weapons systems provided for them from a Congress that refuses to take no for an answer.

During the cold war, Americans made sacrifices here at home so that our national resources could be used to defeat communism around the globe. The Berlin Wall fell in 1989, and with it, the Warsaw Pack. The Soviet Union officially dissolved in 1991. We fought the war, and we won.

In the aftermath of the cold war, I believe American families deserve to live in a safer and more stable world. They deserve to know that more of their tax dollars are going to educate their children and police their streets.

Time and again when this body has debated domestic spending bills my Republican colleagues have urged us to have the courage to cut funding for this program or that program—saying they have outlived their usefulness.

So why, Mr. President, does the bill we are voting on today continue funding for several cold war-era programs that have clearly outlived their usefulness? And where, Mr. President, are the calls for courage to terminate programs we cannot afford?

For example, the conference report provides $700 million as a downpayment on a third *Seawolf* nuclear-powered attack submarine. Nearly everyone acknowledges that this third *Seawolf* is not necessary to meet force structure requirements. This program, as my colleagues know, was designed to combat the ''great Soviet Navy''—a Navy that is now in port and in serious need of repair.

Supporters of this program claim that construction of this third *Seawolf* is needed to preserve the submarine industrial base. But Mr. President, overall the *Seawolf* program has cost the taxpayers of this Nation $12.9 billion. In this budget climate, it is inexcusable to continue funding the *Seawolf*, especially given the lack of mission for this submarine.

Likewise, it is simply unforgivable that the bill before us resurrects funding for the B–2 bomber program, providing $493 million to keep that program alive. This, despite the fact that several years ago Congress agreed to terminate this program after 20 planes had been built, because Congress recognized that in the aftermath of the cold war, this aircraft lacks a realistic mission.

Nonetheless, it appears that Congress is on a path to fund yet another 20 planes which, according to the Pentagon, will cost $31.5 billion in the coming years. The Pentagon does not want this program, and clearly cannot afford it.

The Pentagon does not want to take on the immense financial obligations of further B–2 procurement—knowing that this unneeded system will take precious and scarce dollars away from other priorities.

Let's keep these issues in perspective. The unmasked for and unneeded funding this bill provides for the B–2 bomber—the $493 million—is more than enough money to pay the tuition, room and board, and book costs of all the undergraduates at the University of Washington for their entire 4 years. That's 20,500 students.

And as I've noted, the money provided this year is just a downpayment on the $31.5 billion that will ultimately be needed to build 20 more planes. For that amount, 1.3 million Washington State residents could get a 4-year education at the University of Washington.

Ironically, the conference report we are considering today fails to fund one program that I believe is a real cost saver for the Pentagon and the taxpayer, and provides an effective response to our Nation's airlift problems. The Non-Developmental Airlift Aircraft Program [NDAA], designated as a pilot program under the Federal Acquisition and Streamlining Act of 1994, is an ideal model that demonstrates how commercial products can support military missions. I am disappointed that the conference committee failed to provide funding for NDAA, which stands to improve our current airlift shortfall and provide several billion dollars in budgetary cost savings.

So, Mr. President, as we ask teachers and students to accept dramatic cuts in education spending, worker training programs, and student loan programs, so too must we find ways to trim our defense budget.

And as we ask preschoolers and their parents to accept deep cuts in Head Start funding, we must find ways to trim our defense budget.

And as we ask rural Americans to accept cuts in mandatory agriculture spending, we must find ways to trim our defense spending.

And as we ask children and the elderly to shoulder billions in Medicare and Medicaid cuts, we must find ways to trim our defense budget. In America today, one in four children, and one in three infants, are covered by Medicaid.

And as we ask our Nation's scientific community to accept millions in cuts for basic research, we must find ways to cut our defense spending.

In the coming years, the Republican budget blueprint increases the veterans' contribution for GI bill education benefits, and freezes funding for the VA's medical system at the 1995 level for the next 7 years, cutting access to health care for veterans around the Nation. Under the Republican proposal, the VA will be forced to close the equivalent of 35 of its 170 hospitals and deny care to over 1 million of our Nation's vets.

Proponents of this bill point to recent declines in defense spending with alarm. While spending for our military is down from the mid-1980's level, we must keep this trend in perspective. The United States today has the largest military budget and the most powerful military force in the world.

The combined military budgets of Russia, Iraq, China, North Korea,

Libya, Iran, Syria, and Cuba total $95 billion annually. That is one-third the level of U.S. defense spending. Each year, the United States spends more than the next nine of the world's biggest military spenders combined.

In fact, this country spends so much for defense, even the Pentagon can't keep track of it all. According to the GAO and the Pentagon's inspector general, as well as the Pentagon's Controller John Hamre, billions of defense dollars are lost year after year due to poor recordkeeping and lax accounting practices at the Department of Defense.

At the very least, Congress should hold defense spending to the President's level until the Pentagon can fix their payment procedures and bring some accountability to the system. We owe that much to the Nation's taxpayers.

But most of all, in order to project strength abroad, we must gain strength here at home. Our national security, in my view, will not be strengthened by yet more guns and missiles. We need to restore global economic leadership. We must invest in our children and their future—in their education and their health. We must rebuild our cities and our infrastructure, and invest in technology and scientific research.

We must ensure that the economy our children inherit in the next century is sound and growing.

So, in closing, Mr. President, it is with regret and disappointment that I must vote ''no'' on this bill.

Mr. DOLE. Mr. President I am pleased that we are able to consider the Defense appropriations bill conference report today. I commend Chairman STEVENS and Senator INOUYE for their work in hammering out the necessary compromise allowing us to bring this bill to the floor. The Defense appropriations bill, which funds the greatest share of the Nation's defense spending, is one of the most important bills we pass each year.

This year the Republican-led Congress is keeping our promise to the American people to restore our national security. We have turned the corner on defense spending. As a result of the Republican leadership and the hard work of the chairman, Senator STEVENS, we no longer head down the path to a hollow military. Most of the funds Congress added will restore funding for the procurement and research & developments accounts—accounts neglected by the current administration. Without this funding, the armed services face a nearly insurmountable modernization bow wave in the very near future.

The President and administration officials have spoken at length about maintaining readiness, but they've failed to consider the impact of the insufficient funding on the readiness of our forces in the future. This administration has maintained short term readiness at the expense of our future forces. And no one should forget that the President's force plan required significant force enhancements. But those enhancements have not been fielded. The bottom line is that under the Clinton administration, our forces have become smaller, but not more capable.

With this bill the Republican-led Congress sends a very clear message. We have fulfilled our responsibility to provide our forces with the most modern equipment available, ensuring their overwhelming superiority on the battlefield. We have taken steps to ensure that our forces, though smaller, maintain the ability to project power around the world—quickly and decisively. This Congress has taken the lead in protecting both our deployed forces and our home land against ballistic missile attack.

The President and many on the other side of the aisle oppose this bill. But the choice is clear. If you vote for this bill, you vote to restore our national defense. If you vote against it, you vote to continue down the path to a hollow force.

In closing, I again commend the chairman and ranking member for their work on this critical legislation and I urge my colleagues to support it.

Mr. LEAHY. Mr. President, providing funds for our national defense is one of the most important functions we in Congress are entrusted with. I take with particular seriousness my duties on the Appropriations Subcommittee on Defense, since we provide taxpayer dollars for weapons, people, and training.

I have the deepest respect for our subcommittee chairman, Senator STEVENS, and for our ranking member, Senator INOUYE. For many years, whether the Congress is controlled by Republicans or Democrats, the heads of this subcommittee have provided reasoned, nonpartisan leadership on defense issues.

This bill will spend $6.9 billion more than the President's request at a time when virtually every other discretionary spending account is being cut. I would support this expenditure if there were an imminent threat to the Nation, of if there were some glaring deficiency in our defenses. Neither of those conditions have been met, in my judgment. While we are cutting Medicare, school loans, and veterans benefits, this bill spends $493 million for more B–2 bombers that the President didn't request and that the Chairman of the Joint Chiefs of Staff and the Air Force Chief of Staff say they do not want. Twenty more B–2's will cost us $31 billion, and there are no funds in our 5-year defense plan for these planes. This program is questionable from a defense perspective, and especially irresponsible in the larger context of our pursuit of a balanced budget.

I was also disappointed that the House conferees were successful in including restrictions on a woman's right to choose an abortion at Department of Defense medical facilities. This provision has no place on an appropriations bill and I am saddened that the Senate has accepted this provision in conference.

There are other aspects of this bill that I disagree with, but the increased funding, additional B–2 bomber procurement, and antiabortion language caused me to respectfully disagree with my chairman and ranking member, and to vote against this conference report.

Mr. BRADLEY. October 1, Mr. President. Every year, we have until October 1 to pass the 13 necessary spending bills that keep our Government running. This year, when it became clear that Congress would not be able to complete floor action on these bills by this deadline, we passed a continuing resolution to keep the Government running until November 13. Still, the additional 6 weeks proved insufficient for Congress to complete action on these bills.

Our Government is now shut down because Republicans in the House and Republicans in the Senate cannot agree with each other on what should and should not be included in these bills. In large part, the appropriations bills presented before us have been seriously flawed, so much so that Republicans themselves cannot agree on them. As Republican House and Senate conferees continue to bicker in back rooms, several hundred thousand Federal employees are home, waiting for a paycheck that is not coming. The so-called faceless, nameless bureaucrat waits, wondering how he or she will put food on the table, make the next mortgage payment, or prepare for the coming holiday season. Thousands of citizens wait to obtain a passport, a visa, file for Social Security, and so on. Congress has once again failed the American people.

It is time to put this budget impasse behind us. We will only be able to do so if the majority party presents us with fair and responsible spending bills to send to the President's desk.

This brings me to the legislation we now face, the Department of Defense appropriations report. As the Republicans claim to want a balanced budget, they now put before us a defense spending bill bloated beyond one's wildest imagination. Let me remind my colleagues on the opposite side of the aisle that the cold war is over. Let me repeat that. The cold war is over.

We must put an end to outdated notions—outdated notions of America's defense needs and outdated notions of the threats to U.S. security. The Defense appropriations bill reported out of the conference committee is designed for the cold war era—an era that has ended. This budget embodies outdated notions and adopts an outdated approach to our national security. I therefore urge that the conference report be rejected.

Rather than focusing on threats that no longer exist, we must begin focusing on the realities of the present day and the fundamental transformations that are shaping the world and our country.

Chief among those transformations are the end of the cold war and our runaway debt. These transformations have enormous political, strategic, and economic implications. They are changing the way we must view the world and the role of the United States in that world.

The end of the cold war, for example, has brought a period of transition. We are no longer faced with a Soviet threat. Rather, we are confronted with a period of transition—a work in progress—as Russia and other countries move to define themselves and their relationships with the United States and the rest of the world. This transition period has brought with it different and very real threats for which we must be prepared. Ethnic conflicts and renegade nuclear proliferation, among others, are threats that must be recognized, met, and defeated.

Economically, these transformations have changed the way that we produce things, the services that are offered and the way that we must compete in global markets to be successful. Jobs have been lost and our enormous debt places very real limits on our spending choices. This has very real implications for U.S. security interests, which obviously depend not only on military power, but on economic power as well. It is crucial that our military power be supported by a strong and vital economy and work force. This in turn requires fiscal responsibility, not the current runaway deficit spending. It also requires difficult choices. In short, we simply cannot afford to waste millions of dollars on outdated programs that will not serve our national security or our economic interests.

But that is precisely what this defense budget does. Rather than directing scarce resources where they are needed, this budget funds exorbitantly expensive and unnecessary programs.

As you will remember, I spoke against the Defense appropriations bill when it was considered by this body in August. Since then, that bill has gone to committee to be reconciled with the House version. What has resulted is even worse than could have been expected. No program was eliminated. Rather, when there were competing budget items in the House and Senate bills, the committee accepted the extravagances of both, never mind that they were redundant or not even necessary in the first place.

Take, for example, the funding of two types of marine amphibious assault ships—the LHD–7 amphibious assault ship included in the Senate bill—a ship that the administration did not even request. In the House bill, funding was provided for the similar PD–17 amphibious assault ship. Rather than choose one or the other, this budget funds both at a cost of almost $2.3 billion. This is fiscal irresponsibility and it is not in our national security interests.

This budget also provides for increases for the B–2 bomber program—an increase that the Pentagon doesn't even want. Indeed, the Pentagon-sponsored May 1995 study opposed any further purchases for this system. But throwing such recommendations to the wind, this budget increases funding by $493 million.

Not only does this budget fund B–2 increases, it provides over $2.2 billion for the competing F–22—a program that the House appropriations subcommittee zeroed out as long ago as 1989 for its highly unrealistic assumptions about funding levels and possibly unrealizable technical goals. Now, the F–22 is 1,300 pounds overweight, its stealth signature is larger than expected and there are questions about its software. But this budget continues to fund it although both the CBO and GAO found that the lower cost F/A–18E/F could do the job.

This budget also provides $700 million for a third *Seawolf* submarine that we simply do not need and that is far too costly. Although the Bush administration proposed halting this program in 1992, we have already funded a second one, and this budget would add a clearly unnecessary third.

This budget provides $757.6 million for the continued development of the V–22 Osprey, a program that the Bush administration tried to kill 4 years ago and whose mission can be performed more cheaply and reliably with the procurement of CH–53E helicopters.

This budget provides $299 million for the Comanche. Not only is the Comanche unproven and experiencing developmental problems, its air combat missions can be performed at a much lower cost by the Apache. Even the Defense Department had proposed limiting this program to the production of two prototypes. But this budget not only continues to fund those prototypes, it increases funding by $100 million over the administration's request for full-scale production.

With all these increases, it is not surprising that this budget exceeds the administration's request by nearly $7 billion. But this increase in funding does not represent an increase in our national security. Rather such fiscal irresponsibility will do more to harm our national security than to improve it.

Too much of this $243 billion Defense budget represents nothing more than a jobs program. It funds defense contractors for weapons that we simply do not need and increases funding for programs like the B–2 against the Pentagon's own recommendations. It is true that the end of the cold war era has required a substantial drop in jobs in the defense sector. Defense jobs will decline from 7.2 million to 4.2 million by 1996. This job loss in the defense industry clearly must be addressed. However, the answer is not found in funding jobs through unnecessary weapons programs.

This is a budget for a time now gone, not a budget for today, let alone tomorrow. I urge my colleagues to join me in rejecting it.

I yield the floor.

Mr. DOMENICI. Mr. President, I rise in strong support of the conference report accompanying H.R. 2126, the 1996 Department of Defense appropriations bill.

I commend the distinguished chairman and ranking member, and all the conferees, for bringing the Senate a bill that meets the most critical needs of the U.S. military for the defense of our Nation.

The conferees have achieved this significant accomplishment even though the Defense Subcommittee contributed additional defense spending authority to both the Energy and Water Development Appropriations Subcommittee, which I chair, and the Military Construction Subcommittee. These subcommittees also fund vital programs related to our national defense.

Mr. President, the conference agreement on defense appropriations provides a total of $243.3 billion in budget authority and $163.2 billion in new outlays for the programs of the Department of Defense in fiscal year 1996.

When outlays from prior-year budget authority and other completed actions are taken into account, the conference agreement provides a total of $243.3 billion in budget authority and $242.9 billion in outlays for fiscal year 1996.

The Senate bill is within the subcommittee's revised section 602(b) allocation for both budget authority and outlays.

Mr. President, I ask unanimous consent that a table showing the relationship of the pending bill to the subcommittee's 602(b) allocation pursuant to the 1996 budget resolution be printed in the RECORD.

I thank the conferees for their consideration of several important items that I brought to their attention.

I urge my colleagues to adopt this bill.

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

DEFENSE SUBCOMMITTEE SPENDING TOTALS—CONFERENCE REPORT

[Fiscal year 1996, in millions of dollars]

	Budget authority	Outlays
Defense discretionary:		
Outlays from prior-year BA and other actions completed	−50	79,678
H.R. 2126, conference report	243,087	163,009
Scorekeeping adjustment	.....	.....
Subtotal defense discretionary	243,037	242,688
Nondefense discretionary:		
Outlays from prior-year BA and other actions completed	.....	40
H.R. 2126, conference report	.....	.....
Scorekeeping adjustment	.....	.....
Subtotal nondefense discretionary	.....	40
Mandatory:		
Outlays from prior-year BA and other actions completed	.....	.....
H.R. 2126, conference report	214	214
Adjustment to conform mandatory programs with Budget Resolution assumptions	0	0
Subtotal mandatory	214	214
Adjusted bill total	243,251	242,941
Senate Subcommittee 602(b) allocation:		
Defense discretionary	243,042	243,472

DEFENSE SUBCOMMITTEE SPENDING TOTALS—CONFERENCE REPORT—Continued

[Fiscal year 1996, in millions of dollars]

	Budget authority	Outlays
Nondefense discretionary	.....	40
Violent crime reduction trust fund	.....	.....
Mandatory	214	214
Total allocation	243,256	243,726
Adjusted bill total compared to Senate Subcommittee 602(b) allocation:		
Defense discretionary	−5	−784
Nondefense discretionary	.....	−0
Violent crime reduction trust fund	.....	.....
Mandatory	.....	.....
Total allocation	−5	−785

Note.—Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

RESEARCH EFFORTS AT HISPANIC-SERVING INSTITUTIONS

Mr. DOMENICI. I wonder if I might engage the distinguished chairman in a brief colloquy.

Mr. STEVENS. Certainly. I am always happy to hear from the senior Senator from New Mexico.

Mr. DOMENICI. I thank the chairman. Mr. President, let me begin by acknowledging again the efforts of the chairman and the committee for their diligent and steadfast efforts to produce a fiscal year 1996 Defense appropriations bill.

Furthermore, I would like to acknowledge the committee's support for the historically black college and university and minority institutions [HBCU/MI] account, particularly language within the account that encourages the Department to continue its support for minority institutions, including Hispanic-serving institutions [HSI's], through academic collaborations for research and education related to science and technology. This language carries a considerable amount of importance for the education and research community in my home State of New Mexico.

Three Hispanic-serving institutions in my State; the University of New Mexico, New Mexico State University, and New Mexico Highlands University have teamed up with the University of Puerto Rico, the largest minority institution in the country, to develop an academic program that will foster the growth of Hispanic students in science and technology. This collaboration was created out of the need to strengthen the competitiveness and capabilities of Hispanic students in these fields. Such a collaborative effort will effectively contribute to the development of a critical mass of talent and substantially enhanced research opportunities for DOD that are uniquely available at these institutions. As we look to advance the Department's research capabilities, programs such as the ones established between these fine institutions of higher learning should be encouraged.

Mr. STEVENS. I would note that my colleague makes a strong case in support of this initiative. I, too, understand the importance HBCU/MI programs play in the research efforts and capabilities of the Department.

Mr. DOMENICI. I thank the chairman for his support of the HBCU/MI account and I urge the committee's continued support for future research activities at these institutions related to our national security interests.

BALLISTIC MISSILE DEFENSE ORGANIZATION TECHNOLOGY DEVELOPMENT

Mr. DOMENICI. Mr. Chairman, I would like to discuss an item that concerns the Phillips Laboratory.

Mr. STEVENS. I welcome such a discussion with the senior Senator from New Mexico.

Mr. DOMENICI. I am concerned that language in the report accompanying the Senate-passed Defense appropriation bill, specifically Report 104–124, contains language regarding ballistic missile defense that is subject to misinterpretation. The language states the following:

> In order to optimize follow-on technology development, the Committee directs BMDO to designate the Army Space and Strategic Defense Command (SSDC) as a center of excellence for technology development. The Committee believes that commonality in requirements offers the potential for cost savings through centralized screening and common, technology development, with SSDC functioning as the executive agent to BMDO, to help assure that duplication is avoided, and efficiencies are maximized.

Mr. STEVENS. We certainly would not want this language to be misinterpreted. Would you elaborate on your concerns?

Mr. DOMENICI. One of the goals of this language is to avoid duplication, save funds, and maximize efficiency. These goals are supported by everyone. However, certain aspects of the language, as written, could be misconstrued to mean that Phillips Laboratory missile defense programs and the associated technologies could be transferred to SSDC.

Mr. STEVENS. It was not the intention to transfer any programs. I am told that SSDC works primarily on ground-based systems, while the Phillips Laboratory works primarily on space-base systems. Furthermore, there are a number of order DOD commands and laboratories which can serve BMDO's technology needs in these and other areas.

Mr. DOMENICI. Yes, I agree with the chairman of the Defense Subcommittee. I sought clarification to make clear that the intent is not to move programs. Thus, the proposed space-based laser, the airborne laser, and the supporting space-related technologies should remain at Phillips Laboratory. The laboratory has made great progress in these areas.

Mr. STEVENS. It was never our intention to do otherwise.

Mr. DOMENICI. I thank the Senator and would just like to clarify one additional point. It is clearly not the intent of this language to give any authority to SSDC or BMDO with regard to any Air Force-funded programs at the Phillips Laboratory. It is only intended to have effect on the SSDC and BMDO Programs. Is that the understanding of the distinguished chairman?

Mr. STEVENS. Yes, that is my understanding of the language's intent.

Mr. DOMENICI. I thank the distinguished chairman for the opportunity to be heard on this issue.

Mr. LEVIN. Mr. President, I had hoped we could avoid a train wreck as we try to wrap up our budget and appropriations work. Now I hope we can work together in a bipartisan way to solve these problems, for that is surely what the public wants. And the public wants us to function with common sense in an intelligent way to keep the Government going as we make these decisions.

But the public also knows it does not make sense to be adding $7 billion to the defense budget so we can build more B–2 bombers, F–15 and F–16 fighters, and other equipment that the Pentagon doesn't want, and at the same time threaten to cut education, crime prevention, and other programs that are so critical to the security of our people.

And so I rise to indicate that I cannot support this conference report, as I voted against final passage of the Senate bill several months ago. While the conferees have removed some of the provisions of the bill that I opposed, this bill still has far more total funding than the Pentagon needs and more than the Department of Defense asked for.

The President has already indicated that he would veto the bill. On October 18, in a letter to House Appropriations Committee Chairman LIVINGSTON, where he said:

> . . . by appropriating $6.9 billion more than I requested, the Conference Report did not address my fundamental concerns about spending priorities. . . . Absent a broader agreement with Congress that adequately funds crucial domestic programs in other appropriations bills, I will veto any defense appropriations bill that adds extra billions for defense programs not in my request.

I ask unanimous consent that the full text of the President's letter be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, October 18, 1995.

DEAR MR. CHAIRMAN: Thank you for your letter regarding the conference report on the Fiscal Year 1996 Defense Appropriations Act. I want you to know that I appreciate your hard work and leadership on this bill, as well as that of Senators Stevens and Inouye. The Conference Report had many commendable features. For example, a number of policy provisions that raised serious constitutional and national security concerns were satisfactorily resolved in conference, and funding was secured for several programs that were of particular importance to me and to the national security of this country, including the Cooperative Threat Reduction program and the Technology Reinvestment Project.

However, by appropriating $6.9 billion more than I requested, the Conference Report did not address my fundamental concerns about spending priorities. As the bill now goes back to conference following its defeat on the House floor, it is important that the conferees understand where I stand. Absent a broader agreement with Congress that

adequately funds crucial domestic programs in other appropriations bills, I will veto any defense appropriations bill that adds extra billions for defense program not in my request.

I am ready to work with Congress to ensure that we reach that agreement.

Sincerely,

BILL CLINTON.

Mr. LEVIN. Mr. President, that veto writing has been on the wall even longer. Alice Rivlin, OMB Director indicated 10 weeks ago, when this conference report first went before the House, that the President would veto it. I would ask unanimous consent that her letter to House Minority Leader GEPHARDT of September 29, 1995 be included in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, September 29, 1995.

Hon. RICHARD A. GEPHARDT,
Minority Leader, House of Representatives, Washington, DC.

DEAR MR. LEADER: I understand that the House may consider the conference report on the FY '96 defense appropriations bill today.

As he has shown in his 10-year plan, the President that we can balance the budget and maintain a strong defense without sacrificing critical investments in education and training, science and technology, environmental protection, and other priorities—all of which are essential to raise the standard of living for average Americans. By providing $6.9 billion more than the President requested, however, this bill would divert funds from our needed investment in these critical areas.

Now that the House has passed 12 of the 13 appropriations bills and the Senate all but two, the trade-of between defense and domestic investments are all the more clear. In an environment of limited resources, we have to use available funds as prudently as possible. We simply cannot allocate nearly $7 billion more than we need at this time for defense, and starve our needed investments in education and training and other priorities.

The changes to the bill in conference, while commendable in many instances, do not address the Administration's fundamental concerns about spending priorities. For this reason, in the absence of an agreement between the Administration and Congress resolving these important issues, the President would veto this bill.

Sincerely,

ALICE M. RIVLIN, *Director*.

Mr. LEVIN. The President's original Pentagon budget provided for a strong defense. It funded the priorities of the armed services and recognized that in the post-cold war world we have to prepare for different threats, not conduct business as usual. We cannot afford to buy equipment that is in excess of our military requirements, or make long-term funding commitments that are not sustainable, like signing up for another $30 billion or higher tab for 20 more B–2 bombers. If we follow that course, we are actually robbing from our future security, robbing resources that should go into keeping our troops well-trained and keeping our forces in high readiness and high morale, modernizing equipment in areas we ignored for too long, and continuing research and development on future modernization.

Instead, the conferees have sent us a bill that includes $493 million as a down-payment on what will be at least a $30 billion program to build 20 more B–2 bombers not requested by the Pentagon. Secretary of Defense Perry has been saying all year that we should not add funding for more B–2's. He said, as this bill was taking shape in September that the B–2 money ''was put in against my explicit advice.''

Was Bill Perry, the acknowledged ''father of stealth'', alone in his judgment? No, that judgment is shared by the General Shalikashvili, by the Joint Chiefs of Staff, and by the President. The Senate bill did not include that money for B–2's. In fact, it was in the original Defense authorization bill mark of the chairman of the Armed Services Committee, and the committee voted to cut it out, by a strong bipartisan vote of 13–8.

What else did the conferees include that was not requested by the Pentagon and not authorized by the Senate? For 6 new F–16 fighters, $159 million. That is a program we in the Senate have voted to terminate at least three times, including this year. We have a surplus of F–16's in the force; we do not need any more. The conferees included $311 million for 6 new F–15 fighters, also not requested and not authorized by the Senate this year. For an LHD–7 landing ship $1.3 billion that was not even in the 5-year defense plan, but was moved forward for purchase in this appropriations bill.

That is not all. The conference report also doubles the Defense Department's request for national missile defense research, from $370 million to $745 million, and funds a $30 million Antisatellite Weapons Program that was not requested by the Pentagon.

What was not funded in the conference report? Ongoing operations, misnamed ''contingencies'' by the Pentagon, receive some finding, about $600 million, but not the full $1.1 billion we know we will have to pay in fiscal year 1996 for ongoing operations that are already in place. This shortfall is a direct threat to readiness, precisely the area that so many in Congress expressed concern about just within the last year. Training and maintenance accounts could end up being the source of funds to pay for these operations and that could hurt the readiness of some divisions.

The Technology Reinvestment Program, which is trying to preserve our cutting edge research capability for the future by supporting dual-use development programs on a cost-shared, competitive basis, was slashed by more than half by the conferees to only $195 million. And Mr. President, there is much more.

This conference report is not in step with our priority security requirements; not in step with the priorities of the Joint Chiefs, the Secretary of Defense and the President. It is not fiscally responsible. We can and should do better.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. How much time does the Senator seek?

Mrs. HUTCHISON. Five minutes or three minutes.

The PRESIDING OFFICER. The Senator from Alaska controls 15 minutes and 30 seconds.

Mr. STEVENS. I yield the Senator 5 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mrs. HUTCHISON. Thank you, Mr. President.

Mr. President, I want to say that I have been watching this subcommittee deliberation on this very important defense authorization appropriations bill. I know how hard it has been to get this bill through. I have watched the negotiations with the House Members. I have watched the negotiations between the Members. I have heard some of the debate on the floor in the last few hours. Of course, there are things that one Member may not think are the priorities for another Member. But there is an equal force on the other side that does not like something else in it. It is very difficult to bring people together.

But the bottom line here in the big picture is that we have put more into defense appropriations this year than the President sent up here, and we did that in a bipartisan effort because so many of us are concerned that we have a false sense of security, that we are in a safe world, that the United States can pare down its military, and we do not have to be the superpower that is ready in any eventuality. That is not the case. I compliment Senator STEVENS and Senator INOUYE for bringing the parties together and forging a bill that does spend enough money to make sure that we are going into the next century strong.

It is not as strong as I would like it to be. There are other priorities that I might like to see. I understand the concerns of some of the Senators who have spoken here, but the bottom line is, we are a deliberative body and we have to give and take on priorities as long as we meet the cap that we have put in the budget resolution, and that is exactly what we have done here.

So I compliment the two Senators who are the chairman and ranking member of this very important committee.

I want to say especially that one of the concerns that I have that has been met in this bill is something I hope we are going to talk about in the next few days, and that is the sense of the Senate that is a part of this bill which says that ''no funds available to the Department of Defense shall be obligated or expended for deployment or participation of United States Armed Forces in any peacekeeping operation in Bosnia and Herzegovina unless such deployment or participation is specifically

authorized by a law enacted after the date of enactment of this act.''

Now, this excludes the kind of operations we have had this year—the air cover, the participation that we have had on the periphery. That is excluded, but it does have a sense of the Senate that we will not spend funds unless we specifically authorize those funds for that kind of peacekeeping operation.

This is just the beginning of the real debate that is going to come on the floor of this Senate in the next few weeks about what the role of our armed services should be in Bosnia. I am going to argue very forcefully that it is not our role to send American troops on the ground in Bosnia. We are starting that debate tonight when we pass this bill.

We are saying it is the sense of the Senate that we must be consulted and we must pass specific authorization and appropriations before we send our troops in, and that that is for a number of reasons. It is because we have not staked out the United States security interest that would require troops on the ground. It is because we have not staked out that this is going to be the death of NATO if American troops are not on the ground. In fact, I think it is the opposite. I think it is important that we have the strength of NATO by saying exactly what our leadership role will be, and there are many things we can do that do not include our troops on the ground.

So, Mr. President, I am just saying that the sense of the Senate will be passed tonight. It is very important, and I hope the President of the United States is listening to this debate. I hope he is listening to the importance to all of us that he come to Congress for enactment before he sends peacekeeping troops to Bosnia.

I thank the two leaders on this bill. I appreciate what they are doing for this country, and I am going to support the bill wholeheartedly. Thank you, Mr. President.

Mr. STEVENS. Mr. President, I 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.

Mr. STEVENS. Mr. President, I yield back all the time on this side.

I ask unanimous consent that following the statement of the Senator from Hawaii, which I understand will take 10 minutes, and I apologize for limiting the time, that the rollcall vote commence at 6:25.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Hawaii.

Mr. INOUYE. Mr. President, the Senator from Georgia, Mr. [NUNN], is unable to be with us this afternoon because of circumstances beyond his control, and he has requested that his statement be made a part of the RECORD.

Before I submit the statement, I would like to read from his second paragraph, and I quote:

> This is a good bill, Mr. President, and I believe the Senate should support it and the President should sign it. Senator STEVENS and Senator INOUYE have produced a conference report which addresses our national security needs in a fiscally responsible manner.

(At the request of Mr. INOUYE, the following statement was ordered to be printed in the RECORD):

• Mr. NUNN. Mr. President, I want to start by commending the Senator from Alaska and the Senator from Hawaii for the all hard work I know they have put in to bring this conference report before the senate.

This is a good bill, Mr. President, and I believe the Senate should support it and the President should sign it. Senator STEVENS and Senator INOUYE have produced a conference report which addresses our national security needs in a fiscally responsible manner. Anybody who has known Senator STEVENS and Senator INOUYE as long as I have would expect nothing less.

This conference report preserves funding for some of the administration's top priorities, such as the Cooperative Threat Reduction Program, the Technology Reinvestment Program known as TRP, and the third *Seawolf* submarine.

The House bill eliminated funding for the *Seawolf* and the TRP, and cut the Cooperative Threat Reduction Program almost in half, so this conference agreement preserve the Senate position on some key items of interest to the administration. This bill also avoids legislative provisions that try to dictate to the President when or how he can deploy our military forces.

As I have stated on many occasions, I believe the defense budget has been cut too far, too fast. Our forces are simply much busier than I believe anyone really anticipated when the Soviet Union and the Warsaw Pact were dissolving. Today our force structure is much smaller than it was 5 years ago. We all agreed that based on the reductions in the threat and the increased warning time for any kind of global conflict, these reductions were prudent and necessary.

But the smaller force we have left is busier than it has ever been. The fact is we simply cannot keep on reducing the defense budget the way we have been. The people are wearing out. The equipment is wearing out. So I think the budget resolution moved us in the right direction by providing for a small increase for defense over the next few years.

I do not think a lot of people realize how small that increase is. First of all, compared to the baseline concept that we use for entitlement programs, defense is not even getting an increase. The amounts provided for defense in the budget resolution over the next 7 years do not even come close to keeping the defense budget as large as it is today, after taking account of inflation. We would need to add at least another $100 billion over the next few years to stay even compared to a so-called current services baseline.

Compared to the administration's plan, the budget resolution increases defense by only $19 billion over the next 7 years, which is equivalent to a 1-percent increase over the administration plan. That is the defense increase Congress has agreed to. Many of us felt the increase should be larger, especially in the outyears from 2000 through 2002, when defense is projected to be lower under the budget resolution than under the administration's plan. I also recall very well that over the past 5 or 6 years defense was the only part of the budget coming down, so it seems that the principle that defense has to be cut if something else is being cut is not always applied consistently.

Most of the increases in this bill over the administration's plan are in the modernization accounts which are the key to future readiness. We cannot continue to stay in the deep procurement through we have been in for the past few years indefinitely. We have cut procurement deeply to take advantage of the shrinking force structure, but our military can't live off its stock of old capital forever any more than any business could.

I want to briefly discuss the one program that represents two tenths of 1 percent of the funding in this bill, but that seems to get more discussion than the other 99.8 percent of the programs in this conference report. Many people argue, and I am sure they truly believe, that the B–2 bomber is unaffordable. In my view, Mr. President, the argument that the B–2 is unaffordable is No. 1, false, and No. 2, a false issue.

Over and over I have seen people focus on the price of the B–2 without ever hearing a word about the cost of the collection of systems you would need to do the same job without the B–2. People tend to look at it as if the choice were buying the B–2 or doing nothing. They don't look at the whole picture.

The only real argument I hear from the Defense Department against the B–2 is that they would like to have it but they don't want to give anything up to get it. But that is a false issue, because Congress has made more funds available over the next few years specifically for programs like the B–2. It is not necessary to slow down the modernization of one part of our forces in order to modernize our bombers.

I am disappointed that this conference agreement does not fund the Corps SAM program at the requested level as in the Senate bill. The Corps SAM program represents just 1 percent of the funding for the ballistic missile defense program, and I regret that this conference agreement did not contain full funding for this important program on which we have asked for allied cooperation.

While the modernization accounts always get the most attention, this conference agreement also seeks to protect current readiness by partially funding the cost of ongoing operations which were not included in the administration's budget. The conference agreement includes $647 million to fund the fiscal year 1996 costs of our continuing missions in and around Iraq, operations Provide Comfort in Northern Iraq and Southern Watch in Southern Iraq. This was one of the administration's highest funding priorities, if not the highest. The conferees added nearly $1 billion to the requested level in the readiness accounts—pesonnel and operation and maintenance—and much of it was to fund these ongoing operations.

In my view, it made no sense to add substantial funds to the defense budget request without taking account of must-pay bills we know we are going to face either this fall or next spring.

By providing funding for these ongoing operations, Congress has not only attempted to avoid a readiness problem in next year, but it may allow us to actually make some progress in one of reducing the backlog of maintenance and repair on our barracks and other facilities where our forces live and work. The bill adds $700 million to the request to the reduce the maintenance backlog on barracks and other facilities. This is not the first time Congress has added funding for real property maintenance or depot maintenance.

But what usually happens, and what would most certainly happen this year if we did not set aside funds to cover the cost of these ongoing operations, is that the increases we set aside for maintenance get diverted to cover must pay bills. I hope that the approach the conferees have taken in this bill will allow us to avoid that trap.

Mr. President, this is not a perfect bill. No bill is. But I think this is a good bill, a bill that should be signed, and I once again commend Senator STEVENS and Senator INOUYE for their leadership.●

Mr. INOUYE. Mr. President, I rise today to offer my support to this conference report. The conference agreement is a good compromise between the interests of the House and Senate. It is truly a bipartisan effort in the long tradition of the Appropriations Committee.

Chairman STEVENS and I worked together with Chairman BILL YOUNG and the ranking member, JACK MURTHA, of the House National Security Subcommittee in formulating the final conference agreement.

It has been a long journey, but the end result is a bill that warrants the support of all my colleagues.

The conference agreement under consideration has three priorities: It protects critical military readiness programs, it fully funds the needs of our men and women in uniform, and also provides a much-needed increase for modernizing our forces.

In total, the conference agreement recommends $243.3 billion for the Department of Defense, an increase of $6.9 billion compared to the President's request.

Mr. President, I want to point out to my colleagues on this side of the aisle, that this bill is consistent with the administration's policy objectives. It does not legislate changes in the ABM Treaty or the Missile Defense Act. It contains no limitation on the President in his conduct of foreign affairs.

One of the most contentious issues to be resolved by the conferees was abortion. On September 29, the House voted against the first conference agreement because of abortion language.

For the past 6 weeks we have worked hard to reach a compromise which can pass both Houses. The conferees agreed last night to incorporate language mirrored on that which both the House and Senate passed yesterday on the Treasury-Postal Service appropriations bill.

The language would allow for abortions to be performed in military hospitals when the life of the woman was endangered or in the case of rape and incest.

Most of my colleagues will remember that both the chairman and I have voted against this policy many times over the past two and a half decades. We are recommending it now because it reflects the policy already agreed to by both bodies.

The bill before you provides $81.5 billion for operation and maintenance to protect the readiness of our forces. This amount is $700 million more than requested by the President. It supports the military personnel levels requested by the President; it funds a 2.4 percent pay raise for our military personnel and increases their basic allowances substantially—all consistent with Senate recommendations.

The bill also raises procurement spending by nearly $6 billion, up to $44 billion.

To those who suggest that the bill provides too much for modernization I would note that, even with these increases, we are still spending less than half of the amount the Senate recommended for procurement 10 years ago.

Throughout this year, Chairman STEVENS and I asked each of the military Chiefs of Staff to meet with the Defense Subcommittee to review the needs of their respective services. The recommendations for procurement spending match these requirements very closely.

Let me also point out that the Joint Chiefs of Staff are reportedly seeking an increase of an additional $60 billion for procurement in future budgets. That amount is $16 billion higher than we recommend in this bill. I think my colleagues should realize that recommendations on procurement in this bill are the minimum that must be provided.

Mr. President, there have been reports that the White House might veto this bill. I hope that this is not correct.

The conferees have gone a long way to resolving the objections that were raised by the President when the bills passed their respective Houses. The policy statements on Bosnia, and abortion have been eliminated. Funding eliminated by the House for technology reinvestment, for cooperative threat reduction, and the *Seawolf* submarine have been restored as requested by the President. The conferees have reduced funds from the House-passed level for missile defense. In each case these recommendations are consistent with White House wishes.

Mr. President, I believe it is essential that we invest in the readiness, quality of life, and modernization programs funded by this bill. I am in full support of this legislation. It is a good, fair, and very important bill. I encourage all of my colleagues to support it.

Mr. President, I just wish to spend 9 minutes commenting on statements made by my colleagues in this debate.

One of my illustrious colleagues stated that he sees no threat on the horizon; why are we spending all of this money, which reminded me of the early days of a war that was fought 50 years ago.

Five days ago, we gathered to commemorate the end, the victorious end of this war, but I also recall those years just before December 7. I was young enough to remember that, Mr. President. A year before December 7, because Members of the Congress did not see the threat which many of us thought was just obvious, we nearly defeated the Selective Service law. It passed by one vote. At the moment of its passage, our merchant vessels were being sunk in the Atlantic Ocean by German submarines, the Germans were rampaging all over Europe, London was being bombed, the Japanese were rampaging all over China, Nanking was being raped, Peking was falling and we saw no threat. And December 7 came as a brutal surprise to many of us. Not to me, Mr. President, and thank God for that one vote, we had the draft.

Two years before December 7, the very famous general from Virginia, General Patton, reported for duty at Fort Benning in Georgia. He was told to organize an armored division. When he got there, he saw 375 tanks. At least they looked like tanks. The only trouble is that over half of them would not roll. They were not operational.

This may sound facetious, but it is not. He called up the War Department and said, ''I need some money because these tanks need parts, otherwise they won't move.'' And the War Department said, ''Sorry, sir, we have no money.''

Fortunately, General Patton was one of the wealthiest men in the United States at that time. He took his checkbook, went to Sears, Roebuck in Atlanta, GA, and bought parts, and that is how we developed the 1st Armored Division in the United States. Thank God somebody had a checkbook.

One of my colleagues also said that some of these activities that we have

funded in this bill were not authorized, were not requested by the President, were not requested by the Senate.

Mr. President, the freedom to criticize, the freedom to disagree, the freedom to discuss, to debate and make decisions are very important in this democracy. This is not a dictatorship. The President does not tell us I want that ship and nothing else.

I want to review history, recent history.

We have been told that the most important weapon system in Desert Storm was the F–117, the Stealth fighter bomber, and if it were not for that, we would have lost lives, many lives, because this Stealth bomber was the one that was able to knock out all of the radar stations, which made it possible for our fighter planes and bombers to go in. It might interest you to know, and I think we should remind ourselves, that the administration and the Pentagon opposed building the F–117. This Congress persisted. I am certain the chairman of the committee remembers that.

Let us take another weapon system that was most important in Desert Storm, the Patriot. If it were not for the Patriots, the casualties on our side would have been at least double. The Patriots were able to knock out the Scuds. Thank God we had the Patriot. The administration opposed it, the Pentagon opposed it, but we in the Congress and in this committee insisted upon it.

In 1978, the President of the United States vetoed a defense appropriations bill that carried the *Nimitz*-class nuclear carrier. It is the most powerful weapon system we have today. Thank God the Congress persisted, and we overrode that veto.

There is another aircraft that my colleague from Alaska is the most knowledgeable expert on, the V–22 Osprey. The Pentagon did not want it. The White House did not want it. This committee insisted upon it. Now everyone wants it.

So, Mr. President, much as we would like to suggest that we are the repository of all wisdom, it is not so. The democracy that we cherish here is made up of many minds, and the wisdom from all of these many minds, hopefully, will reach the right decision. And we would like to believe, Mr. President, that the decision we present to you today is the right decision. I cannot tell you, in all honesty, that there is no pork in this bill. But those who advocate and those who have fought and supported these provisions in their belief that it is essential to our democracy. And, also, I am certain all of us agree that when one enters into a conference, you cannot hope to get everything you want. You can get some of it. You will have to give in to some.

This is the compromise that we have reached. It was not easy, Mr. President. But I think we have done a job that we can stand before our colleagues and say that we have done our best, and we are presenting our best to the Senate of the United States. I notice that my time is up.

I yield the floor.

The PRESIDING OFFICER. The hour of 6:25 having arrived, under the previous order, the yeas and nays having been ordered, the question is on agreeing to the conference report.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] is necessarily absent.

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

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 579 Leg.]

YEAS—59

Abraham	Ford	Lugar
Akaka	Frist	Mack
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Breaux	Grassley	Pressler
Burns	Gregg	Reid
Campbell	Hatch	Robb
Chafee	Heflin	Santorum
Coats	Helms	Shelby
Cochran	Hollings	Simpson
Cohen	Hutchison	Smith
Coverdell	Inhofe	Snowe
Craig	Inouye	Specter
D'Amato	Johnston	Stevens
DeWine	Kassebaum	Thomas
Dole	Kempthorne	Thompson
Domenici	Kyl	Thurmond
Faircloth	Lieberman	Warner
Feinstein	Lott	

NAYS—39

Baucus	Exon	Levin
Biden	Feingold	McCain
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Brown	Hatfield	Murray
Bryan	Jeffords	Pell
Bumpers	Kennedy	Pryor
Byrd	Kerrey	Rockefeller
Conrad	Kerry	Roth
Daschle	Kohl	Sarbanes
Dodd	Lautenberg	Simon
Dorgan	Leahy	Wellstone

NOT VOTING—1

Nunn

So the conference report was agreed to.

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

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LIEBERMAN. Mr. President, I have voted today for the Defense Appropriations Conference Report because I believe it is fundamentally a sound and necessary bill which will fund critical defense functions for the current fiscal year. This bill is not perfect. It funds procurement of a few weapons systems which the Secretary of Defense and the military service chiefs have said they do not need or want; I would have preferred that such systems not be funded. But on balance I believe the right programs are funded, critical modernization for our armed forces will take place, and critical skills of defense workers across the country, including in my State of Connecticut, will be maintained. At the same time, I am very troubled that this appropriations conference report includes language that prohibits abortions in military facilities. My record of opposition to language that creates unfair barriers to legal abortion services is clear. I see no reason why this restrictive provision needed to be included on a defense appropriation bill and I oppose it. No one should misconstrue my vote today for this important appropriations bill—a bill which is even more critical as many defense workers have been furloughed along with thousands of other Federal employees caught up in our current budget crisis.

FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1996

The Senate continued with the consideration of the joint resolution.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, parliamentary inquiry, are we back on the continuing resolution?

Mr. FORD. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate is not in order. The Senate will please come to order.

The minority leader is correct.

Mr. DASCHLE. Mr. President, I withdraw my amendment and raise a point of order that the bill violates section 306 of the Congressional Budget Act.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the point of order be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, let me explain. I know it is certainly the intent of colleagues on both sides of the aisle to work through this process and to accommodate what we all want here, and that is an agreement on a continuing resolution at the earliest possible date. It is also my personal view, and the view of most of our colleagues, that the best way to do that, of course, is to send a clean resolution to the President. I offered the point of order in the hope that we could strip away the extraneous matters and get back to what we tried to do this morning, which was to offer a clean continuing resolution.

It appears, however, that that would entail a good deal of parliamentary discussion and negotiation and procedure that, in my view, would be counterproductive, frankly, because it would take us at least through another day.

It was not my intent to surprise the majority leader. I thought we had an understanding about the point of order, and there was some misunderstanding. For that reason, as well, I think it is propitious at this point to pick up where we left off prior to the time the point of order was offered.

So I have discussed the matter with the majority leader, and I am prepared to offer our second amendment, as we had agreed to do earlier today. This would expedite our consideration of the continuing resolution and will allow us to get the bill down to the President, allow us to continue the negotiations in good faith, and to find, at an earlier date rather than a later date, some resolution.

I have no doubt that if this bill goes to the White House, the President will be required to veto this one, as well. So we will be back to where we were prior to the time we offered this.

So I am looking for, and the majority leader is looking for, a way in which to find some resolution. It is in that good-faith effort that I have asked for the unanimous consent.

AMENDMENT NO. 3057

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 3057.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

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''.

Section 2. (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.

(b) The unified balanced budget in subsection (a) must assure that:

(1) Medicare and Medicaid are not cut to pay for tax breaks; and

(2) any possible tax cuts shall go only to American families making less than $100,000.

Mr. DOLE. Mr. President, I will take a minute to thank the Senator from South Dakota. We had a miscommunication, and I will let it go at that. We have to work together. We do not surprise each other. I think we are on the right track.

It is my understanding that the Senator from South Dakota would agree to 40 minutes equally divided, or more?

Mr. DASCHLE. Yes, 40 minutes, I think, is adequate time to consider this amendment.

Mr. DOLE. Prior to a vote or a motion to table in relation to the amendment.

Mr. DASCHLE. As I understand it, there will be no second degree amendments.

Mr. DOLE. Right. I ask unanimous consent that what was just stated be the order.

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

Mr. DOLE. It is my understanding, also, that following disposition of this amendment, maybe after some debate, we will go to final passage.

Mr. DASCHLE. That is my understanding, as well.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. Mr. President, I yield such time as I may consume.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, this amendment starts where the last amendment left off. It simply says that we ought to have a resolution that takes us at least through the month of December, setting as a target date December 22. That is what the earlier amendment did. This amendment would accomplish the same thing.

Second, it uses the same level of spending for all of those agencies of Government affected as the previous continuing resolution—the same, again, as the amendment we proposed this morning.

So in an effort to accommodate what I hoped would be a very serious negotiation on reconciliation, we would offer this continuing resolution, with the expectation that we could avoid facing another crisis for at least for another 4 weeks. So we start with an appreciation that it is going to take longer than a couple of weeks to resolve all of the outstanding differences that we have with respect to reconciliation. If that is the case, rather than revisiting the issue, let us be serious about a continuing resolution. Let us move this date to a point that is practical, that is prudent, that accepts the fact that we may not be able to finish our work prior to that time.

Second, Mr. President, it simply says if we are going to insist in this resolution that there be a 7-year budget, that we use the 7-year budget timeframe within which to resolve all the other differences, priorities, and circumstances that we have, and then let us do a couple of other things. Let us also, since we are setting some parameters here, decide that we are not going to use the Medicare trust fund as a pool from which to draw resources to pay for a tax cut. Let us not do that. And let us not use this process, this particular piece of legislation, to exacerbate income distribution even more than it is.

In other words, let us not build upon what is already happening in this country, where more and more of the wealth is being shifted to the upper-income levels. And to avoid that, let us assume that there will be a tax break; or let us just say if there is a tax break, the resources we will spend for those tax breaks will all go to those making under $100,000 a year—that is, no tax breaks for those making more than $100,000 a year.

So, Mr. President, that is really what this amendment does. First, it allows us to do our work through December 22. Second, it sets funding levels where they have been in the past continuing resolution. Third, it says if we are going to have a 7-year budget resolution, let us at least recognize that that is a constraint that might warrant a couple of other constraints—the first being the protection of Medicare from cuts to finance tax breaks. We have had votes on it in the past. I think this Senate has been on record now on a number of occasions that it is not right, that it is not acceptable, that it is not something that even some Republicans have indicated they can support—to block the use of Medicare resources for purposes of a tax cut—under any circumstances.

I, frankly, think that is one of the most challenging of all the things that we are going to be facing as we sit down to negotiate a final reconciliation package. How do you pay for the tax cut? I know we are told by CBO that there is going to be roughly a $170 billion dividend. Frankly, I am amazed that we can project a dividend 7 years out without really knowing whether there is going to be a recession or what kind of economic growth there is going to be.

We are going to have less economic growth, I remind my colleagues, using CBO growth projections at 2.3 percent than we have had in the last 25 years. In the last 25 years, we are told that the growth, on the average, was 2.5 percent. So what CBO is telling us is that we are going to have a balanced budget at the end of 7 years, but the growth is only going to be 2.3 percent, two-tenths of a percent less than what we have had historically. That seems inconsistent to me, and it is hard to understand how one generates dividends from that. But let us assume there is a dividend of some $170 billion. The tax cut is over $220 billion. It may even be $245 billion, if our House colleagues have their way.

So the question is: Where does the additional amount of revenue come from? We all know that this is all pretty flexible here. We all know that, in the meantime, before the dividend is realized, that revenue has to come from somewhere because the tax cuts start immediately. Well, the tax cut revenue is going to come from pools of resources already in the budget. And the only pools of resources available are Medicare and Medicaid, to the degree we need large revenue sources to pay for the tax cut.

Mr. President, that has been our concern from the very beginning, a very legitimate concern about paying for tax cuts from revenue that is already

dedicated to virtually the most important function, in my view, virtually in the entire budget. The health care of senior citizens, the health care of those who are unemployed, insured only by Medicaid, the health care of those who are going to nursing homes—that is what we are talking about, providing a safety net, some security, to those people who have counted on it now for 30 years.

Mr. President, that is a fundamental question that in our view ought to be addressed. If we are going to set out 7 years as a precondition, it is our view we also ought to set out preconditions about where Medicare and Medicaid resources go.

We recognize the need to bring about trust fund solvency. We are not talking about solvency here. We are talking about $270 billion in cuts, $181 billion more than what the trustees tell us we need for solvency. For what reason? Unfortunately, it is our view, it is to provide the tax cuts that, in our view, simply are not necessary in many cases.

That is the first stipulation.

The second stipulation is that if we are going to have those tax cuts, at least ensure they go to those who have the greatest need. Make sure it is working families whose incomes are already stretched with college and a whole range of difficulties. Make sure they are the ones who are held harmless in all of the cuts and to make sure, to the extent we can, that if we have tax cuts, they go to those working families who need it the most.

I really do not know that somebody making $2 million or $3 million or $4 million needs a tax cut, regardless of the circumstances. I do not think somebody with our income level, regardless of what it may be now under this difficulty we are facing, needs a tax cut.

We do not need a tax cut. And certainly no one making more than $1,000,000 a year needs a tax cut—not if we are really serious about balancing the budget, not if we are really serious about bringing down not only the deficit but the debt.

I have always been curious, and I have never had one of my conservative friends respond to this, are they not as concerned about the aggregate debt as they are about the deficit? The aggregate deficits total $6 trillion.

So even if we reach a balanced budget, we still have $6 trillion of indebtedness out there—$6 trillion. I have not heard one of my Republican colleagues give me any indication as to what they think ought to be done with that.

How are we going to buy down that debt? Are we going to be content to leave it out there to continue to pay the interest on it? It seems to me before we start talking about tax breaks not only should we dedicate our efforts to reducing the deficit but we should dedicate our efforts to reducing the debt as well.

I know my colleague from Massachusetts is here. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator has 10 minutes 49 seconds.

Mr. DASCHLE. I am happy to yield to the Senator.

Mr. KENNEDY. I inquire of Senator DASCHLE if he would possibly yield for a question.

Mr. DASCHLE. I am happy to yield to the Senator.

Mr. KENNEDY. It seems to me, and I ask whether the Senator would agree with me, that the President of the United States, when the initial continuing resolution was sent down there, it had the increase of the premium—some $52 billion.

At that time, he vetoed it and our Republican friends said, all right, we will not put in that increase for the premiums. All we are interested in is a balanced budget.

Now we have the real intention of our Republican friends, because I do not know whether the minority leader has had a chance to examine the reconciliation that will be up here on the floor tomorrow which right here on title VIII has all of the premium increases that would have been increased on the continuing resolution, they went through it and said all they were interested in was a balanced budget.

Here we have—tomorrow we will be addressing these issues. Is the Senator familiar that all of those increases in Medicare are going to be part of their program?

The point I am just making is all day long and just recently this evening we heard about the willingness of Mr. Gingrich and our Republican leader who wanted to get a balanced budget.

Tomorrow we are going to have the $270 billion Medicare cuts, the $52 billion in additional premiums which will result in $2,500 additional premiums, the Medicaid cuts of $180 billion, the student loan cuts of $4.9 billion, and the raid on the pensions which we passed here, 94 to 5—$20 billion raid on worker pensions.

Does the Senator agree with me that this argument that is being made here that we have to pass this this evening and all we are interested in is trying to get the President to sign this so we can have a balanced budget, we are glad to work the priorities out with the President, that is rather a hollow statement and comment given the fact that our Republican friends have worked this out in a closed session with effectively only Republicans participating, and they are doing just what we warned they would do in terms of cutting the Medicare $270 billion and tax breaks for the wealthiest individuals at $240 billion? Does the Senator agree with me that has some inconsistency in terms of what this issue is really all about?

Mr. DASCHLE. The Senator from Massachusetts makes a very, very good point. This is just the beginning.

The real debate will begin perhaps as early as tomorrow when we get the reconciliation package. As the Senator noted, none of us have had the opportunity to see this package yet. It will be on the floor in the next 48 hours at some point.

We know, given what the House did and what the Senate did, there are huge cuts—three times more cuts than we have ever seen before, for Medicare, cuts that go deeply into the program, that go way beyond trust fund solvency, cuts that will be used to create the pool of resources, to create the tax cuts that the Republican majority continues to want to defend.

That is what this is all about.

Mr. KENNEDY. Even if the President signed this resolution tomorrow, these Medicare cuts of $270 billion would still be up here on the floor of the Senate—our senior citizens ought to know it—and there is every indication that the votes are there to pass it.

Mr. DASCHLE. The Senator is right. We may have taken it out of the last continuing resolution. It was dropped from the CR, but it is in the budget reconciliation bill. It is in the permanent legislation. It is in the language that we are going to be voting and debating beginning tomorrow, in all of its detail, spelling out exactly how deeply they are going to cut into the Medicare and Medicaid programs. We will see it tomorrow.

We know it is there tonight. We know that there is a huge cut in Medicare. We know that is the pool of resources from which they will pay for the tax cut. That much we know. All the other details we still do not know.

Mr. KENNEDY. Finally, because I see my friend and colleague, this is one Senator who finds this whole exercise of Mr. GINGRICH and Mr. DOLE to be rather a hollow one. This idea that all you have to do is indicate to us that we are headed for a balanced budget goal and we are quite ready to sit down with you and work out the priorities. I do not know how many times I have heard that on the radio and heard it last night. All the while, the priorities are going to be voted on by this body under a very strict time agreement, which will be $270 billion cuts in the Medicare Program.

I think our senior citizens ought to understand who is standing up for them in this debate. It has been the President. It has been the minority leader. It is the Senator from Nebraska, and I am proud to be supporting their efforts.

Mr. DASCHLE. I thank the Senator for his comments. I yield to the Senator from Nebraska.

Mr. EXON. I want to ask a question, too, of our Democratic leader.

First, we have been hearing on television and here on the floor that the Democrats do not want to balance the budget in 7 years.

I have looked—and I do not think we have emphasized that the very first part of the amendment you have offered says the President and the Congress shall enact legislation in the

104th Congress to achieve a unified balance of the budget no later than fiscal year 2002.

As I understand and interpret that—but I want to hear it from the lips of my leader—here is a case where we are proposing to balance a budget by the year 2002; is that correct?

Mr. DASCHLE. The Senator is correct.

There is a way to balance the budget by the year 2002. The Senator from Nebraska has voted for it. The Senator from South Dakota has voted for it. Many of our colleagues have voted for it.

If you do not have a tax cut, if you use reasonable economic projections about what will happen in the next 7 years, there is a real possibility that you could achieve a meaningful balanced budget in perhaps even less than 7 years.

But it is the Republican insistence on a tax cut, it is the Republican insistence on economic growth projections that go way below what we have experienced historically, for at least the last 25 years, that make many of us very skeptical about whether it is achievable in 7 years.

Mr. EXON. Then the Republican charge that I have heard over and over and over again, that the Democrats simply do not want to balance the budget in 7 years, is blown pretty much sky high with the amendment that you have offered on behalf of the minority?

Mr. DASCHLE. Mr. President, the Senator is absolutely correct. This makes it very clear that it is not our desire to oppose a 7-year balanced budget amendment necessarily. What I said this morning holds this evening. It is our desire to ensure that we have to have some better understanding of what we are talking about here.

We will support a 7-year budget resolution if we know that Medicare is not going to be used to pay for tax cuts; if we know that any tax cuts incorporated into the legislation will be targeted to those making less than $100,000 per year. Those kinds of things are fundamental to our enthusiasm, our level of support for whatever else may have come from the negotiations during reconciliation.

Mr. EXON. If I understand the amendment, then, offered by the Democratic leader, that we just talked about, it provides for balancing the budget by the year 2002; and then second and equally important it says that, if we have a tax cut, that tax cut would be limited to only American families making less than $100,000 a year? So if you made over $100,000 a year you would not get any tax cut, if we have one. If we do have a tax cut all of it goes to those making $100,000 or less, is that correct?

Mr. DASCHLE. The Senator is absolutely correct.

I thank the Senator and I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have just heard a preposterous argument. The Republicans are saying to the President of the United States: Mr. President, we have been working since the beginning of this year to develop a balanced budget that is real, that the true authenticator of economics, the reliable group that the President told us to work with, says is in balance in the year 2002.

The President does not like our priorities. He does not like to give tax cuts, apparently. And perhaps the Democrats do not want to give any tax cuts. So, we are suggesting that here is a compromise. You do what you want, but we are going to vote on what we want. And we will go to conference with you, Mr. President.

You are not bound to anything. If you do not want any taxes you go to the table and say we do not want any. If you do not want to reduce Medicare savings, you go to the table and say you do not want to. If you want to bring the CPI to the table, you bring it to the table. Whatever it is. We are only asking for a commitment that, in 7 years, you will have a balanced budget using conservative economics. So that we will not be burned again, and think we got a balanced budget only to find that we got a lot of it as a gift from economic assumptions that were too high.

For, as the distinguished occupant of the chair has said, if the Office of Management and Budget, which makes it easier to balance the budget because you do not have to cut so much if you have these exciting high economic assumptions—if they happen to be wrong, you never get a balanced budget. That is not the case if we use the economics we propose. If we happen to be wrong you get a surplus. And what would be wrong with that?

That is one argument. But let me repeat it just slightly—just a different way. We have been hearing from the other side: Do not tell the President what to do. We have been trying to say we are not trying to tell him what to do. All we want is a commitment to a balanced budget in 7 years, using real economics. That is all we want. The priorities are up to you. But we have our priorities. We want a vote on them and we want to send them to the American people and send them to you and you veto them. And all we are saying is, this Congress, with the President who is now in the White House, we get together and our only commitment is to produce a balanced budget in 7 years using real economics. There is no other commitment.

The Democrats tonight are saying wait a minute. We would like to tell you what is going to be in that budget in advance, when they have not had to vote on anything. They have not produced a balanced budget. They have not told us what they would restrain and what they would not restrain—I take it back. Mr. President, 19 have; 19 Democrats put a budget before us.

Incidentally, they used the same economics we used and they got a balanced budget. They did not want to cut taxes so they did not cut taxes. But they produced one. What is the discussion about? Now they want to tell us how to run that budget when they have not voted on anything. They have not voted on what to do in Medicare and Medicaid and taxes. And they would like, now, to tell us: Wait a minute, we would like to tell you in advance what we cannot do.

All we are suggesting is, Mr. President, sit down with us, and your team and some Democrats, and just use one benchmark. Do you want a balanced budget in 7 years using real economics? No other test. That is the only issue.

Now, Mr. President, because the issue has been raised about Medicare, Medicaid and taxes, we must speak to them. So let me refresh everybody's recollection.

The Washington Post today lends real credence to why we should vote this particular amendment down and why the people of this country ought to listen to the rhetoric of the last 15 minutes and be very suspicious of what it is really about. This editorial today, by the Washington Post, called ''The Real Default'' addresses the demagoguery of the President of the United States and the leading Democrats, who choose to make the case to the senior citizens for them not to worry. We do not have to change anything in Medicare. Everything is rosy. And this calls it what it is.

It will destroy any opportunity to get a balanced budget. It will put us in a position where we are living year by year to see whether the senior citizens have a program of health care. Once again, at this point in my debate, I ask unanimous consent to have this editorial printed in the RECORD. I will merely read one part of it.

> 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.

Meaning there will be no chance to fix the budget of the United States.

There being no objection, the article 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 being 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'd have to bet on flight.

You'll hear the argument from some that this is a phony issue; they content 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 parts 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 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. Having said that, let me make sure those who are listening tonight do not misunderstand a couple of things.

If you want to know what is in our budget it should not come as a surprise to you. It has been sitting on your desk most of the day. So, tomorrow when we vote, here it is, the Congressional Budget Act. If not all day, it is here now. If you are interested there it is. I will tell you what is in it.

Medicare is not cut. Medicare will grow 7.7 percent a year for the next 7 years; 7.7 percent.

Medicaid will grow at the rate of 5.5 percent a year. Medicaid will grow 42 percent. Would anybody have guessed that from what we are hearing here on the floor of the Senate?

Inflation is at about 2.5 percent. Medicare is going to grow at 7.7 percent. In fact, Medicare spending will go from $178 billion to $294 billion. Medicaid spending, that is the program for the poor, from $89 billion to $127 billion. I do not think either of those, to any Americans listening, are cuts. They are substantial increases and they will suffice and they will have a very valid program for the seniors and the poor people in health care. We will do it more efficiently with more choice.

Having said that, let us talk a minute about preserving the Medicare trust fund. Mr. President, when the seniors and the other side reads this budget, this Balanced Budget Act of 1995, they are going to find something very, very interesting and very exciting for senior citizens.

We made a conscious decision that we wanted to make the trust fund solvent, not for 5 years, or 7 years, but for 15 to 17 years. And you will read in this that every single penny that is saved in Medicare, not just the hospital trust fund savings, every single penny goes into the trust fund to save the health care program for the senior citizens.

So how can we put it in the trust fund and spend it on tax cuts at the same time? Every penny of it is in the trust fund. Somebody might get up and say, ''Are you serious, Senator DOMENICI?'' We have never done that before. We have never put savings from the general tax fund, which is what pays for part of this, we have never put it in that trust fund. We decided we would because we want to make it solvent for a long enough period of time for us to work on it, not just until the next election, but for 15 to 17 years. You cannot put it in the trust fund for the seniors and spend it for taxes also.

(Mr. SANTORUM assumed the chair.)

Mr. DOMENICI. Mr. President, having said that, let me suggest that we firmly believe in an annual increase in Medicaid, the program for the poor, of 5.5 percent. If you add to it some flexibility in the delivery of it, it will be an excellent program covering more poor people than are covered today because you will have the flexibility of managed care and other delivery systems, which everyone knows are more efficient.

If that is the case and when we are finished with all our budget work we have an economic dividend, that is, a surplus, what would the Democrats have us do with it? I assume, from hearing here on the floor, that they would have us spend it. For I can draw no other conclusions. They would have us spend it.

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

Mr. DOMENICI. Let me just finish this thought. I would submit that, if you balance the budget and if you had been fair by the seniors by putting every single savings in the trust fund so their fund is solvent, if you are giving the poor of America a 5.5-percent increase every year for Medicaid and there is a dividend left over of a surplus, I submit that you have an exact case of Republicans versus Democrats.

For what would they do with it? They would spend it. They would say, put it back in the budget and spend it on this, that, or the other. What do we say? Very simple. We say give it back to the taxpayer. And, as a matter of fact, the old tired, wornout argument that they are giving it back to the rich

instead of the middle-class, middle-income Americans, is not true. Just find the section on taxes and read it. Some $141 billion of those tax cuts go as tax credits to the American families with children, and no one over $100,000 of earnings gets one penny.

What is wrong with that? You speak of being profamily, which is rhetoric; but you give them back tax dollars to spend, and you are helping them with their family. The only thing conceivably that is for the rich under their rubric is capital gains, which goes to everyone. And that merely says we want you to invest more in America so you can make it grow and have a better economic life for the future.

I will be pleased to yield to my friend.

Mr. BENNETT. Did I hear the Senator correctly say that the growth of Medicare would be 7.7 percent per year?

Mr. DOMENICI. The Senator is correct.

Mr. BENNETT. Does the Senator recall that under the health care proposal offered by George Mitchell last year the growth rate on Medicare was held to 7.1 percent per year?

Mr. DOMENICI. I believe that is right. It was 7.1 or 7.2.

Mr. BENNETT. Is it the Senator's memory that Senator KENNEDY endorsed the 7.1 percent of the President's health care program?

Mr. DOMENICI. My recollection is that he was wholeheartedly in favor of that program.

Mr. BENNETT. Is it the Senator's memory that Senator DASCHLE endorsed the 7.1 percent of Senator Mitchell's proposal?

Mr. DOMENICI. My recollection is that he wholeheartedly supported it.

Mr. BENNETT. Is it the Senator's recollection that the majority of the Democratic Members of the Senate endorsed the 7.1 percent growth rate in Medicare?

Mr. DOMENICI. I believe that is the case.

Mr. BENNETT. Does the Senator not agree with the Senator from Utah in finding it interesting that since we proposed to allow Medicare to grow more rapidly than the President did, more rapidly than the bill endorsed by a majority of the Members of the Democratic Party in the Senate, that we are now being pilloried as those who would slash Medicare?

Mr. DOMENICI. I believe that is an understatement.

Mr. BENNETT. Perhaps we should choose the 7.1 percent level that they endorsed in the previous Congress when they controlled it and thereby slash Medicare a little more.

Mr. DOMENICI. Maybe we would get their support.

Mr. BENNETT. I am not that optimistic.

I thank the Senator for yielding.

Mr. DOMENICI. Mr. President, I want to read one further sentence out of the Washington Post's analysis of the President's position on this.

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.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes 30 seconds.

Mr. DOMENICI. I yield the floor.

Mr. WELLSTONE. Mr. President, I voted earlier today for a clean continuing resolution, which simply extended current funding for a couple of weeks, to open up the Government and allow for budget negotiations to move forward. A simple, clean extension of Federal funding, without all the ideological bells and whistles attached, should have sailed through this place and would have been signed by the President lickety split. But that effort failed.

I intend to vote for the pending Daschle substitute amendment as well, because it is a significant improvement over the Republican version, which would have harsh consequences for a host of federal efforts to protect children, the vulnerable elderly, and other Americans who have been caught in the middle of this unnecessary budget showdown. Now that the earlier clean continuing resolution has failed, this substitute is the surest, quickest, fairest way remaining to get the Federal Government up and running, and to ensure that Federal parks are opened, Social Security applications are again taken, Veterans and other benefit checks are sent out, passport offices are opened, FBI law enforcement training is renewed, and other key Federal functions are being performed.

This Daschle substitute provides for additional interim funding at a rate of 90 percent for a host of Federal programs that were wiped out altogether by House versions of appropriations bills, and that would otherwise suffer cuts of 40 percent in the Republican version of this bill. These include the Low Income Energy Assistance Program [LIHEAP], education for disadvantaged kids, Goals 2000, Safe and Drug-Free School efforts, regional economic development programs, homeless assistance, and many others. I don't know about other Senators, but energy assistance in my State has completely run out of money, and people are getting their fuel shut off across my state. This is a real crisis, Mr. President, which I described in greater detail earlier this week on the Senate floor. This substitute will help bring an end to this energy assistance crisis.

The substitute also embodies other important principles for which we have fought. For example, it provides that Medicare and Medicaid savings are not to be used to pay for tax cuts. It provides that should any tax cuts be included in a final budget agreement, they should only go to families with incomes under $100,000. While I have opposed broad-based tax cuts before we get the budget into balance, I believe that this provision moves us in the right direction, and will help to ensure that massive Medicare cuts made by the Republicans will not be used to pay for tax breaks for the wealthiest Americans.

Finally, it sets a deadline of December 22, which gives us more time to get our work done: to send to the President the numerous appropriations bills which have been stuck for months in Congress, and to send them to him in a form that he can sign into law.

There is a provision in this substitute that, while it does not have the force of law, suggests that Congress should enact a balanced budget by the year 2002. I have consistently opposed this, observing that since it took us 15 years to get into this mess, starting with the massive Reagan tax cuts and defense build-up of the early 1980's, it will take us more than 7 years to get out of it. The President has also opposed this date, observing rightly that the spending cuts it would require in Medicare, Medicaid, and other areas would be draconian and irresponsible, and would likely destabilize the economy.

I agree. I do not believe that we can get there by 2002 without excessive cuts in Medicare, Medicaid, education, job training, poverty programs, and other key Federal investments in the character, skills, health, and educational opportunities of American families. And we certainly can't do it by then if a majority of my colleagues continue to refuse to scale back defense spending and corporate welfare. But it is true that we must eventually get to balance, and I believe that we can do it; it's just that it will take us 2 or 3 years more than this suggests.

Mr. President, most of us acknowledge that we are here today, in the midst of a Government shutdown, for one major reason: Congress has failed to do its job. Let's do our job tonight, and get this substitute passed and on to the President for his signature. We have so far been able to move only a few appropriations bills to the President this year, and even many of those Republicans in Congress knew would be vetoed.

Let us for a change keep the interests of the American people in mind, get this substitute bill signed into law, and then begin a full and robust debate on the real budget, which slashes Medicare and Medicaid in order to pay for massive tax breaks for Americans wealthiest citizens, starting tomorrow.

I look forward to that debate. I do not believe the extremist proposals put forward by Speaker GINGRICH and his band of merry followers in the House are America's priorities. I do not believe similar proposals contained in the Senate-passed version of the budget bill were America's priorities. I believe this debate, and the elections next year, will bear that out. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will yield the remainder of our time in a moment to the Senator from California.

I simply thank the chairman of the Budget Committee for finally, at long last, giving us the figures that he has been working on now behind closed doors for weeks, months, if not years, to arrive here—not all day, less than an hour or two ago. We have not had a chance to look at it. But at least tomorrow we will proceed to a debate on this.

I appreciate his giving us the information at least a few hours in advance of the major debate.

I yield the remainder of my time to my colleague from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, anyone who believes the Republicans want to protect Medicare just must be living on another planet. I have to tell you. You go back through history, you will see who voted in Medicare. It was the Democrats.

I listened to NEWT GINGRICH from a couple of weeks ago. He wants Medicare to wither on the vine. The majority leader bragged to a group that he led the charge against Medicare.

So, do not be fooled. If they support Medicare, they ought to now support the Daschle resolution. It says balance the budget in 7 years, but protect Medicare and keep the tax cuts for those earning under $100,000.

They keep saying they love Medicare. They keep saying they want to protect Medicare. They keep saying they want to balance the budget in 7 years. They keep saying they care about the middle class.

This is the moment of truth. Let us come together. I serve on the Budget Committee. I offered some amendments that passed to keep the tax cuts for people earning under $100,000. We all said we were for Medicare.

What does the Daschle resolution simply say? It simply says we will balance the budget in 7 years, and at the same time we will not use those tax cuts. We will not use the cuts in Medicare to fund those tax cuts.

It is a wonderful and should be a bipartisan effort.

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

Mrs. BOXER. The Wall Street Journal said the assumptions are wrong. I hope we will support Senator DASCHLE.

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

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to leave the floor. I believe the majority leader is en route. He wants to speak for 3 minutes or so. But let me have a few closing remarks.

I say to the Democrats on the other side who have voted to balance the budget in 7 years—and there are 19—I say to them that they ought to vote this down and vote for the Republican resolution which will put the Government back to work and does nothing more than what they have been for. It says during this Congress we will pass the balanced budget amendment. It will be a 7-year budget, and it will use the economics that they used heretofore in their own approaches.

So I ask them to be consistent tonight, and tonight not join with the demagogry of just because it is Republican we can sell the American people that it is anti-senior citizen, that it is anti-poor people.

Let me repeat. The Social Security trust fund will be solvent under this proposal for 15 to 17 years and not one penny of the savings in any part of Medicare will go to tax cuts. It goes into a trust fund for the seniors of America.

Now, you will not hear that tomorrow, and you do not hear that tonight. But we care about senior citizens, and we want their fund solvent.

We also care about little kids, and maybe we even care more about children that have not been born. And the truth of the matter is, if you listen to that side of the aisle, money grows on trees.

It does not grow on trees. Somebody pays for it. If we do not change things, Mr. President, lo and behold, the money tree will be without money and the children not born will be paying up to 80 percent of their earnings for our bills.

What a wonderful life they will have and how thrilled they will be at the adult leadership of this decade. They will look at us and say: Who were they kidding as they ran around trying to scare seniors while they put America into a bankrupt position where we did not have enough money to pay, so we borrowed it. We were not around when it was paid back so our children and grandchildren have to do it.

Now, I stand pretty proud that after all these years we are on the brink of passing a real balanced budget. But I do not say that the President of the United States must accept that. I say he ought to accept only one thing and so should they, and that is, let us balance this budget. We do not know whose way yet. Maybe half the President's way, half our way. But let us commit ourselves to that, and then let us open Government and let our people go back to work.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute, 50 seconds.

Mr. DOMENICI. Let me close this then, Mr. President.

I remain thoroughly amazed at the President of the United States and his continual day-by-day arguments that the Republicans in the Congress are busy about doing all kinds of actions that will hurt people when we have not seen a balanced budget from him. We have seen everything from a commitment to 5 years, to one that said maybe 10 years, to one with a whole batch of new economics that said maybe 8 years, and yet even tonight he says he will not sign anything that will harm Americans, that will harm seniors, that will hurt the poor, and yet he tells them, I am for a balanced budget.

It just does not ring true. What would ring true would be a very simple gesture when we send this bill to him if he signed it and if the very next day he set up a team and said, let us get this going.

I do not know which budget is coming out of it. I do not know whose priorities will prevail because, after all, the Congress is Republican and the President is Democrat. But we assume in those meetings we would all be Americans. But we cannot go there not knowing where we are supposed to end up. We cannot just say it will all come out all right. We have been at it for years. It has not come out all right. We have had all kinds of meetings. It has not come out all right.

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

Mr. DOMENICI. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I will use my leader time for as much time as I may consume.

I did not hear all of the remarks of the distinguished Senator from New Mexico, but let me respond to what I did hear.

I know that the Senator from New Mexico has had the opportunity to serve under many Presidents, and he has seen Republicans and Democrats in the White House. He knows what the record is for the 1980's and early 1990's. Frankly, I think there is a difference between talking and doing.

We heard a lot of talk in the 1980's about the importance of a balanced budget, but the fact is we rolled up a deficit five times what we had prior to the time a Republican President took office in 1981—five times, from $800 billion now to almost $6 trillion. So there is a difference between talking and doing.

The Senator from New Mexico did not mention that the United States has the lowest deficit of any country on a per GNP basis, any industrialized country except Norway. We are lower now than every other country. Why? Because the President showed some courage, showed some leadership, was able to convince the Congress in 1993 to take the single biggest step toward deficit reduction that we have seen in decades.

And what happened? We have the best economic growth. We put 7.5 million people to work. We have actually seen a downward trend in the deficit now for 3 years running. That has not happened since the 1940's. So I hope everyone understands what the record is here.

This amendment says we want to continue building on what the President has done for the last 3 years. We recognize that we have to go further. We recognize the job has not been finished. We recognize that we have to set

a time certain, and if you want to insist on 7 years, we have no problem with that necessarily. But we also want to recognize that the fundamental investments that this country has made in better health, in better economic opportunities be protected.

That is all we are saying; that it is not an either/or; that we can balance the budget, but we do not have to do it on the backs of senior citizens who need health care. And if we are going to do a tax cut, we do not have to give it to those who do not need it.

That is really what this amendment is saying. We want to balance the budget. We want to continue to work with our Republican colleagues, even though we did not get much help in 1993 when we committed to that plan. We want to make it work now. But we also strongly believe that it is important to commit to the kind of protection, the kind of security, the kind of opportunity that American people now have had since 1965.

This amendment is very simple, and, frankly, I do not know how people could vote against it. If you support a 7-year budget and if you support this concept of not using Medicare to pay for a tax cut, and if you support tax cuts but recognize the need to ensure some economic equity, then you will want to support this amendment.

I yield the floor.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to lay on the table amendment No. 3057. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] and the Senator from Georgia [Mr. NUNN] are necessarily absent.

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

The result was announced—yeas 52 nays 45 as follows:

[Rollcall Vote No. 580 Leg.]

YEAS—52

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

NAYS—45

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

NOT VOTING—2

Moynihan	Nunn

So the motion to lay on the table the amendment (No. 3057) was agreed to.

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

Mr. ABRAHAM. Mr. President, I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. FEINGOLD. Mr. President, I am voting for the House-passed continuing resolution. As we have debated this measure throughout the day, I supported various amendments which have been proposed which I think were perfectly reasonable, but now the question is whether to vote for or against this continuing resolution. The fatal flaws in the previous version have been removed. Thanks to the President's resolve, Medicare beneficiaries do not face a Medicare premium increase, and I hope and expect the President will continue to persevere with regard to the extremist reconciliation bill, which contains even greater increases for Medicare beneficiaries.

Balancing the Federal budget has been my priority since first coming to the Senate, and this resolution commits us to a legislative approach to reaching that goal by 2002. I ran on that issue. I proposed an 82-plus point plan with specific, balanced cuts to achieve a balanced budget in 5 years, and I was proud to support the President's $600 billion deficit reduction package during the 103d Congress, a package that contained many of the provisions I included in my own plan.

I have also been proud to participate in other deficit reduction efforts, including the bipartisan proposal put together by Senator KERREY (D-Nebraska) and Senator BROWN (R-Colorado), and the package developed under the leadership of Senator KERRY (D-Massachusets).

To me, the language in this continuing resolution means no more and no less than a commitment to achieving a balanced budget by 2002 and it does so without mangling our Constitution. It does not endorse in any way the extremist reconciliation plan that will be before us shortly, a plan which is not based on the goal of a balanced budget but on the reckless, politically self-serving desire of providing a fiscally irresponsible tax cut—tax cuts apparently scheduled to be mailed to voters only days before the 1996 elections.

I firmly believe there is significant bipartisan support in the Senate for a responsible budget measure that achieves a balanced budget in 7 years, or even sooner. Such a plan would reject the reckless $245 billion tax cut, make prudent reforms to our Medicare and Medicaid Programs, and would ask all areas of Federal spending to share in the burden of deficit reduction, including our military, and the special interests that benefit from the massive spending done through the Tax Code.

That is the formula for a budget plan that cannot only be enacted into law, but can be sustained over the entire lifetime of the glidepath to a balanced budget. It is very much like the alternative budget plan I supported that was offered by Senator CONRAD (D-North Dakota) during the budget resolution debate last spring, and is a budget I believe the President would sign. I hope we can soon begin to work toward such a budget.

Mr. ROBB. Mr. President, I rise to announce how I will vote on the pending continuing resolution—and why.

Earlier today I voted for the Democratic ''clean'' continuing resolution because I believe that is the appropriate way to authorize the continued operation of the government, even though I have long supported the 7-year commitment to balance the budget using CBO numbers. The Republican Majority opposed that amendment, and it was defeated, despite the fact that the lapse in agency spending authority was caused by the failure of Congress to pass the 13 appropriations bills on time.

I also voted for the Democratic substitute which would have required a unified balanced budget in 7 years while assuring that Medicare and Medicaid would not be cut to pay for tax breaks and any tax cuts would go only to families making under $100,000. I supported this amendment even though I have said repeatedly that I do not believe we should pass any new tax cuts at all, no matter how well targeted, until we actually achieve a balanced budget.

But that amendment met the same fate as the first Democratic substitute.

I voted as I did on these Democratic substitutes because I could do so in good faith—and because I wanted to support the President and the minority leader.

But the question before us now is whether to vote for or against a continuing resolution that would end this indefensible partial shutdown of the Federal Government, which has created unnecessary uncertainty for hundreds of thousands of blameless federal workers, generated hardship for countless Americans, disrupted many local

economies, and further eroded confidence in our government and its leaders.

I have always said that achieving fiscal discipline would present tough choices. And this vote presents one of these tough choices. I take the minority leader's opposition to this resolution and the President's expected veto very seriously. I would like to continue to support them tonight as I have on so many other occasions. But fiscal responsibility is at the very core of everything I have ever stood for as a public official. And the conditions attached to this pending resolution incorporate precisely the advice I have urged both privately and publicly.

To be sure, it was Congress that precipitated this government shutdown by failing to pass appropriations bills on time. And it then exacerbated the problem by challenging the President of the United States, a President whom I know for a fact has been fully prepared to negotiate seriously on spending priorities for a long time.

And none of this had to happen.

Even though this situation could—and should—have been avoided, emotions are raw today. Too many American families have suffered needless disruption and uncertainty. Too many hardworking federal employees have been held hostage by our actions and denigrated as non-essential, which diminishes the value of their labor and their service to their county. So while I continue to support the position of the President and many of my Democratic colleagues that a ''clean'' resolution is the appropriate way to proceed, I cannot in good conscience vote against a measure that reflects the kind of fiscal restraint I believe is necessary and would end the protracted agony of so many of the people I represent.

Mr. DOLE. We are now ready for final passage. I wonder if we might get an agreement on debate on final passage. Maybe 30 minutes equally divided, or we could vote and everybody could talk.

By popular demand we will vote. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will read the joint resolution for the third time.

The joint resolution (H.J. Res. 122) was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall the joint resolution pass?

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] and the Senator from Georgia [Mr. NUNN] are necessarily absent.

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

The result was announced—yeas 60, nays 37, as follows:

[Rollcall Vote No. 581 Leg.]

YEAS—60

Abraham	Feingold	McCain
Ashcroft	Feinstein	McConnell
Baucus	Frist	Moseley-Braun
Bennett	Gorton	Murkowski
Bond	Gramm	Nickles
Bradley	Grams	Pressler
Brown	Grassley	Robb
Burns	Gregg	Roth
Campbell	Hatch	Santorum
Chafee	Hatfield	Shelby
Coats	Helms	Simon
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Jeffords	Snowe
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
DeWine	Kyl	Thomas
Dole	Lott	Thompson
Domenici	Lugar	Thurmond
Faircloth	Mack	Warner

NAYS—37

Akaka	Ford	Leahy
Biden	Glenn	Levin
Bingaman	Graham	Lieberman
Boxer	Harkin	Mikulski
Breaux	Heflin	Murray
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Johnston	Reid
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Wellstone
Dorgan	Kohl	
Exon	Lautenberg	

NOT VOTING—2

Moynihan	Nunn

So the joint resolution (H.J. Res. 122) was passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHANGE OF VOTE

Mr. DODD. Mr. President, I ask unanimous consent that on the previous vote on the motion to table by the Senator from New Mexico—I was recorded as voting ''aye''—that my vote be recorded as ''no.''

That will not change the outcome of the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

TRIBUTE TO JAN MUIRHEAD

Mr. FRIST. Mr. President, I rise today to commend Jan Muirhead, a fellow Tennessean and a former colleague, for her continuing dedication and commitment to serving others. A cardiovascular clinical nurse specialist and coordinator at the Vanderbilt University Medical Center Heart and Lung Transplant Program, Jan has devoted countless hours and a lifetime of energy to her patients.

These patients of all ages came to Vanderbilt knowing that their future literally depends on the availability of a compatible and transplantable heart or lung. They knew if that heart or lung is found, they would surely face a difficult operation and a long recovery. But they also knew that Jan Muirhead was there with them through every step—she has been their nurse, their teacher, their supporter, their counselor, and most of all, their friend.

Mr. President, my friend Jan Muirhead is a native of Memphis, TN. The daughter of a prominent pathologist, helping others is in her blood, in her heart, and in her soul.

Jan has been the anchor for the Heart and Lung Transplant Program at Vanderbilt since its inception in 1985, but her career in public service began years before, in 1975, when she graduated with a bachelor of science in nursing from the University of Kentucky. After graduation, she worked as a staff nurse in Vanderbilt's neonatal intensive care unit and in the surgical intensive care unit. She later joined the department of cardiac and thoracic surgery to work with Dr. Harvey Bender. In 1983, Jan moved to Seattle to get her master's degree in nursing from the University of Washington, where she was awarded the CIBA–GEIGY Award for the outstanding cardiovascular nursing pathway master's student.

After completing her degree at the University of Washington, Jan Muirhead returned to Vanderbilt University Medical Center, where she and Dr. Walter Merrill established the heart transplant program. I joined the program 1 year later, and over the subsequent 8 years had the pleasure and the privilege of working daily with Jan. During that time, I witnessed first-hand her tireless energy, her commitment to others, her enthusiasm for her job, her selfless devotion, and above all, the warmth and dedication she showed to the thousands of patients whose lives she touched.

She recently earned certification as an adult nurse practitioner from Vanderbilt's school of nursing—yet another sign of her continuing commitment to providing the best quality care and the most up-to-date advice. In fact, patient education is one of the most important services Jan provides for patients at Vanderbilt. When a transplant patient is admitted to the medical center, Jan sits down with them, discusses their medical condition, explains how donors are matched, and provides details of the surgical procedure they will undergo when that match is found. She diligently directed the entire postoperative course for the transplant patient. The thought of undergoing transplant surgery and enduring a tough recovery is very scary, but for years, Jan has calmed patients' fears.

Mr. President, Jan Muirhead has also been honored by her colleagues. In 1991, she received the Nursing Research Award in Paris, France, from the International Society for Heart and Lung Transplantation. She has served as secretary and a member of the board of

the Middle Tennessee chapter of the American Association of Critical Care Nurses, and in 1994, Jan was chairman of the abstract review committee of the International Society of Heart and Lung Transplantation. She is an active member of the American Heart Association and the Association of Critical Care Nurses. She is the author and principal investigator of numerous articles and chapters on heart disease and transplantation.

Now, Mr. President, my close friend Jan Muirhead leaves Vanderbilt to move to Dallas, TX, where she will participate in a Baylor University outreach program for geriatric patients. So, today, I would like to thank Jan for her outstanding service to her patients and to her community. Her pioneering spirit, her unending commitment, and the unselfish love she has shown toward her patients and her colleagues will be missed at Vanderbilt. I wish her all the best as she embarks on this new venture in her life.

PUBLIC/PRIVATE VENTURES' STUDY

Mr. COATS. Mr. President, I would like to bring to my colleagues attention the exciting results of a 5-year study that public/private ventures released today. As a national board member of Big Brothers/Big Sisters of America, it brings me great pleasure to share with you the news of public/private ventures' study of the Big Bothers/Big Sisters Program—the first ever to assess the impact of youth of any major mentoring program.

At last we have scientifically reliable evidence that proves what we have known intuitively for years—mentoring programs can positively affect young people.

As many of my colleagues know, Big Brothers/Big Sisters is a federated movement of over 500 affiliated agencies located in all 50 States. The Big Brothers/Big Sisters movement began in 1904 to provide one-to-one services to boys and girls in need of additional adult support and guidance. While the environment in which today's youth operate is vastly different than that of 90 years ago, basic core services of Big Brothers/Big Sisters remains the same—to provide responsible, consistent adult role models to children at risk. The need for additional adult support and guidance for our Nation's youth has never been greater, however, than at this time. Currently 38 percent of all of America's children live without their fathers. The Big Brothers/Big Sisters Program presently supervises about 75,000 youth-adult matches, but as the public/private ventures report proves an expansion of the Big Brothers/Big Sisters Program would have a positive effect on our Nation's youth.

The public/private ventures study concludes that young teenagers, who meet regularly with their Big Brother or Sister, are less involved with drugs and alcohol, do better in school and have better relationships with their parents and peers than do youth not in the program. In fact, public/private ventures found that ''Littles'' who met their ''Bigs'' regularly were: 46 percent less likely than their peers to start using illegal drugs and 27 percent less likely to start drinking; 52 percent less likely than their peers to skip a day of school and 37 percent less likely to skip a class; more trusting of their parents or guardians, less likely to lie to them, and felt more supported and less criticized by their peers and friends.

Most of the 959 youth in the research sample were between the ages of 10 to 14, nearly 60 percent were members of a minority group, more than 60 percent were boys and most were poor or near poor. Many lived in families with histories of substance abuse and/or domestic violence. They are representative of our Nation's youth placed at-risk. Keeping this in mind, it is evident that the Big Brothers/Big Sisters Program suggests a strategy that the country can build upon to make a difference—especially for youth in single-parent families.

And since mentoring programs work through the efforts of volunteers, only modest funds are necessary to have far-reaching impact. The Big Brothers/Big Sisters Program is an innovative and effective program with the potential of having a substantial positive impact on our Nation's youth with a small investment. That is why I was pleased to include the Character Development Act [CDA] as one of 18 bills in a legislative package which I have called the Project for American Renewal. The Character Development Act will link public schools with local mentoring organizations to give more children the chance to reap the benefits of a one-to-one relationship. The Character Development Act is based on a small, innovative, Federal program known as the Juvenile Mentoring Program [JUMP]. JUMP is a competitive grant program which allows local, nonprofit social service and education agencies to apply cooperatively and directly for grants from the Department of Justice's Office of Juvenile Justice and Delinquency Prevention. These grants are used to establish mentoring services utilizing law enforcement officials and other responsible individuals as mentors.

As we, as policymakers, begin to look at mentoring, we need to keep in mind another telling conclusion of the study. The benefits of mentoring do not occur automatically. If programs are supported by the kind of thorough screening of volunteers, careful matching and extensive supervision required by Big Brothers/Big Sisters, they can be expected to produce similar results. In programs that lack the established infrastructure of the Big Brothers/Big Sisters Program, the one-to-one relationship evaporates too soon to positively affect the youth.

While the study's most dramatic findings are the degree to which participation in Big Brothers/Big Sisters prevents a young person from starting to use drugs and alcohol, the authors also noted the fact that Big Brothers/Big sisters participation produces an unusually broad range of outcomes for youth—improved school behavior and performance and better relationships with friends and family. The Big Brothers/Big Sisters Program results in improvements in attitudes, performance, and behavior—with ''littles'' one-third less likely than their peers to report hitting someone.

I encourage my colleagues to join me in commending Big Brothers/Big Sisters for their continued commitment to our Nation's youth and recommend to my colleagues that they visit a local affiliate in their State so that they may see for themselves that mentoring can and does indeed work.

IN HONOR OF PRIME MINISTER YITZHAK RABIN

Mr. MOYNIHAN. Mr. President, on October 25, 1995, the Prime Minister of Israel, Yitzhak Rabin, spoke in the Capitol Rotunda at a ceremony commemorating the 3,000th anniversary of the founding of the City of Jerusalem by David. I had the honor to introduce him. I ask unanimous consent to have printed in the RECORD my remarks on that occasion.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR DANIEL PATRICK MOYNIHAN

My pleasant and most appropriate task this afternoon is to introduce one of Jerusalem's most illustrious sons.

History will acknowledge him as the unifier of the City of David—the Chief of Staff whose armies breached the barbed wire and removed the cinder blocks that has sundered the city of peace.

History will honor him as the magnanimous leader of a brave people—brave enough to fight against daunting odds—perhaps even braver still to make peace.

History will remember him as the last of the generation of founders—the intrepid children of a two thousand year dream. Almost certainly, the last Israeli Prime Minister to play a leading role in the War for Independence, he was also the first —and to this day the only—Prime Minister to be born in the Holy Land.

He is a proud son of Jerusalem. As a young man he dreamed of a career as an engineer. But destiny had other plans and he fought and led for almost half a century so that his people could live in peace and security.

Nobel Laureate, statesman, military hero, friend of our nation where he served with distinction as an ambassador in this very city, he honors us today by joining us in our festivities—the Prime Minister of Israel, the Honorable Yitzhak Rabin.

Mr. MOYNIHAN. Mr. President, twelve days later, I, along with many Senate and House colleagues, stood by his casket, first at the Knesset, later on Mount Herzl where he was buried. It was an experience none of us will forget. No one has captured the moment and the momentous consequences better than Mortimer B. Zuckerman, who

was there also. I ask unanimous consent that his reflections, ''The Light of a Fierce Fire,'' be printed in the RECORD.

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

[From the U.S. News & World Report, Nov. 20, 1995]

THE LIGHT OF A FIERCE FIRE

(By Mortimer B. Zuckerman)

The poet was once asked, ''If your house was burning and you could save only one thing, what would you save?'' The poet answered, ''I would save the fire, for without the fire we are nothing.''

It was Yitzhak Rabin's destiny not to be saved from the frenzy of a madman. But bullets cannot so easily extinguish what Rabin's bravery and vision ignited, the fire of Israel's commitment to peace. He might so easily have died in the din of battle, this man who made war when he had to. But he died instead amid the clamor of peace, with the acclaim of a mass peace rally of Iraelis still in the air and still in his mind. It would be his last wish that the flame of peace, for which he gave his life, should not be dimmed by anger and despair. His state funeral, for all its sadness, was inspiring as an occasion for the vindication of his hopes, for a new dedication to Israel's security from America and for a demonstration of goodwill by some former Arab enemies.

President Clinton led a bipartisan delegation that included the congressional Republican leadership, former President Bush and former Secretary of State George Shultz. It was more than a respectful gesture of protocol. This was a statement of emotional and psychological support from the most powerful nation in the world to a small, isolated country, living in a perilous neighborhood and in a time of great national trauma: We do more than share your grief, we understand your fears; and we will not desert you as you have so many times in your history been deserted. All Americans could take pride in President Clinton's splendid eulogy; in the uniqueness of America's compassion and friendship that extended beyond a calculation of narrow national interest; in the honor of the hand outstretched at a time of need to an ally and friend. The president rose to the moment. The hundreds of thousands of people who lined the roadside and saw the American delegation were clearly moved.

Of equal significance was the roll call of certain Arab countries (excluding Saudi Arabia) and especially the emotional speech of King Hussein of Jordan. His words referring to Yitzhak and Leah Rabin as ''my brother'' and ''my sister,'' which Muslims usually reserve for one another, and the tears shed by both the king and his queen, made a deep impression on the Israelis for their humanity and ability to overcome the past. Here, clearly, were keepers of Rabin's flame of peace, continuing a line that began with Egypt's late president Anwar Sadat.

It is hard for outsiders to appreciate the effect on Israelis of the worldwide outpouring of sympathy and condolence, with some 80 nations represented at the funeral. The Israelis are a traumatized people. They have for so long been alone, so long believed they could not rely on anyone but themselves, so long expected the world to stay silent in their times of trouble. The extensive response resonates for a people who remember how the world closed its doors to millions of Jews in the 1930s. Their deaths in the Holocaust were but an obscene multiple of the deaths endured in the crusades and programs of earlier centuries when the Jews were betrayed by those who had the power to save them.

Israel was to be the end of that vulnerable status of perpetual minority, an end to exile and alienation, and a beginning of a normal and natural form of national existence. Israel was home, the new home in the old country, proclaiming that the Jews had formed a self-reliant community and did not need others to fight their battles for them. Now they had their future defined by their own family; the farmer, the kibbutznik, the jet pilot, the shopkeeper, the schoolteacher could coalesce with a traditional language, with their own bible, their own culture. This self-reliance is a matter of great pride. Jews could look after their own family. When the Jews were kidnapped in Entebbe, Uganda, it was the Israelis who took care of it. A Jewish majority could eliminate Jewish vulnerability, and with their own state, the Israelis could, they thought, be like all other nations and like everyone else. The passion for wanting to be normal extended to the notion that to be accepted, Jews did not have to justify themselves by winning the Moral Man of the Year Award every year—at the cost of their own survival. To be 10 percent more moral than other nations would make them a light unto the world; if they were expected to be 50 percent more moral, they would be dead.

And yet Israel cannot be just another secular country. This very land forces the Jews into a dialogue with their religious past. The land was defined through religion, through the divine promise to Abraham, the covenant with the Father and the covenant with the people of Israel. For many religious Zionists, the victory of the Six-Day War, and the subsequent opening to resettlement of the greater land of Israel, were clear signs that God was guiding the secular Zionist revolution toward the ultimate realization of the prophetic vision of history. That is why, for some religious Jews, admitting the existence of a Palestinian nation whose homeland is the Holy Land is tantamount to violating the integrity of the Jewish people's covenantal identity. But the Jews faced a dilemma. They had come home to find peace and safety, only to find that their neighbors also claimed this tiny piece of land as their home. Even worse, how do you share a home with someone who says: ''You have no right to be here?''

It is the great contribution of Yitzhak Rabin that has brought a moral answer to this dilemma. There are those Israelis who emphasize self-reliance and remember Rabbi Hillel's saying, ''If I am not for myself, who is for me?'' Rabin understood Rabbi Hillel had a second part: ''When I am for myself, what am I?'' He saw that the Jews could not control 2 million Arabs without frequent resort to a violence that would erode the moral and Jewish character of the state and, with that, its support in the world. He sought a new definition of Israeli strength and normalcy that incorporated not just military power but also moral and economic fortitude. He decided to end the Israeli occupation of Palestine and any pretense that Israel cold become a binational state in which one people ruled another.

He was uniquely qualified for this adventure. Those to his political right had the strength but not the will to take a calculated risk for peace. Those to his political left had the will but not the strength. He alone, at the time, had the capacity to persuade the divided and wary Israelis to accept a compromise arrangement with the Palestine Liberation Organization that held great promise for peace but also great risk. But the risk was seen as a risk from the Arabs, not the risk of Jew killing Jew. What the right-wing fanatics were blind to is that their murderous intransigence threatened the state that gave them succor and its necessary acceptance by the world. Without the flame of peace, they would have nothing but bloodshed threatening every Israeli's personal security.

The debate over security in Israel is different from the quarrel with the extremists. Many moderate people all across Israel are concerned about giving up land, because for years their leaders told them this land was essential to their national security. In Israel, security decisions are made in the context of the terrible reality that a single Israeli strategic blunder may mean not only military defeat but a genocidal threat to the very existence of the state—one that the world could not forestall, even if it were willing to. Many Israelis ask: Will the peace process be the beginning of a new future or the beginning of the end?

The Israelis are determined to avoid another genocide, this time in Israel. The decision to exchange lawfully captured territory for the promise of peace from those who have constantly threatened violence is fraught with unprecedented risk. Israel will not survive in this neighborhood by superior morality in the absence of superior real strength. Arab moderation is in direct proportion to Israeli strength. If the Arabs could defeat Israel, who could doubt that sooner or later they would try?

Can Shimon Peres, a durable politician less trusted by Israelis, lead the people in pursuit of Rabin's twin goals of peace and security? He is a consummate international diplomat and served with great distinction as prime minister a decade ago. His ardent desire for peace may be part of his problem, for many people believe he is too eager to cut a deal, too dovish and not skeptical enough about security issues, too wrapped up in his own ambitions. So his challenge is to relieve the worries of Israelis as well as meet the needs of the Palestinians.

In this effort, American support is crucial. Rabin said he was elected to take risks for peace. President Clinton said, ''If that is your goal, I will do my best to minimize the risks you must take.'' That is the fire of friendship and support that will enable Israel to fulfill what Rabin so bravely began.

OUR HATS OFF TO RICHARD EKSTRUM

Mr. PRESSLER. Mr. President, on many occasions I have taken the floor to talk about agriculture in South Dakota. The wonders of American agriculture tell a story that is not told often enough. Individual initiative and determined efforts have led to scientific discoveries that advanced agriculture. The inspirational strength of family, loyalty and faith also have contributed to the wonder that is American agriculture.

In no American workplace is there found greater productivity, cooperation, neighborly concern, creative use of applied science, hard work, and independence than on the farm and ranch. It gives me great pride to witness the ability of our farmers and ranchers to provide abundant and high quality food and fiber for all our citizens and millions of others throughout the world. The story of American farmers and ranchers is truly a wonder of the modern world.

There is the story of Richard Ekstrum of Kimball, SD. This week Richard will be stepping down as President of the South Dakota Farm Bureau. He has held that position since he

was first elected to it in 1975. Richard's leadership has helped to shape the vigorous South Dakota livestock industry. His accomplishments are many, too many to list here. But for those of us who know him, it is agreed that his boots will be hard to fill.

Richard Ekstrum has provided me with invaluable advice and counsel throughout my years in the House and Senate. He has been a tireless defender and promoter of South Dakota and American agriculture. After each meeting with him I know exactly what needs to be done. All meetings with him are productive. I will miss his regular advice and leadership, but I am heartened to know he is still just a phone call away.

Richard recently was quoted as saying, ''I will always be part of Farm Bureau and Farm Bureau will always be a part of me.'' Similarly, I would like the RECORD to reflect that Richard Ekstrum will always be a part of South Dakota agriculture, and vice versa.

Richard owns and operates a 3,500 acre general livestock and grain farm near Kimball, SD. He and his two brothers operate this farm, which has a commercial farrow-to-finish hog operation and produces purebred Simmental cattle.

Richard first joined Farm Bureau in 1967 and rose through the ranks of the Brule County Farm Bureau organization to become President of the South Dakota Farm Bureau in 1975. He was elected in 1980 to the Board of Directors of the American Farm Bureau Federation, a position he held for a decade. He has travelled the globe—28 countries in total—to promote and advance American agriculture. He recognizes that the continued strength of American agriculture rests with its ability to compete in the world market place. That is part of the reason why Richard Ekstrum is a recognized and respected national leader in agriculture.

The strength of the Farm Bureau organization is rooted on the farm. The history of the South Dakota Farm Bureau is impressive. As early as 1913, several county Farm Bureaus were organized and operating in South Dakota. In 1917, the operating county Farm Bureaus formed the South Dakota Farm Bureau Federation. Today the South Dakota Farm Bureau is my State's leading agricultural organization and a highly regarded voice for South Dakota farmers and ranchers.

Much of the success of the South Dakota Farm Bureau can be attributed to Richard Ekstrum. Under his leadership the organization witnessed its largest membership growth. Throughout the 1950's and 1960's, membership averaged 3,100 farm families. During the 1970's, its programs were expanded and since 1977 family membership in the South Dakota Farm Bureau has grown each and every year to the point where it represents more than 10,000 South Dakota farm and ranch families.

One of the many programs sponsored by the farm bureau and strongly promoted by Richard is the South Dakota Farm Bureau Young Farmers and Ranchers Committee. This group provides opportunities for greater participation by young, active farmers and ranchers. It helps young farm bureau members analyze their particular agricultural problems and collectively find solutions that best meet their needs. I am very pleased with the success of this program. I have said on many occasions that we need to do more to promote the promise of farming for younger generations. These young people represent the future of South Dakota agriculture.

Richard Ekstrum and the South Dakota Farm Bureau are committed to the goal of improving net farm income and strengthening the quality of rural life. I commend Richard for his loyalty to and hard work for the South Dakota Farm Bureau. He has left his mark on the landscape of South Dakota agriculture and his community. His wife Agnes and his two daughters can be truly proud. I know Richard will continue to be active in his church, in civic and private organizations, the South Dakota Farm Bureau and in South Dakota agriculture.

Richard is known for saying, ''Of all the hats that I wear, I like the one of being a farmer the best.'' Today, on behalf of all South Dakotans, I take my hat off to Richard Ekstrum.

As I stated before, the wonders of American agriculture tell a story that is not told often enough. It is a story of proud Americans, like Richard Ekstrum, who do their part in the world's most proficient industry, day after day. I enjoyed and will continue to tell the many stories of South Dakota men and women who contribute to the greatest story ever told—American agriculture.

TRIBUTE TO THE CHATTANOOGA RONALD McDONALD HOUSE

Mr. FRIST. Mr. President, I rise today to recognize and commend the Chattanooga Ronald McDonald House, which will celebrate its fifth anniversary in a ''Blaze of Glory'' this weekend.

The Ronald McDonald Houses provide a loving atmosphere for seriously ill children to be close to their families while they are cared for in a nearby hospital. Often, these houses are considered to be the families' home away from home during these hardships. The ''House That Love Built,'' which is the name of the Chattanooga Ronald McDonald House, has assisted almost 1,800 families from 32 States and 2 foreign countries, and is 1 of 162 Ronald McDonald Houses in the United States.

This weekend will mark the fifth anniversary for the Chattanooga Ronald McDonald House. They will celebrate the anniversary by burning the recently resolved mortgage on the house in a ''Blaze of Glory.'' Mr. President, I would like to thank the staff, the more than 300 volunteers and the donors that have made the ''House That Love Built'' a safe and useful tool in treatment of our catastrophically ill children. Their combined efforts will not go unnoticed, and I wish them well in their celebration this weekend.

OWENSBORO LEGENDS OF RACING HOMECOMING

Mr. FORD. Mr. President, anytime someone from our hometown gains national recognition for their talents, we all feel a sense of pride and ownership—that somehow we've contributed to that success.

I know all those from the city of Owensboro and from Daviess County will be doing their share of boasting during the Owensboro Legends of Racing Homecoming.

It provides us with a chance to show off some of our homegrown talent, and to thank these racers and crew members for representing our community so well in competitions across the country.

I know all Kentuckians are just as proud as I am of Darrell and Michael Waltrip, Jeremy Mayfield, and the Green boys—David, Jeff, and Mark. Any weekend we turn on the television and watch the NASCAR races, we enjoy it that much more knowing that they're successes reflect so well on Owensboro, and our entire State.

Working closely with the NASCAR drivers are nine pit crew members from Owensboro and Daviess County who have achieved the highest level of success in their field. I want to congratulate Jeff Chandler, Kenneth Davis, Kerry Everly, Terry Mayfield, Stephen McCain, Donnie Richeson, Barry Swift, Bobby Waltrip, and Todd Wilkerson for their hard work and excellent performances.

They're part of one of the fastest growing sports today. It's estimated that attendance records will double, with 6 million fans expected to go to the races this year.

These are all men of excellent character, who've demonstrated what can be accomplished with hard work and dedication. I join all Kentuckians in congratulating not only them, but their families, who have stood by and supported these racers and pit crew members over the years. I couldn't be more proud of their achievements, and I wish them continued success in the future.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, November 15, the Federal debt stood at $4,988,340,050,374.57. We are still about $12 billion away from the $5 trillion mark. Unfortunately, we anticipate hitting this mark sometime later this year or early next year.

On a per capita basis, every man, woman and child in America owes $18,935.82 as his or her share of that debt.

CONGRESS WILL PROTECT AMERICA'S VETERANS

Mr. GRAMS. Mr. President, we paused last week, as we do each November 11th, to honor American veterans who have given so much to their country for the cause of freedom. As a nation, we stop on Veterans Day to express our gratitude for their service and their sacrifice. And it is worth questioning whether the freedom which we embrace in America would have spread across the world had those sacrifices not been made.

Because of their profound love for their country, veterans understand better than many people how important it is that we face the problems plaguing this Nation. ''Congress is doing exactly what I want it to do, in spite of some who oppose the progress we are making,'' wrote a disabled veteran from Shoreview, MN, who urged me to continue pressing for a balanced budget.

So in much the same way Americans once united during wartime, we are now united in peace, working together as a nation to create a Government strong enough to meet the needs of its veterans today, while it safeguards the freedom our veterans ensured for us.

That is why I find it so appalling that veterans would be singled out by the President and his administration to be the latest political pawns in their budget maneuverings.

Mr. President, I have received a copy of a press release issued by the Department of Veterans Affairs just 2 days ago, and I am utterly disgusted by the scare tactics it employs and the blatant misrepresentations it contains.

''Nearly 3.6 million veterans, widows, and children may have to wait on their monthly benefits checks due to the Government shutdown,'' it begins. ''Unfortunately, some veterans and their families may become budget casualties,'' said VA Secretary Jesse Brown.

Suggesting that veterans—many of whom sustained grave injuries and lost close friends and family members in battle—could become casualties themselves, this time of a budget war, is tasteless and extreme. It is shocking to me that the U.S. Government would dishonor our veterans this way, playing on their fears and resorting to these kinds of tactics in an attempt to score political points for the President.

In his press release, Secretary Brown claims that all President Clinton has asked for from Congress is a stopgap spending bill free of controversial riders. That is precisely what Congress will deliver to the President this week—a stopgap bill that gives him the funds he needs to run the Government, and asks him to pledge he will work together with Congress to balance the budget within 7 years. Yet even before he sees our bill, President Clinton is vowing to veto it.

Mr. President, the men and women who have so proudly served in this Nation's Armed Forces will not be left in the cold, and to suggest that the Government would ever allow that to happen is the height of irresponsibility. By signing the temporary spending legislation this Congress is preparing to send to the White House, veterans benefits would be designated as an essential Government service. I urge the President to do so, so that this Nation's veterans will continue to receive their monthly benefit checks on schedule and without delay.

The press release from the Department of Veterans Affairs, however, underscores the lengths this administration is willing to go as they attempt to derail our efforts to balance the budget. But do not be taken in by the political rhetoric—it is inflammatory and it is harsh, but it is nothing but rhetoric. A similar situation occurred earlier this year, when the President tried to gain some political mileage scaring senior citizens with his Medicare misinformation. And so it was only a matter of time before he would go after the Nation's veterans, too.

It is indeed unfortunate that this President is so out of touch with the military and the sacrifices demanded by those who serve in uniform that he would attempt to frighten American veterans in such a manner.

Mr. President, I urge my colleagues to join me in denouncing these desperate tactics. They disgrace our veterans and serve no useful purpose in the very serious debate over the financial future of this great Nation.

REPORT OF PROPOSED LEGISLATION MAKING FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 1996—MESSAGE FROM THE PRESIDENT—PM 96

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Appropriations.

To the Congress of the United States:

In declaring my intention to disapprove House Joint Resolution 122, the further continuing resolution for fiscal year 1996, I stated my desire to approve promptly a clean extension of the continuing resolution that expired on November 13. Accordingly, I am forwarding the enclosed legislation that would provide for such an extension. This legislation also provides that all Federal employees furloughed during the Government shutdown through no fault of their own will be compensated at their ordinary rate for the period of the furlough.

I urge the Congress to act on this legislation promptly and to return it to me for signing.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 16, 1995.*

MESSAGES FROM THE HOUSE

At 9:02 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 122. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 395. An act to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

At 3:47 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1598. A communication from the Director of the Defense Finance and Accounting Service, the Department of Defense, transmitting, pursuant to law, a cost comparison study of Vendor Pay function supporting the Defense Commissary Agency; to the Committee on Armed Services.

EC–1599. A communication from the Chairman of the Defense Nuclear Facilities Safety Board, transmitting, pursuant to law, the report on the status of internal audit and investigative activities for fiscal year 1995; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–466. A resolution adopted by the Salinas City Firefighters of Salinas, CA, relative to the Ward Valley of the East Mojave; to the Committee on Energy and Natural Resources.

POM–467. A petition from the attorney general of the State of Hawaii relative to proposed legislation entitled ''The Medicare Preservation Act of 1995''; to the Committee on Finance.

POM–468. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM–469. A resolution adopted by the Senate of the Legislature of the State of Michigan; to the Committee on the Judiciary.

''SENATE RESOLUTION NO. 30.

''A resolution to memorialize the Congress of the United States regarding voluntary, individual, unorganized, and non-mandatory prayer in public schools.

''Whereas, the United States of America was founded by men and women with varied religious beliefs and ideals; and

''Whereas, The First Amendment to the United States Constitution states that Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof . . ., which means that the government is prohibited from establishing a state religion. However, no barriers shall be erected against the practice of any religion; and

''Whereas, The establishment clause of the First Amendment was not drafted to protect Americans from religion, rather, its purpose was clearly to protect Americans from governmental mandates with respect to religion; and

''Whereas, The Michigan Legislature strongly believes that reaffirming a right to voluntary, individual, unorganized, and non-mandated prayer in the public schools is an important element of religious choice guaranteed by the constitution, and will reaffirm those religious rights and beliefs upon which the nation was founded: Now, therefore, be it

''*Resolved by the Senate,* That the members of this legislative body memorialize the Congress of the United States to strongly support voluntary, individual, unorganized, and non-mandatory prayer in the public schools of this nation; and be it further

''*Resolved,* That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–470. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on the Judiciary.

''HOUSE CONCURRENT RESOLUTION NO. 142

''Whereas, the flag of the United States is the ultimate symbol of our country and it is the unique fiber that holds together a diverse and different people into a nation we call America and the United States; and

''Whereas, as of March, 1995, forty-six states have memorials to the United States Congress urging action to protect the American flag from willful physical desecration and these legislations represent nearly two hundred and twenty-nine million Americans, more than ninety percent of our country's population; and

''Whereas, although the right of free expression is part of the foundation of the United States Constitution, very carefully drawn limits on expression in specific instances have long been recognized as legitimate means of maintaining public safety and decency, as well as orderliness and productive value of public debate; and

''Whereas, certain actions, although arguably related to one person's free expression, nevertheless, raise issues concerning public decency, public peace, and the rights of other citizens; and

''Whereas, there are symbols of our national soul such as the Washington Monument, the United States Capitol Building, and memorials to our greatest leaders, which are the property of every American and are therefore worthy of protection from desecration and dishonor; and

''Whereas, the American Flag is a most honorable and worthy banner of a nation which is thankful for its strengths and committed to curing its faults, and remains the destination of millions of immigrants attracted by the universal power of the American ideal; and

''Whereas the law as interpreted by the United States Supreme Court no longer accords to the Stars and Stripes the reverence, respect, and dignity befitting the banner of that most noble experiment of a nation-state; and

''Whereas, it is only fitting that people everywhere should lend their voices to a forceful call for restoration to the Stars and Stripes of a proper station under law and decency; and

''Whereas, an increasing number of citizens, individually and collectively, in Hawaii and throughout the nation, have called for action to ban the willful desecration of the American flag; and to ignore the effect of this decision would be an affront to everyone who has been committed to the ideals of our nation in times of war and in times of peace: Now, therefore; be it

''*Resolved by the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1995, the Senate concurring,* That this body respectfully requests each member of Hawaii's congressional delegation, with the specific purpose of urging the Congress of the United States to support an amendment to the United States Constitution, for ratification by the states, providing that Congress and the states shall have the power to prohibit the willful physical desecration of the flag of the United States; and; be it further

''*Resolved* That certified copies of this Concurrent Resolution be transmitted to each member of Hawaii's congressional delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1331. A bill to adjust and make uniform the dollar amounts used in title 18 to distinguish between grades of offenses, and for other purposes.

S. 1332. A bill to clarify the application of certain Federal criminal laws to territories, possessions, and commonwealths, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

Florence K. Murray, of Rhode Island, to be a Member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1998.

David Allen Brock, of New Hampshire, to be a Member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1997.

Joseph Francis Baca, of New Mexico, to be a Member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1998.

Robert Nelson Baldwin, of Virginia, to be a Member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1998.

Frank Policaro, Jr., of Pennsylvania, to be United States Marshal for the Western District of Pennsylvania for the term of 4 years.

D.W. Bransom, Jr., of Texas, to be United States Marshal for the Northern District of Texas for the term of 4 years.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DORGAN (for himself, Mr. BYRD, Mr. HEFLIN, and Mr. CAMPBELL):

S. 1417. A bill to assess the impact of the NAFTA, to require further negotiation of certain provision of the NAFTA, and to provide for the withdrawal from the NAFTA unless certain conditions are met; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. Res. 195. A resolution to honor Frederick C. Branch on the 50th anniversary of his becoming the first African American commissioned officer in the United States Marine Corps; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself, Mr. BYRD, Mr. HEFLIN, and Mr. CAMPBELL):

S. 1417. A bill to assess the impact of the NAFTA, to require further negotiation of certain provision of the NAFTA, and to provide for the withdrawal from the NAFTA unless certain conditions are met; to the Committee on Finance.

THE NAFTA ACCOUNTABILITY ACT

● Mr. DORGAN. Mr. President, the North American Free-Trade Agreement [NAFTA] has been a total disaster for our Nation. Virtually all of the promises made when it was passed have turned out to be hollow and shallow rhetoric.

We have gone from a trade surplus with Mexico to an unprecedented and unbelievable trade deficit. Our economy is being drained, while jobs, plants, and opportunities move out of this country. It is time to admit that NAFTA is a lemon. When we get a lemon we take it back. We demand that the promises made when it was sold be kept. If not, then our only choice is to withdraw from NAFTA.

This coming Monday will be the 2d anniversary of the passage of the North American Free-Trade Agreement [NAFTA] by the Senate. Today I am pleased to introduce the NAFTA Accountability Act. I am also pleased to have Mr. BYRD, Mr. HEFLIN, and Mr. CAMPBELL as original cosponsors of this legislation.

As we approach the second anniversary of NAFTA, we need to remember the promises of NAFTA. The advocates of this trade agreement promised a more vibrant economy, a stabilized economic framework, more high-paying jobs, increased exports, improved

living standards, reduced trade distortions, and improved competitiveness for the United States in global markets.

At the same time we were promised, the environment would be protected, the public welfare would be safeguarded, and basic human rights would be enhanced.

Yet, the facts show that NAFTA just doesn't measure up to its promises. It is clearly evident that NAFTA has been a colossal failure for the American people.

It is what used car dealers politely call a lemon. We have been sold a bill of goods. Like most lemons from a used car lot, it is costing us way more than we expected, and it is not getting us where we want to be going.

It is time to make NAFTA accountable. We need to measure the actual results of NAFTA after 2 years of operation against the promises made to get NAFTA passed.

In fact, we should compare NAFTA's performance against the goals set forth in NAFTA's own preamble and statement of objectives. In introducing the NAFTA Accountability Act we are setting some benchmarks for NAFTA.

We would establish eight benchmarks. Three of those benchmarks would direct the President to renegotiate critical areas of failure within NAFTA including: Trade deficits, currency exchange rates, and agricultural trade distortions.

Five of those benchmarks would establish specific measurements by which NAFTA would be judged, including: Jobs, wages and living standards; the manufacturing base of our country health and environment; illegal drug traffic; and basic individual rights and freedoms.

If the President cannot renegotiate NAFTA, and if the administration cannot certify that these benchmarks have been met by December 31, 1996, then Congress withdraws its approval of NAFTA.

The record of NAFTA is very clear. We have gone from a trade surplus with Mexico to a trade deficit. In 1992, we had a $5.7 billion trade surplus with Mexico. By the end of this year, we will have at least a $15 billion trade deficit. Some are now estimating that deficit closer to $17 billion. The total trade deficit this year with Mexico and Canada will be over $30 billion.

One of the underlying reasons for the trade deficit has been the devaluation of the Mexican peso. This past week, the peso plunged once again down to a record low of 7.8 pesos to the dollar. it is estimated that the Mexican peso is now being supported through $30 billion in loans, much of it from unwilling U.S. taxpayers.

Another critical front is the trade distortions in agriculture. This past year, Canada exported 85 million bushels of wheat and 75 million bushels of barley into the United States, despite the fact that the United States itself is the major exporter of wheat.

In contrast, you can't move a single bushel of wheat across the Canadian border without being stopped and turned back. In one case a woman who was bringing a grocery sack of wheat across the border into Canada so that she could make some whole wheat bread had to dump out the wheat, before she could enter Canada.

When NAFTA was being debated, its promoters promised at least 220,000 jobs. Those numbers have turned totally upside down. Rather than job gains of 220,000, we have job losses of at least 220,000. Some predict job losses by the end of the year of 300,000 and more.

Recently there was a survey of companies that had said they anticipated job growth under NAFTA. Fully 90 percent of those companies now admit that there has been no job growth with NAFTA.

I think one of the most striking examples of the promise versus the reality of NAFTA, are the estimates made by a trade economist as reported by the Wall Street Journal.

Gary Hufbauer is an economist with the Institute for International Economics. His estimates of job growth were used extensively prior to the passage of NAFTA. In one Wall Street Journal article prior to the passage of NAFTA, he had predicted 130,000 new jobs in 5 years.

In April of this year, Hufbauer had to eat his rosy scenario estimates. Here is what he said in the Wall Street Journal:

> The best estimate for the jobs effect of NAFTA is approximately zero. The lesson for me is to stay away from job forecasting.

Hufbauer was right, he should have stayed away from job forecasting. A couple of weeks ago, Hufbauer revised his estimate again. As reported in the Wall Street Journal, Hufbauer is now saying that the surging trade deficit with Mexico has cost the United States 225,000 jobs.

These are real jobs, and real people losing their jobs. Within the last couple of weeks, we have seen a number of plants closing, jobs moving, and layoffs.

The nation's largest underwear maker—Fruit of the Loom—at the end of October announced the closing of six domestic plants, a cut back at two other plants and lay off of 3,200 workers. A spokesman for the company, Ronald Sorini, was quite candid. He said, ''What you are seeing is the cumulative impact of NAFTA and GATT.''

Take the case of Tri-Con Industries which operates a car-seat cover plant. Ten days ago, this company announced it was closing its plant and moving its 200 jobs to Mexico.

Another firm, Ditto Apparel, announced this week that it would lay off 215 workers at its Colfax, Louisiana plant. They make private-label jeans at that plant. The personnel director at the plant, a fellow named Don Vann was also very candid.

In speaking of NAFTA and GATT, he said, ''I'm telling you, those are the nails that are going to be in the coffin of the apparel industry in this country. It's going to be awfully hard for some people who have been long-term employees here. The sad part is, there is just nothing anyone can do.''

Well, I don't agree that there is nothing anyone can do. We can hold NAFTA accountable. We can require that either NAFTA lives up to its promises, or we withdraw from NAFTA.

The NAFTA Accountability Act is simple. If NAFTA does not live up to its promises by December 31, 1996 and if the President does not renegotiate key provisions, then the Congress will withdraw its approval of NAFTA.

Essentially this would be a performance audit. If it doesn't pass muster, then it's ''out-the-door buster.''

I hope that today's introduction of this bill, will bring about a nationwide grassroots review of the promises and the realities of NAFTA. It is time that America's body politic understood what America's grassroots already feels—NAFTA is undermining their individual and family security, and clouding future opportunities.

While they have a deep concern about our nation's budget deficits, they are just as concerned with our nation's trade deficits. These trade deficits mean lost jobs, fewer opportunities for our families, and deficits in family budgets.

In closing, I would also like to call attention to an excellent article which was recently published in the Journal of Commerce. Dr. Charles W. McMillion, an economist here in Washington, DC has a compelling message about the reality of NAFTA.

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

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

NAFTA: THIS IS SUCCESS?

(By Charles W. McMillion)

It might seem odd that someone would claim to explain the ''reality'' of a global trade relationship without mentioning the net export balance, its composition or change over time. But John Manzella does just that as he shows very little interest in the ''reality'' he claims to present. (Nafta Hasn't Cost America Jobs, October 20)

Manzella asserts that U.S. trade with Mexico under the 1994 Nafta agreement ''continues to deliver, on jobs and more.'' Surely he excludes Mexico from his fantasy, where no one doubts that over one million net jobs have been lost, incomes reduced by 30–50%, the economy in its deepest depression since the 1930s, political and religious leaders murdered and more. . .

But he also does not mention that U.S. net exports to Mexico have been declining since 1992; that the U.S. now faces net export losses to Mexico of well over a billion dollars each month; or that U.S. trade losses to Mexican production are now concentrated in high technology and high value added industries such as electronics and autos.

The fact is that the much celebrated U.S. pre-Nafta surplus of $5.7 billion in net exports to Mexico in 1992 became monthly deficits by the fall of 1994—even before the December, 1994 collapse in Mexico's attempt to maintain its overvalued peso by spending

virtually all of its $30 billion in foreign reserves. Now, the peso is supported by $30 billion of ''loans,'' mostly from unwilling U.S. taxpayers. And still the global markets are rapidly devaluing the peso as they have done for the past 20 years. U.S. net export losses to Mexico will reach about −$16 in 1995.

Manzella falsely claims that those of us who understand the lunacy of Nafta do not mention U.S. exports to Mexico. In fact, we tediously detail those exports. Most are component parts contracted out for further manufacture in Mexico and re-exported back into the U.S. According to the Government of Mexico, these parts now account for 81% of Mexico's global imports, up from 72% last year, and perhaps 90% of US-made exports to Mexico, up from 75% last year.

Since contracting out work to Mexico is even cheaper now with the peso at market rates, it is not surprising that exports of components to Mexico have continued to rise in 1995. The small fraction of exports of capital goods to Mexico have fallen by −32% as construction of anything other than export platforms has all but collapsed. The almost insignificant export of global consumer goods to Mexico has plunged by −41.5%—far more for any goods made in the U.S.

Exports are usually considered to ''create'' jobs because making additional goods in the U.S. to sell as exports—a car or a computer—requires hiring additional U.S. labor. However, most U.S. exports of components to Mexico do not represent new production but merely the contracting out of work previously done in New York, Pennsylvania or elsewhere in the U.S. It is therefore quite likely that even so-called U.S. ''exports'' to Mexico displace far more U.S. jobs than they create.

Manzella claims that the contracting out of component parts to Mexico is a clever government strategy to counter ''fierce competition from Asia and Europe.'' Yet, even with the dollar far weaker in Asia and Europe than ever before in history, U.S. trade losses have skyrocketed faster and higher than ever before. Net export losses for U.S. manufacturing alone soared from −$66 billion in 1992 to a record −$159 billion in 1994, and perhaps −$200 billion in 1995.

In the first eight months of 1995, Mexico has a trade surplus of $10 billion with the U.S. but a trade deficit of −$5.5 billion with Asia, Europe and the rest of the world.

Clearly, increased production by multinational corporations in Mexico is not displacing production and jobs in Asia and Europe but in Mexico and in the U.S.

Manzella's belief that declining net exports under Nafta have created U.S. jobs is based not only on his ignorance of the nature of U.S. exports to Mexico, but also on his strange view that imports do not displace jobs. (Although he discredits his own strange view by noting that ''. . . more U.S. jobs and production stay at home'' when imports have some U.S.-made content.)

When producers in the U.S. lose sales to imports they are forced to produce less and to eliminate jobs. It is unfortunate that Manzella, as many politicians, has not yet learned this basic fact of business life. But it should not confuse any serious analysis of recent U.S./Mexico trade.

The most recent Department of Commerce calculus is that $1 billion of production supports 16,000 jobs. This would suggest that the U.S. net export loss of about −$16 billion to Mexican production in 1995 would displace over 250,000 jobs. But since most of the $40 billion in U.S. exports to Mexico is not new production but merely contracting out work that was previously done in communities across the U.S., this figure is certainly far too low.

Perhaps even more important is the depressing effect that Nafta has added to the declining purchasing power of U.S. wages. Throughout the economy, workers and their firms have taken further cuts in real pay and benefits to keep their jobs from being contracted out or to lower prices to meet the cycle of reduced demand.

Manzella repeats as fact the claim of embarrassed politicians that Nafta had nothing to do with Mexico's current account and peso crisis last December. Manzella seems to think it was just coincidence that Mexico's external balance became wildly unbalanced immediately after Congress passed fast-track authority for Nafta. Does he believe that after a generation of net capital flight it was coincidence that over $60 billion of hot portfolio ''investment'' poured into Mexico? Was Mexico's flood of imported component parts just coincidence?

In fact, there is no question but that Nafta created the enormous and unsustainable short-term imbalances in Mexico. For the longer term, Nafta's guarantees to foreign investors are devastating local Mexican producers that must now compete against Walmart, Microsoft and Sony's facilities in Mexico but without their access to global capital. This will continue to undermine employment and earnings in Mexico—and therefore consumer demand—for many years to come.

It is a cruel, political joke to suggest that Nafta is protecting U.S. exports contracting out jobs to Mexico. Furthermore, even the net export U.S. trade deficit with Mexico is already far worse than the previous record—$7.7 billion deficit following Mexico's 1982 crisis. The deficit will be twice as severe for the full year.

Finally, Mr. Manzella cites the gain of large numbers of U.S. jobs during business cycles since 1982 to argue that merchandise trade losses do not cause job loss. He seems unaware that while the U.S. population has grown by 30 million since 1982, and 26 million net new jobs have been created, all of these new jobs have been in the non-traded service sector.

Since 1982, the U.S. has accumulated manufacturing trade losses of $1.3 trillion. Far from creating manufacturing jobs to accommodate our growing population and economy, we have 1,300,000 fewer manufacturing jobs today than in 1982.

Contrary to 18th century theory and modern political rhetoric, U.S. trade with Mexico and other low cost export platforms is destroying millions of high wage, highly productive jobs and replacing them with low wage, low productivity service jobs. It is sharply undermining growth and prosperity for all to provide leverage for a very few to capture increasing shares of a slowing global economy.

Manzella and anyone else who considers Nafta a success, for Mexico or for the U.S., should reconsider their priorities. We can do much better. America should lead the international community in an urgent new effort to address today's new, post-Cold War, information-age realities and to provide growth and prosperity for ourselves and the world.●

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. REID, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 44, a bill to amend title 4 of the United States Code to limit State taxation of certain pension income.

S. 978

At the request of Mrs. HUTCHISON, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Alabama [Mr. SHELBY], the Senator from Iowa [Mr. GRASSLEY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Louisiana [Mr. BREAUX], the Senator from Nevada [Mr. REID], and the Senator from Mississippi [Mr. COCHRAN], were added as cosponsors of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1220

At the request of Mr. HARKIN, his name was added as a cosponsor of S. 1220, a bill to provide that Members of Congress shall not be paid during Federal Government shutdowns.

S. 1414

At the request of Mrs. HUTCHISON, the names of the Senator from South Dakota [Mr. PRESSLER], the Senator from Virginia [Mr. WARNER], and the Senator from Pennsylvania [Mr. SANTORUM] were added as cosponsors of S. 1414, a bill to ensure that payments during fiscal year 1996 of compensation for veterans with service-connected disabilities, of dependency and indemnity compensation for survivors of such veterans, and of other veterans benefits are made regardless of Government financial shortfalls.

SENATE RESOLUTION 195—TO HONOR FREDERICK C. BRANCH

Mr. SANTORUM (for himself and Mr. SPECTER) submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 195

Whereas November 10, 1995, marks the 220th anniversary of the founding of the United States Marine Corps;

Whereas November 10, 1995, marks the 50th anniversary of Second Lieutenant Frederick C. Branch becoming the first African American commissioned officer in the United States Marine Corps;

Whereas Second Lieutenant Branch's commissioning has encouraged African Americans and other minorities to become commissioned officers in the United States Marine Corps; and

Whereas Second Lieutenant Branch has dutifully served his country: Now, therefore, be it

Resolved, That the Senate honors Frederick C. Branch on the 50th anniversary of his becoming the first African American commissioned officer in the United States Marine Corps.

Mr. SANTORUM. Mr. President, today I rise with my colleague Senator SPECTER to submit a resolution which pays tribute to Frederick C. Branch, the Marine Corps' first African-American commissioned officer. The fiftieth anniversary of this historic event will be honored tomorrow night in Philadelphia, Pennsylvania. This man's dedication and perseverance paved the way for the some 1,200 African-American Marine Officers serving their country today, 50 years later. I would like to

enter into the RECORD a recent article published in The Navy Times which recently celebrated his remarkable career. This article details his determination in becoming a young officer.

Fifty years later, Lt. Branch returns to Quantico, Va.—The Marine Corps first black lieutenant was greeted at Officer Candidate School by the school's first black commander, 50 years after his commissioning.

Frederick C. Branch, one of the original Montford Point Marines and now a retired science teacher, visited the school where his wife Peggy pinned him with the gold bars of a second lieutenant on Nov. 10, 1945.

Back then, the South was segregated and blacks drank from separate water fountains. ''Whenever we left the base, we ran directly into those segregation laws,'' said Branch, his face framed by peppered hair and moustache and his walk helped slightly by a cane.

During one rail trip, he recalled, he (then a corporal) and 200 other noncommissioned officers were returning to the United States from the South Pacific, where they were stationed in 1944. Stopping at a restaurant, he and two other blacks were not served and were referred to another eatery—literally on the other side of the railroad tracks, he said.

Branch was drafted into the Corps in 1943, and was the first black to graduate from officer training in 1945. Six others preceded him but all were dropped because of injuries or academics, even though all six were college graduates.

It remains a sore spot but nevertheless it did not dissuade him from applying. However, ''I did not encounter any flack during training at all,'' he said.

Branch was a reserve officer but served on active duty and was a battery commander with an anti-aircraft unit at Camp Pendleton. He then took what he learned as a Marine into the schoolhouse in 35 years as an educator.

The Branches' return to Quantico a half-century later saw to a slightly different Corps. The basics of screening and training potential leaders remained the same, although more specialized, he said. And Marine leaders reflect the Nation's ethnic and racial diversity, like Officer Candidate School commanding officer, Col. Al Davis.

''Now officers are integrated,'' Frederick Branch said. ''Here, the commander of OCS is black, and his staff is black and white.''

Officer training actually was conducted a short distance away on the Quantico Marine Base, but Branch wanted to visit with school officials and learn a little about today's screening and training of Marine leaders. During a short morning tour, Branch and his wife watched officer candidates training in the ropes and obstacle courses before giving lunch a try at the OCS chow hall.

Branch said he would like to see black representation among officers increase further. But he took note of the advancements in the last few decades that brought a black three-star general and first black aviator, a black two-star general and three brigadier generals, two of whom are on active duty.

''The black officers now have advanced all the way up to three stars, and there is still room for improvement,'' he said.

Frederick Branch rose to the rank of Captain and proudly fought with his fellow soldiers in Korea before leaving the service in 1972.

AMENDMENTS SUBMITTED

CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1996 JOINT RESOLUTION

DASCHLE AMENDMENT NO. 3055

Mr. DASCHLE proposed an amendment to the joint resolution (H.J. Res. 122) making further continuing appropriations for the fiscal year 1996, and for other purposes; as follows:

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''.

HOLLINGS (AND OTHERS) AMENDMENT NO. 3056

Mr. HOLLINGS (for himself, Mr. DORGAN, and Mr. REID) proposed an amendment to the joint resolution (H.J. Res. 122), supra; as follows:

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.

DASCHLE AMENDMENT NO. 3057

Mr. DASCHLE proposed an amendment to the joint resolution (H.J. Res. 122), supra; as follows:

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''.

Sec. 2. (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.

(b) The unified balanced budget in subsection (a) must assure that: (1) Medicare and Medicaid are not cut to pay for tax breaks; and (2) any possible tax cuts shall go only to American families making less than $100,000.

ADDITIONAL STATEMENTS

UNITED STATES-JAPAN INSURANCE AGREEMENT

• Mr. BOND. Mr. President, as Chairman of the Subcommittee on International Finance, it is my responsibility to monitor our trade agreements relating to financial services. It is a responsibility we take seriously.

Earlier this year, the subcommittee held a hearing on the WTO negotiations regarding financial services. We heard testimony from both administration and industry representatives. Based on those hearings and close monitoring of the talks, we took a strong position in opposition to the proposal that was put forward. The administration, correctly, took the same position.

In recent weeks, the subcommittee staff has been monitoring the implementation of other agreements including the United States-Japan insurance agreement which is formally known as ''Measures by the Government of Japan and the Government of the United States Regarding Insurance.'' Based on those initial reviews, we have some significant concern regarding implementation of the accord.

Ambassador Mickey Kantor has often emphasized the importance of ensuring faithful implementation of our trade agreements. Great effort is invested in reaching agreements—once the investment is made, vigilance is needed to ensure that they bear fruit in terms of new opportunities for our businesses, U.S. exports, and jobs.

Senators will remember the considerable efforts expended recently by the USTR to conclude accords under the United States-Japan Framework Agreement. More than a year has passed since the first agreements were reached; I believe it is now an appropriate time to conduct an assessment of those initial agreements and what, if anything, they have accomplished.

One of the first agreements reached was the one covering insurance. Japan has the largest life insurance market in the world, and the second largest nonlife market, after the United States. Despite the enormity of this market, all foreign insurers hold less than a 3-percent market share, a far lower share than every other advanced industrialized country. Japan is currently deregulating its insurance market following the Diet's passage of a new insurance business law in July of this year. If pursued in accordance with the bilateral insurance agreement, we can expect deregulation to provide significant new benefits for Japanese consumers and businesses, as well as new opportunities for competitive foreign insurers.

However, developments occurring in Japan today indicate that new threats may be confronting United States insurance interests. These threats can be prevented if the United States-Japan Insurance Agreement is faithfully implemented.

Specific provisions of the insurance agreement were designed to ensure that the interests of foreign insurers were not undermined by the deregulation process. In a letter from Ambassador Kantor to the U.S. insurance industry of October 11, 1994, detailed definitions of the key terms of the agreement were outlined, together with

USTR's expectations of what would result. Full compliance with these terms, as defined in Ambassador Kantor's letter, is essential if the agreement is to achieve its objectives.

Because faithful implementation of this accord is so important, Senator BOXER, the ranking member on the subcommittee, and I recently sent to Ambassador Kantor a letter requesting a detailed and comprehensive report to the committee this month on all actions taken to date by the Government of Japan to implement its obligations under the insurance agreement. It is my hope that the Senate's interest will serve as a constructive influence to help ensure that this important agreement, and other agreements, stay on track and live up to their full potential.

Mr. President, I ask that our letter to Ambassador Kantor, as well as Ambassador Kantor's letter to the U.S. insurance industry of October 11, 1994, be printed in the RECORD.

The letters follow:

U.S. SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC, November 8, 1995.

Hon. MICHAEL KANTOR,
U.S. Trade Representative,
Washington, DC.

DEAR MR. AMBASSADOR: We are writing to share with you our commitment to ensuring full and effective implementation of trade agreements between the United States and Japan. You have often stated it is not enough simply to reach agreements with our trading partners, but that we must also be vigilant in guaranteeing that the rights gained under those agreements are fully realized. We could not agree more strongly.

As part of our Subcommittee's ongoing oversight responsibilities in this regard, we would like to request a detailed report on the results of actions taken to date to implement the commitments defined in the U.S.-Japan Insurance Agreement and in your October 11, 1994 letter to the U.S. insurance industry concerning certain key aspects of the Agreement.

We are concerned about reports that, as the implementation date for the new Japanese Insurance Business Law approaches, developments in Japan may pose serious threats to U.S. insurance interests. For example, plans by large Japanese insurers to enter the ''third sector'' through newly created subsidiaries, pose both a major commercial threat to U.S. insurers and a probable violation of the insurance agreement. The Subcommittee is particularly concerned about the inadequacy of actions taken to date by the Ministry of Finance to ensure compliance with those provisions related to this activity.

Accordingly, we request you provide a report to the Subcommittee on these and other actions taken to date by the Government of Japan to implement obligations under the agreement, as well as the results of those actions. Please also describe additional actions USTR will take to ensure ongoing implementation of the agreement's other provisions.

We would appreciate receiving your report within the next two weeks so we may proceed with our review. The Subcommittee is considering a future hearing to review the results of various U.S.-Japan trade agreements; your report on the insurance agreement will help us prepare for any such meeting.

We appreciate your efforts on behalf of U.S. insurers, and look forward to your report.

Sincerely,

BARBARA BOXER
CHRISTOPHER S. BOND

THE UNITED STATES TRADE REPRESENTATIVE, EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, October 11, 1994.

Mr. H. EDWARD HANWAY,
Chairman, International Insurance Council,
Washington, DC.

DEAR MR. HANWAY: I am writing to express my sincere appreciation for the industry's support during our negotiations with the Government of Japan on insurance. I am pleased to confirm that we have achieved agreement with the Government of Japan, through which Japan and the United States will undertake ''Measures by the Government of the United States and the Government of Japan Regarding Insurance''. The goal of the Agreement is to achieve significant improvement in market access in Japan for competitive foreign insurance providers and intermediaries.

With respect to the third sector issue, the Agreement states that:

''With regard to mutual entry[1] of life and non-life insurance companies into the third sector, the MOF intends not to allow such liberalization to be implemented as long as a substantial portion of the life and non-life areas is not deregulated, taking into account the fact that dependency of some medium to small and foreign insurance providers on the third sector is high, and that these medium to small and foreign insurance providers have made the efforts to serve the specific needs of consumers in the third sector. Furthermore, with respect to new or expanded introduction of products in the third sector, it is appropriate to avoid any radical change in the business environment, recognizing that such change should depend on medium to small and foreign insurance providers first having sufficient opportunities (i.e. a reasonable period) to compete on equal terms in major product categories in the life and non-life sectors through the flexibility to differentiate, on the basis of the risk insured, the rates, forms, and distribution of products.''

Based on a confirmation made during the negotiations with the Government of Japan, I would like to affirm the following:

(1) with respect to existing large Japanese life and non-life companies, ''avoid any radical change'' means, among other things, that the Ministry of Finance (MOF) will maintain existing administrative practices concerning the third sector and not allow such companies to expand their third sector presence;

(2) with respect to subsidiaries that existing large Japanese life and non-life companies might form after the new insurance law takes effect, ''avoid any radical change'' means, among other things, that such subsidiaries will be treated the same as existing large life and non-life Japanese companies and accordingly will not be allowed to surge into the third sector;

(3) ''major product categories'' includes automobile insurance; and

(4) ''a reasonable period'' means three years.

With regard to rate and from liberalization, in addition to the specific commitments made in the Agreement, I would like to affirm that:

(1) with respect to the threshold for application of the special discount rate applicable to the large commercial risks of fire insurance, the discount will be reduced from 2 to 1.5 billion yen for factory fire insurance and from 1.5 to 1 billion yen for general fire insurance; and the threshold for storage (warehouse) insurance will be unchanged; and

(2) with respect to the minimum insured amount of the large commercial fire insurance policies to which the deductibles rider can be attached, the minimum insured amount will be decreased from 5 billion yen to 1.5 billion yen.

The Agreement creates binding obligations on the Government of Japan enforceable under U.S. trade laws, such as Section 301 of the Trade Act of 1974, as amended. The Agreement provides for follow-up consultations between the Government of Japan and the United States Government. We expect to hold such consultations twice a year during the first three years upon signing of the Agreement, and annually thereafter. With U.S. insurance industry's assistance, we expect to monitor closely developments in the third sector to ensure that the Government of Japan is in compliance with the Agreement.

We very much appreciate the International Insurance Council's support and assistance during our negotiating efforts and look forward to working with the Council to ensure effective implementation of the Agreement.

Sincerely,

MICHAEL KANTOR.

[1] ''Mutual entry'' means the ability of life insurance companies to introduce existing, new or modified rates, products, or riders in the third sector currently allowed to non-life insurance companies, and the ability of non-life insurance companies to introduce existing, new or modified rates, products, or riders in the third sector currently allowed to life insurance companies.

TREASURY-POSTAL APPROPRIATIONS

—Continued<=>?@ABCDEFGHIJKLMNOPQRSTUVWXYZ[]–-

● Mr. LIEBERMAN. Mr. President, yesterday I voted for the Treasury-Postal appropriations conference report because I believe we must send along appropriations bills to the President since we are now nearly 2 months into the current fiscal year and the Government is shutdown. However, I would like to make it clear that I do not support, and have not supported in the past, the so-called Hyde language in this bill which would prohibit any Federal funding for abortion except in the case of rape, incest, or preserving the life of the mother. I have long felt that if abortions are allowed under our laws, then I can't find justification for limiting the option of Federal employees to obtain health plans that allow such coverage, as most private sector employees have. For this reason, while I voted for this bill given our Government's current dire economic status, I want to make it clear that I am opposed to the Hyde language which appears in this bill and hope there will be an opportunity later to reconsider it.●

GOVERNOR SAYS HE'S WORRIED STATE MAY BE TOO DEPENDENT ON GAMBLING

● Mr LUGAR. Mr. President, I ask that the following article be printed in the RECORD.

The article follows:

[From the Associated Press, Sept. 12, 1995]

GOVERNOR SAYS HE'S WORRIED STATE MAY BE TOO DEPENDENT ON GAMBLING

SIOUX CITY, IA.—South Dakota Gov. Bill Janklow said he is worried his state might be getting hooked on gambling revenue.

Janklow said South Dakota has been saturated with gambling. State government is heavily dependent on gambling revenue, with video lottery proceeds accounting for between 15 percent and 17 percent of the general fund budget, Janklow said.

If the economy slows down and people have to limit spending, gambling will be one of the first expenses people cut out, Janklow said. The resulting drop in state revenue would ''hit us right between the eyes,'' Janklow said.

Gambling revenue should have been treated as ''one-time money'' and not intended to continue each year, Janklow told a meeting of the Sioux City Downtown Rotary club Monday.

But changing the state's reliance on gambling revenue will be difficult, Janklow said. Tax revenues in South Dakota grew at three times the rate of inflation in the nine years before he took office for a third time this year, Janklow said.

If taxes grow at about the same rate as income, people grumble, but do not revolt, Janklow said.

''That's what we had (last year), a revolt,'' Janklow said.

Voters defeated a ballot measure that would have slashed property taxes by one-third. A property tax cut plan proposed by Janklow and passed by the Legislature promises homeowners and farmers a 20-percent tax cut.

South Dakota's economy will have to grow to offset money lost to the property tax cut, Janklow said.

A few state lawmakers have said a state income tax is the best way to ease South Dakota's financial straits. Janklow said the state's voters will never agree to that.

''Working people are always going to vote no (on an income tax) because they know the government is not going to be honest,'' Janklow said.●

FURLOUGH OF WORKERS

● Mr. LEVIN. Mr. President, I have decided on a day-to-day basis that my staff will report for work during the partial shutdown of the Federal Government. I have reached this decision for two reasons.

First, the Republican leadership has indicated that Federal workers who are furloughed will be paid retroactively even though they did not work. Since they will be paid, I believe that members of my staff here in Washington and in my offices in Michigan should work for that pay. I ask that a letter to Representative CONSTANCE MORELLA of Maryland from Speaker of the House NEWT GINGRICH and the Senate majority leader be printed in the RECORD at the conclusion of my statement.

Second, during this period of crisis, it is perhaps even more important for my constituents to be able to contact me to express their views, and to seek information and assistance. Many are experiencing difficulties obtaining normal services from the Government because many offices are closed or not at full strength.

The letter follows:

CONGRESS OF THE UNITED STATES,
Washington, DC, November 10, 1995.

Hon. CONSTANCE MORELLA,
106 Cannon House Office Building,
Washington, DC.

DEAR CONNIE: We will be sending soon to President Clinton a bill to continue funding for the federal government through December 1, 1995. Besides providing for government services, this bill also funds federal workers' salaries.

If the President decides to veto this vital legislation to keep government operating, the possibility exists that some federal workers may be furloughed. In the event that this takes place, it is our commitment that federal employees will not be punished as a direct result of the President's decision to veto funding for their salaries. Should this happen, we are committed to restoring any lost wages in a subsequent funding bill.

Again, we want to reasure you that if the President vetoes the continuing resolution and requires federal workers to be furloughed, we are committed to restoring any lost wages retroactively.

Sincerely,

NEWT GINGRICH,
Speaker of the House.

BOB DOLE,
Senate Majority Leader.●

YOUTH VOLUNTEERS—1995

● Mr. BOND. Mr. President, I rise today to pay a special tribute to the 1995 Youth Volunteers at the Harry S. Truman Memorial Veterans' Hospital. I am very pleased to recognize the 41 youth volunteers for their superior service and their fine example of the true spirit of voluntarism.

This past summer, the 1995 Youth Volunteers contributed over 5,700 hours to the hospitalized veterans and staff at the Harry S. Truman Memorial Veterans' Hospital in Columbia, MO. Their hard work and untiring commitment provided valuable assistance to the members of the medical community and demonstrated selfless dedication to those in need.

The Veterans Affairs Voluntary Service commended the 1995 Volunteer Youth at a ceremony on September 23, 1995. It is my great pleasure to congratulate the 1995 Youth Volunteers for their significant accomplishments.

I ask that the names of the volunteers be printed in the RECORD.

YOUTH VOLUNTEERS—1995

The list follows: Gretchen Adibe, Neha Aggarwal, Schann Bryan, Shannon Bryan, Amanda Cochran, Katie Deal, Brian Dube, Sarina Finklestin, Brea Foster, Tiffany Foster, Marsha Grieshaber, John Griffith, Abe Haim, Clint Hake, Amy Hanley, Jeff Heidenreich, Jamie Huggans, Maryke Kelly, Jesse Langley, Laura Loftus, Katie Marienfeld, Gina McGuire, Katie Mitchell, David Mueller, Dennis Payne, Jessica Pike, Chrissy Rahmoeller, Michael Rahmoeller, Justin Redmond, Laura Sanders, Samantha Scheard, Sarita Scheard, Cynthia Singleton, Melissa Smarr, David Staats, Shanta Subramanian, Neda Taj, Laweda Turner, Marlisa Turner, Carley Utterback, Matt Webster.●

HEROISM OF SHARON MANN AND THOMAS PREZKOP

● Mr. KERRY. Mr. President, today I call to the attention of my colleagues two people who have made a difference and saved someone's life. Everyday in communities across America men and women come face to face with life-threatening situations. In most cases, and usually without fanfare or widespread recognition, people make the quick decisions and take the actions that make a difference and save lives. This is the story of two of those people.

On July 14 of this year, Sharon Mann and Thomas Prezkop of Andover, MA were enjoying a Friday night cruise aboard the *Desperado* in Gloucester Harbor when they noticed something out of the ordinary. They heard the sound of an engine racing out of control and in the darkness turned to investigate. From a distance they saw the lights of a small vessel circling and knew that something was wrong. Upon approaching the location they heard a man's cries for help. Closing in on the man's voice, they found Kevin Govoni in the cold water, threw him a life preserver and then pulled him aboard their vessel. Mr. Govoni was in bad shape. The circling vessel had hit him and the propeller had badly slashed his legs. Compounding Mr. Govoni's serious injuries, he was suffering from hypothermia from being immersed in the 50-degree water. Working as a team, Ms. Mann tended to Mr. Govoni by removing his soaked shirt, covering him, and applying first aid to stop the severe bleeding while Mr. Prezkop headed the *Desperado* toward the nearest Coast Guard station and called ahead to have an ambulance waiting.

Upon their arrival at Coast Guard Station Gloucester, Mr. Govoni was transferred by ambulance to a local hospital. In hindsight, it becomes clear that with no other vessels in the vicinity, if Ms. Mann and Mr. Prezkop had simply decided not to get involved, a life could have been lost. However, due to their quick action and excellent judgment, a life has been saved and Mr. Govoni is recovering from his injuries.

Thomas Prezkop and Sharon Mann are real heros—like heros who appear every day in this country. They are the ones whom we should be recognizing and admiring before so-called stars and celebrities. I recognize and salute the actions of Mr. Prezkop and Ms. Mann and I am glad to see that the service that specializes in such rescue, the U.S. Coast Guard, also recognizes a job well done. This Monday, November 30, 1995, the Coast Guard will award Mr. Prezkop and Ms. Mann the Public Service Commendation for demonstrating courage and initiative in saving lives, qualities in keeping with the highest traditions of the Coast Guard. These awards are well deserved. On behalf of the people of Massachusetts, I wish to acknowledge our debt to them and express profound appreciation for their unselfish actions.●

U.S. BUREAU OF MINES

● Mr. BENNETT. I wish to bring to the attention of the chairman of the Interior Appropriations Subcommittee a matter of great importance to the State of Utah—the matter of the impending closure of U.S. Bureau of Mines facilities throughout the United States. The facility in Salt Lake City will be closed and 115 jobs will be lost. The Salt Lake City facility has conducted valuable research in environmental remediation and water research. While I am disappointed that the Senate acceded to House demands that the Bureau of Mines be closed, I also recognize the long-term benefits resulting from the earnest efforts to reduce the budget deficit and downsize the Federal Government. And in recent weeks, a silver lining emerged in the cloud surrounding the closure of the Salt Lake City facility. Mr. President, the chairman will be pleased to learn that efforts are underway right now to make preparations to privatize the Salt Lake City Bureau of Mines facility.

I would be remiss if I did not commend the staff of the Salt Lake City facility for their tremendous efforts to find a viable alternative which will prevent the technical expertise which has been accumulated for years from going to waste. On their own initiative, several employees have prepared a list of options in light of the pending closure. The most promising option and the one that the people of Utah are the most excited about, would permit the privatization of the Bureau of Mines facility. An interested group of investors and the employees of the Bureau of Mines have been in close contact in recent weeks to work out the details. Sufficient funding has been secured and should the facilities be transferred to the State of Utah, the State would in turn take the necessary steps to ensure the continued operation of these facilities under a consortium of private and State interests.

Mr. President, the chairman knows, there is legislative language in H.R. 1977 which grants the Secretary of Interior the authority to convey without reimbursement, the title and all interest of several Bureau of Mines facilities to various State university and government entities. While the Salt Lake City facility is not mentioned directly, the language permits transfer of such facilities as the Secretary deems appropriate. May I ask the chairman if such a transfer would be appropriate for the Salt Lake City facility?

Mr. GORTON. The Senator from Utah raises a very good point. Of course the transfer of the Salt Lake City facility would be appropriate. From what the Senator from Utah has explained to me, this is a unique opportunity to accomplish several goals at once. In keeping with our efforts to downsize the Federal Government, we can privatize certain government services, reducing the burden on the taxpayer while retaining essential research capabilities within the State of Utah. Such a transfer would permit the private sector, State university and the State of Utah to work in a cooperative effort to continue important environmental remediation research efforts.

Mr. BENNETT. Is it the chairman's understanding that this action should occur as soon as possible?

Mr. GORTON. It is my understanding that quick action is essential to the successful transfer of the facilities in Salt Lake City. While the fiscal year 1995 Interior Appropriations Act provides the Secretary of the Interior authority to transfer only certain Bureau facilities, both the House and Senate versions of the fiscal year 1996 Interior bill give the Secretary broader authority to transfer other facilities such as those in Salt Lake City. This authority was requested by the administration, is supported by both the House and Senate, and I have every reason to believe will be signed into law when action on the fiscal year 1996 bill is completed. I would urge the Bureau, the State of Utah, and other entities involved in the proposed transfer of the Salt Lake City facilities to work together in anticipation of this authority being granted. I will do everything in my power to see that the fiscal year 1996 bill is enacted in the coming weeks.

Mr. BENNETT. I thank the chairman for his explanation as well as the excellent manner in which has managed this bill.●

PRIME MINISTER YIZHAK RABIN

Ms. MOSELEY-BRAUN. Mr. President, like most Americans, I am shocked and grief stricken by the brutal and senseless assassination of Prime Minister Yitzhak Rabin. My heart grieves not only for Israel and its people for the loss of their leader, but for all peace loving peoples in the Middle East. Most especially, my heart grieves for the family of Prime Minister Rabin: his wife Leah, their children and their grandchildren. Our prayers and heartfelt sympathy are with them as they deal with the most personal of life's tragedies in the most public of circumstances.

Father, grandfather, husband, patriot, soldier, statesman, Nobel laureate and peacemaker, Prime Minister Rabin was a man of many parts. He dedicated his life to the service of his country and his life mirrored the evolution of his country. As a young man, his valor in the cause of freedom helped create the State of Israel. As an older man, he defended Israel in battle against enemies that threatened the existence of his homeland. As a senior statesman, he relentlessly pursued the cause of peace with Israel's adversaries with boldness and courage. Perhaps only a person hardened by the experiences of war could put aside anger over the past and undertake the risks of pursuing peace with hostile neighbors.

Mr. President, the world has lost a great leader, and we are all diminished by his passing. He died before fulfilling his dream: peaceful coexistence with all Arab neighbors. The peace process must go forward. We, the world community, must continue and fulfill what he started. We cannot reward this act of extremism by halting or slowing negotiations. We must use this occasion to show all extremists capable of using violence that the killing of Prime Minister Rabin will not frustrate or stop the peace process. We must unite in this time of tragedy and pursue peace with renewed vigor and purpose.

Mr. President, when I heard the news of Prime Minister Rabin's tragic death, I was reminded of the death of another great martyr in the cause of Middle East peace, former President Anwar Sadat of Egypt. The similarities in their lives and the circumstances surrounding their deaths cannot be ignored. Both knew the hardships of war and understood the risks of peace. Both understood the need for honest dialogue with adversaries and the value of compromise. Both were slain at the hands of countrymen who were opposed to their making peace with former enemies. We would do well to learn from their boldness and courage.

Mr. President, Israel deserves our unqualified support at this time of national tragedy. We must make it clear to all who would be opponents and disrupters of peace that we intend to continue and fulfill what Prime Minister Rabin started: conciliation between Israel and its Arab neighbors. This legacy must not be lost with his senseless death.

Tzedek! Tzedek! Terdofe!: Righteousness! Righteousness! you shall pursue!

ELI 1995 ENVIRONMENTAL LEADERSHIP AWARD

● Mr. CHAFEE, Mr. President, last month the Environmental Law Institute [ELI] met here in Washington to bestow its highest honor, the Environmental Leadership Award, to a well known, internationally respected businessman, lawyer, public servant and Republican, Mr. William D. Ruckelshaus.

As many of us in this body know, the Environmental Law Institute has played a major role in shaping environmental policy and law, here in the United States and abroad. Over the past 26 years ELI has provided thoughtful environmental information, research, and policy analysis to a diverse constituency of government, business, and academic interests. Publisher of the Environmental Forum and the Environmental Law Reporter, ELI remains a resource and the place to go for answering the toughest environmental questions.

ELI's 1995 annual award dinner opened with an interesting keynote speech by Dr. Stephan Schmidheiny. Dr. Schmidheiny, chairman of UNOTEC AG, a multinational industrial group, founded the Business Council for Sustainable Development and

serves as a director of ABB Asea Brown Boveri, Nestle, and Union Bank of Switzerland. Far from advocating throwing out the environmental baby with the bath water, Dr. Schmidheiny advanced the view that environmentalism makes good business sense. A businessperson himself, he highlighted positive and voluntary steps taken by the business community to live up to environmental responsibilities in an increasingly open and international setting.

Dr. Schmidheiny's remarks proved to be a fine introduction to ELI's 1995 honoree. Bill Ruckelshaus represents everything that is best about business, government service, and commitment to a clean and health environment. A former Director of the Federal Bureau of Investigation as well as Deputy Attorney General of the United States. Mr. Ruckelshaus served as the first Administrator of the Environmental Protection Agency. He is currently chairman of the board of Browning-Ferris Industries, Inc., one of the Nation's largest waste management companies. Bill's breadth of experience gives him a unique and valuable perspective on the current state and future of environmental protection in the United States. What's more, his career represents a shining example of the interaction between business and environmental protection.

Mr. Ruckelshaus' acceptance speech underscored the fundamental need for a clean environment and outlined a program to reform our current system of environmental protection. Most importantly, his remarks focused not on tying the Environmental Protection Agency's hands, but allowing EPA to get the environmental job done.

On recent criticism of environmental protection, Mr. Ruckelshaus concluded:

> * * * There is a cottage industry now writing books and articles stating that many of our environmental concerns are a lot of hooey. * * * My answer to that is the same as it has been for a number of years. Our efforts in America are not about controlling a few chemicals or saving a few species. There are more than five billion people on this globe living in under-developed nations who want to live as well as we do materially. And they are going to try to get there. If they all try to get there in the same way we got there, wastefully, scattering pollution, unduly impacting our natural resource base, then all of us are in a world of trouble.

It was a thought-provoking speech from an advocate for both business and the environment—a perspective overshadowed lately by the rush to turn back the calendar to a day that has truly come and gone—when our resources were believed to be limitless and immune from harm. With several environmental statutes currently before the Congress for reauthorization, including the Safe Drinking Water Act, Superfund, and the Clean Water Act, his speech is especially timely. I congratulate Bill for receiving ELI's 1995 Environmental Leadership Award and ask that the text of his remarks as well as Dr. Schmidheiny's be printed in the RECORD.

The material follows:

STOPPING THE PENDULUM

(By William D. Ruckelshaus)

It is conventional for people receiving awards of this nature—for environmental leadership—to make some remarks in favor of the environment, which is usually taken to mean our current system of environmental protection. This might seem to be particularly desirable in a season characterized by the most violent anti-environmental rhetoric in recent memory coming from the Congress. For example, I believe at least one Member has compared the Environmental Protection Agency to the Gestapo. I don't think he meant that as a compliment. My cue as an awardee is to come forth and while away at the forces of darkness, vow to hold the line and protect our environmental progress at all cost and so on. But, at the risk of you taking back this fine award, which I do truly appreciate, I have to tell you that I am disinclined to do that tonight.

Here is why. We are gathered here to celebrate the twenty-fifth anniversary of the Environmental Law Institute. It coincides with the same anniversary of EPA. That's a period representing much of a working lifetime. Some of us have been in the environmental protection business in one way or another for at least that long, or longer, and we should be able to recognize certain repeating patterns. And so we do. We recognize, as perhaps the newer members of Congress do not, that the current rhetorical excess is yet another phase in a dismaying pattern. The anti-environmental push of the nineties is prompted by the pro-environmental excess of the late eighties, which was prompted by the anti-environmental excess of the early eighties, which was prompted by the pro-environmental excess of the seventies, which was prompted. . .but why go on? The pattern is quite clear. The new Congress may believe that it is the vanguard of a permanent change in attitude toward regulation, but unless the past is no longer prologue, then as sure as I am standing here, the pendulum will swing back, and we will see a new era of pro-environmental lurching in the future.

So what is wrong with this picture? Aren't changes in emphasis part of the fabric of democracy? Yes, but in the case of environmental policy, these violent swings of the pendulum have had an unusually devastating—perhaps a uniquely devastating—effect on the executive agency entrusted to carry out whatever environmental policy the nation says it wants. The Environmental Protection Agency is now staggering under the assault of its enemies—while still gravely wounded from the gifts of its friends. That is an exaggeration: the Environmental Protection Agency, like the IRS, has no friends. As far as I can see, there is not coherent politically potent constituency devoted to making sure that the EPA can make the best possible decisions and carry them out effectively.

Currently, some members of Congress seek to stop the Agency from doing what previous Congresses have mandated it do by refusing to give it the funds to act. A little like cheering the launch of an airplane flying from New York to Los Angeles while giving it the gas to reach Chicago, and then decrying the crash in Iowa as further evidence of pilot ineptitude. And we wonder why trust in the EPA has eroded.

The impact of all this on the agency is devastating. EPA suffers from the battered agency syndrome. Domestically, it is hesitant, not sufficiently empowered by Congress to set and pursue meaningful priorities, deluged in paper and lawsuits, and pulled on a dozen different vectors by an ill-assorted and antiquated set of statues. Internationally, it is nowhere near the position it should occupy in global environmental debates as the representatives of the largest industrial nation and one with an enviable track record of environmental improvement: in short, it is an agency paralyzed by the conflict between its statutory mandate and sound public policy, and a public debate which erroneously depicts the social choices in apocalyptic terms.

And this is why I do not wish to join the rhetorical firing line on either side, neither to slash at EPA for doing what Congress told it to do, nor to argue for increased resources and for a defense in the last ditch on behalf of the current array of legislation and regulation. Instead, I would like to take all of us, in a sense, above the smoky battlefield, as in a balloon, and discuss, in the relative quite of the upper, cleaner air, what is really wrong with the American environmental system and what to do about it.

The first step, as in all recovery programs, is to admit that the system is broken, severely broke, broken beyond hope of any easy repair. Repairing it is going to take serious effort, hard work—hard work—hard work, by a great many people, over an extended period of time. Privately, many of you in this room on all sides of this debate have admitted that to me many times. Despite the current rhetoric in this city, there is no simple fix, no sliver bullet; just the opportunity to do a lot of good for our environment and by example to the environment of every place else.

Once we acknowledge that, we can dismiss the strawman problems that those simple fixes are supposed to address, and penetrate to the underlying actual defects. The currently prevailing myth, of course, is that EPA's problems are essentially bureaucratic. ''A bureaucracy run amuck,'' is how it's usually put. And the illustrative text is the EPA horror story, usually featuring an arrogant bureaucrat from the nest of vipers inside the Beltway making some hardworking honest fellow out in the pure heartland of America do something utterly stupid. To accept this view, we must imagine the apocryphal bureaucrat wandering freely through fields of policy and musing, ''What can I do today that will really drive them up the wall? If they think they've seen dumb, wait until they see this!''

And naturally, the conclusion from this view of things is that if you can somehow tie up EPA, strip it of resources, burden it with even more legal challenges, you will have gone far towards solving the problem.

Well, in fact, the image of EPA as an overweening bureaucracy is miscast. In fact, if anything, it is an underweening bureaucracy. Any senior EPA official will tell you that the agency has the resources to do not much more than ten percent of the things Congress has charged it to do. In addition, they are not empowered to allocate that ten percent so as to ensure a wise expenditure of the public treasure. The people who run EPA are not so much executives as prisoners of the stringent legislative mandates and court decisions that have been laid down like archaeological strata for the past quarter-century.

Having said that it is also fair to say that we should not be surprised if, having been given Mission Impossible, having been whipped both for doing things and for not doing things, having been prevented from using their judgment like ordinary folks do, the people of EPA get insensitive, thick-skinned and defensive. This is where many of those ''can you believe this one'' horror stories originate. I have traveled to the Hill with senior EPA officials and listened to

Members of Congress rail away about the unreasonable things foisted upon their constituents. Often it was the case that the complaints were justified; and when I asked these EPA officials privately what they thought about the Congressional laments, the response was usually something like, ''That's just the role he's forced to play; he's been going on like that for years'' or ''It goes with the territory''. There was often little sense that this expression of Congressional outrage was a problem to be solved by the application of intelligence, cooperation, and creativity. It was like a game, where the rules were crazy and nobody was allowed to win. It is therefore no wonder that EPA representatives occasionally act like the Red Queen in ''Alice'' when they venture beyond the Beltway to try to do all the impossible things that Congress has told them to do in some 10 massive, separate and uncoordinated statutes. I am not trying to excuse irrational behavior. I'm trying to get us all to understand its root causes.

How have we come to this pass? EPA was launched on a huge wave of public enthusiasm. Its programs have had an enormous and beneficial effect on all our lives. The gross pollution we were all worried about twenty-five years ago is either a memory or under reasonable social control. Why is EPA now the agency everyone loves to hate?

Well, I think there are four reasons, three built into the very core of EPA, and one that results from the peculiarities of our times.

First, there is the belief that pollution is not just a problem to be worked out by society using rational means, but a form of evil. And I think in the early days of environmentalism this was a plausible idea to many of the people drafting the initial set of laws. Industry at that time didn't take environmental degradation seriously, and there was considerable bad faith shown, lies, cheating, and so on. I further think it can be demonstrated that things have changed now, in two respects. First, nearly all major industrial leaders know that environmentalism is here to stay, and so firms wish to avoid charges that they are insensitive polluters, just as they wish to avoid defects in quality. The customers don't like it, and believe it or not, paying attention to the environmental impact of technology or processes benefits the bottom line and therefore has become a permanent factor to be weighed by corporate America.

In addition, the most significant threats to our environment now seem to lie, not with major industrial sites, but in the habits of we ordinary Americans: we like to drive big, powerful cars, use a lot of electricity, generate a lot of waste, enjoy cheap food, live in grassy suburbs and collectively send pollution in massive amounts to often distant airsheds and waterways.

The laws, and the enforcement policies that follow them, are still looking for that evil polluter, and in the same place—major facilities. Since the relative threat from these has decreased, EPA is ever more like the drunk looking for his keys under the lamp-post. More effort, more irritation, less achievement to show.

This phenomenon is directly related to the second major flaw—the commitment to perfection built into the language of our major statutes. In addition to the mistaken belief that absolute safety was both possible and affordable, the theory was that if standards were set extremely high, sometimes on scant scientific evidence, and an extremely tight time frame was set to achieve those standards, then there would be constant pressure on industry and on EPA to make continuous improvements. The nation was committed to a sort of pie in the sky at some future date, a date extended further and further into the future as inevitably EPA missed nearly every deadline set for it. Each time a new generation of clean technology came into use, the response from EPA had to be. ''That's great—now do some more'', whether that ''more'' made any sense as a priority or not. It can be argued that the present system has produced significant environmental benefits. True it has; the environment is a good deal less toxic than it once was.

But look at the cost. Even though the environment has improved, EPA and the environmental community are pervaded by a sense of failure. In fact, that failure was foreordained by the promise of an unattainable future. In addition, pursuit of perfection inevitably leads to the pursuit of trivialities, which yield more of those famous EPA horror stories. The business of environmental protection devolves into an endless debate about arcane scientific procedures—one in a million or one in a billion. The important moral force of EPA is frittered away, and still we cannot summon up the energy to deal with real environmental problems. We cannot direct our attention outward to help the global problems crying out for assistance from the most powerful nation on earth. I do not believe this is what we started out to do twenty-five years ago.

The mission impossible of pursuing perfection leads directly to the third quandary—the devolution of all important environmental decisions to the courts. As is well known, nearly every major EPA decision ends up in the judicial system, one result of the determination of the early drafters of our legislation, who were—no surprise here—environmental lawyers, to allow the most liberal provisions for citizen suits. The result has been that most of the environmental protections that are actually—rather than theoretically—put into place are the result not of the deliberations of scientists or engineers or elected representatives or responsible appointed officials, but of consent decrees handed down by judges. A grim irony or poetic justice, depending on your point of view, is the current proposal by the majorities in the House and Senate to allow even more opportunities to block action by way of lawsuit, this time favoring those who would stop EPA action.

I hope I don't offend when I say that when we lawyers get involved, things tend to slow down a bit. That means both that environmental improvement is delayed, sometimes indefinitely, and that all involved in these drawn-out proceedings face crippling, costly uncertainties. The transaction costs of any environmental progress under these conditions are often an appreciable fraction of the costs of the substantive environmental remedies. Superfund is the great exemplar here, a program designed to clean up abandoned dumps that somehow transformed into a program in which the only people allowed to clean up are the consultants and the litigators.

Yes, we built this system, you built it and I built it, that moved America along toward a cleaner environment, but the system is now broken and must be repaired, in some cases, in the teeth of the immediate interests of many in this room. That's one reason why repair will be incredibly hard.

Another and fourth reason is that peculiar quality of our times I mentioned earlier, which is the nearly steady thirty year erosion of trust in all public institutions, particularly those situated here in our nation's capital.

You've all read the polls. People don't trust government, but they don't trust the press or business either. We are down to Walter Cronkite, Mother Teresa and Colin Powell.

At the absolute epicenter of this institutional hell of mistrust is the EPA. This is largely because advocates for address to our environmental problems and their allies in Congress feared for the implementation of their program in the event of a hostile administration, and their antidote was to write stringent mandates, restrictions, and timetables into the EPA's basic statutes. As I've tried to argue here, tying the Administrator's hands in this way does not necessarily advance the achievement of substantive environmental goals; paradoxically, it may even retard them. Promising unachievable perfection simply assures trust eroding failure. And, of course, now we have a Congress that has so far shown itself unwilling to do the hard work necessary for meaningful reform. Instead, it is intent on further snarling a system it sees as another example of liberalism gone wild.

I don't think universally applied risk assessment or cost benefit analysis or refusing to fund mandates from previous Congresses that this Congress doesn't like will pass both Houses and be signed by the President. Nor do I believe the Congress could override a Presidential veto of these approaches to reform. I believe the result will be the much maligned gridlock. In fact, we may already have reached it.

We have to assume that at some time in the future—probably when this current version of gridlock is more apparent—we will be able to deal seriously with the reform we all recognize is needed. What would that reform look like?

First of all it would have to be effective. It must be able to address those problems that a consensus of knowledge and research has identified as the worst environmental risks. This requires an administrative structure capable of marshaling resources to address those problems, in whatever media they occur, and the discretion and flexibility to allocate those resources effectively. This means that Congress is going to have to return to its Constitutional role of setting national policy and providing vigorous oversight, and leave the EPA to get on with implementing that policy, free of direct supervision from 535 administrators.

Second, reform has to produce efficiency. It has to provide the maximum reduction of risk to human health and the environment per dollar invested in controls or incentives. This implies, first, a vast simplification of environmental rule-making. We cannot go on with a system in which the physical volume of the paper necessary to establish a permit approaches the physical volume of the waste to be controlled. Also, some finite well-understood limits should be established for what our society is prepared to pay for a certain level of environmental health, together with some reasonable relationship between what is paid and what we get for it. In other words, environmentalism has to leave the realm of quasi-religion and take its place among the realities of the state, along with national security, social welfare, health and justice—pretty good company, by the way.

Third, the system must better reflect the essential democratic values of our society. The day is past when a dozen or so youngish people can sit in a windowless room in Waterside Mall in Washington D.C. and after a year or so, in the last stages of exhaustion, emerge with a set of absolute commands for a major economic sector. We need a system that reflects the real choices of the American people as to what levels of protection they desire locally for local problems, and that builds upon the basic good sense of communities in balancing their environmental and other social values. Needless to say, no one can be allowed to clean up by loading pollution on to a neighbor, and so the new

system has to be carefully designed to be consistent with regional, national and global environmental goals.

Finally, the system has to be fair. It cannot impose an undue burden of either risk or expense on any one portion of the population, or allow the transfer of risk from one place to another without fully informed consent. It cannot, for example, expect private landowners to carry the full cost of species protection, nor can it expect farm workers or people living near industrial plants to suffer inordinate risks for the economic benefit of the general population.

It hardly needs saying that no petty adjustment of the current set of laws can easily achieve these objectives. The nation needs a new, single, unified environmental statute supervised by a single authorizing committee and a single appropriations committee in each house of Congress. Not the 12 laws and 70 committees we now have. I am fully aware of the political difficulty of achieving this nirvana, but it is no more vaulted in aspiration than zero cancer risk with a margin of safety below that—an impossible assignment EPA has labored with for decades.

How to get there is, of course, the problem. The kind of rhetoric we are seeing now on both sides of the debate will not help, nor will the careless budget slashing in which the current Congress is indulging. It almost seems as if many Members of Congress believe that environmental protection is nothing but an aspect of liberalism, and since liberalism is discredited, we can happily return to converting every environmental value we have left into ready cash. In my view, like some of the Democratic Congresses of the past, the Republican Congress is too often promising more than can be delivered, and thereby contributing to the very lack of trust in government that got them elected in the first place. The result of all this could be a cordless bungee jump named Ross Perot.

What one piece of a right answer could look like is slowly emerging form local experiences in this country and from the experience of some other nations. It involves a new sort of consensus process, in which all the significant stakeholders are brought together to hammer out a solution to a set of environmental problems. This approach is particularly applicable to problems confined to specific geographic regions. The critical thing about such a process, and the only way to make it work, is that all participants have to understand that the process is the entire and exclusive theater for decisions, therefore Congress and other legislative bodies have to mandate the process. There will be no appeal, and no way to weasel out of the deal. This is critical; no consensus process can survive the idea that one of the parties can get everything it wants—without compromise—at some other forum.

A process of this type has been used successfully by the state of Washington in working through the competing interests of timber companies, environmentalists, Indian tribes and local communities regarding the cut of timber on state lands. On a large scale, the Netherlands now runs its entire environmental program out of consensus groups covering every major industry and district. Industries can meet national guidelines in just about any way they choose, but they have to play the game. The Dutch call the national plans developed through such processes ''coercive voluntary agreements.''

Whether a process that seems to work to work in a small, crowded nation with a long culture of cooperation in the face of danger would work here in a big, mostly empty country, where the tradition is more libertarian, is an open question. But somehow we have to get past this situation where EPA is out there in the boat and everyone else in on the shore jeering as the ship of state floats by. Somehow, we have to use whatever civic consciousness and sense of community we have left to bring all the interests into the same boat and give them an oar. Don't jeer—row! Because if EPA sinks while we watch, we all get pulled under.

A lot of people don't believe this; there is a cottage industry now writing books and articles stating that many of our environmental concerns are a lot on hooey. If that's true, why do we need an effective EPA? My answer to that is the same as it's been for a number of years. Our efforts at environmental improvement in America are not about controlling a few chemicals or saving a few species. There are more than five billion people on this globe living in under-developed nations who want to live as well as we do materially. And they are going to try to get there. If they all try to get there in the same way we got there, wastefully, scattering pollution, unduly impacting our natural resource base, then all of us are in a world of trouble.

Supposing that's not true? Supposing somehow, magically, the global development process will take place and not cause all the terrible things to happen to the environment that some predict? Well, I for one, would be delighted if that were the case. Twenty-five years from now, when they come by the nursing home and say ''Ruckelshaus, you were a damn fool about ozone depeletion or fisheries destruction,'' I'll just smile. Meanwhile, you can call me a conservative old Republican, but I don't care to bet the future of the country, and the planet, and the free institutions we're worked so hard to preserve, on that scenario being true. We need to take the prudent steps necessary to bring the major global problems under control, and we need to lead the world in that effort—because, you know, there is really no one else—and to do that we need effective, efficient and fair governmental institutions, among which is EPA. And we have to begin the hard work of fixing it, or suffer the incalculable consequences of our failure.

REMARKS BY DR. STEPHAN SCHMIDHEINY

Thank you. I was extremely relieved to learn that it is not part of my assignment tonight to say a lot of nice things about Bill Ruckelshaus. I have known him too long, and have so much admiration for his person and his achievements in all his many fields of endeavour that if praise were my assignment we would be here for days.

But I must take this opportunity to thank Bill for the leadership he showed when we were putting together the Business Council for Sustainable Development's report to the 1992 Earth Summit. He always offered compelling logic, and always rallied our less courageous members.

He also gave me an important word of advice on an early draft of the report, in which I had begun with all the usual environmental gloom and doom as a rallying call to action. Bill took me aside, and in the confidential tones an uncle might use to explain sex to a backwards nephew, he said: ''Stephan, don't do it that way. Business people stop reading immediately when they come upon bad news. To seduce business people, you have got to start by telling them how good things are going to be. Only then do you add a few side problems, such as the loss of the world's forests, oceans, animals, air and ozone layer.''

Now, many of you are lawyers, and I know that lawyers are different. You not only have a higher tolerance for bad news, you actually thrive on it, and make your livelihoods out of it. Even so, I shall start with good news anyway.

The good news is that in many parts of the world business is beginning to live up to its new responsibilities. As markets become more open and more international, business is ever more obliged to see that its activities work for, rather than against, the goal of sustainable development.

The World Business Council for Sustainable Development now consists of more than 120 companies and is still growing. We have spun off national BCSDs in Asia, Eastern Europe, and throughout Latin America. The Councils have been involved in a broad spectrum of activities. The WBCSD has developed a ''Joint Implementation'' programme in which industrial and developing world companies are cooperating to reduce greenhouse gases in the most internationally cost-effective ways. The BCSD of Columbia, composed of large companies, is showing small companies in such inherently dirty business as tanning and metal plating how they can save money by producing less waste and pollution.

This is a perfect example of the WBCSD paradigm of eco-efficiency—adding ever more value while using ever less resources and producing ever less waste and pollution.

There are many reasons why companies should not get involved in eco-efficiency. First, many governments still actually subsidize waste—the waste of energy, water, forest products, pesticides and fertilizer. Second, even if not subsidized, many environmental resources are priced too low. This is especially true of pollution sinks—such as rivers, soil, and the atmosphere. Thus the act of polluting is just not as expensive to companies in the marketplace as it should be.

I think that these disincentives are fading. I think there are a number of trends pushing companies toward increased eco-efficiency. Taken separately, no single one is convincing. Taken together, they become a powerful force.

In many parts of the world regulations are getting tougher and—more important—enforcement is getting tougher; more and more CEOs are finding themselves in court for non-compliance; more use is being made of economic instruments—taxes, charges and tradable permits—to encourage companies towards constant improvement; banks are more willing to lend to cleaner companies; insurers are more willing to insure cleaner companies; investors are increasingly interested in investing in cleaner companies; the best and the brightest graduates are more willing to work only for cleaner companies; ''green consumerism'' is becoming more mature, switching from brand loyalty to company loyalty; the general public feels a growing right to have a say in what our companies do; the search for eco-efficiency can motivate a company and its employees to become more innovative on many fronts; eco-efficiency is an excellent avenue for introducing the concept and the practice of Total Quality Management (and indeed it is hard to talk about Total Quality Management without including environmental quality in terms of eco-efficiency); media coverage of pollution and environmental liability problems is becoming more sophisticated—and thus harder for companies to shrug off; many of the people to whom the company directors are related (spouses, children) are becoming more concerned and sophisticated about environment and social issues.

Given the recent antics of the U.S. Congress, you may be surprised to hear me list tougher regulations as a present trend. I shall let Bill Ruckelshaus comment on the activities of the lawmakers here. But I am convinced that the American people will ultimately prove unwilling to return to a time

when U.S. rivers caught fire and whole towns had to be abandoned.

Internationally, a recent survey of multinationals by the Economist offered a long list of examples of successful companies involved in eco-efficiency and community development activities: Western chemical companies becoming vigilant in policing the industry to decrease pollution scandals; computer companies pushing for higher environmental standards; accountancy firms helping post-communist countries set up modern accounting systems; and oil companies guaranteeing to build schools and airports and act as green watchdogs in return for drilling rights. All of these activities are so obviously investments in present and future business that, the survey concluded, ''it seems that behaving like good corporate citizens makes eminent business sense''.

It also noted that multinationals tend to help the countries in which they operate by using international standards wherever they go. ''On the whole they find it easier to operate one set of rules everywhere in the world. * * * So multinationals clamor for more global—and usually higher—standards partly because it makes their lives easier, partly because it imposes the same standards on their competitors.''

The general philosophy at the WBCSD is that since trends are moving towards greater eco-efficiency, the smart company will back such trends, encouraging governments where they need encouragement, while getting their own corporate houses in order to be ready as eco-efficiency becomes the norm rather than the exception.

This process is reaching into unexpected parts of the business world—such as the financial community. I recently helped to lead a WBCSD Working Group on Financial Markets and Sustainable Development. We had been worried that the financial markets, which much be the engine of any kind of development, might be inherently opposed to the goal of sustainability. We worried that they encourage short-term thinking, that they under-value environmental resources, and that they rigorously discount the future.

Our work—which will be published as a book early next year—found that these fears were largely justified. But we also found a surprising amount of encouraging activity in a financial community. Bankers are moving beyond concern for Super Fund liability to realize that a loan to a dirty company is simply becoming a more risky loan—as dirty companies have more difficulty being financially successful. The fact that many banks have signed a statement committing themselves to support sustainable development is not particularly impressive. That the signers have recently hired an NGO to report on how they are honouring their commitment—now that is impressive.

Insurance companies have become sensitized by liabilities for contaminated industrial sites and by losses due to what looks to them like the first financial effects of global warming. Conservative companies like Munich Re and Swiss Re are—in their demands for government action to limit climate change—sounding more radical than the more militant environmental groups.

Even those professions with reputations as fonts of boredom and conservatism—the accountants and the auditors—are working on new forms of accounting that account for the nature as well as capital.

So, we have dealt with industry: it is improving. We have dealt governments: by advising them to take advice from the more progressive businesses. We have even found cause for hope among the financial community.

That leaves the lawyers. What can be done with the lawyers? I am willing to frankly state that in my personal opinion the greatest threat to the competitiveness of US business is not low foreign wages or Oriental inventiveness; it is the US legal system. First, it adds more and more every year to the cost of doing business. As a whole, it represents a tremendous transaction cost to the US economy and society.

Second, the laws covering the different sectors and concerns—banking, business, energy, agriculture, transportation, taxes—have grown up in such an ad hoc manner that they now positively war with one another. And this, of course, only fans the flames of enthusiasm for litigation. I am often advocating the use of common sense in addressing environmental challenges. At a time when payments to the legal profession routinely exceed those to victims or the actual costs of clean-up, then a move towards more common-sense approaches would appear timely.

I am criticising the US system because I stand on US soil before US lawyers. We in Europe also suffer from legal adhocracy or ''piecemealism''; though I do insist that you in the US continue to lead the world in money-wasting litigiousness, as you lead the world in so much else. And I admit that, in this instance, we are genuinely afraid that you may become successful exporters of the another US product—your legal system.

I do not offer an answer. But I have been deeply and profoundly impressed with the work of Bill Futrell and the Environmental Law Institute in what they call ''sustainable development law''. I hope we in Europe can learn from this ELI work. We too need to go back to legal basics, to—as Bill Futrell suggests—organise laws around human activities. We need to develop pollution laws and resource laws that operate in harmony. This would not only produce a more common-sensible set of laws, it might even decrease the growing tendency to seek complex legal solutions to simple business problems.

While speaking of the work of the Institute, I want to acknowledge the help it gave to both the BCSD and the International Chamber of Commerce in these groups' preparations for the Earth Summit.

This occassion tonight has been a great pleasure for me—to have been asked by a most prestigious institution to honour a man not only of great prestige, but of great wisdom, warmth, and incisive humour. Maurice Strong told me that whenever the Brundtland commission reached a completely hopeless impasse, Bill Ruckelshaus would begin slowly in his deep growl of a voice: ''Well, you know, this reminds me of the time * * * '' He would tell a funny, carefully considered story; the tension would collapse, and cordial progress would resume.

It is a great joy to be here with you all, and it is always a wonderful treat to be in the same room with Bill Ruckelshaus.●

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

NO BUDGET—NO PAY

Mrs. BOXER. Mr. President, here we are in day four of a partial shutdown of the Federal Government, and the only Federal employees that are not feeling any pain regarding their paychecks are the Members of Congress. We are treated differently, and that is wrong.

I know that twice the U.S. Senate passed my no-budget—no-pay amendment, and we have done it with bipartisanship. We have done it with Senator DOLE and Senator DASCHLE, with the Republican leadership and the Democratic leadership. I am very proud of that. Congressman DURBIN is trying to get this through on the District of Columbia appropriations bill, and we are very hopeful that will occur. But at this point, it is stymied.

I think it is shameful. I think it is embarrassing. I think it is a height of hypocrisy that the Members of Congress, who have caused this problem because we cannot figure it out, are still getting our pay. And I am very pleased that Senator SNOWE has introduced a bill. We have worked on it together, and we are trying very hard to bring it forward because the other efforts of the Senate are not enough at this time.

The problem we face is that one of the amendments we passed is on the District of Columbia bill, and that is stuck. The other one we passed is on reconciliation, and that is not here yet. We continue to get our pay while all other personnel—and Senator HARKIN pointed this out to the Senate yesterday—are not getting their pay.

So I would like to ask unanimous consent that I send to the desk now for its immediate consideration a no budget-no pay bill that will treat the Members of the Senate and the Members of the House exactly like Federal employees, and I hope there will not be any objection because we are on record before and I would like to take us on record now in a separate bill because the American people are disgusted with this situation as, indeed, they should be. And, yes, there are colleagues who are giving their pay to charity. There are colleagues who are putting their pay in escrow. And some are not even talking about it. That is very, very noble. But that does not address the institutional failure here.

So I ask unanimous consent to take up the no budget-no pay bill right now.

Mr. COATS. Mr. President, reserving the right to object, on behalf of several Senators on both sides of the aisle who were informed on the last vote that would be the last vote and have therefore left the Senate Chamber, without commenting on the merits or demerits of the proposition put forward by the Senator from California, I will object on behalf of the Senators who are absent.

The PRESIDING OFFICER. Objection is heard.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON S. 440

Mr. COATS. Mr. President, I ask unanimous consent that at 10 a.m. Friday, November 17, the Senate proceed to the consideration of the conference report to accompany S. 440, the highway system designation bill, and that it be considered under the following

limitations during the pendency of the conference report: Senator BIDEN be recognized to make a motion to recommit, with 30 minutes of debate on the motion, and with that time under the control of the Senator BIDEN; that when that time is used or yielded back, the motion to recommit be withdrawn; that there be 60 minutes for debate to be equally divided between Senators CHAFEE and BAUCUS or their designees, 60 minutes under the control of Senator LAUTENBERG or his designee, and 15 minutes of time under the control of Senator GLENN; and that upon the conclusion or yielding back of all time, the Senate proceed to vote on adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, I might ask, Mr. President——

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. This unanimous consent was to take up certain bills tomorrow?

Mr. COATS. A conference report.

Mr. HARKIN. A conference report.

Mr. COATS. S. 440, the highway system designation bill.

Mr. HARKIN. Reserving the right to object, Mr. President, I would like to ask the proponent of the unanimous consent request, the Senator from Indiana objected to taking up the Boxer bill because, he stated, there was an understanding there would be no more votes today. It would seem to me that we could take up the Boxer bill with an understanding we would vote tomorrow, or take it up and add it to this list. I wonder if the Senator would add the Boxer bill to this list to take up tomorrow and we can put a time certain, we can just put an hour of debate on it and vote on it, a half-hour. That would be fine.

Mr. COATS. I would just reply to the Senator from Iowa, there are a number of Senators who have expressed either support for or opposition to this legislation. They are not now in the Chamber because they were informed that the Senate essentially concluded its business. I cannot speak on their behalf or add unanimous consent on their behalf without contacting them. And obviously they have left the Chamber.

Mr. HARKIN. No one contacted this Senator to ask if it was OK to take up these measures tomorrow.

Mr. COATS. It was cleared with the minority leader. It was hotlined to all Senators and has been cleared both by the majority——

Mr. HARKIN. I apologize. If it was, I apologize.

Mr. COATS. I have a second unanimous-consent which has also been hotlined and cleared, just setting the orders for tomorrow. I am not closing out the business of the day.

Mr. HARKIN. I apologize. If it was hotlined, I apologize.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

ORDERS FOR FRIDAY, NOVEMBER 17, 1995

Mr. COATS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on Friday, November 17; that following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of the conference report to accompany S. 440, the national highway bill, as under the previous agreement.

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

PROGRAM

Mr. COATS. Mr. President, for the information of all Senators, there will be a rollcall vote on the National Highway System conference report on Friday.

The Senate will also consider the Balanced Budget Act conference report during tomorrow's session. That conference report has a statutory limitation of 10 hours of debate. Members can therefore expect a late night session on Friday. Also, additional appropriations conference reports may become available from the House. Therefore, rollcall votes can be expected throughout Friday's session.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

NO BUDGET-NO PAY

Ms. SNOWE. Mr. President, I wish to add a few comments to the issue that the Senator from California raised with respect to legislation that would require that Members of Congress and the President be treated in the same manner as those Federal employees whose pay will be suspended during this period of a shutdown.

I think we all recognize the hardships this poses to the hundreds of thousands of Federal employees across the country. I think at the same time we are experiencing this shutdown, Members of Congress and the President should have their pay suspended.

That is why I have introduced this legislation that complements the legislation introduced by the Senator from California and that is now part of the DC appropriations bill. But until such time as that becomes law, we still have to address this issue with respect to this present shutdown and making it retroactive. I just do not happen to believe that we as Members of Congress and the President should be treated any differently.

I regret that we have not been able to bring this legislation up tonight so that we have a chance to put ourselves in the same position as every other Federal employee. That is what this legislation would do. Interestingly enough, it has the support of 21 Members of this Senate, including the Senate majority leader. I worked with the Senator from California [Mrs. BOXER] on this issue as well.

We should be able to bring up this legislation, and we should be able to vote on it so that we move in the direction of being in the same position, sharing the same difficulties, the same economic hardships as those individuals who see their pay suspended during this period of time.

Unfortunately, we do not know how long this shutdown will continue. Nevertheless, I do not think that we as Members of Congress want to be viewed differently, putting ourselves into another group as we are going through this shutdown. We should not be immune or isolated from those difficulties that Federal employees are now experiencing.

That is true for those employees who work in our offices, and I have 15 such employees who are not working at this moment in time. Why should I not have my pay suspended if their pay is being suspended? I think most of us would agree. So I hope that we will be able to have this opportunity tomorrow to address this issue and to pass this legislation. It is a matter of fairness, and it is a matter of equity.

I hope the President signs the continuing resolution that just passed in the Senate and in the House of Representatives. But if that does not happen, we still would go on into a prolonged shutdown, and I do not think that we should be getting our pay, not experiencing any discomfort, while Federal employees who are not able to work and even those who are still not going to be paid at this moment in time.

So I urge my colleagues to insist that this legislation be considered tomorrow. I appreciate the support that is being given to this issue by the Senate majority leader. In fact, there were 21 of us who sent a letter to the Senate majority leader asking for this legislation to be considered, and he supports that effort. I hope everybody will do so because this is absolutely essential.

I think we are facing enormous difficulties as it is with public confidence in the political process, but I do not think that that confidence should be undermined further by the fact that we are somehow in this separate category, somewhat isolated from the problems that Federal employees are currently facing.

At the beginning of this year, the first piece of legislation that this Congress considered and, indeed, enacted and signed into law by the President was the Congressional Compliance Act that required Congress to abide by the same laws that apply to the rest of this country. I think that this legislation certainly reaffirms that policy and moves us in that direction. It is a matter of fairness. It is a matter of equity. It is right.

So with that, Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I want to join with my colleagues, the Senator from Maine and the Senator from California, in supporting this legislation to have Senators and Congressmen treated the same as all other Federal employees.

I agree with the Senator from Maine on everything she said but for one thing. If the majority leader of the Senate wanted this bill up, he could have brought it up tonight. That is the power of the majority leader. If the majority leader wanted this up tomorrow, he could have included it in the unanimous-consent request to bring it up tomorrow, and we would vote on it tomorrow.

So let us have no doubt about it, it is up to the majority leader whether or not we vote on this or not and no one else on this floor. With that one exception, I agree with everything else the Senator from Maine said.

She was right, as was Senator BOXER, that earlier this year one of the first bills we passed was a bill to make sure that all the laws that apply to other people apply to Members of Congress. We all applauded that, voted for that, that we all live under the same laws. People cannot understand why we had gone so long without doing that, but we did it. But there was one glaring loophole. When it comes to our pocketbook, we want to be treated differently than all other people and all other Federal workers.

As the Senator from California said, there are hundreds of thousands of Federal workers who went home today not knowing that they are not getting paid for the work they do. There are others who are not even going to work and not getting paid. But our pay is automatic. It is like an entitlement. We have an entitlement for our pay. No matter what happens, we continue to get paid.

We just finished a day of activity here, the last vote of the day. There are five Senators left on the floor. Everybody has taken off. They have gone home secure in the knowledge that no matter what happens, the paychecks we get next Monday will be full. We will get paid for every day that we are here.

That is kind of a nice thought, is it not, Mr. President? It is kind of a nice thought to go home in the evening after a long day's work and know that when your next paycheck comes, you are going to get paid. Think about it, think about all those workers, think about our staff people here, think about all the Federal workers, think about the air traffic controllers if you will, Mr. President, who are out there working a very high-stress job, safely guiding aircraft through crowded corridors. It is a high-tense job. It is a job that requires a lot of skill, intense concentration, good judgment and decisiveness. Air traffic controllers put in a hard day's work. Just think, Mr. President, they are going home tonight knowing that next Monday when they get their pay, they will not be paid for the work they did today or the work they did yesterday or the work they did the day before.

How do you think that works on someone's mind? These are people like you and me. They have homes, mortgages, kids in school and illnesses. We are very smug around here, are we not? We are so smug around here because nobody can touch us. We get our pay; we do not care what happens.

I tell you, I think it is one of the grossest things that is going on today in Congress and in the Federal Government that we can shut it down, throw all these people out or force people to come to work, so-called essential people have to go to work but they are not getting paid. I thought we did away with slavery in this country. They have to come to work, but they are not going to get paid. It is just not justifiable.

So I think at least we ought to take up the bill and pass it. It just says if we are not doing our jobs, we do not get paid like other Federal workers until this bill passes. Apply the same rule that applies to air traffic controllers, drug enforcement agents, Medicare fraud investigators, FBI agents, Defense Department personnel—everyone else. Make the same laws apply to us.

You wonder sometimes why people in this country are so cynical about Congress. Well, you do not have to wonder too long when you see what is happening now. So smug around here, we can do all this. We do not care what happens. Send all these workers home. Make them come to work. Tell them they do not get paid.

I see our distinguished majority leader is back on the floor. I think we ought to take up the bill tomorrow and just pass it. I cannot imagine any votes against it. Who would be against applying the same laws to us as apply to other Federal workers so we do not get our pay the same way as anybody else in the Federal Government until this situation is resolved?

When this goes on, I can understand why people are so cynical about the Federal Government, cynical about Congress. All the good that we did earlier this year in passing that Congressional Accountability Act and applying laws to Congress that other people have to live by probably all got flushed down the toilet right now with this kind of action, because people know that we are getting paid. Other people working for the Federal Government are not getting paid. It is not fair, and I think we ought to take up the Snowe bill tomorrow and pass it.

I ask unanimous consent, if I am not a cosponsor, to be added as a cosponsor of that bill. I think we ought to bring it up and pass it as soon as possible. I yield the floor.

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

The majority leader.

Mr. DOLE. Mr. President, I will just take a minute or two. The Senator from Delaware wishes to speak and then the Senator from Rhode Island, Senator PELL. Are there any other Members on that side who wish to speak? If not, I will put it on automatic pilot.

ORDER FOR RECESS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate stand in recess following the remarks of Senator BIDEN, Senator PELL and myself.

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

THE NO BUDGET-NO PAY BILL

Mr. DOLE. Mr. President, let me say, I am a cosponsor of the bill, and I agree we ought to figure out some way to get it passed. I hope that we can resolve that tomorrow. I must say there is opposition, some on each side. I think the American people would feel better about it——

Mrs. BOXER. Will the majority leader yield? I was not aware we had any opposition on our side of the aisle.

Mr. DOLE. Maybe there is none on that side. I will reserve that.

Mrs. BOXER. Because I have been working hard, and I have not come up with anybody who is opposed.

Mr. DOLE. I understand there may be some opposition on this side. We will try to see what happens tomorrow.

A BIPARTISAN MAJORITY

Mr. DOLE. Mr. President, I want to take just a moment to comment on the vote that we just had. It seems to me when the vote is 60 to 37, we pretty much replicated what happened in the House about midnight last night, where 48 Democrats joined Republicans in a bipartisan effort to open up the Government, take the lid off, put people back to work and balance the budget in the next 7 years.

It seems to me that is the best of both worlds. I am very proud of that strong bipartisan majority of 60 Senators who stood up tonight for our Federal workers and for a balanced budget which will mean a brighter future for our children and our grandchildren.

I think we keep losing sight of why we want to balance the budget and why should we be concerned. I must say, we

have to keep reminding ourselves, the language we use does not resonate because we keep talking about balanced budget, CR's, debt ceiling extensions, and it does not mean a thing to many people, but their children mean a lot to people and their grandchildren mean a lot, and that is what this debate is all about. It is not about numbers, it is not about a continuing resolution, it is not about a debt ceiling extension, it is not about any of us in this Chamber; it is about trying to do something for a lot of our young people who are going to want to find jobs.

I must say, as I read the Washington Post editorial again and again today—because I could not believe it; it was a good editorial—it talked about the real default, the default of leadership on the other side of the aisle.

I must say, as the Senator from New Mexico said earlier, when you do a lot of heavy lifting, you get a lot of criticism. We have been doing a lot of heavy lifting. We believe the American people gave us somewhat of a mandate to make fundamental change last November, and we have kept our word and our promise. We have worked together, and we have had some bipartisan support, just as we have had tonight. So it is not just a Republican effort. We had a number of Senators join us earlier this year on a balanced budget amendment. We lost by one vote. We hope to bring it up again.

Now, President Clinton says a lot of things at different times and in different ways. Yesterday, at a news conference or in a short statement, he mentioned the phrase ''balanced budget'' 16 times, by actual count. If the people who watched television last night saw the clips of what he has been saying in the last 2 years, he talked about a 5-year balanced budget when he was a candidate, then maybe 10 years, maybe 9, maybe 8, maybe 7.

Now, I think the President could indicate that he is in good faith by signing this bill. There is nothing in this bill that is going to hamstring the President of the United States. Nothing commits him to do anything, except it says we shall enact a balanced budget amendment in the next 7 years, using CBO estimates—updated CBO estimates—the very estimates that President Clinton asked us to use. CBO is the Congressional Budget Office, for those who do not understand these initials all the time. But when he first spoke to a joint session of Congress, he boasted about using CBO—Congressional Budget Office—figures in his budget and said they had been, as I recall, fairly accurate over the years. And they have been accurate over the years.

So we are not asking too much of the President of the United States. I am not one who advocates shutting down the Government of the United States. I would like to find some resolution, and if we cannot do it with this continuing resolution, maybe we can figure out a way tomorrow to resolve the differences.

What harm does it do the President of the United States to sign a bill that says we will have a balanced budget by the year 2002? He said today on television that he did not mind the 48 Democrats voting with Republicans last night because it was not binding. Well, if it is not binding on the 48 Democrats, why should it be binding on the President of the United States if he signs it?

Again, I want to thank my colleagues tonight who said to our Federal workers that it is time to go back to work, and said to the President of the United States, it is time to balance the budget. Again, I say, as I said earlier today, I do not think it does a lot of good to have press conferences every day where we say one thing and the President says something else. Why do we not sit down together, without the press? We are all adults. I believe the American people are looking to all of us for leadership. So the Government has been shut down Tuesday, Wednesday, Thursday, and it will be shut down tomorrow. Is that enough time? I think it depends on the leadership that we can produce in the next 24 hours. If not, we are going to go into the next week and then into the next week. I do not see much opportunity next week to have any resolution.

So I say, first of all, Mr. President, sign this resolution. It is not a bad resolution. I am told that the only objectionable feature is the balanced budget language, which does not legally bind the President of the United States. It seems to me that we may be very close. If the President would sign that tomorrow, and we send it down tomorrow—and I assume we will—then everybody can come back to work on Monday, and we could go on about the Balanced Budget Act of 1995, which we hope to finish tomorrow night around 10, 11 o'clock, maybe a little later. And then on Saturday morning, we will take up a conference report or two, and then Members could be off with their families for Thanksgiving, as many would like to do.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I ask unanimous consent to include the Senator from Illinois, Senator CAROL MOSELEY-BRAUN, who would like to speak for up to 5 minutes.

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

The Senator from Delaware is recognized.

THE SHUTDOWN

Mr. BIDEN. Mr. President, I would like to comment on three items. One, I compliment Senator BOXER and Senator SNOWE for their initiative to treat us like everyone else; that is, if we are working and other Federal employees are working, and they are not getting paid, we should not get paid. Most of the public in our home States do not realize that all of us have voted for that already. We voted for that twice already. Unfortunately, the House of Representatives has either inadvertently or, in fact, refused to bring that up. I will not make a judgment about that. But we have been on record for some time.

I think it makes good sense. I just depart from one comment made by one of our colleagues who supported this initiative. I do not think the Congressmen and Senators are smug about this. The truth about this much of this is artificial. I have been here for 23 years and although we have never had this extent of a crisis, we have shut down for a couple of hours or a day. In every case, it has been standard operating procedure that everybody is made whole. The Federal employees—everybody is made whole.

So I do not think most of our colleagues thought that this sort of stupidity would go on as long as it has. Therefore, I do not think my colleagues sat there and said, ''By the way, I know people like the stenographer here, who is working, and I know he is not getting paid, and I do not care; ha, ha, ha, he is not going to get his paycheck.'' I do not think anybody thought about that.

I want to make this clear. Sometimes, in our zeal, we make it sound like this place is a little more heartless than it is. The truth is that there is an artificial element to this and, in all probability, nobody is going to end up losing a cent in this —unless this does go on for weeks or a month, which none of us wish to happen, and I think probably none of us believe will happen.

Now, sometimes we do stupid things. Sometimes ego and pride and politics and partisanship get in the way and everybody wakes up one morning and says, ''My Lord, how did we get here?'' I am hopeful that will not happen. That leads me to my second point.

My second point. I have great respect—and I mean this sincerely—for Senator DOLE, the majority leader. I have served with him and next to him for 23 years now. You cannot be around somebody that long and not get some sense of the man, the person. I do not know anybody who is smarter in this place, and I do not know anybody who is a better legislator in this place, or that I have had any better relationship or dealings with than him. I make one distinction in what he said. When he said the President is not bound in any real way if he were to sign the continuing resolution that the Senate sent to him, and he then mentioned the CBO figures, Congressional Budget Office figures—and he did accurately say the President, in the past, had mentioned Congressional Budget Office figures. But whether the President said it in the past or not, we all say things that turn out not to make so much sense sometimes—at least I have.

The truth of the matter is that it is important for the public to know not whose figures are right, but just to understand the debate. There is a fundamental difference in the outcome of a balanced budget and in how much you have to cut to get to a balanced budget, based upon how rapidly the economy grows or does not grow.

Now, the figures are infinitesimally small when you say them. For example, the Congressional Budget Office says the economy will grow, on average, over the next 7 years, at 2.4 percent per year. And along comes the Office of Management and Budget in the executive branch, and they say, no, the economy, over the next 7 years, will grow, on average, 2.6 percent per year. The public up there says, ''What is the problem? What difference does it make which number you accept?'' Well, I am not saying who is right. By the way, you know that old joke, I say to the former Governor of Missouri, now the Presiding Officer—I am sure he has asked a lot of economists about the impact of what happens in his State. But it reminds me of that joke that used to go like this: Give me a one-armed economist because every economist you speak to, no matter who they are, in their estimates, they say, ''On the one hand'' it could be this, and ''on the other hand'' it could be that.

I would love to find a one-armed economist who would only tell me this is what is going to happen.

Well, back to the central point, the difference between a 2.4 and 2.6 growth rate in the economy over 7 years is almost one-half trillion dollars more that would have to be cut from the Federal spending.

Right now if you said to me, I am sitting there and I say ''OK, I am President''—I am not President obviously—''I am President.'' You say to me, ''OK, I will agree to balance the budget in 7 years,'' and I look out there, and I say, ''All right.''

By the way, what is the magic? Why did we not say 5 years? Why did the Republican Party not say 5? Why did the President say 10? Why did we not pick 6? The truth is, it is of little relevance in terms of a goal. It is a practical relevance in terms of how much you cut and how rapidly you cut.

But back to the central point. I am sitting there as President. You come to me and say, ''I have good news. We have signed on to 7 years.'' Great. That is what I say. ''I can do this in 7 years.'' But the numbers they gave us are that we have to balance everything based upon the economy only growing this fast.

Mr. President, what that means is those cuts, that $1 trillion in cuts you were going to find to balance it over 7 years, you have to find $1.5 trillion. And you say, what does that mean? That means I either have to give no tax cut at all or that means I have to make major cuts in Medicare, or that means I have to make significant cuts in education. And for what? For the want of 1 year? For the want of 2 years?

I lay you 8 to 5, which is what is disturbing me, the American people are way ahead of all of us—the President, the Speaker, the leadership, Democrats, Republicans. They no more believe that we are going to balance the budget in 5 years than 7 years or 7 years than 8. They do not care if it is done in 8 years or in 6 years. They just want to know we are serious and we made a decision.

The glidepath of this Government spending over the next decade is going to be this way—down, and real numbers, real cuts, real changes. That, I agree, there is a mandate to both parties on that. But do you think anybody who sits home and says, ''Well, I have been thinking this over. I listened to that debate in Congress, and my grandchildren are going to be put in serious jeopardy if we do this in 10 years instead of 7. This means the health and welfare of my granddaughter.''

Do you believe anybody thinks that? What they are sitting home saying is ''God, all those guys and women down there, all they do is talk. They keep promising balanced budget amendments. I do not believe they will do it any time.'' That is what they really say about us all.

The truth is, I have been here 23 years. I have never seen a time—and I say this with total sincerity—where the overwhelming majority of the Members of this body have done anything other than agreed we have to balance the budget, and mean it.

I introduced a balanced budget amendment in 1984 that got nowhere. I am a Democrat that voted for the constitutional amendment to balance the budget. I have introduced on four occasions—four occasions—entire plans to balance a budget, knowing I am not President and I am not the leader, but for illustrative purposes. I tried with Senator GRASSLEY back in the 1980's to freeze all Government spending, including Social Security, including everything.

The truth is the last election did one thing. I do not know whether it really made you guys a majority party for long. I do not know. We will find out. I know one thing it did. What it did was it made sure that there was nobody left on the left in my party who, in fact, said we do not care about moving the budget toward balance.

These folks mean it. We all mean it. The public knows we mean that. I think they look at us and say, ''You are all being kind of childish.''

For example, I bet—and I should not say this because I do not know whether the Senator from Missouri, the Presiding Officer, would agree—I bet I could find 20 Members at least on the Republican side of the aisle if I were in charge of this outfit—and I am not—we could sit down and say, ''Here is the deal. You guys want a balanced budget in 7 years and you want CBO numbers. I want a balanced budget, too, but I do not want to cut as much Medicare as you do. I do not want to cut as much as you do, and I do not want to give as big a tax break as you want.''

So we can make a deal, make a deal. We will split the difference between the CBO figure of 2.4 and the OMB figure of 2.6. Take 2.5—that is $250 billion. And make another agreement. Agree I will go for a bigger cut in Medicare. I say we only need to do $89 billion. That is all we need—not $270 billion. I will split the difference with you on that.

You have to make a deal on taxes, too. As much as you want to help wealthy folk, and I want to help them, too, tell them to wait until the end of the line. We will not give them anything. We will not raise their taxes, but we will not give them a tax cut.

Just those gross numbers—by the way, also make a deal, satisfy the President. Do not do this in 10 years. Do it in 8 years. Do not do it in 7—you give a year, we give up 2 years.

Do you think the American public will go home and say, ''Boy, they all sold out. Boy, they all do not mean this. Boy, that is ridiculous. Boy, my grandchild is now in real jeopardy. Boy, my child's future I borrowed against now another 18 months''? I think they would say they are finally acting like mature adults.

I respectfully suggest, to go back to the original point I made, the majority leader said, what difference does it make whether it is CBO or OMB? Let me tell the difference. That is like saying to me, ''JOE, you got to forge this creek, the Ardent Creek. You have to forge it, and it is 43 feet wide where the rapids are, and you have a hook at the end of the rope.''

It makes a difference whether you give me a 48-foot rope or you give me a 38-foot rope whether I can get across that creek. If you give me a 38-foot rope, I cannot make it without getting awful wet and put in danger. Give me a 48-foot rope I can throw that sucker across, hook it around the tree, and have no problem bringing myself across.

That is the fundamental kind of difference between these numbers. These numbers are real. They make a difference.

I might add, the DuPont companies of the world, the Fortune 500 companies of the world who all of us say are better at estimating what will happen than we, they all say the growth rate will be about 2.9 percent per year. They say we will have $1 trillion difference from what the Congressional Budget Office says.

Let me say, if you ask whether I accept a DuPont Co. economist or a Federal bureaucrat's economist, I tell you where I go, this Democrat. If you ask whether I take an economist from Maryland National Bank or from the Chrysler Corp. in my State, I know which I would take. I would take the private sector guy.

What I am told is—and I may be wrong, but I do not think I am—I am

told the blue chip analysis, that is taking all the blue chip companies who have analyzed what the growth rate is going to be, the consensus is it is going to be about 2.9 percent per year.

I will tell you what. If we agree to their numbers, I can balance the budget and not cut Medicare and not hurt education and not make the changes I do not want to make and I can do it in 5 years.

This makes a difference. It makes a difference what numbers you pick. Like I said, it is like that rope. You tell me I have to get across a 40-foot creek with rapids and if I slip in the rapids I go over the dam, and you give me a 30-foot rope, I have a problem. You give me a 50-foot rope, I can do it. So the difference here is the length of the rope we are giving the President.

I will conclude by saying the Presiding Officer is the only Republican in the Chamber—and by the way I am not suggesting anybody else should be in the Chamber. All reasonable people are home at 10 minutes to 10 at night, and I do not know why I am doing it, because I am not sure that the four people in here, who are kind enough to be listening to me, are listening. But I would respectfully suggest the following.

The reason why a guy like me is a little bit suspect of the insistence on the CBO numbers is—I will be real blunt with you —I believe this is more than about balancing the budget. I believe this is about eliminating programs, or drastically changing programs that the Republican Party, understandably and defensibly, historically has not liked.

But it can be cloaked in balancing the budget now. Because if you give me the 30-foot rope, I have to get rid of education. I cannot pull education across that creek with me on my back. I cannot take Medicare across that creek with me on my back. I cannot take a lot of things across there—baggage that some of my friends on the Republican side, and some Democrats, do not think we should be doing anyway.

So I think what the President should do—presumptuous of me to suggest what the President should do. But, if the President called up and asked me tonight, Joe, what do you recommend about this? I would pick up the phone and I would call BOB DOLE and NEWT GINGRICH and I would say, Fellows, look, come on down. Let us have a cup of coffee. And I would promise NEWT could sit at the head of the table. I would let him sit behind my desk. And I would say, Here is the deal. Let's make a deal. Let's split the difference on the numbers, not between the private sector, but the two Government bureaucrats who said what the numbers were. Split the difference and let us split the number of years. I will take off 2, you add 1. And let's get back to work, and then let us fight about the details, which is what appropriations bills are about.

I hope we do that. I am not suggesting my particular formula, I say to the Presiding Officer. I am not so presumptuous as to say that is the only way to do it. But I do know one thing. Legislation is the art of compromise, not weakness, compromise, because we have very divergent views.

I have come to know a bit more about the Presiding Officer. He and I have divergent views on a number of issues, but I truly respect him. And I think he respects me. There is no reason why we could not work—I have to give something. You are never going to agree with my philosophy. I am never going to agree with yours, on the whole. So we have to give something.

I do not mean to paint it—I would like it if the Senator from Missouri and I could settle this, but I know neither one of us are in the position to do this. But the larger point is simple. I think it is time for us to sort of—I was going to say act like grown-ups. That implies they have not been. I think it is time to say, OK, everybody has made the point. Let us get back to work. Let us split the difference on these things. Because the truth of the matter is, if the President agreed to an 8-year balanced budget with CBO numbers, or OMB numbers, does anybody believe that means he is less committed to getting to a balanced budget? He locks himself to a balanced budget on those terms.

So the issue is not if. The issue is how. I think we could settle this quickly. I hope we will do it.

My colleagues are here. I will not do it tonight, but I was going to make a statement, and I will do it tomorrow, on a third point. That is Mr. HELMS'—and I love Senator HELMS—outrageous, in my view, holding up of the START Treaty and holding up the Conventional Weapons Treaty. But I will save that for another moment. Maybe the Senator would be on the floor, because I would rather deal with him on the floor. As my colleagues know, I never say anything that references another Senator without telling him first. It is nothing derogatory, but I hope he will reconsider. We are about to lose the START Treaty, and that is the thing that eliminates all those Russian missiles that could be aimed at us again.

My colleagues are waiting to speak. I thank my colleagues and I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

THE LAW OF THE SEA CONVENTION

Mr. PELL. Mr. President, from October 23 to November 3, 1995, the United States was host to an intergovernmental conference convened under the auspices of the U.N. Environment Programme to adopt a Global Programme of Action for the Protection of the Marine Environment from Land Based Sources of Marine Pollution. My colleagues know that I have long had a strong interest in the protection of the environment, and in particular of our oceans. In fact, in 1973, legislation was enacted that I introduced to create the position of Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs. I was pleased that the Congress and the President agreed with my strong feeling that increased cooperation with respect to the protection of our oceans be given greater focus and visibility at the State Department.

As far back as 1977 I introduced a resolution that required countries to conduct environmental impact assessments before carrying out activities that might impact the environment of another country or of a global commons area. The U.N. Environment Programme (UNEP) was to be the recipient of these impact assessments and in July 1995, I introduced Resolution 154 calling on other nations to adopt a similar approach. UNEP has retained its key role in the protection of the environment worldwide and the Washington Conference on Marine Pollution was but the latest example of its ongoing efforts to encourage all countries to cooperate in the protection of the environment.

This Conference was convened as a result of the U.N. Conference on Environment and Development held in Rio de Janeiro in June 1992. It recognized the fact that more than 80 percent of marine pollution originates from terrestrial sources and its aim was to ensure that all the Parties would coordinate their efforts in trying to reduce such sources of pollution. The two outcomes of the Conference were the Global Programme of Action for the Protection of the Marine Environment form Land-Based Activities, adopted at the end of the Conference, and the Washington Declaration, which was adopted by its high-level segment. Both the Programme of Action and the Declaration complement the legal regime set up by the Law of the Sea Convention which was signed by President Clinton and is still pending before the Committee on Foreign Relations.

I wish to call the attention of my colleagues to an article published in the Washington Post on November 4, 1995, which highlights the risks now weighing on our oceans and the need to take urgent action. I ask unanimous consent that this article be included in the RECORD at the end of my remarks.

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

[See exhibit 1.]

Mr. PELL. Mr. President, I have always been a very strong supporter of the Law of the Sea Convention because it sets up a new Constitution for the Oceans and because it is the perfect tool to put an end to such destructive measures as ocean dumping and other forms of direct pollution. In that respect, the Law of the Sea addresses the marine sources of oceans pollution. The Washington Conference aimed to

complement this approach by addressing the impact of terrestrial, and indirect, sources of marine pollution. The Programme of Action adopted by the Conference contains a series of practical steps that governments can adopt, while the Washington Declaration provides us with a framework to further our international cooperation.

At the national level, countries can, and should, restrict negative impacts by better and stronger regulation of sewage discharges and by controlling the production and use of pesticides, fertilizers and other persistent organic pollutants that are known to cause considerable damage to marine life. At the international level, cooperation needs to be increased, with a view to imposing more stringent controls on the most dangerous of substances, such as DDT, PCBs, and other persistent organic pollutants. The Washington Declaration recognizes this by calling for the development of a global legally binding instrument for the reduction or elimination of persistent organic pollutants. At this stage, it is still unclear what form such a treaty should and will take, but it is of the utmost importance that the United States become an active participant in these negotiations.

By definition, marine pollution is a global problem, and while it cannot be solved by individual nations, we all have a responsibility to cooperate in attempting to save our oceans. The United States has always been at the forefront of similar efforts in the past and we cannot shrink from our responsibilities in these times of crisis. The Law of the Sea Convention and the Washington Programme of Action are the two vital instruments through which we can finally put an end to the excessive pollution of our oceans. This is a chance for the United States to prove that it really intends to address and solve the very important issue of marine pollution by ratifying the Law of the Sea Convention, by implementing the Programme of Action in earnest, and by becoming a leader in the negotiations of a treaty on the regulation of persistent organic pollutants.

EXHIBIT 1

EXPERTS SEEK GLOBAL TREATY ON TOXIC OCEAN POLLUTANTS

(By Gary Lee)

Alarmed by rising levels of pollution in the world's oceans, a conference of environmental experts from 102 countries yesterday called for new global controls on the use of DDT and 11 other toxic chemicals that are often discharged into waterways.

The Washington gathering, sponsored by the United Nations Environment Program (UNEP), urged industrial and developing countries to negotiate a global treaty restricting the spread of a dozen persistent organic pollutants, a group of industrially produced chemicals that frequently wind up in oceans and other water supplies. Participants in the two-week meeting, which ended yesterday, approved a program of action that included the call for a treaty.

Persistent organic pollutants were targeted for more stringent international regulation because they are highly toxic, remain in the environment for long periods and can spread thousands of miles from the point of emission, conference delegates said.

After accumulating in fish and other marine mammals, such chemicals work their way through the food chain and may eventually be consumed by people. They can cause severe health problems, said Clif Curtis, an adviser to the international environmental organization Greenpeace. Studies have linked some of the compounds to cancer, neurological damage and defects of the reproductive system and immune system in various animals, including humans. Creatures occupying positions near the top of the food chain—such as fish that eat smaller fish, marine mammals, seabirds and humans—are at greater risk of such effects because more of the toxic substances accumulate in their tissues. Greenpeace advocates a worldwide ban on the production and use of persistent organic pollutants.

The campaign for new restrictions on the chemicals is part of a growing movement to save the oceans, considered by many environmentalists to be the world's last underregulated biological frontier, from further degradation.

''The oceans of the world are interdependent,'' Vice President Gore told the gathering in a speech this week. ''The only way to stop the degradation of marine environment from land-based activities is to share the solutions.''

''If we're going to take the cleanup of the oceans seriously, [persistent organic pollutants] must be banned,'' said Salef Diop, an adviser to the Senegalese environment ministry and delegate to the conference.

While the 1982 Law of the Sea Treaty and other international agreements regulate ocean dumping and other forms of direct pollution, the UNEP conference focused on restricting land-based activities that indirectly contribute to the pollution of oceans—such as the use of organic pesticides that are washed into rivers and end up in the ocean.

The conference pointed out in its recommendations that individual countries can help fight ocean pollution through national policies, such as the reduction of sewage discharges and control of pollution from nonpoint sources like farmland. Land-based activities are responsible for 80 percent of ocean pollution, according to Magnus Johannesson, a senior environmental official from Iceland.

The substances pinpointed by the conference as requiring more stringent controls include the pesticides DDT, toxaphene, chlordane, heptachlor, endrin, aldrin, mirex and dieldrin, as well as byproducts of industrial combustion such as dioxins, furans, hexachlorobenzene and the group of chlorinated substances known as polychlorinated biphenyls (PCBs). Although dozens of other chemicals pose a threat to oceans, these 12 are most widely used and most toxic, according to environmentalists.

After controls are in place, others could be added to the list if scientific consensus indicates that they are harmful to marine life, conference delegates said.

The U.S. has already moved to ban the use or spread of many of the compounds, but at least two—chlordane and heptachlor—are still produced by American companies for export abroad, Clinton administration officials said.

Although banned in the United States in 1972, DDT is still widely used in India and some other developing countries to protect crops against insects. Heptachlor and toxaphene are also used heavily in some countries.

Safer alternatives exist, but some research will be needed to determine whether they can be substituted cost-effectively in those countries that still rely on chemicals that end up as persistent organic pollutants, conference delegates said.

THE EXECUTION OF KEN SARO-WIWA

Mr. PELL. Mr. President, last Friday, amid the strong protests of the American and British Governments and countless human rights organizations, the Nigerian Government executed Ken Saro-Wiwa, a noted author, environmentalist and human rights activist, and eight of his colleagues. I must say that these executions represent a flagrant violation of human rights and I am outraged. These executions reflect the refusal of the brutal regime of General Abacha in Nigeria to abide by the most basic international norms. Moreover, such actions deserve a swift and harsh response from the U.S. Government.

Since seizing power in a military coup in June 1993, General Abacha has systematically eliminated any perceived rival by intimidation, lifelong imprisonment and most appallingly, by means of execution. Mr. Saro-Wiwa and his eight colleagues now join the ranks of Nigerians whom the Abacha government has successfully silenced. Despite these brutal deaths, I am confident that the causes for which these leaders died cannot, nor will not, be destroyed.

Ken Saro-Wiwa spent much of his life fighting against the military government and the rampant pollution of the land and water in his home, Ogoniland, caused by unregulated oil production. Threatened by his persistent and popular campaign, the Nigerian Government charged Ken Saro-Wiwa and his colleagues for the murder of four pro-government activists. The State Department and human rights groups report that Mr. Saro-Wiwa was nowhere near the murder scene and was denied a fair chance to defend himself. Further, there is evidence that witnesses were paid to testify against Mr. Saro-Wiwa. Topped with a military tribunal appointed to try the case, Ken Saro-Wiwa never had a chance.

Mr. President, Nigeria is a critically important country for United States interests in Africa. Nigeria has made significant contributions in the course of regional and international affairs, such as its involvement in restoring peace in Liberia, in resolving the regional drug issue, and last year's commutation of the death sentence to life imprisonment for General Obasanjo and other alleged coup plotters.

This latest action, however, undermines international and American confidence in General Abacha's announced transition to democracy. The impact of Nigeria's problems, inflicted primarily by the Abachan regime, threatens to extend throughout West Africa, harming the political and economic prospects of its neighbors. General Abacha's refusal to heed the calls of the international community, including those made from these chambers,

demonstrates his unwillingness to engage in quiet diplomacy. Humane principles and a commitment to democratic ideals compel us to respond forcefully to the Abachan regime. While the Clinton administration has called on the United Nations to consider an embargo on sales of military equipment to Nigeria, Congress should consider taking the lead in identifying and enacting strong measures that hurt the Abachan regime.

Mr. President, I would like to conclude with reiterating my outrage at General Abacha and his regime's complete disregard for basic human rights and international legal standards. I believe that relations between our two countries cannot be normalized until the appalling abuse of human rights, especially toward the Ogoni people and their leaders, comes to an end.

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

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

THE CONTINUING RESOLUTION

Ms. MOSELEY-BRAUN. Mr. President, thank you.

Mr. President, I would like to speak briefly. And I want to be brief because I know the pages are anxious, and so is the Presiding Officer. But I would like to speak for a moment on the continuing resolution, the debate that was just concluded, and make a few brief comments about it. And then I will file a more expansive statement at a later time.

Mr. President, this is the third day of the Government shutdown, and, quite frankly, this is a disgraceful way to conduct the people's business.

The Government is shut down because, in my opinion, macho posturing, pique, and those things are being substituted—attitudes and old grudges are being substituted—for substantive debate and serious-minded search for compromise.

And we are here also because this Congress has not done its work. Over 6 weeks into this fiscal year, and only four appropriations bills are now law. Most of the bills are stalled here in Congress, not because of disputes over funding levels and philosophical debates, and the like, but frankly because of the efforts by the majority party to attach unrelated riders that are designed, in some instances, to erode women's right for choice, or to deregulate pollution, or to cut away workers' collective bargaining rights.

So we have to resort to a continuing resolution. This continuing resolution that we just passed funds the Government for roughly 5 weeks. It also calls on Congress and the President to balance the budget in 7 years.

Frankly, that provision does not belong in the bill. That issue should be left to negotiations between the President and the Congress on the permanent budget, not on this temporary, partial budget.

That was, however, why I supported the amendment offered by the minority leader. And, frankly, that is why I supported the amendment offered by the majority leader. But, quite frankly, it was the wrong place. Quite frankly, also, Mr. President, there is nothing particularly magic in 7 years. What is important is the objective. What is important is meeting our obligation to leave our children something more than a legacy of debt. And what is important is balancing the budget in a way that helps both individual Americans and our country generally.

Mr. President, I believe we can balance the budget while not undermining health care for the elderly or for the poor, without pushing millions of children into poverty, and without denying access to a college education to additional millions of young Americans.

I think it is possible to balance the budget over 7 years in a way that will make the future brighter for our children and that will help create prosperity for all of us. I hope the parties will seek and find common ground with that in mind.

We have to reduce Federal deficits, but there are other objectives that cannot be forgotten. We cannot just on the one hand transfer costs from the Federal balance sheet to the balance sheets and the budgets of American families. We cannot cut back on essential investments in areas like education on which our competitiveness and, therefore, our economic strength, security, and wealth ultimately depend. We cannot make cuts that close more doors to more Americans who are already anxious about their futures, and who are very hard pressed because, while the cost of achieving the American dream is rising, their incomes are not.

Mr. President, this continuing resolution is not a balanced budget plan. It simply buys Congress and the President a little more time to produce a plan. It is all too clear that we need that time because the budget priorities reflected in the reconciliation bill that we will act on tomorrow are clearly mistaken, in my opinion.

That reconciliation bill contains a foolish $245 billion tax cut. And I think one of my colleagues responded by saying to talk about a tax cut at a time that you are talking about reducing the deficit and balancing the budget is like announcing that you are going on a diet and asking someone to pass the dessert.

Even though the President has cut the deficits in half over the last 3 years, given the scope and the extent of our deficit problem, this is not the time for a tax cut. I add, Mr. President, parenthetically with regard to the specific parts of the tax cut—and I serve on the Finance Committee—there is nothing objectionable—well, there is little objectionable—about the tax cut with the specific ingredients in it. But, quite frankly, the tax cut is very much like a chicken in every pot, the oldest political ploy in town, to give a little bit of substance to the constituents. It could not come at a worse time. The timing and context is wrong. I believe it does not belong as part of reconciliation when we are talking about balancing the budget and cutting protections that are vitally dear, if not vital to Americans.

Mr. President, the reconciliation bill that we are going to take up tomorrow unnecessarily jeopardizes the elderly, the poor, the children, and students by asking them for a hugely disproportionate share of budget savings that the bill requires over the next years 7 years while at the same time protecting tax expenditures, and many other business subsidies and loopholes from the clever.

I believe we need a new plan, one that meets the needs of ordinary, hard-working Americans, and one that embraces opportunities for Americans in the future rather than diminishing them. What we need to do, therefore, in my opinion, is to end this temporary budget crisis, and to put the Government back to work.

What we need to do is to defeat the reconciliation bill tomorrow, and vote against it, because we have to, given the technicalities of it, act on it before we can get to the compromise. Kill the reconciliation bill tomorrow, and go back to work on a more balanced, more fair, and more workable budget plan that does not treat millions of Americans as expendable people.

Most of all, we need to act to meet our obligations to the American people by crafting a budget based on their needs, and that is based on the American priorities of all of our community, a budget built on the proposition that people's futures—and not just abstract accounting numbers—is what is really at stake here.

We have a chance to define ourselves as one community, to recognize that we are all in this together, and to fix our budget problems by sharing the sacrifice and addressing our collective needs as Americans.

Mr. President, this Congress can decide to be like so many corporate CEO's, laying off millions of Americans, discarding them, and ignoring the contributions that they have made in the past, and that they can make in the future. Or, we can recognize the truth—that our only permanent asset lies in the talents and the abilities of our people—and we can construct a budget that helps Americans utilize their talents, and create wealth for all of us today, as well as for tomorrow.

Mr. President, in that case, I believe the choice is obvious. I hope we will commit to coming together to find a common ground, and to recognize that we are indeed all in this together, and we need to have a budget that reflects that.

Thank you. I yield the floor.

RECESS UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 10 a.m., Friday, November 17, 1995.

Thereupon, the Senate at 10:09 p.m. recessed until tomorrow, Friday, November 17, 1995, at 10 a.m.