

they contract with the Federal Government, or whether they are dependent upon the effective operation of the Federal Government, thank you for your understanding.

It is certainly my hope that we have all learned a lesson and that we will not under any circumstances close down the Federal Government under similar circumstances again. It simply was counterproductive and costly for everyone.

I applaud the majority leader for the initiative he took earlier in the week to bring that particular chapter to a close. I do understand that there are fundamental differences that are still at stake. I applaud both the President and the chief negotiators from the Congress for the statements that they made yesterday so as not to exacerbate the problem, to leave open the prospect that they will be able to find common ground, refer to the temporary suspension rather than the collapse of those particular talks because there are very significant and important issues that I think benefit from the kind of discussion and kind of intense focus that they have had during the last few weeks.

I hope that process will continue. I think it makes sense for those who have been locked in what might appear to be mortal combat for a period of time to take the period away from the table, away from the talks, to have an opportunity to refresh themselves and their minds, and get a little different perspective. I hope that they will come back ready to work on those essential issues that continue to divide us.

I hope that all of the Federal employees who have been in all cases inconvenienced—in many cases put through some very severe hardship—will now assist in getting all of the functions of Government back up to speed as rapidly as we can.

Whatever decision is made tonight, I suspect that the Office of Personnel Management will announce that the Federal Government will be formally open tomorrow. But there are still, clearly, many Federal employees, and many other citizens in the area, who are unable to get out of their homes, out of their driveways, and find any reasonable prospect of getting to work in the way that they would normally get to work.

I hope that Federal managers and Federal supervisors will be understanding, but that Federal employees themselves would make that little extra effort to catch up on a lot of work that has gone undone during the last few weeks. Many people are critically dependent on them catching up with the work that needs to be done.

For all those who are going to be doing it and for those who have been both inconvenienced, and in some cases placed at a real hardship, I want to say on behalf of I think all of our colleagues on both sides of the aisle, we understand what they have been through and we understand the incon-

venience, we understand what has happened both with respect to the budget negotiations as well as the weather. We thank you for sticking with us. We hope you will continue to work as hard as you can to get us back up to speed and functioning as rapidly as you can.

With that I thank the Chair and yield the floor, Mr. President.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority whip is recognized.

THE BUDGET NEGOTIATIONS

Mr. LOTT. Mr. President, I would like to join others in expressing my appreciation to those that have been negotiating in this historic effort to move toward a balanced budget and reduce the size and scope of Washington in our lives. I know that they have met, as I understand it, some 50 hours with the President, the Vice President, and others from the administration, the majority leader and the minority leader in the Senate, and the majority leader and minority leader from the House of Representatives, the Speaker.

They certainly have made a supreme effort to close the differences in trying to reach an agreement. It has been a monumental undertaking. It is historic. I emphasize again this is not an insignificant event. You are talking about a lot of the taxpayers' money being at stake. You are talking about fundamental change in the way that Washington spends money and the efforts to reduce that level of increased spending in the future and an effort to allow the taxpayers to retain some of their hard-earned money, trying to get some fundamental reform in the so-called entitlements area.

It is a major effort to accomplish this. So I think they have made a good-faith effort. I understand they have made some progress. There has been some movement on both sides. You can characterize which one has moved the most. Obviously, I think that the majority from Congress has made the greatest movement. But the fact is, they both have changed some.

I think that probably this recess was unavoidable and perhaps even good at this point. There have been shifts in positions. Listening to the majority leader and the chairman of the Senate Budget Committee and the House Budget Committee, they felt last night the last offer that had been made by the majority was as far as they could go in a number of areas.

I think maybe now they can take this time to take a breath, look at what has been proposed, and the administration, the President, can look at what has been proposed and see if he cannot make some additional changes, because I do know that the majority made changes in Medicare, Medicaid, welfare, in the earned income tax credit, and even a proposal to bring down the tax cuts from what I believe had been \$203 billion down to \$177 billion. So a lot of changes have been made.

There is good reason to get this agreement. There is a lot to be gained for all involved. First of all, the most important thing is if we get a budget agreement America will benefit. Then there will be benefit for all those that have been involved, including the administration and the Congress, both parties. So we should do it.

What is to be gained? Clearly, the experts say if we get an agreement you will see a further decline in interest rates which will help us all—those who want to buy a home, buy an automobile, pay for college. Lower interest rates is something we really want to achieve. That would be a benefit if we could get this balanced budget in 7 years, if we get real numbers agreed to. That would mean more jobs, lower interest rates, selling more refrigerators, automobiles. It will create jobs. I understand it would lead to lower trade deficits, and also it would lower the national debt in the future.

If we do not get this agreement, then this almost \$5 trillion debt we have will continue to go up. And to try to control the rate of growth of that debt is certainly a supreme accomplishment that we should work on. I understand that it has been estimated the average benefit per family per year from this agreement would be about \$1,000 per family, not an insignificant amount, a minimum of \$7,000 just from the benefit of getting the balanced budget, not to mention what we might do in the tax cut area.

What is to be lost if we do not get an agreement? First of all, I think our institutions will suffer because we will have not been able to reach an agreement. We do not want that to happen. I have never seen a negotiation go on this long and to this extent or to this level. In the past usually there has been, you know, debate back and forth between the parties, between the bodies of the Congress, and briefly between the White House and the Congress. But never before, in an effort to get the size and scope of Washington under control, has it led to these negotiations at the Presidential and Speaker and majority leader level, for hours upon hours.

But if we do not get this done, I think all involved will pay a price. We will see higher interest rates almost assuredly. I think the head of the Fed, Alan Greenspan, has indicated that would probably be a result. We would see more—more—ever-increasing Washington spending and Washington control.

Probably we would see a falling stock market. Just in the last 36 hours the stock market has tumbled more than 100 points; 67 points yesterday, 36 points this morning. And it was not because of the blizzard of 1996. It was because of their perception that maybe these talks were not going to be agreed to, their concern that we were not going to control the rate of increase of Federal spending, and that we were not going to have tax policies that would lead to economic growth and job creation.

The stock market is not something I profess to understand. But when it drops precipitously, I start saying, well, what could possibly be the reason? I think most people would say they are worried now, that this is troublesome news.

It is described as a recess. But is it really a recess or is it the beginning of the end of the budget negotiations? And they are beginning to say, well, after weeks, months of believing and acting on the assumption that we were going to get a balanced budget agreement, and in fact tax cuts for individuals that deserve it—it is, after all, the people's money that we are talking about allowing them to keep.

The idea now that these talks have taken at least a break is troublesome. They are worried that we will not get these commitments agreed to that we worked on all year long. So I think we should be very conscious of that. I hope we will see a return to the negotiations, that the President will move toward the majority's position in Congress.

I think we have been very responsible in the positions we have taken. In fact, we have offered not one, not two, not three, but four budgets in effect, three since the one that passed the Congress. So there has been a significant shift to try to get the job done, but to do it in such a way that a bipartisan Congress could support it.

I hope that they will get back together and there will be additional improvements in trying to control the Washington growth that we are battling against. And failing in that, certainly we will look to the appropriation process to keep the Government operating, but to control spending as much as we can through that process.

THE PRESIDENT'S VETO OF THE WELFARE REFORM BILL

Mr. LOTT. I want to say also in closing, Mr. President, that I, too, am very much concerned that the President vetoed the welfare reform package. After talking a great deal about how we were going to end welfare as we have known it, we have, in fact, not done it. He did veto the bill last night. There has been suggestions that there are major problems with this bill. But the Congress did add back some \$10 billion from where the House position was to try to get a bill that the President could sign. It does have genuine reform.

There is complaint in effect from the minority leader that we are giving States more authority. That has been one of our goals, to give more flexibility to the States. As a matter of fact, States have been getting waivers to have this flexibility.

So we need to get work back into welfare. We need genuine welfare reform. The President has vetoed this bill. I think it is a big mistake. But I think it is incumbent upon Congress that we immediately get back together to try to come up with a welfare re-

form that in fact saves money, that does not spend more money, and that does retain the work requirements that we have been committed to throughout the year.

I believe my time has expired. I yield the floor at this time, Mr. President.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The minority whip is recognized.

THE PRESIDENT'S VETO OF THE WELFARE REFORM BILL

Mr. FORD. Mr. President, I agree with my friend from Mississippi that the recess probably will be important where we can, as the President said, take a deep breath, step back, and look at where we are.

Mr. President, we talk about the veto by the President of the United States of the welfare reform bill. Well, I think the Democratic leader said very emphatically today that the 25-percent maintenance level where the Senate had voted 80 percent maintenance level by the State was an important factor that was changed.

The President said when we passed the bill on welfare reform in the Senate that he would sign that bill. Well, I have been around here a few years and usually when you cannot get together and you find something that can be signed and you are not too far apart, then I think we can come back to the table and work it out.

Instead of putting all the blame on one place—the Democrats in the House, the Democrats in the Senate, the Republicans in the Senate, are all in favor of one item; and we wind up that there is a group in the House that will not let us move forward. So I think that becomes the stumbling block.

Even in the House an amendment was put on one of the bills where you were sending the block grants back to the States that none of this money could be used by the States to build roads. That gives you some idea. I happened to have been a Governor when we got an avalanche of money. President Nixon pigeonholed the money after we overrode his veto. Then they went to court, and the court released 2 years of appropriations. We were the beneficiary of that.

I understand Federal money coming into States. I understand the matching money. I understand what the States can or cannot do. I also understand the pressure on a Governor in a State by his constituents and what they would like to have him do.

We talk about big interstate highways. We call it, down in the States, get-to-it roads. The interstates are fine, but if you cannot get to it, then you cannot ride on it. So they want us to build get-to-it roads. And so therefore there will be pressure to use this money to build get-to-it roads.

THE PRESIDENT AND THE DEMOCRATS WANT A BALANCED BUDGET

Mr. FORD. Mr. President, let me just make two points. I think we have maybe a couple minutes left. Two points. One, for the last 3 years the deficit, under President Clinton, has been reduced by 50 percent. There will be fewer Federal employees, 272,000 under that proposal that was passed and signed in 1993. And today, we have about 200,000 fewer employees than there were 3 years ago.

There is no question to what the President and the Democrats have agreed to, that we want a balanced budget and, two, that it would be in 7 years and, three, it would be certified by CBO.

The President has laid two budgets on the table, one, balance the budget in 7 years, as certified by CBO. Last evening, the second was put on the table to balance the budget, approved by CBO. The only difference here now is whether we give a huge tax cut or not.

My friend from Mississippi says that they have cut it to a \$177 billion tax cut. My figures are, when you put it together, that it is \$203 billion they are still holding on to and clinging to, which would be the tax cut they want to put in. If you look at the coalition in the House, they do not want to give any tax cut. It is zero. We hear a lot about the Blue Dogs in the House. Their tax cut is zero. The bipartisan group's over here is somewhat higher. But there is \$87 billion that the President has agreed to in tax cuts and \$203 billion that the Republicans want in tax cuts. We feel like this is not the time to give the huge tax cuts, and that we ought to try to be compassionate and take care of the elderly. We do not need to cut Medicare or increase the premium on part B of Medicare. We do not need to increase the deductible on part B in order to give the tax break.

Mr. President, the budget is not balanced under the Republican balanced budget because if you look on page three of the reconciliation bill, it is \$108.4 billion of money used from Social Security. I put into the RECORD last week two things—one statutory and the other in the law—relating to Social Security. You cannot use that money other than what it is collected for.

So we have a lot to work on. But the work is only between \$87 billion and \$203 billion, and where you cut more or less and who gets the tax break. The hour of 1:50 has arrived.

I yield the floor.

Mr. LOTT. Mr. President, we have no further requests for time. All time has expired under the agreement. We have some unanimous-consent requests, and I believe the majority leader may want to come to the floor and do that.

At this point, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.