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Senate

The Senate met at 9:30 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:

Almighty God, You have blessed our Nation with great leaders in every period of our history. Today, our hearts blend in oneness and our voices soar above party loyalties to express our gratitude to You for BOB DOLE. Quite apart from Presidential politics, we wish to thank You for the way that You have used him here in the Senate through the years. We affirm his leadership; we admire his statesmanship; we honor his patriotism.

Thank You for Your intervening in his life to save him in World War II, for preparing him through suffering and pain to be empathetical of the needs of others, and for opening doors for him to serve his Nation here in the Congress for the past 35 years.

We appreciate his plain-spoken, Kansas way of expressing his faith. We know that prayer has been the source of the silent strength that has given the Senator his remarkable resiliency, constantly filling the wells of his being with stability and courage. As brothers and sisters of both parties in the Senate, we ask You to continue to bless him and his wife Elizabeth as they press forward in serving You and our Nation. In the name of our Savior and Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able and distinguished majority leader, Senator DOLE, is recognized.

Mr. DOLE. Thank you, Mr. President.

THANKING THE CHAPLAIN

Mr. DOLE. Mr. President, I say a personal thanks to the Chaplain. I appreciate it.

SCHEDULE

Mr. DOLE. As I understand it, the Senate will consider Senate Concurrent Resolution 57, the concurrent budget resolution. Under the order last night, Senator DASCHLE or his designee will offer the President's budget this morning, and we can expect a rollcall vote on or in relation to that amendment hopefully before noon today.

There will probably be a late session tonight. There will be an effort to try to complete action on the budget resolution sometime this evening. If that cannot be done, obviously, it will be done tomorrow. I am advised there is still a lot of time remaining. The Republicans have 20 hours and 57 minutes; the Democrats have 19 hours and 39 minutes. That is 40 hours and 36 minutes. It is 9:30 a.m. It may be difficult to finish it this evening. But these things do have a way of moving once we get started. So I know the managers on each side would appreciate cooperation of our colleagues who have amendments.

The Senator from Washington [Mr. GORTON], will manage on this side, so I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER (Mr. DEWINE). The Senate will now resume consideration of Senate Concurrent Resolution 57, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 57) setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I suggest the absence of a quorum and ask unanimous consent that it be charged equally on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3965

(Purpose: Setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002)

Mr. EXON. Mr. President, as agreed to yesterday, at this time 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 Nebraska [Mr. EXON], for himself, Mr. DASCHLE, Mr. DODD, and Mr. KERRY, proposes an amendment numbered 3965.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. EXON. Mr. President, in the arrangement between myself and the Budget Committee chairman, Senator DOMENICI, I am offering this amendment today as a substitute for the basic Republican amendment that was laid down when we began the budget debate yesterday by the chairman of the Budget Committee.

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

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The amendment that I am offering is very clear cut. It is not difficult to understand. I am proposing the President's 7-year, CBO certified balanced budget as a substitute to the Republican budget that is now before the Senate.

Let us turn back the clock to a year ago. That is when my Republican colleagues pulled our leg on the Senate floor. The Republicans offered the President's budget recommendation as a substitute for their own amendment. They offered that as a substitute resolution. As a result of that, they had a good laugh at our expense as the amendment was voted down 99 to 0, with this Senator, the ranking Democrat on the Budget Committee, voting with the 99.

But what a difference a year makes. It is not only a different year, Mr. President. It is a different budget. And I do not think my colleagues on the other side would be smirking if they did the same thing this year as they did last year, but, of course, there is no indication that they will do that. It would not be the meaningless, hollow political gesture that it was in May 1995. This President's balanced budget is real in every sense of the word, and it is certified to be in balance by the Congressional Budget Office.

Throughout last year I heard one chorus from the Republican majority. They repeated it over and over again: ''Mr. President, give us a 7-year balanced budget, certified by the Congressional Budget Office.'' I was urging the President to do the same thing. The difference was that I was interested in sound budget politics rather than partisan politics. It is now a done deal. The President has complied with what the Republicans were seeking and what this Senator was seeking.

Now we hear something different from the Republicans. In order to avoid dealing with the President, House Budget Chairman KASICH has now reversed course and tells CNN, ''The problem is, of course, not in the numbers.'' It is the extremist Republican philosophy that President Clinton and mainstream Americans have soundly rejected, but they are still on that course. For my colleagues who still believe that honest numbers are important, here is a product, the President's budget, far superior to the Republican budget that is now on the floor. For, as the Republican budget delivers fresh and needless pain, across the years, the President's budget is a smart mixture of fiscal constraint and compassion.

The President's budget achieves balance in 7 years, but it does so without the terrible burden being brought on our senior citizens, working families, and the most vulnerable in America. It reflects the values and the priorities of the American people. It protects Medicare benefits and it protects Medicare beneficiaries. It invests in our children's education, it protects the environment from the search-and-destroy right wing radicals. It preserves nursing home standards and nursing home benefits. It prevents ordinary Americans from going broke to pay for nursing home care.

As I noted a few moments ago, this will be the last budget resolution of my Senate career, and I thank President Clinton for saving the best for last, as far as this Senator is concerned. In my 18 years in this great body, I cannot think of another budget that better hits the mark right from the start. I cannot think of another budget that I could endorse so eagerly. I cannot think of another budget that ordinary Americans could so readily call their own.

Having said that, of course the President's budget is not without some flaws as far as this Senator is concerned. We could all find things on which we would disagree. There is always a pea under the mattress that irritates one or more of the 100 Members of this body. And there are some things in the President's budget that cause me some concern. But what we are talking about here is a document that I am introducing today that I hope would be the basic model that we would begin from, rather than the budget proposal endorsed and put together and offered by the Republican majority. In other words, I, too, would hope we could do some fine tuning on the President's budget, which I think is necessary.

But I want to be clear on this point: The underlying mechanism in this budget, which is fiscal restraint coupled with protecting our economic investments so vital to America, is synchronized and in fine working order, but I would certainly entertain some amendments to it.

After 18 years in the Senate, I harbor few illusions that there will be a mass conversion on the other side of the table to what I consider to be my reasonable appeal. I ask my colleagues, however, to have a serious discussion and have a serious look at the amendment I am offering.

For too many months we have been talking at each other and not with each other about how to balance the budget in 7 years. This Presidential proposal is a serious and a honest budget, and I hope all of my colleagues will approach this amendment in that spirit so we can move ahead in an expeditious fashion.

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

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we are now beginning a debate over the President's budget proposal for 1997 and for succeeding years. In a very real sense, the fact that we are debating this proposal represents a major step forward from the situation in which we found ourselves last year.

As my friend, the Senator from Nebraska, has pointed out, last year it was members of the Republican Party who put up the President's budget to be voted on and voted down. Members of his own party were not willing, systematically, to defend that budget. Because, Mr. President, as you will remember, last year the debate was fixed very firmly on the proposition that one side, the new Republican majority, felt it vitally important not only to promise a balanced budget at some time in the future, but to make the very difficult policy decisions that were required to assure that the budget was, in fact, balanced.

We succeeded in doing so. We succeeded in doing so so well that during the entire period of time in which it looked as though this promise would be kept, interest rates declined all across the country. What did that mean? It meant that people buying homes paid less in the way of interest on their mortgages and therefore were more likely to be able to afford to buy a home or to buy a better home. It meant that businesses, small and large, paid less in interest and were therefore able to increase their productivity and increase the jobs that they had to offer and increase the quality and compensation for the jobs which they did offer. In other words, even a binding promise to reach balance in the future that was believable had a positive impact on our economy, and by the year of balance, 2002, it would have meant at least $1,000 per family in the pockets of the average American family.

During the entire development of that balanced budget, the other side refused to come up with any alternative that would reach that balance, and the struggle was between a group of Republicans who felt it absolutely unethical and immoral to continue to spend money by the hundreds of billions of dollars, the bills for which we sent to our children and grandchildren, and a side led by the President who felt this was not relevant and was unimportant.

Beginning in December, however, and culminating with the offer of this Presidential budget, we have had, in fact, at least lip service—and I must say that lip service is important to the proposition that a balanced budget is of great help to all Americans by removing some of the burdens of Government from their shoulders, by freeing them up and, implicitly, leaving more of their hard-earned money in their own pockets.

Unfortunately, however, doing that job is more difficult. It is harder work than the President of the United States is willing to undertake.

His dedication to the proposition is welcome. The product itself is seriously flawed. As a consequence, that makes even less valid his characterization of our efforts as being extreme in nature. In fact, the President has never made any real steps in our direction, even when compromises and modifications were made on the part of the Speaker of the House and the majority leader of the Senate and the distinguished chairman of our Budget Committee, Senator DOMENICI.

So we now have a unity with respect to our goals, but a dramatic difference in connection with the way in which those goals are reached. What we have in this proposal, the amendment that is the subject matter before the Senate right now, is spending increases in 1997, rather than a move on a steady path of lowering spending so that we reach a goal on a gradual but even path between now and the year 2002, 6 years from today.

What we get are a series of mechanisms and gimmicks rather than choices that do require the Congressional Budget Office to show reduced spending and reduced deficits, though there is not a single detail as to how we get there in the key years right after the turn of the century.

More accurately, if we look at the policy judgments that are contained in this Presidential budget, we see that it has a deficit of $84 billion in the year 2002, according to the Congressional Budget Office. Mr. President, $84 billion is not a modest amount of money by any stretch of the imagination, just under $100 billion after 6 more years of lip service to a balanced budget and at that—to get to that figure, our one-time savings and assets sales, which is immediately after that year, will have resulted—the budget deficit would increase very, very substantially.

So this proposal is a very modest step in the right direction, but it is not a balanced budget. It is not a serious attempt to make decisions now that will lead to a balanced budget. It is, in fact, a promise of very difficult choices for the President after next, for the President who is elected not in 1996 but in the year 2000.

What are the gimmicks, what are the mechanisms that allow this to be determined as a balanced budget that are, in fact, no more than gimmicks? A discretionary trigger, No. 1; an end to the tax reductions that are called for in the bill, No. 2; outrageous shell games with respect to Medicare, one of the vital social safety nets in our entire society; welfare reform that is not reform; and a number of other sleights of hand.

Let us go to some of the gimmicks first. This proposal increases domestic discretionary spending for next year, the one year of the budget that is absolutely binding, by $10 billion, so that the President, during the course of the reelection campaign, can point to a wide variety of increases in programs supported by various interest groups and by large numbers of people.

Then from 1998 to 2002, there are a significant number of cuts, none of which is specified, none of which can be attacked because they are amorphous. They are simply figures on the wall without any detail to back them up.

Finally, for the last 2 years, the President calls for increased discretionary spending, even though the Congressional Budget Office says that the trigger mechanism to balance the budget included in this proposal will reduce discretionary spending by $45 billion in the year 2002 alone. But worse than that—worse than that, Mr. President—as gimmicky as it is, is the President's treatment of Medicare. This budget takes one of the most vital elements of Medicare, an element that is now protected by being in the Medicare trust fund, paid for by the payroll taxes that each of us at work pays every single year: Home health care, not an insubstantial program, Mr. President, which costs $55 billion. It is taken out of the trust fund by the President's proposal, out of the protection of the trust fund in order that the President can show that the trust fund stays solvent for a longer period of time than would otherwise be the case, and transfers it we really know not where.

In one sense, this Presidential budget says, ''Well, we're going to transfer home health care to Medicare part B,'' the part that pays for physicians' fees in Medicare, an element of Medicare that is not covered by the trust fund, an element of which about 75 percent is paid by general taxes, that is to say, the deficit, and 25 percent by premiums paid by the beneficiaries.

Medicare part B, of course, is voluntary. It is such a good deal that there is practically no one eligible for it who does not take it when you are only paying 25 percent of its cost. But it is voluntary. So home health care at one level is transferred into part B. But it does not become voluntary, it is still there. It is not subject to any of the copayments that are a part of part B. It is not subject to the 25-percent premium cost that part B is subject to otherwise. So, in fact, it simply becomes a completely, totally, absolutely unfunded entitlement, Mr. President.

What does that mean? It means $55 billion a year more in bills transferred to working Americans, out of the trust fund, which they are already paying and—incidentally, those payments are not cut at all—simply into the general fund to be added to the deficit.

That does one of three things, Mr. President: either it greatly increases the deficit by that $55 billion, or it will result in a tax increase of $55 billion on the American people, a new tax, or at some point or another, when things get tough, it just will not be paid for at all, and it will disappear, home health care will disappear.

Mr. President, I use the word ''gimmick.'' This does not really get appropriately covered by the word ''gimmick.'' This is a fraud. This is something to which people are entitled now, that is being paid for now, that is in a trust fund now, that suddenly is just hanging out there with a new bill for the American people.

There are other gimmicks in the Medicare cuts that are in the President's budget. The amount of money he claims to save is not saved, according to the scoring of the Congressional Budget Office, what they come up with for it. There are more triggers on the amounts of money for outpatient hospital services. There is a new entitlement program for workers temporarily unemployed, but it sunsets in the year 2000.

Taxes on working families, college students, and small businesses will be increased in the year 2001. Payroll taxes will be accelerated at that particular period of time, Mr. President. And these really are gimmicks. A whole slew of asset sales are pushed into the year 2002 to show a one-time balance with, of course, no balance thereafter.

There is a spectrum auction of spectrum for the year 2002, of spectrum that will not be returned to the Federal Government until 2005, even if it is ready to be returned at that particular time. Will it get less money than if it were auctioned at the time it is actually available? Obviously those will be lower.

So as CBO indicates that they will be $6 billion short, there is just a contingent $6 billion charge on broadcasters to make up the difference for the year 2002. Governors Island in New York Harbor is going to be deserted after 1998, but it will not be sold until 2002 so that it can balance the budget in that year. The strategic petroleum reserve, the Weeks Island Naval Petroleum Reserve—the same thing, they get sold long after we have assumed that they would be sold to balance the budget in that year.

In welfare, the President's welfare reform program does not require its recipients to be enrolled in Work First until 2003 so that the payment for their new education and training management does not begin until later.

So even if you accept all of the gimmicks, all of the tax increases, all of the unspecified spending cuts, to get us to balance in 2002, it all goes to hell in a hand basket immediately thereafter.

Mr. President, I have only begun to list the gimmicks and the outrageous transfers of responsibility that are included in this proposal. It just is not serious. Successive speakers will speak to some of the circular reasoning that is contained in this proposal. It is a proposal that is very comfortable for next year, one in many respects in connection with discretionary spending I wish that I could support, but one I cannot support when it does not really reform entitlements, when it leaves all of the heavy lifting to the President after next, and when it leaves that President after next with a huge unfunded liability in the third year of his or her Presidency.

As I said to begin these remarks, Mr. President, it is a major step forward to have a commitment to a balanced budget on the part of the President of the United States. But when that commitment is lip service only, when there is no heavy lifting, when there are no serious reductions or serious policy changes, we have not even gotten halfway. We should be and we are grateful that we are halfway.

I am grateful that the Senate is actually seriously debating two—no, three before we are done—serious possibilities. I will support two of those possibilities, the bipartisan budget which will come up, I suspect tomorrow, and the Republican one because, while they take a slightly different path, they both deal seriously with the problem of balancing the budget. They have a real balanced budget. They have policy decisions that will affect the years not directly covered by this budget as well as those that are covered by it. I regret to say that the proposal that we have before us this minute does none of those things. Lipservice, Mr. President, is not enough. Action is required.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, we are hearing repeatedly today what we heard from the Republican side of the aisle yesterday—every time it is said I intend to correct it—and that is that the President's budget is not in balance.

As I said in my opening remarks yesterday, and in my opening remarks this morning, contrary to the statements that are being made from that side of the aisle, the President's budget is certified to be in balance by the Congressional Budget Office. Lest we forget what that is, the Congressional Budget Office is run and managed by a Republican appointee whom I supported to be the head of that organization.

The Congressional Budget Office, whether run by a Democrat or Republican, has always been considered to be about as fair as you can get with regard to certifying numbers.

I quote once again, as I did yesterday—and I will keep quoting it today every time somebody on that side of the aisle says that the President's budget is not balanced—and that is this quote from the Congressional Budget Office headed by June O'Neill.

> The President's budget proposes policies that the Congressional Budget Office estimates would balance the budget by the year 2002.

Yet that side of the aisle keeps saying, ''It does not. It does not. It does not.'' I am not going to get into ''You said that, she said that, he said that.'' But their claims are fundamentally wrong and they do not not contribute to a legitimate debate on the budget when they keep saying, ''the President's budget doesn't balance.''

Likewise, I would say, that the Congressional Budget Office has said that the Republican budget proposal introduced by Chairman DOMENICI yesterday does balance. There are several things that I could pick apart on that. There are several things that I could get up and say, ''I don't agree with CBO. I think that the Republican budget does not balance in the year 2002 for this reason, for that reason, for the gimmicks that are included in their budget.''

But it seems to me that when I take that kind of an argument, I am undermining the basic context that I think is important; that is, that CBO has certified that in their best judgment and by their best estimates both the President's budget, that I have just offered, and the Republican budget offered yesterday by Chairman DOMENICI, have been certified to by CBO as balancing the budget by the year 2002.

Now, I do not think we accomplished very much since both of the basic budgets that we are arguing about here have been certified by CBO. Last year, I repeat again, the Republicans hounded the President, hounded the Democrats and challenged the President to come forth with a budget that could be certified to as being balanced by the year 2002 by the Congressional Budget Office. Now that it has been done, as I said yesterday, they are moving the goal posts once again.

I think we can have legitimate debate on what are the rights and what are the wrongs in both the President's budget and, the Republican budget. I admitted and conceded in my opening remarks this morning, that there are some parts of the President's budget that I do not agree with. I think we accomplish very little by getting up on the floor of the U.S. Senate, as Republicans did yesterday and as they are starting out to do today, to say the President's budget is not balanced. Says who? Says the Republican majority. The Republican majority is a partisan referee and therefore their claims should not be considered as authentic with regard to whose budget balances best and in what timeframe.

As I say, I think there are many policy problems with the Republican budget, and I think there are policy problems with the President's budget. I suggest we could expedite the proceedings and come to more intelligent debate if we stop saying this budget does not balance and that budget does not balance, and agree, if we can, that the CBO has certified both the Republican budget and the President's budget that I have just introduced as being balanced by the year 2002. If we are going to go down that road, we are just going to be throwing stones at each other's budget without getting to the specifics of what we would like to see done.

Once again, to bring that point home, I want to talk for just a moment about the Medicare part A and B trust funds that have become focal in the debate, and justifiably so. Once again, I am going to introduce for the RECORD and read a very short letter from June O'Neill, the Republican-appointed Director of the Congressional Budget Office. The letter is dated May 9, 1996:

> CONGRESSIONAL BUDGET OFFICE,
> *Washington, DC, May 9, 1996.*
>
> Hon. J. JAMES EXON,
> *Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.*
>
> DEAR SENATOR: At your request, the Congressional Budget Office (CBO) has examined the effects of the Administration's budgetary proposals on the Hospital Insurance (HI) trust fund. Under current law, the HI trust fund is projected to become insolvent in 2001. CBO estimates that the Administration's proposals would postpone this date to 2005.
>
> Sincerely,
>
> JUNE E. O'NEILL.
> *Director.*

Mr. President, in listening to the Senator from Washington, he seems to assert that the home health care part of the budget would be safer in Medicaid part A than it would be in Medicaid part B. I find this association somewhat ironic in view of the fact there is no place in the entire Republican budget where the majority seeks to find more savings, or, placed in a better context, there is no place where reductions from real needs have been more savaged by the Republicans than in Medicare part A. Yet, the majority wants to reduce $123 billion from protected Medicare part A spending. If that is what they do to programs that they claim are safe, I hate to see what they would do to programs they dislike.

What I am saying is the sound and fury from the other side with the President's shift in home health care—he is shifting it into an area that would make it safer. The President is taking and transferring this out of the part of the budget that the Republicans are savaging with cuts that would be far below real needs.

Once again, I am not sure we are talking about apples and apples and apples and oranges here. Suffice it to say, I think so far the attack on the President's budget, while, once again, I say is not perfect in my eye, is not honest and straightforward. I think some of their arguments are somewhat suspect.

Mr. President, one more quote, again from my remarks of yesterday, that are found on page 203 of the committee report:

> The Republican budget is rife with gimmicks. The tax cuts mysteriously drop off from $23 billion to $16 billion by the year 2002. The Republicans count on savings towards balancing the budget from spending cuts that they already used in the Kennedy-Kassebaum health bill. They similarly count twice the savings in housing. Without these gimmicks, the Republican budget would not be in balance.

I only cite that, Mr. President, to say this Senator, too, could be charged with trying to undermine the Republican budget. The term ''gimmicks'' in the President's budget was used by my friend and colleague from Washington in remarks just concluded. This Senator used the term ''gimmicks'' yesterday explaining shortcomings that I see in the Republican budget.

I do not believe that either of us should keep hounding the other side on gimmicks because the facts of the matter are, there are lots of things in the President's budget and there are lots of things in the Republican budget that could be deemed as gimmicks. Those of us who call parts of the Republican budget gimmicks and, likewise, when the Republicans call parts of the President's budget gimmicks, we are voicing

an opinion. Only time will tell whether it is true or not.

While I have attacked parts of the Republican budget as gimmicks, I say in the end what we should all do is recognize and realize that gimmicks or no gimmicks, the Congressional Budget Office, which we all recognize as a legitimate referee, has certified that, in their opinion, both budgets reach balance by the year 2002. And I suspect, because I respect the professionalism of the Congressional Budget Office, that they are not necessarily blindsided by what the Senator from Nebraska calls gimmicks in the Republican proposal, or likewise, when the Republicans charge that parts of the President's budget has gimmicks in it.

So, gimmicks or no gimmicks, I think we should get on with the debate by recognizing that while there is legitimate criticism in order to both of the budget proposals, I hope that we can get off the kick of saying it over and over again that the President's budget does not balance and that the Republican budget does not balance. We can say that, but I think it contributes not a great deal to the legitimate discussion, since it is a moot point.

The Congressional Budget Office has said that both budgets are balanced. I think there is plenty of room for debate on changes that should be made to improve the two budgets. But let us, hopefully, agree that we are talking about two budgets that do meet balance by the year 2002, and that should not be a key part of the debate.

I reserve the remainder of my time and yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I yield 10 minutes to the Senator from Missouri.

Mr. BOND. Mr. President, I thank my colleague from Washington. Let me say, I am going to agree with——

Mr. EXON. If the Senator will withhold for a minute so we can talk about time here, a lot of people have asked me when we are going to vote. I simply say—and I have not had a report from the Senator yet this morning—that we have about 34 amendments that Democrats are intending to offer. We asked last night that they try and advise us, and your side advise you, what amendments we have. We are trying to complete this effort by tomorrow night. We are certainly going to have to have some discipline somewhere along the line to get that done.

I would like to ask, first, about how many amendments do you see on your side, or do you know about at the present time? When we have that, we will add that to the 34 that we have here and multiply that out by the number of hours that each one of those amendments are entitled to. Then we will begin to see the difficult task we are going to have by trying to finish this by tomorrow night.

The second question I want to ask to move this debate along is this. Last night, Senators on both sides suggested that we put off this debate until this morning and not have a vote before noon. I am wondering if we could possibly get an agreement that we would try and balance out time so that we could have a vote in the vicinity of noon today on this matter. Is that a feasible proposal? Does the Senator think that might move things along?

Mr. GORTON. The Senator from Nebraska has me at a certain disadvantage. As he knows, I am sitting in for the chairman of the Budget Committee this morning. I cannot give him definitive answers to either of his questions. I can say, however, that I have no anticipation that we would vote before noon. I am sure we can informally divide the time between now and noon and give Members assurance we will not vote before then. It may be that it is after noon before we get to do so.

As was the case with the Senator from Nebraska, our chairman asked Republican Members to report to him on all the amendments they would have by noon today. Well, it is still an hour and a half from noon. We have only a relative handful.

Mr. EXON. That is a good sign.

Mr. GORTON. That is certainly a good sign. We will be able to answer his question, of course, more definitively in a relatively short period of time. I think that, on an informal basis, we can agree to simply go back and forth. We have yielded time to the Senator from Missouri. I see the Senator from South Carolina. It would be appropriate for him to go next, and then back and forth for a period of time, at least.

Mr. EXON. I thank the Senator. That helps answer some of the questions. Let us move forward.

The PRESIDING OFFICER (Mr. INHOFE.) The Senator from Missouri.

Mr. BOND. Mr. President, I assume that did not count against my 10 minutes.

The PRESIDING OFFICER. It did not.

Mr. BOND. If we can start afresh, let me thank my distinguished colleague from Washington and warn my good friend from Nebraska that I am going to agree with him. I know that maybe this will help the process move along. But we have before us the President's budget. This is a massive work that would cost about a hundred dollars if you want to buy it. It has the numbers in here that the President proposes.

Mr. President, in one sense, the Senator from Washington is right. The numbers here do not balance. The numbers in the book do not come to balance. Now, the President has done something in this budget. You have to look at the supplement to see what he has done. He said, if it does not work, I have a trigger. On page 13, it says, ''In case the new assumptions produce a deficit in 2002, the President's budget proposes an immediate adjustment to the annual limit, or caps on discretionary spending, lowering them enough to reach balance in 2002.''

I agree with the Senator from Nebraska. When you impose those caps, the President's budget does come to balance in 2002. I am not going to call that automatic cut a gimmick, or that trigger a gimmick. Let us just take it for what it does. The President has presented a budget, and he said if it does not balance, you take a whack at it. Well, that whack is a $16 billion tax increase on families in the year 2002. It is a $67 billion cut in spending, 10 percent in 2001 and 18 percent in 2002.

So when you take a look at all these numbers, remember that these numbers do not balance. You have to apply the trigger. You have to shoot that budget down to get it to balance. I am going to show you what that does to some of these discretionary spending programs. I hope that my colleagues, before they vote on the President's budget, will understand the impact of these cuts triggered because the President claims he wants to get to a balanced budget.

Now, that may sound kind of complicated. Let me reduce it to common, everyday terms. It is as if you went to the grocery store and you filled up your basket; you gathered all the things you needed and all the things you wanted. You took it to the checkout counter, and the clerk ran it up at the checkout counter, and all those bar scanner codes recorded the numbers. At the end, the bill comes out to be $100. You look in your wallet and you say, ''Whoops, I only have $80.'' You have $100 worth of wishes and wants, but you only have $80. So you are going to have to start putting some things back. So you put $20 worth of stuff back, and you pay your $80 and take the goods home.

Well, when we talk about the budget that the President proposes, let us talk about that $80 that he is actually going to spend. Do not be misled if somebody talks about the $100 he wants. Do not be misled about the tax cuts because there is going to be a $16 billion increase for individuals and families. There will be a $16 billion tax increase for families in 2002 because, unless you do that, these numbers do not add up.

Mr. President, the point I made yesterday and the day before is that numbers do not lie. Let us take a look at the numbers.

Mr. President, I think it is important that we take a look at some of the vital impacts on health and children in this. I mentioned yesterday the Food and Drug Administration. The budget we have before us reported out of the Senate Budget Committee essentially keeps funding for the Food and Drug Administration on an even keel. The Food and Drug Administration is vitally important because its diverse responsibilities include licensing blood banks, monitoring clinical investigations, reviewing and approving prescription drugs, generic drugs, animal drugs, vaccines, biologicals, medical devices, and food additives. The FDA ensures the quality of a trillion dollars

worth of products. This year it proposes to certify over 10,000 mammography facilities across the country—vital to the health and well-being of our country.

What happens when the President applies that trigger, those caps, those cuts to the FDA? Look at this red line that shows the dramatic reduction in funding for the FDA from almost $900 million to under $700 million in 2001 only coming up above $700 million in 2002. This is a tremendous cut in the vitally important activities of the Food and Drug Administration.

I mentioned yesterday the National Institutes of Health looking for new cures, new ways of dealing with the diseases. The President has a nice little blip up here. But when he gets over to get to balance and you apply the trigger, you take the cuts, you take the whacks, that funding drops off the map. It goes from almost $12.5 billion to below $11 billion, $1.5 billion cut year to year from 2,000 to 2002—$1.5 billion.

Are we going to have all the answers to health and well-being? Are we going to still need the National Institutes of Health? I think so. We cannot afford the cuts that the President proposed. We are dealing with real numbers.

This is what would happen, if you believed the President and if you believed this budget will get to balance.

Child care and development block grant. I was very pleased to work with my colleague from Connecticut on the act for better child care. We turned it into a development block grant because we recognized the importance of assisting working families with care for their children. The President has a little upswing this year. This is an election year, of course. But then look what happens. From over $1 billion, about $1.5 billion, this thing drops off the cliff to about $800 million in the year 2002—almost a $250 million cut in child care because of the President's trigger.

Do we really want to say to people who are trying to get off welfare, ''Hey. Get off welfare this year. We are going to assist you with your child care expenses. But sorry about the ensuing years. There is not going to be the money there.''

That is what the President's budget does. That is if you implement the mechanism the Senator from Nebraska rightly pointed out is in the President's budget. That is how it gets to a balance.

WIC, funding for women, infants, and children. We both support this at least in the early years. The President's line goes up. The Republican line goes up. But, whoops. The President had said he wants to balance the budget. So you fire the gun, you put on the cap, you pull the trigger, and what happens to funding for women, infants, and children? It goes, in his budget, from over $4.2 billion down to about $3.7 billion.

This is a significant cut. If you believe and advocate and want to stand up for the President's budget, you have to be willing to say, ''Hey. We are going to get to balance in the year 2002 by taking this much of a whack out of the feeding program for women, infants, and children.''

Mr. President, I do not believe that is going to happen. That is not a realistic budget. But the President is standing by that budget. Anybody who votes for it says, ''I am voting for it. I believe in it.'' If you vote for the President's budget, then, Mr. President, you have to be saying, ''I believe these numbers, and I will support these numbers.''

I have talked a good deal about the Veterans' Administration because that happens to be one of the vital functions that is funded in the appropriations subcommittee which I chair. The Veterans' Administration budget has been very contentious. Last year we had a floor amendment, an amendment sponsored by the Senator from West Virginia, Senator ROCKEFELLER, and Senators MIKULSKI, LEAHY, and WELLSTONE.

They said, if we kept an even spending level, we would have to close four veterans hospitals. The Republican budget has even funding. This cuts almost $13 billion—25 percent. That means that one out of four facilities, or more, in the United States would have to be closed. Here are the States with veterans facilities. Florida has 6, Massachusetts has 5, New York has 13, and California has 11. One out of four—that means California is going to have three, four, or five closed. The Senator from California [Mrs. BOXER] was complaining that we did not open a hospital last year. The question is, Which of these is going to be cut?

Mr. President, the budget provided by the President is not workable. Those numbers do not lie.

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

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I yield such time as is required for the moment.

Mr. President, the distinguished Senator from Missouri talks about assumptions. With respect to assumptions, I only have to point out that when I asked the distinguished chairman of the Budget Committee, Senator DOMENICI from New Mexico, about the budget assumptions, he said, ''No. That is no magic asterisk. Assumptions are not binding on anyone. Use the assumptions in the President's budget. Do what you want to be bound by it. It does not make any difference.''

With respect to the trigger, I remember that trigger when they had it last year in the Republican Medicare assault. Unfortunately, the distinguished President of the United States, coming from Arkansas, having balanced budgets for 10 years, had taken on some of the bad habits of this Republican crowd.

Right to the point, Mr. President: I was listening this morning to the chatter on the early morning shows, and the pundits were all allowing that the distinguished Senator from Kansas was having to retire from the Senate because he wanted to get away from the Senate itself; that the Senate had such a bad reputation.

I take exception to that, Mr. President. It is the Republican program that has such a bad reputation. I feel for the distinguished Senator from Kansas as the Republican nominee going around the country because, though he physically removes himself, he still has to carry that load. I told him so yesterday afternoon.

It is a ridiculous contract. Get rid of plans that are working and the programs on crime. The policemen on the beat; they were all here yesterday in support of those programs.

That is what is really frightening the American people. It is a ridiculous plan: let us get rid of the Department of Commerce, the Department of Energy, the Department of Housing, the Department of Education. Whoever heard of being elected to public office and then trying to tear down the office itself? We are elected to come to Washington to make the Government work. But this pollster party is running on hot button items like 5-cent gas taxes and that kind of thing, trying to throw the long pass play. They are not really giving the American people a program of responsibility and direction, a sense of where we are headed in the next 4 years. The truth of the matter is that the wrong man resigned from the Congress. We ought to have gotten the distinguished Speaker to be gone with that silly contract. Let him move out and maybe the pollster party would have a chance in November.

But my point this morning is that yes, I am going to vote for the President's budget. It is the nearest to a factual approach to this particular dilemma. It does not use the CPI. It does not have these mammoth tax cuts that are down to $8 billion. We do not have any taxes to cut.

That is another flaw in the contract, it leads the American people to believe that you can balance this budget by merely cutting spending. I have voted for many, many cuts in spending. I voted, as did a third of the Senate, to do away with a good part of the payroll tax—$190 billion in tax cuts to put Social Security on a pay-as-you-go basis. But I do not believe in cutting taxes when we are running these horrendous deficits, when the debt is going up and the interest cost on the debt ruining the land. And so what I am trying to do is get the nearest as I can. We tried every approach. In January 1993, we put in what would be required of a really true, honest balanced budget. It included both the horrendous cuts that would be necessary in discretionary spending and taxes. I challenge and continue to challenge. At the Commerce Committee the other day, the distinguished Senator from Texas said that she believed the budget could be

balanced by spending cuts. I challenge her. I challenge anyone in the Congress to give me a 7-year balanced budget without a tax increase. I want to see it. You can eliminate the Government as they call it, but we have worked our way into such a dilemma that, if you did away with Government as the people know it to be—foreign aid, the Department of Commerce, Interior, Agriculture, Justice Department, the FBI, the DEA, do away with the President, the Congress, the courts—it would still only be $228 billion.

Now, look at the bottom line, what are we spending? This pollster party has got us to the point that we are required to spend $353 billion in interest costs on a national debt that they quintupled. They did it, not President Clinton—$353 billion, $1 billion a day spending on automatic pilot for absolutely no Government. We do not get anything for it. It is merely the carrying charges. If they had not engaged in that misconduct, we could have two Departments of Commerce, two Departments of Energy, two Departments of Education—double the Government. We are spending the money for it, but we are not getting the Government.

And that is this particular Senator's dilemma. We are supposed to be rebuilding our economy in the wake of the cold war, putting more into education, more into technology, more into the Department of Commerce. Instead the Republicans pursue their political endeavors solely for reelection purposes. They are not looking at the next generation but at the next election. And we have to go through this false nonsense of a budget fraud because it is their contract.

Unfortunately, we Democrats, to get any kind of results, have to go along with this kind of thing. President Clinton put out a good budget when he first came. We had to cut $500 billion in spending. We had to increase taxes on cigarettes, beer, liquor, gasoline. Yes, we voted to increase taxes on Social Security, we performed a real act of fiscal discipline and responsibility without a single Republican vote in the Senate, without a single Republican vote in the House of Representatives. And they have the audacity, the unmitigated gall to come around here talking about hoaxes.

Let me get everybody to turn to pages 4 and 5 of this wonderful document, Senate Concurrent Resolution 57, by the distinguished Senator from New Mexico [Mr. DOMENICI], for the Committee on the Budget. This is the budget resolution now in debate. Look on pages 4 and 5 under ''Deficits.'' For fiscal year 2002 you will see a deficit of $108,300,000,000.

Mr. President, for Heaven's sake, you pick up the morning paper, the Washington Post, and it is talking about the ''Republican Balanced Budget Proposal.'' There is no idea of balancing this budget by Republicans or Democrats. It is one big political exercise, one grand budget fraud. And that is what everybody is running on. I am trying to get them to state what the law is and what the truth is.

The fact is here in the budget book itself: ''Budget Process Law Annotated,'' up to date, 1993 edition. You will find in this book no such word as ''unified.'' That is a political gimmick that the press, the money market in New York and politicians use. We have to hear about fraud; we have to hear about hoaxes; we have to hear about trickery, but the truth of the matter is there is no such thing as unified. There is such a thing as not being able to rob the Social Security trust fund. Look at it. Section 13301 of this particular document says thou shalt not use the Social Security funds to obscure the size of the deficit. We owe Social Security at this moment $503 billion, and in this particular budget that I hold up, this document here, they continue to rob the Social Security trust fund in violation of the law. They are robbing other trust funds as well that are not written in the law. I wish they were. But we continue to rob the Social Security trust fund of approximately $500 billion over a 6-year period and over $600 billion over 7 years. So that by the year 2002, 2003, we come around, under this political drama—the best off-Broadway show you are going to find, running currently on C–SPAN—and they will say, ''Oh, we have balanced the budget. We are the party of responsibility and we balanced the budget.''

Even if it were true, using their own figures we have decimated—decimated, exhausted the Social Security trust fund. We will owe it over $1.1 trillion. Then we will not have to hear the arguments about the year 2012 or 2023—just by that year 2002 we will already owe that money. Who is going to raise $1 trillion to make Social Security solvent? You should have heard it—I wish I had that record before me—the distinguished chairman of our Budget Committee in his prepared statement stated: We are making Medicare solvent for 10 years. Under this budget we are making Medicare solvent for 10 years; we are making Social Security totally insolvent in 6 years. It will be totally insolvent in 6 years. And they want credit for their so-called fiscal responsibility.

Unfortunately, both sides are guilty. Why? Why do I say that about this budget fraud? I have not seen a budget yet that does not immediately start off by moving deficits—not eliminating deficits—moving them from the general Government over to the Social Security trust fund to the tune of $500 billion. The Republican budget does it. The President's budget does it. And the so-called centrist coalition does.

They think it is wonderful they can get together, Republicans and Democrats, in a fraud. I did not join them. I told them: It is a fraud on the face of it. You can see it. You know it. Look at it. You are not only robbing trust funds to the tune of what will amount to almost $1 trillion, but we owe the civil service retirement, the military retirees.

You go down the list. Medicare is solvent right now. They have been robbing the Medicare trust fund and on down the line to highway trust funds. Finally, over on the House side, they have been robbing the airport funding. There are not enough inspectors. We just had a hearing on that. Why? Because we have been taking the money that the traveling public has been putting in. While they have been paying their taxes in order to provide those inspectors, Congress has been using the moneys to politically obscure the size of the deficit. This way they can say, ''Reelect me, I am fiscally responsible up there in Washington but the other crowd is a bunch of bums.''

They know what they are doing. Not only do they rob trust funds, but all of their spending cuts are backloaded. There is the gimmick. That is why, when President Reagan first came to office, he said he was going to balance the budget in 1 year. After he got here he said it was such a disaster that it would take him 3 years. When Congress saw that was not working with the so-called Reaganomics, that we were going in the exact opposite direction, we tried the spending cut approach with Gramm-Rudman-Hollings. But all along, then after Gramm-Rudman-Hollings—and I'm talking about the crowd that voted to repeal it on October 19 at 12:41 a.m—they are now all writing books now how responsible and how against deficits they were. Gramm-Rudman-Hollings worked. The reason the Senator from South Carolina asked for a divorce is that instead of using Gramm-Rudman-Hollings as a spear to prod fiscal responsibility, they were using it as a shield to obscure fiscal irresponsibility.

When they started doing that, I said let me out of this thing. We raised the point of order, made cuts across the board. And Gramm-Rudman-Hollings worked. Do not say it did not work. It was about to work too well, until they got into that cabal to reelect the President in 1992. Everybody knows what happened there, in 1990, when they voted for its repeal. But they all, then, started backloading. Now, instead of 5 years of Gramm-Rudman-Hollings, we are going up to a 7-year budget. If this crowd can get reelected they will come back next year and they will have a 10-year budget. They keep moving the goalposts and getting the good government award.

The fact of the matter is, two-thirds of these cuts occur after two Presidential elections. They come out here and talk about the President—a hoax. But it is not a hoax—come on. Everybody can see what is going on. Every one of them, including the centrist budget, uses tax cuts.

If you look at the centrist document, the centrist document says the President cuts $8 billion in 6 years. The Republicans cut $122 billion, the Breaux-Chafee in 7 years cuts $105 billion. We

do not have any taxes to cut. So the closest to responsibility is President Clinton's budget. They are running around still trying to lead rather than demand. The consultants will demand. Poor Presidential nominee DOLE will have to respond, run all over the land trying to tell people that which he knows not to be the case. He was chairman of the Finance Committee. He did not favor that Reaganomics. It was Kemp-Roth at that time. I know him, but now he is caught up with the Gingrich contract and he has to go around and sell it. That is his dilemma, not the Senate as a body. They will be here long after we are gone, long after the contract crowd is gone.

Mr. President, we finally see the free world voting in free elections. We witness the spread of, not only capitalism, but democratic representative government; which is, according to Arthur Schlesinger, the greatest gift of the American people to free men the world around. And it has taken root, Mr. President, in 14 different countries. Over in Russia now, the Communists are getting ready for a vote. Over in China, where I recently traveled with the distinguished Senator from Maine, Senator COHEN, in the provinces they are beginning to have local elections. Now, when free democratic government is just taking root, the contract crowd says, ''Get rid of the Government. The Government is not the solution, the Government is the problem. The Government is the enemy.'' And they wonder why they are down in the polls.

Back to the point: tax cuts. They talk about a dividend. I speak as the former chairman of the Budget Committee. I speak as an original mover, along with Senator Muskie. I am the last of the Mohicans on the House or the Senate side who was in on the game back in the mid-1970's. I voted for a balanced budget in 1968. I worked there with George Mahon. We said, ''Talk to President Johnson. Can we cut another $5 billion?'' We cut another $5 billion. The entire Great Society and the cost of the war in Vietnam was $178 billion. Interest costs on the national debt is $353—double the amount. And you wonder at the trouble we are in? They do not want to talk sense. They want to engage in another fraud. A $254 billion dividend. That came up in 1990.

We called it into question. They say, ''Oh, no, you look at the 1990 budget.'' They have their charts and everything else. The 1990 budget said that by 1995, last year, we would not only be balanced we would have a $20 billion surplus. Can you imagine the word surplus in a Government document? They put it in there.

Instead, the real deficit was in the neighborhood of $277 billion. There was not any surplus—using the dividend. So they play more games. Now the centrist coalition crowd has come up with a new one, the CPI. They come in and want to monkey around with the Consumer Price Index.

So if you do one, you have to do the other, but they only do one. They are not only going to cut the benefits of the Social Security recipient, which could be done—this Senator has recommended a freeze, a freeze, if you please. But instead of inuring to the benefit of the Social Security trust fund, they take even more money, robbing Social Security and allocating it to the deficit. All the Medicare plans call for an increase in the premiums in order to get the benefits. Then they come around with this lower CPI and give them less money. A double whammy.

They are doing it. But it is a political year and the media is supposed to cover Congress and give the American people the truth. And what is the headline? ''Balanced Budget.'' A balanced budget, come on. There is not any balance in the budget before us, and they know it.

For Heaven's sake, deliver me from this characterization of the President's character. A hoax. The pollster says they have to attack President Clinton on his character. So every 10 seconds the Republicans get up: ''Hoax,'' ''Character.'' One Senator even said, ''Liar.'' ''We'll just get in on a true-false quiz in November, and we are the truth and the Democratic Party is false.''

I do not think the American people are going along with that nonsense. Deliver me from that, particularly when they are the ones engaged, with the misrepresentation. That is the nicest word I can think.

Yesterday, May 15, 1996, I heard it again in the Budget Committee. This is a statement by the distinguished chairman of the Budget Committee:

> This budget will restore America's fiscal equilibrium. It will balance the budget by the year 2002 without touching Social Security.

Absolutely false. He said that in the Budget Committee. I called his hand on it, but they continue to insist on it and the news media will write it. It touches Social Security. The best rationale the chairman can give is, ''We didn't cut, momentarily, the benefits.'' But he means the benefits for me at 72—old STROM and I are going to get ours. But that Parliamentarian is not going to get his money. And I have to ask the Parliamentarian if this really is a budget resolution. Because section (C) where they have in there a provision for tax cuts in September, will actually increase the deficit.

But the truth of the matter is, Mr. President, they not only touch it, they emasculate the fund. I made that clear. Do not come along and say ''without touching Social Security.'' They know what they are doing.

We have had a group of off-the-record sessions to try to get together on the balanced budget amendment to the Constitution. I favor such an amendment, and said I would vote for it in a flash. I voted for it before. But I am not going to vote by repealing section 13301. The proposal has been made time and again, ''Well, let's just use up Social Security until 2002 and stop using it.''

I remember when I had Clement Haynesworth before the U.S. Supreme Court—he had been charged with using his office in conflict with the stock investments that he had. They said that under the law, he should have recused himself. One day, unbeknownst to me and Attorney General Mitchell, he came and said, irrespective of what occurred, he was going to take all these stock holdings and put them in a trust fund.

The next morning, Herblock had that cartoon with the Congress as the court. The Attorney General is the lawyer and a little client who looked like a school boy with a school bag with stock tape and tickets streaming out on the floor. ''But Your Honor,'' said Mitchell, the Attorney General, ''my client hasn't done anything wrong, and he promises to stop doing it.''

No, they have not done anything wrong—''We do not touch Social Security''—they just take Social Security to mask the deficit. Government is borrowing from itself and writing IOU's from $503 billion to $1.1 trillion. But they promise to stop doing it in 2002. By that time, who is going to put on the taxes to pay back $1.1 trillion?

The New York crowd keeps talking about entitlements, entitlements, entitlements. In Time magazine and other major papers, they say: ''The trouble is, we have to get a bridle on this Social Security causing the deficits.'' Social Security has not caused a deficit. It is in the black. Every one of the 100 Senators would have to agree with that.

What is causing the deficit, I say to the distinguished Presiding Officer, is all these general uses of Government, from defense to education to housing to foreign aid to law enforcement. I happen to handle the law enforcement budget. Everybody is for more policemen on the beat, everybody is for more FBI, more DEA, more Border Patrol, more immigration control, more this, more that. In 1987, it was just at $4 billion. Now it is at $16.7 billion. They are complaining about the growth of Government, saying ''cut spending, cut spending.'' Do you think they ever recommended a dime to pay for it all the programs they demand? No.

I joined with Republicans back in 1987. We saw the dilemma. We put in a value-added tax of 5 percent to get rid of this monster deficit growing and growing, the interest costs growing up to where we cannot have Government.

But that is the effect of pollster politics. The pollster party says, ''Get rid of the Government.'' They succeed. If we do not have a Department of Commerce, they are happy. If we do not have a Department of Education, they are enthralled. If we can get rid of the Department of Energy and Department of Housing and just leave them all on the streets, so be it; let the market forces operate.

That is why they are down in the polls, and leaving this august body

does not release the distinguished Senator from Kansas from that silly contract of getting rid of the Government. That is what he has try and sell today as he goes around in Chicago. The contract is frightening the American people.

At least he had the excuse of trying to keep us organized here in this particular body. Now he has to sit back and listen on the hot line to Speaker GINGRICH saying, ''Wait a minute, you've got to stick with the contract, stick with the contract.''

All this chatter. Meanwhile we face the largest deficit in the history of the Republic.

I ask unanimous consent to have printed in the RECORD an article from January 1, 1995, by Judy Mann in the Washington Post.

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

[From the Washington Post]

FIDDLING WITH THE NUMBERS

(By Judy Mann)

Gov. Christine Todd Whitman, the Republican meteor from New Jersey, had the unusual honor for a first-term governor of being asked to deliver her party's response to President Clinton's State of the Union message last week.

And she delivered a whopper of what can most kindly be called a glaring inaccuracy.

Sandwiched into her Republican sales pitch was the kind of line that does serious political damage: Clinton, she intoned, ''imposed the biggest tax increase in American history.''

And millions of Americans sat in front of their television sets, perhaps believing that Clinton and the Democrat-controlled Congress had done a real number on them.

The trouble is that this poster lady for tax cuts was not letting any facts get in her way. But don't hold your breath waiting for the talk show hosts to set the record straight.

The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Here is how the two compare, according to Bill Gale, a specialist on tax policy and senior fellow at the Brookings Institution. The 1993 act raised taxes for the next five years by a gross total of $268 billion, but with the expansion of the earned income tax credit to more working poor families, the net increase comes to $240.4 billion in 1993. The Tax Equity and Fiscal Responsibility Act of 1982, by comparison, increased taxes by a net of $217.5 billion over five years. Nominally, then, it is true that the 1993 tax bill was the biggest in history.

But things don't work nominally. ''A dollar now is worth less than a dollar was back then, so that a tax increase of, say, $10 billion in 1982 would be a tax increase of $15 billion now,'' says Gale. In fact, if you adjust for the 48 percent change in price level, the 1982 tax increase becomes a $325.6 billion increase in 1993 dollars. And that makes it the biggest tax increase in history by $85 billion.

Moreover, says Gale, the population of the country increased, so that, on a per person basis, the 1993 tax increase is lower than the one in 1982, and the gross domestic product increased over the decade, which means that personal income rose. ''Once you adjust for price translation, it's not the biggest, and when you account for population and GDP, it gets even smaller.''

He raises another point that makes this whole business of tax policy just a bit more complex than the heroic tax slashers would have us believe. ''The question is whether [the 1993 tax increase] was a good idea or a bad idea, not whether it was the biggest tax increase. Suppose it was the biggest? I find it frustrating that the level of the debate about stuff like this as carried on by politicians is generally so low.''

So was it good idea? ''We needed to reduce the deficit,'' he says, ''we still need to reduce the deficit. The bond market responded positively. Interest rates fell. There may be a longer term benefit in that it shows Congress and the president are capable of cutting the deficit even without a balanced budget amendment.''

Other long-term benefits, he says, are that ''more capital is freed up for private investment, and ultimately that can result in more productive and highly paid workers.''

How bad was the hit for those few who did have to pay more taxes? One tax attorney says that his increased taxes were more than offset by savings he was able to generate by refinancing the mortgage on his house at the lower interest rates we've had as a result. The 1993 tax increase did include a 4.3-cent-a-gallon rise in gasoline tax, which hits the middle class. But most of us did not have to endure an income tax increase. In 1992, the top tax rate was 31 percent of the taxable income over $51,900 for single taxpayers and $86,500 for married couples filing jointly. Two new tax brackets were added in 1993: 36 percent for singles with taxable incomes over $115,000 and married couples with incomes over $140,000; and 39.6 percent for singles and married couples with taxable incomes over $250,000.

Not exactly your working poor or even your average family.

The rising GOP stars are finding out that when they say or do something stupid or mendacious, folks notice. The jury ought to be out on Whitman's performance as governor until we see the effects of supply side economics on New Jersey. But in her first nationally televised performance as a spokeswoman for her party, she should have known better than to give the country only half the story. In the process, she left a lot to be desired in one quality Americans are looking for in politicians: honesty.

(Mr. CAMPBELL assumed the chair.)

Mr. HOLLINGS. Mr. President, I quote:

A dollar now is less than a dollar was back then—

Talking in the eighties under President Reagan.

so that a tax increase of, say, $10 billion in 1992 would be a tax increase of $15 billion now. . . In fact, if you adjusted for the 48 percent change in price level, the 1982 tax increase would become a $325.6 billion increase in 1993. That makes it the biggest tax increase in the history by $85 billion. Nominally then, it is true that the 1993 tax bill was the biggest in history. However, the biggest tax increase in post-World War II history occurred in 1982 under President Reagan.

And the Senator from South Carolina voted for it.

I voted against Reaganomics. Senator DOLE was against it in the original instance. The then-majority leader Howard Baker called it ''a riverboat gamble.'' Then-Vice President Bush called it voodoo. But they want to forget that. Read Warren Rudman's book. He lays it all out. A substantial group of Republicans said this could not possibly work.

But I ask, Mr. President, to include in the RECORD the budget tables. If you look at the budget tables, back when President Reagan came into office, the key figure is the Gross Interest Cost, which at that time was $74.8 billion. Today it is $353 billion. This crowd is against increasing spending—I'm against spending increases; I'm against spending increases. We have put spending increases on automatic pilot to the tune of $1 billion a day. I ask unanimous consent that those tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

BUDGET TABLES

President and 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	
Eisenhower:					
1953	76.1	3.4	−6.9	266.0	
1954	70.9	2.0	−4.8	270.8	
1955	68.4	1.2	−3.6	274.4	
1956	70.6	2.6	+1.7	272.7	
1957	76.6	1.8	+0.4	272.3	
1958	82.4	0.2	−7.4	279.7	
1959	92.1	−1.6	−7.8	287.5	
1960	92.2	−0.5	−3.0	290.5	
Kennedy:					
1961	97.7	0.9	−2.1	292.6	
1962	106.8	−0.3	−10.3	302.9	9.1

BUDGET TABLES—Continued

President and Year	U.S. budget (outlays in billions)	Trust funds	Real deficit	Gross Federal debt (billions)	Gross interest
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
Nixon:					
1969	183.6	−0.3	+2.9	365.8	16.6
1970	195.6	12.3	−15.1	380.9	19.3
1971	210.2	4.3	−27.3	408.2	21.0
1972	230.7	4.3	−27.7	435.9	21.8
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	4,643.7	296.3
1995	1,514,4	113.4	−277.3	4,921.0	332.4
1996	1,572.0	126.0	−270.0	5,191.0	344.0
1997 est.	1,651.0	127.0	−292.0	5,483.0	353.0

Source: Historical Tables, Budget of the U.S. Government, Fiscal Year 1996; Beginning in 1962, CBO's 1995 Economic and Budget Outlook.

Mr. HOLLINGS. If any Members want to, they can get the entire record of each one of the particular Presidents. What happened is—let me quote David Stockman:

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax-cutting that shattered the nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of anti-tax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

So they have given the Senator from Kansas the chant, ''Growth, growth; tax cuts, tax cuts; growth, growth; tax cuts.'' Will we ever learn?

The debt from the beginning—from 1776 up until 1981—the debt was less than $1 trillion. With all the wars, the Revolution, 1812, Civil War, Spanish-American, Mexican War, World War I, II, Korea, Vietnam, the costs of all the wars were less than $1 trillion—$903 billion. Now, in 15 years, without a war—without a war, because the other crowd are supposed to have paid for the gulf war—in 15 years, we have gone up to $5 trillion and automatic tax increases, because that is what the automatic spending of interest costs amounts to.

You cannot evade death, you cannot evade taxes, and you cannot evade interest costs or interest taxes on the national debt. So those who say that ''I am against increasing taxes,'' is the crowd that comes in here without shame and derides President Clinton and this particular budget.

President Clinton came to town, and he is the only President to reduce the deficit. Since 1968, President Nixon did not. President Ford, President Carter, President Reagan, and President Bush all increased the deficit. The one man in town not responsible for this nonsense, President Clinton, the only man in town that has done anything about it, has reduced the deficit in half, and is derided now with all these monkeyshine charts. ''Look at how he said this. Look how he did this. Look how he did that.''

The economy is working, is it not? Unemployment is down. Job creation is up. Interest is down. How do we get the truth out to the American people? The truth is, as I said before, that Gramm–Rudman-HOLLINGS was repealed. But we continue to read suggestions that we have already tried, suggestions that totally ignore the track record of some of us who have tried.

A couple days ago our distinguished friend, Mr. Dave Broder, allowed that what we ought to do is do away with the payroll tax with a flat tax, recommended by Senators DOMENICI and NUNN. Well, in April 1991, the Senator from New York, Senator MOYNIHAN, the Senator from Wisconsin, Senator Kasten, and the Senator from South Carolina, Senator HOLLINGS, we all said, ''Look, if you are going to continue to violate section 13–301 and rob the Social Security trust fund, then, Heavens above, let's put Social Security on a pay-as-you-go basis so they will know it,'' we were completely against an increase in the Social Security taxes at the time.

It would have been a tax cut, Mr. President, of $190 billion. But they voted against that tax cut. They say they are for tax cuts for the rich, for capital gains, but not for the wage earner, the fellow who is pulling the wagon. But Congress is in the wagon. We have to get these Senators and Congressmen out of the wagon. We are the ones using the trust funds, not paying the bills, and wrecking the economy.

Mr. President, for the poor wage earner, who is pulling the wagon, we said, ''Let's cut their taxes,'' the payroll taxes suggested by Mr. Broder, we had that vote in 1991. But they do not want it that way. They want to continue the charade.

So, Mr. President, I only hope there is a free press. Jefferson said it better than anyone. He said, if it is between the free press and a free Government, I would choose the former —intoning, if you please, that you can have a free Government, but it is not going to be free long unless you have a free press. It is supposed to keep us honest, supposed to keep us politicians honest.

Instead, as Jim Fallows says in his wonderful book, ''Breaking the News,'' the press has joined in the post-party pap of ''I'm against taxes. And we can balance the budget by just cutting spending.''

I have made my point on that. I wish it could be done. I have tried. We tried, first, cuts across the board. We tried spending cuts. We continue to try spending cuts where possible. We have tried a value-added tax. We have tried everything possible, but we cannot get the truth out to the American people.

Yes, I am voting for President Clinton's budget. His track record is true. He is the only President we have had around here that has done something

about this deficit. He has cut it in half. He has done it with tax increases as well as $500 billion in spending cuts. And the ones that caused this deficit—there ought to be ashes in their mouths—the ones that caused this rotten dilemma of spending $1 billion a day for nothing, have the audacity to be running around saying how honest they are and how true they are and how balanced their budget is.

Read page 5: Deficits. It does not say ''balance'' in their document. It cannot under the law. In fact, it is really more than the $108 billion listed, because the law does not require them to list robbing the distinguished Chair's retirement, robbing the military retirees, still robbing the Medicare trust fund, and others. All told, it is $151.9 billion. That is why these funds are not being used for the highways, the airports, or workers' retirement. We are robbing them. It is a shabby act.

But they know no shame. They come around with their little charts. We hadn't seen their budget or anything else. They had the President's budget for 4 months, so they would work up their charts. And we would go into the Budget Committee, and they would go through their little acts. They had the Senator from Texas complaining about exactly what they have in defense.

They had the Senator from Missouri talk about veterans, the next one talked about defense and came on with all his charts. It was just all applesauce, just a show on C–SPAN. We had no choice except to take their plan or leave it. What they offered was a three-way breakdown of the reconciliation process and ultimately, in my opinion, a violation of the Byrd rule.

For the first time to my knowledge, they are using the reconciliation process to actually increase the deficit. By at least $122 billion. You can read it again in this document, in section (c) on page 51, that if the legislation is enacted pursuant to sections A and B no later than September 18, the Committee on Finance shall report to the Senate a reconciliation bill proposing changes in laws with any jurisdiction necessary to reduce revenues. That is so they can go around to the rich crowd in New York and say, ''We will give you capital gains.'' It is in their contract but it will not work.

The one that should have set himself aside and be done with that silly contract is the distinguished Speaker. I yield the floor.

Mr. ABRAHAM. Mr. President, on behalf of this side, I yield 20 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM], is recognized for 20 minutes.

Mr. GRAMM. Mr. President, I am going to get back to the subject that we are here to talk about, the President's budget. Rather than getting into all of this argument about what is phony and what is not phony, it seems to me we what we ought to do is look at what this budget claims to do. The budget is the one issue of the year through which we define what we want America to be. In this case, we are talking about what we want America to be over the next 7 years.

Let me begin by doing something that we do not do much of around here. Let us assume that every word in the President's budget is true, let us assume that we are going to do everything he asks us to do, and let us assume that everything he says will work will indeed work. We will grant him every assumption you would grant somebody to try to give them the benefit of the doubt.

Let us take this budget, this great big thick document that we now have debated for 2 hours, and view it as Bill Clinton's vision for the future of America. What I want to do is ask not whether you can find on page 54 something that does not make sense, but rather to ask ''What kind of vision is this?'' Is this an America we want? This is the question that we are here today to talk about.

First of all, let me just look at the Clinton budget and assume that everything works out exactly the way the President wants it to work out. I want to talk about what kind of America we will have if this happens and compare it to the America of the 1940's, the 1950's, the 1960's, the 1970's, and the 1980's. This, again, assumes that everything works out exactly as the President hopes it will. This is the best case Bill Clinton scenario.

First of all, let us look at the tax burden. In the 1940's, the average American family sent to Washington about 16.5 percent of everything they made; the Government took about 16.5 percent of all goods and services produced in America. In the 1950's, it rose to 17.6 percent. In the 1960's and 1970's, it was up to 18 percent. If we adopt Bill Clinton's budget and enforce it exactly as it is written, where everything works out exactly as he wants it to and with the most rosy scenarios he can assume, we are committing ourselves to the highest tax burden in the history of the United States of America: 19.3 percent out of every dollar earned in America is going to come to Washington and be spent by Bill Clinton. These are the President's numbers and this is the President's vision. Under the best of circumstances, where everything works out exactly as the President would like it to, the American taxpayer will face the highest tax burden in the history of the United States of America.

Further, under the President's plan, the cumulative tax burden will never have been higher. When you add up State, local, and Federal taxes, over 30 percent of all money earned by all sources in America will be spent not by the people who earn the money but by their Government. So this is the first part of the Clinton vision—the highest taxes in American history.

The second part of his vision is social spending, by which I mean nondefense spending. In the 1950's, the Federal Government spent 7.4 cents out of every dollar earned by every American on nondefense programs. This rose in the 1960's, in the so-called Great Society period, to 10.2 cents out of every dollar earned. It rose to 14.6 cents out of every dollar in the 1970's, and then 17.1 cents in the 1980's. If we adopt Bill Clinton's budget, and if it does everything he says it will do, we are still talking about social spending taking 17.3 cents out of every dollar earned by every American. That is the highest level of social spending in the history of the United States of America—thus giving us both the highest taxes in American history and the highest level of social spending.

What about defense? In the 1940's, 7.9 percent of all income earned by all Americans went to national defense. As the cold war heated up in the 1950's, it grew to 10.6 percent. In the 1960's, it was 8.9 percent, and then it leveled out at 6 percent in the 1970's and 1980's. If we adopt Bill Clinton's budget and all the dramatic cuts in national defense expenditures that it entails, expenditures on national security as a percentage of the income earned by all Americans will be at the lowest level since the 1930's, with only 3.4 cents out of every dollar going to our national defense. This is the President's vision: the highest tax burden in American history, the highest social spending in American history, and the lowest defense spending in the post-war era. If we adopt the President's budget, we will have social spending twice as high as the Great Society's social spending, we will have taxes substantially above the tax burden of the Great Society, and we will have defense spending substantially below the Jimmy Carter era. That is the Clinton vision.

In addition, what kind of growth rate does the Clinton administration say his budget is capable of generating? Let me begin with a brief reminder of the country we live in. If you have ever wondered why Americans, until this generation, have always been confident that their children will have a brighter future than they had, it is because up until now this has been true. We live in one of the few countries in the history of the world where it has been the routine for people's parents to do better than their grandparents, who did better than their great-grandparents, and where people knew that if they worked hard, if they were dedicated, they were going to do better than their own parents.

Here is the reason why: In the 1950's, we had real economic growth in America which resulted in job creation, growth in the value of the things that we produced, and, as a result, real GNP grew on average by 4 percent. It grew by 4.4 percent in the decade of the 1960's.

But then something happened in the decade of the 1960's. What happened in the decade of the 1960's is that we traded an economy which was growing at 4

percent a year for a government that would grow at 9 percent a year, and, as a result, economic growth started falling. We had 3.2 percent growth in the 1970's, and 2.8 percent growth in the 1980's. The most optimistic assumption that the Clinton administration could come up with, given their budget, given what they are doing in taxing and spending, is that the economy will grow by a mere 2.3 percent. This is their rosy scenario.

So, when you go back and look at it, what is the Clinton vision? It is the highest tax level in American history. It is the highest level of spending on social programs in American history. It is the lowest defense expenditure level since World War II and it is the lowest economic growth rate that we have had in the 20th century. That is the vision of this budget and that is exactly why it ought to be rejected.

Let me address another issue: Medicare. It is an issue that frustrates me, because almost nobody is facing up to this problem, least of all the Clinton administration. The trustees of Medicare did a study last year which, given the rate that money is being spent out of the Medicare trust fund, and given the rate that it is coming into the trust fund from the high premium you pay in your payroll tax and the part B premium that our senior citizens pay for physician services, concluded that only people who were age 60 and above had any kind of guarantee of receiving benefits. This means that the remaining 93 percent of the people in America, many of whom had paid in excess of $30,000 into Medicare, had no guarantee whatsoever that they were going to ever get a penny of benefits from Medicare. Now, I remind you that three of these trustees are Cabinet officials of the Clinton administration. So this is not Senator DOMENICI talking; this is the Clinton administration.

What happened since that time? Well, two things have happened. The commission has gone back and looked at the data and, because costs are up sharply, they have concluded that Medicare is not 7 years from bankruptcy, it is now 6, and we are moving toward 5—so the numbers are actually worse than what is on this chart. The Clinton administration claims that it has submitted a plan that will protect 13 percent of the beneficiaries of Medicare and will roughly guarantee benefits to everybody who is 55 or older. That means that, according to President Clinton's own figures, 87 percent of the people who have paid into Medicare have no guarantee whatsoever.

But when CBO looked at the Clinton proposal, they concluded that, at best, it would keep Social Security solvent only for one extra year. So the best the Clinton administration could do, while telling senior citizens that the people who want to deal with the Medicare crisis are trying to take their benefits away, is give us a Medicare policy that says to 92 percent of the people who have already paid into Medicare, ''We are not going to guarantee your benefits. The problem is getting worse, but we are not going to fool with it.'' Why? Well, 7 years is two Presidential elections away so it's not this President's problem.

Now, we can be sure that after the election, they are going to start talking about raising the payroll tax because if you raise that payroll tax by about a third, you can begin to come to grips with this problem.

Let me remind you of what the Republicans tried to do in the balanced budget act that the President vetoed. The President went on and on about how we were going to decimate Medicare. But let me just show you how modest our attempt was relative to the crisis we are facing. We tried to guarantee Medicare for a generation. Had our reforms been signed into law, it would have guaranteed Medicare, under the current estimates, to everybody who, based on an average life expectancy, is 46 years old or older. But you will notice that for 72 percent of the people who have paid Medicare taxes, we could not have guaranteed their benefits. We have, in our budget today, a modest proposal on Medicare, with the goal of making it solvent for another decade. Some day, we are going to have to come to grips with this.

The great tragedy is, rather than the President doing what, very much to his credit, Ronald Reagan did—that is, getting a bipartisan group together in the mid 1980's and solving, at least for 20 years, the Social Security problem—the President is now playing politics. He calls dealing with a third of the problem an assault on Medicare while letting 92 percent of the people stand with no guarantee of medical benefit is called responsible.

The truth is that the President has not come to grips with this problem, and the real crime is that our senior citizens are being told that the Republicans, who are attempting to deal responsibly with this situation, are trying to take something away from them. The truth, however, is that leaving the current situation in place, where in 6 years Medicare is going to be bankrupt, creates an environment in which a great tragedy is just waiting to happen. In the private sector, anybody in a position of fiduciary responsibility in who let this happen would go to prison.

Mr. DOMENICI. Will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. DOMENICI. Will the Parliamentarian be sure to advise us when the Senator's time has expired? I will yield him time off the resolution.

Will the Senator look at the last column, the 31 percent, which is the Republican proposal? Is it not true that in order to get that which was vetoed by the President—and we are talking about the trust fund only—is it not true that there was not any increase in payments by senior citizens, that this was done by reform, that was done by provider changes and giving options to the senior citizens, and there were no increases in the costs of part B protection to the seniors? Is that not correct?

Mr. GRAMM. That is right.

Mr. DOMENICI. I thank the Senator.

Mr. GRAMM. I want to note one other thing. I do not want to get into a big discussion on Medicare but one of the clearly irresponsible actions that ought to be denounced on a bipartisan basis is what the President has done with his nursing home provision. One of the things the President's budget does in order to make Medicare look less insolvent is to take the nursing home component, which costs $55 billion over 7 years and which is now being paid for out of part A, out of Medicare. But he is not putting it anywhere, and, as if by magic, he assumes that somewhere this $55 billion is going to appear.

The final issue I would like to talk about is the issue of taxing and spending. Let me start by talking about taxes. It never ceases to amaze me that we have something underway here in Washington that the public is beginning to understand, but has not quite come to fully appreciate, and it is very much like the defense realization that occurred in the 1980's. By the early part of the 1980's, the American people understood that, in foreign policy, the Democrats had a basic approach of blame-America-first. Whatever happened, according to the Democrats, it was our fault. If there were troubles in the world, the Democrats said it was because of our greed and our imperialism. But finally, in the 1980's, the American people began to disregard these claims because they realized that this was just the knee-jerk approach of the Democrats. I want to talk about taxes from this point of view and the point I want to make is this: To the Democrats, every tax increase is fair, and no matter how unfair it may actually be, they define it as being fair and go to incredible lengths to convince people it is fair.

The second point I want to make is that, according to the Democrats, every tax cut is unfair, no matter who it goes to and no matter who it affects. By definition, the Democrats say every tax cut is unfair. And after a tax is increased and it actually turns out to be unfair, only then do the Democrats say it is unfair—yet they propose to correct it by raising taxes again.

Let me give you an example. In 1993, we heard on the floor of the Senate—and the President to this day says, ''We only taxed rich people.'' Let me take a couple of examples that I think reveal the errors of this statement.

The President proposed in his budget in 1993, in his largest tax increase in American history, to raise taxes on people who earned Social Security benefits. He raised taxes on people who made $25,000 or more, but how did he go about hiding it?

The PRESIDING OFFICER. The Chair would tell the Senator that his time has expired.

Mr. GRAMM. Will the Senator yield me 10 minutes?

Mr. DOMENICI. I yield 10 minutes off the resolution.

Mr. GRAMM. How they went about hiding it is, first, they said that really they are not talking about people earning $25,000 because these are older people who own their own homes. So we are going to impute, for the first time ever, income, and it became part of a concept of American budgeting. So if your mother owns her own home, the President would say, ''Well, look, if she had to rent that home she would have had to pay $400 a month or $500 a month. So we are not really taxing her at $25,000 because we are not taxing the imputed value of her home.'' Or she owns a lawn mower, or she owns a car, or she owns a dishwasher; if she rented those things, it would be imputed income. Actually, she is rich. She is making $25,000 a year, but she is rich because she may own a dishwasher, she may own a car. She worked a lifetime. She owns her own home. If you imputed the value of all of those things, her income would be higher.

The Congress rightfully rejected that. But our Democratic colleagues imposed the tax on anybody making $34,000 a year or more who gets any Social Security. They said, this is not an income tax. But I want to show you that it is.

This chart is a page from the advisory that was put out to go with your 1040 form in 1994, the year after the tax increase went into effect. People get a notice from the IRS that they are getting ready to be taxed again, then later get a form telling them how to fill it out, and then they get the tax form.

Let me read for you what the IRS said when they sent income tax forms to 120 million Americans. Here is what they said:

Social Security benefits. If your income, including one-half of your Social Security benefits, is over $34,000 if single (over $44,000 if married, filing jointly), more of your benefits may be taxable. See the instructions for lines 20(a) and 20(b).

Let me show you on the 1040 form. This is income taxes. Look down here at line 20(a) which I have blown up. What line 20(a) says is, ''Social Security benefits.'' In other words, you put your Social Security benefits right there and then you pay an income tax on them.

So do you know how the Democrats argue that they were taxing rich people? Basically, they argued if you make $25,000 or more, you are rich, and if you own a dishwasher or if you own your own home or you own your own car, you are richer than you think, because if you had to rent all of those things, it would cost you money.

We are trying to cut taxes on working families. The only tax cut in our budget this year is the $500-per-child tax credit. That would mean that if you have two children, you are going to pay $1,000 less in income taxes. You are going to be able to invest that money in your own children, your own family, your own future.

We know that most people who are rich or who are upper-middle income really only start making money once their children are grown. So we are not shocked to hear that 75 percent of the benefits of this $500 tax credit goes to families that make less than $75,000 a year. But do our colleagues say, ''Well, we are against cutting taxes for working families because we believe Government can do a better job spending their money than they can do for themselves''? No. They say this is a tax cut for the rich. When they tax people who make $25,000 a year, they say they are rich. So, in one sense, they are consistent.

But let me remind you what they are consistent about. They are consistent in saying that every tax is a tax on the rich and that every tax is fair.

Another example which disproves this is the gasoline tax. President Clinton tried to implement a so-called Btu tax that would have raised the price of gasoline 7 cents a gallon. What he got was 4.3 cents. I am glad every Republican voted against it. I am proud of it. This was the first permanent gasoline tax that went to general revenue, and not toward build highways.

Historically, the gas tax has gone to highways because to do otherwise makes it a discriminatory tax. If you live in Texas, the odds are you spend almost twice as much on gas than if you live in New York. If you live in a rural area where you have to drive great distances to get to work, you spend more on gasoline. If you live in the West, you spend more. If you live in the East, you spend less. If you live in the South, you spend more. If you live in the North, you spend less.

The way we have dealt with the inequity is that we have used the gasoline taxes to build highways. So if you pay more, you get more. But President Clinton took the 4.3-cent-a-gallon tax on gasoline and spent it on his social programs. So we took money away from people driving their car and their truck to work to give money to people who do not work.

Is that taxing the rich? No. It is taxing working people. We are trying to repeal the tax—the Democrats say it is a great idea. The problem is, this is the 21st day that we have tried to offer an amendment to repeal that 4.3-cent-a-gallon tax and, to this day, we have not gotten a vote.

So, the principle I want people to understand is: whenever the Democrats raise taxes, whether they tax people who make $34,000 a year or whether they tax gasoline, they always claim to be taxing rich people. Whenever we try to cut taxes, therefore, they say we are cutting taxes for rich people.

The plain truth is, God did not make enough rich people to make the Democrats's claims hold true. As these tax burdens, year after year after year, have gone up, what we have discovered is, if you are going to take 19.3 percent out of every dollar earned in America, you are going to have to take it from the people who earn that money. That is basically middle-income or upper-middle-income families and that is what the Democrats have consistently done.

One very final point—and I do not want to get into the sparring contests with our colleagues about what is phony and what is not phony, but to stand up here and say that President Clinton's budget is in balance with a straight face neglects the fact that when the Congressional Budget Office Director, Dr. June O'Neill, was before the Finance Committee and she was asked, ''Is the Clinton budget in balance,'' here is what she said: ''CBO estimates that the basic policy proposals in the President's budget would lower the deficit substantially below the Congressional Budget Office baseline projections, but the deficit would still total $84 billion 7 years from now.''

So how does the President close that gap? He closes that gap with a little piece of fine print where, in essence, he says, if for some reason the budget is not in balance, take back the tax cut.

Tax America first. Spend first, tax first. Always tax. Never give the tax back. This is the Clinton prescription that we are talking about here.

In the end, we are talking about competing visions. What kind of vision do we have for our country? The vision of Bill Clinton, the vision of our Democratic colleagues, is one of more Government, more social spending than ever in history, less defense than ever in the postwar period, and the highest tax burden in American history. That is their vision.

Our vision is different. You can be for it. You can be against it. But our vision is a vision of more freedom and opportunity. We want to control spending. We want to let working families keep more of what they earn. We think families can spend their money better than the Government.

That is the choice. The Democrats believe Government can do it better. We believe that families can do it better. It is a choice the American people need to make. We are going to make part of that choice here on the Clinton budget. The question is, do we want to commit ourselves to a future of more taxing and more spending? I think the answer is no. I yield the floor.

Mr. DOMENICI addressed the Chair.

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

Mr. DOMENICI. Mr. President, I yield myself 10 minutes off the resolution.

Before Senator GRAMM leaves the floor, would you put up your Medicare chart?

I want to share a few observations with you about this, and you can tell me whether you think I am right, and you can add your marvelous way of expressing things to what I am talking about.

We have in our files a letter from the Congressional Budget Office that says if you do not do something about part A, the Medicare trust fund, in 10 years—10 years—it will be $440 billion in the red.

Now, you have been talking about whether we ought to do something or not based upon what we understand the facts to be.

It seems to me that what the President is doing—and yesterday I gave the President's budget an award. I crowned it with a new award. It is going to get the Oscar for fiction. The Oscar for fiction.

Let me ask you if you do not think this is a marvelous fiction in this budget. While this fund is going to be $440 billion in the red, the President says, ''I want to fix that, so I will take away some of the responsibility of this trust fund.'' Right? That is what you have been telling us about. What is the responsibility in that trust fund that is growing the fastest of all of the accounts?

Mr. GRAMM. Home health care.

Mr. DOMENICI. Home health care. Right.

Now, if you wanted to fix that trust fund without doing anything real, then you would say, ''Let us not pay for the fastest growing part of Medicare. Take it out.'' So the President's budget says, ''We are not going to pay for that out of the trust fund and, seniors, you ought to be thrilled; I am making your trust fund more solvent.''

My mind has not yet permitted me to reduce this to some simple statement, but it is smoke and mirrors at least. It is gimmickry at its worst.

Mr. GRAMM. Will the Senator yield?

Mr. DOMENICI. Please.

Mr. GRAMM. It seems to me it goes beyond that because there is already a lot of cynicism in budgeting—probably because the numbers are so big and we are doing it over multiple years. But to simply take home health care, the fastest growing part of Medicare and say we are going to help Medicare by taking it out of the Medicare expenditure accounting but we are not paying for it in any other way, we are just simply taking it out of accounting, that creates a level of cynicism which I think reaches a new level.

It would be like if the Senator went to the doctor and the doctor says: You are in great shape except you have liver cancer. I cannot cure that but let me tell you, I can work on the rest of your body. You can go on an exercise program, you lose a little weight; you can quit smoking——

Mr. DOMENICI. You did not mean me.

Mr. GRAMM. No, but you would not just do all this other stuff until you died. No doctor in the world would do that. Instead he would say: Look, we have got to do something about this cancer. We have got to do it right now.

All I am saying is, and I am not giving us the Academy Award for solving the Medicare problem, but we are trying to solve the problem for at least a generation. The President, however, is simply saying: Look, it is not going to happen until after the election. After the election, maybe we can raise the payroll tax.

I think this is something we ought to do something about now.

Mr. DOMENICI. Mr. President, let me say that the Senator actually said it right. The President takes $55 billion worth of the responsibility from the protected care for seniors. They are guaranteed it under that trust fund, and he takes it out. And you said he does not provide any means of paying for it.

Now, in a sense, that is because the taxpayers are going to pay for it—$55 billion worth of new taxes are going to be required for that $55 billion that, lo and behold, made Medicare solvent so the President did not have to bite any difficult bullets with reference to Medicare.

Now, that is how I see it. I am being as honest as I can.

Now, let me finish the thought and you fill in anything if I have not said it right. There is the second part of Medicare, which is the part B insurance program, started under Dwight Eisenhower, a great idea. We said back then we will put up 50 percent; seniors, you put up 50 percent, and we will write you a health insurance. Everything that is not covered in the trust fund we cover. That is essentially the rules of the game. But we always thought the senior would pay part and the Government would pay part.

Incidentally, the whole argument last year was what that part should be. Should it be 31 percent or 25, should it be $6 more or $7 more or $2 more. The President decided that for this new $55 billion, the seniors would pay nothing. The taxpayers will pay the $55 billion.

Now, frankly, that is nice. That is nice except I wonder about the working families around who have two or three children and they do not have any health insurance or they are struggling for it. They have just been given a nice present—$55 billion of your taxes over the next 6 years have to be used to pay for the President's gimmick, as I see it.

I thank the Senator for accommodating me.

Mr. GRAMM. If I may just conclude with this point. I have always believed that not addressing this problem before the election means sometime later we will be looking at a massive increase in the payroll tax. I believe that next year or the year after, if we do not address this problem now, we are going to be here on the floor of the Senate debating a 20- or 30-percent increase in the payroll tax, and all because the President was unwilling to do anything about these exploding costs.

Mr. DOMENICI. I want to just close my remarks. There was an article by Robert Samuelson found in the Washington Post a few days ago. Actually, it was about Senator DOLE's opportunities. That was the styling of it. I am going to put it in the RECORD after my remarks. But I want to read two sentences.

> At some point, spending and benefits will be cut to avoid costs that seem politically intolerable. The trouble is that the longer the changes are delayed, the more abrupt and unfair they will be. That's why silence is irresponsible.

I believe that is true. Silence or gimmickry on this issue is irresponsible.

I yield the floor.

Mr. KERRY. Mr. President, I rise in support of the amendment by the distinguished minority leader, Mr. DASCHLE, and the distinguished ranking member of the Budget Committee, Mr. EXON.

I have been talking with the people of Massachusetts about this budget. The people of Leominster and Worcester and Falmouth don't come up to me and say: ''Senator, how does that spending compare to the OMB baseline?'' They don't scream out: ''What is the savings in the outyears compared with the savings in next fiscal year?'' They don't ask: ''What is the cap on entitlement spending?'' But, Mr. President, that does not mean that the people of Massachusetts are apathetic about the Federal budget. They want to know if the Congress is going to work with the President to balance the budget. And they want to know how the budget is going to help them.

The proposal submitted to Congress by the President of the United States balances the budget. This proposal before us eliminates the deficit in 2002.

When he came to office in 1993, the President worked with Democrats in Congress, and we took a $290 billion deficit and cut it in half in 3 years. That achievement fulfills the President's promise in 1992 to halve the deficit in his first term.

America's deficit is still pernicious—but right now, we are doing better than any other nation in the world. Our deficit is smaller as a share of our economy than the shortfall in any other major economy in the world.

Mr. President, let me state clearly: President Clinton and the Democrats in Congress worked together to enact this economic plan—and we did this without one single Republican vote.

This budget reflects our priorities of deficit reduction without forgetting our commitment to middle-class Americans. Please remember, Mr. President, something the Republican Party seems to forget: Deficit reduction, in and of itself, is not an economic policy.

It is part of a larger picture. It is part of a vision—the Democrats' vision—of this country's future which will lead us into the next century with a healthier American economy and a stronger middle class. That's good for America's corporate headquarters and America's households.

Our plan has kept interest rates low, so more Americans have been able to buy a first home or a new car.

Our plan has subdued inflation to 2.7 percent since 1993—the yield on 10-year

Treasury notes dropped a full point when this plan was enacted. That helped alleviate the credit crunch which hurt so many of my friends and neighbors in Massachusetts during the Reagan-Bush recession.

Our plan has created more than 8 million jobs—including 1 million jobs in basic industries like construction and manufacturing. It has fostered robust and steady growth of gross domestic product—unlike the recession of the early 1990's which crippled the American family.

This proposal before us, the President's budget, continues our good record. It balances the budget the right way—by making Government smaller and more efficient, by promoting a strong economy and a healthy business environment, by investing in the programs that matter to working Americans.

There is a right way to balance the budget—to make Government more efficient without ripping away the safety net from the American family. This budget leaves no one behind. It helps people who need help and closes loopholes on those who don't.

The American people understand this, Mr. President. This is a budget which reflects their priorities.

Mr. President, let me take a moment to tell our colleagues about the impact this budget has on the families in my home State of Massachusetts. The President's budget designates more American cities as empowerment zones—a program designed to stimulate community revitalization. Our colleague from Connecticut, Senator LIEBERMAN, understands how important this program is to America's cities. He has introduced legislation which would expand the tax credits under the Empowerment Zone Program to cities designated as enterprise communities. I support his efforts and I support the President's expansion of the current successful program.

The expansion promises to help communities across Massachusetts like Boston, Lowell, Springfield, and Lawrence. The President's budget will allow these cities and others to develop and expand opportunities for their residents through a series of tax benefits, social service grants, and better program coordination.

At a time when some cities face high unemployment and high poverty rates, the Congress should be passing a budget which encourages economic growth and citizen participation in strategic plans for revitalization.

We, Democrats, are fighting to expand empowerment zones while we hold back Republican attempts to distress our urban centers further by cutting services vital to low-income Americans, like the low-income tax credit.

The President's budget commits a full $1 billion for the Low-Income Home Energy Assistance Program in fiscal year 1997, $1 billion in advanced appropriations for fiscal year 1998 and $300 million for emergency funding. Mr. President, this past winter, my State survived one of the most brutal winters we have seen in a century.

There was record snow in Boston and small towns all over New England. Families in Dorchester, in Everett, and in Malden—families all across Massachusetts—relied on LIHEAP to assist with staggering heating bills.

This program literally kept families from freezing: I am proud the President has committed Federal resources necessary to meet the needs of working Americans, and I am discouraged that the Republican budget resolution is silent on funding for LIHEAP. The President and the Democrats are committed to the working families in Massachusetts and New England. The Republicans are silent.

The President's budget proposes $200 million to electrify the Amtrak segment between Boston and New Haven—a project which will make possible high-speed rail travel between Boston and Washington, DC, by the year 2000.

The President and Democrats commit $5.5 million to conservation and management of fisheries which would help restore New England's collapsed stock of cod, flounder, and haddock. The Republicans are silent.

The President and the Democrats are fighting for $500 million in mass transit operating subsidies for Massachusetts. This means commuters to Boston will not constantly be asked to pay higher fares just to get to work. Republicans are silent.

The President and the Democrats are fighting for $650 million for the Central Artery. The Republicans are silent.

The President and the Democrats are fighting to expand the Summer Jobs Program which gives so many young people in Massachusetts their first work experience.

This budget follows the wisdom of Mayor Menino who joined me in fighting against the Republican shut-downs earlier this year. He knew the effect these shut-downs would have on summer jobs. We forced them to open the Government, fund the Summer Jobs Program and we will together fight to expand it by giving another 500,000 kids a chance for employment. But, then as now, the Republicans are silent.

The President and the Democrats are fighting the AIDS epidemic and have committed resources to highly affected cities like Boston by fully funding the Ryan White CARE Program. This means nutrition services to people living with AIDS, and testing and counseling for those who fear HIV-infection, will continue at the AIDS services organizations across the State. The Republicans are silent.

The President and the Democrats are fighting for $100 million for the clean-up of Boston Harbor, and the Republicans are silent.

That silence is unacceptable, Mr. President.

I will do all I can to break the silence. I will come to the floor as often as possible and discuss the ill-effects of the Republican budget.

If the President's proposal is not accepted by the Senate, I will not give up on the environment. I will offer an amendment at a later stage in this debate, and I will fight to restore drastic cuts in environmental programs the Republicans have imposed on the American people and the residents of Massachusetts.

And, while we fight to clean our air and our water, the Republicans have locked arms against the American taxpayers. The Republican plan slashes funding for the Environmental Protection Agency and allows polluters to foist the tab for their mess on the taxpayers rather than forcing the polluters to clean up after themselves.

If the President's budget is not accepted, I will offer an amendment that recognizes education as the key to economic and income security. I will offer an amendment to add-back the cuts the Republicans are making to the President's plan. I am proud he has included a provision for which I have been fighting in this Congress—the President's budget calls for a $10,000 deduction for educational expenses. That is real money to working families who face double-digit inflation in the cost of higher education.

Real money to help real people. Listen to some of the letters I have received recently:

Melvin Harris of Roxbury wrote to me:

> My son is currently attending school at Morgan State University in Baltimore. He and I were shocked to find that federal funds had been cut drastically which he was depending on. With me being a retiree, it is hard for me to pay his tuition, room and board. Would you please do something to help me?

The President's budget will help Mr. Harris.

Timothy Crawford of Wellesley wrote to me:

> As a senior in high school, I am looking forward to going away to college next year. I have worked hard to get good grades throughout high school and have been accepted to good schools and am now trying to make the decision of where to attend. One very important part of my decision is the price of the school and the assistance I can get.
>
> I am afraid the Republicans in our government will cut education programs and I may not be able to attend college, my brother may not be able to attend college, or we have to work out a plan so that one of us goes to college while the other works.
>
> I hope you will continue to support education and do something to help us.

The President's proposal will help Timothy Crawford and his family.

I have dozens of letters from students at Wellesley College. And, hundreds of letters from physicians and attorneys who cannot repay their student loans, and millworkers and musicians who ask for help sending their kids to college. And, the President's proposal will help them all.

The President has learned from Massachusetts the importance of science and technology to the American economy. This budget marks the fourth

straight year the Democrats have proposed an increase in science and technology programs—while the Republicans would cut science and technology programs by 30 percent by the year 2002.

I will fight for the President's proposal for an increase of $13 billion for university-based research: it is the key to America's future. And, Massachusetts knows this better than almost every other State in the Union.

The President and the Democrats have given us a chance to fight back against crime in our neighborhoods. This budget proposes $2 billion for 49,000 new police officers to protect America's neighborhoods. Putting additional cops on the beat in communities across Massachusetts will help deter crime, break the cycle of violence, and make our towns and neighbhoods safer places to live.

In 1994, I fought successfully to increase the funding in the crime bill to put an additional 100,000 cops on the street by the year 2000. And, it is paying off for Massachusetts. Just this week, 99 Massachusetts cities will receive more funding—Worcester will receive $1.85 million to hire 18 officers. Springfield will receive $1.25 million to hire 17 officers and Lowell will receive $1.5 million to hire 20 new officers. To date, thanks to this program, my home State has received funding for 1,300 new police men and women.

While the Republicans continue to threaten the community policing fund—jeopardizing the safety of corner stores and neighborhood schools and households—the President's budget understands the needs of Massachusetts' neighborhoods. That's why I support this proposal.

The President and the Democrats also propose $25 million for new advanced police officer education and training. State and local police departments need assistance to meet the growing demands of law enforcement and I am prepared to fight to help them.

And, Mr. President, what do we hear from the other side of the aisle? The same, war-torn, threadbare rhetoric about tax and spending. The same partisan bickering. Is this proposal all tax and spend? Of course not. The President's budget is certified by the Congressional Budget Office to balance in 6 years. It protects the environment. It protects our elderly. It funds education and puts cops on the street. It takes care of the little guy.

In the face of the extreme Republican budget, the President and we, Democrats, have given the country hope by reducing the deficit with common sense and compassion. It saves the Medicare Program for our seniors, and the Medicaid Program for our children and low-income Americans.

My friends in Massachusetts just don't buy it when you tell them: ''this isn't a cut—it's merely a reduction in the growth of spending.'' They understand that the extreme Republican budget forces them to spending twice as much on Medicare premiums.

They understand that Cape Cod beaches will be under attack, and Boston harbor clean-up will be stalled while their water and sewer rates are skyrocketing. They understand that they are paying into the system and—under the Republican plan—they will be getting little in return.

They understand that when the Republicans are not speaking in arcane, incomprehensible, confusing budget jargon—they are silent.

The President's budget speaks to the people I meet at home in Massachusetts. This budget meets our spending priorities and promises more good economic news for the American family. That is why I support it.

I urge our colleagues to support his balanced budget.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. Who yields time? The Senator from Connecticut.

Mr. DODD. Mr. President, I yield myself as much time as I may consume off the resolution.

The PRESIDING OFFICER (Mr. KYL). The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, let me begin my remarks by commending my colleague from New Mexico, who is the chairman of this committee, who has the unenviable task of chairing the Budget Committee. While we have our disagreements from time to time, I have a great deal of respect for him as a colleague, as a Member, and I appreciate the fine work that he does on behalf of his State and on behalf of the country.

I will take a few minutes and go over some of the budget items. He does not have to stay. I know he has other things to do. But I did not want him to leave the floor without expressing my appreciation for the work he does.

Mr. DOMENICI. Will the Senator yield?

Mr. DODD. I will be happy to yield.

Mr. DOMENICI. I want to say for the RECORD, it is mutual. While my colleague does not chair the budget committee—there cannot be that mutuality—he probably would not want it anyway. In any event, I want to say that my colleague's participation and contribution in matters that we work on, from my standpoint, is very much appreciated. I commend the Senator on the way he has handled himself.

Mr. DODD. I thank the Senator.

Mr. President, at some later point I will also have some extended remarks on the announcement by the majority leader, who has decided he is going to retire from the Senate the first part of June. While we, too, have our differences, suffice it to say, as a colleague and a friend, he will be missed. I mean that very deeply and sincerely.

Mr. President, I will just begin my remarks here by asking unanimous consent to have printed in the RECORD a letter from June O'Neill, who is the Director of the Congressional Budget Office, dated May 9, 1996, in response in part to the colloquy between my colleague from New Mexico and our colleague from Texas regarding the condition of the hospital insurance trust fund. She says in that letter, here, and I am quoting it now:

> Under current law, the HI trust fund is projected to become insolvent in 2001. CBO estimates the administration's proposals would postpone this date to 2005.

She goes into greater length here, responding to that, but I thought for the RECORD my colleagues ought to know what the Congressional Budget Office says with regard to the hospital trust fund.

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

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 9, 1996.

Hon. J. JAMES EXON,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR: At your request, the Congressional Budget Office (CBO) has examined the effects of the Administration's budgetary proposals on the Hospital Insurance (HI) trust fund. Under current law, the HI trust fund is projected to become insolvent in 2001. CBO estimates that the Administration's proposals would postpone this date to 2005.

Sincerely,

JUNE E. O'NEILL,
Director.

Mr. DODD. Mr. President, I want to begin by trying to, if we can, get back to some basic information here, because you can get lost in a lot of the data and charts and numbers that get thrown around. Let us just remember we are talking about the President's budget. There is a budget presented by the committee and there will be some alternatives that will be offered in the coming days when we debate what the budget of the country ought to be, but I think it is worthwhile to point out we are talking about the President's budget to begin with.

Remember, this is a man who arrived in town in January 1993, 40 months ago—not 40 years ago, not a decade ago or 15 years ago; 40 months ago he arrives in town. He never served in Congress, never served in the Cabinet. He was the Governor of a small State. As he arrives at 1600 Pennsylvania Avenue, he has left on his doorstep a mountain of debt. A mountain of debt is left on his doorstep. As you begin to look back at 1980 and start there and follow this redline, where the Congressional Budget Office projections were before, those are facts, where the deficit was going, where it was headed just prior to the President's arrival in town, and then what has happened to the projection of the deficit since his arriving, right here, in 1993. Here we get clearly where things were going up until his arrival here, and now the same Congressional Budget Office says we are headed this way.

So, just for the purpose of clarity, let us keep in mind conditions when this

President arrives. We had mountains of debt, most of it accumulated between 1981 and 1993. In fact, we had a debt that went up almost $4 trillion, from $1 trillion in 1981 to $4 trillion the day this President arrives in town. Then, in the 40 months he has been here, he has taken the projection of our deficit, which we are told was headed in this direction, and we are now moving it downward. So you begin with at least looking at the trend lines and where we are going.

The President's budget is a commonsense approach. It cuts more than half a trillion dollars in spending over 7 years, yet, at the same time, it maintains our priorities as a nation. The President's budget invests in people. It protects Medicare and Medicaid, education and the environment, and it would maintain our national investments in education, job training and technology, all of which I think we agree are important.

The budget maintains access to health care for our Nation's most vulnerable citizens. It keeps our natural environment and our workplaces safe. It understands that our overwhelming focus on balancing the budget should not cause us to ignore our national priorities. The President understands that all of this talk about balancing the budget should not cause us to lose sight of our most important national goals.

As I have said in the past, this body, in my view, needs to be focusing more of its attention on increasing economic growth. We need to reform the Tax Code so it promotes savings and investment and higher growth. We need to increase opportunities for education and job training so that all Americans will have the tools to succeed. We need to make pensions and health care portable so that Americans can better cope with the technological and economic changes that are occurring in their lives.

We should all remember that an increase of as little as one-half of 1 percent in the growth rate of the United States could create enormous opportunities for new jobs and expand options for millions of working Americans. Increasing growth is a priority, in my view, that should be reflected in everything that we do in Washington, and it should be reflected in the Federal budget. It is reflected in the President's budget.

All along, President Clinton has stressed there is a right way and a wrong way to balance the budget. The right way is by maintaining our commitment to Head Start, to police officers on the beat, to clean and healthy drinking water, to summer jobs, and to encouraging community service. Those are the kinds of priorities that help build a strong nation.

The wrong way to balance the budget is by having unnecessary, unwise spending cuts and tax cuts for those, frankly, who do not need them. I am going to get to that in a minute here. Our dear friends on the other side, with all due respect, have not learned the lesson. The American public have said over and over again: You are going in the wrong direction. We want our budget balanced. We want it done, if we can, in the next 6 or 7 years, but we want our priorities to be reflected in that decisionmaking process.

What good does it do if you balance the budget and simultaneously make it impossible for my children to get a decent education, have access to higher education in this country? Balancing the budget and depriving the next generation of the tools it needs is foolhardy.

What good does it do to talk about balancing the budget if you are going to rip the heart out of the environmental laws that have made this a stronger and a healthier nation? What good is it to balance the budget if you then increase the financial burden of older Americans, if you begin to make it more difficult, because Medicare is being reduced, for these people to make ends meet? How many middle-income families depend upon Medicaid so their parents and their grandparents can have a decent, long-term health care program?

These are the kinds of things people say we need to invest in intelligently, making choices about where you reduce spending so we can achieve a balanced budget but make our country strong simultaneously. In our view, the President has done that with his budget. No one is suggesting any budget proposal is perfect, but certainly, given the evidence of the last 40 months, the direction we are heading in will make the case that this is a good proposal and one we ought to be working on, if we can, to achieve some common ground over the next 20 or so days left here so we can complete this budget process and do what the American public have asked us to do.

Let me, if I can, address some of these issues with greater specificity. I want to begin with the budget being cut. I say this because I think it is important that people understand where we have come from in the last 40 months. This is what is called a primary budget. This is entitled ''Budget Without Interest Payments.''

Obviously, interest payments must, like any financial obligation, be paid. But if you remove the interest payments—remember, you only get interest payments because of the burdens you accumulate. So if you take away the interest payments, here is the deficit that occurred over the 12 years from 1981 to 1993, those 12 years: $660 billion. If you took away the interest obligations in the last 40 months, we have created a surplus of $239 billion in this country in the last 40 months. Those numbers are not being made up. Those are real numbers.

So with all of this talk of what has happened here, here is a President who arrives in town in Washington for the first time in a Federal Government position, and in 40 months he is able to move us into the black, if you will—this chart is in the blue—but into the black for the first time in years.

President Clinton inherited a $290 billion deficit in the year that he arrived in office. This year, the 1996 deficit will be $144 billion. That is cut in half. Those are the realities.

Back in 1993, the Congressional Budget Office projected the deficit would hover around $300 billion. That was their projection. Following the implementation of the Clinton budget plan in 1993, as I pointed out earlier, the budget has declined sharply. In fact, Mr. President, let me point out one additional statistic reflected in this chart. The Congressional Budget Office estimates that the 1996 deficit will come in at 1.9 percent of the gross domestic product. That will be the first time since 1979 that the deficit has been below 2 percent of the gross domestic product. That is significant progress, and we ought to stay on that track, if we can.

This chart is without interest payments, as I said, and has been cut in half as a result of what has happened just in the last 40 months of this administration.

Let me, if I can, turn to the chart on job growth rate, because this is what people care about. Again, you can balance the budget tomorrow if you want to, just by juggling some numbers around here and getting rid of a lot of things. But this cannot be a process of just people with green visors and sharp pencils. What happens to real people in this country as a result of the decisions we make? If our only function were to balance the budget, we could do that simply by cutting out all our spending, if we wanted to, and raising taxes on everybody.

We have to ask the question: What happens to real people when you do this? So while we have been able to cut the deficit in half, and, if we eliminate the interest payments, actually we put this country into surplus for the first time in years. What has happened to jobs out there? What has happened to people's jobs? Again, look at jobs created per year.

In 1981 to 1992, jobs created per year were 1,540,000. That is the number of jobs created each year in those years. In 1989 through 1992, it averaged 608,000 jobs per year. But from 1993 to the present time, Mr. President, we have created in excess of 2,684,000 jobs a year. Compare that with 1,500,000 from 1981 to 1992; 600,000 from 1989 to 1992. We are now getting close to 3 million new jobs a year, while simultaneously bringing the deficit down.

Mrs. BOXER. Will the Senator yield, because I think it is so important.

What that chart shows is the number of jobs created essentially under the Bush Presidency as opposed to the Clinton Presidency. What my friend is saying, and it is so dramatic I would like him to repeat it, is that under the Bush Presidency, there were how many new jobs created?

Mr. DODD. Under the 4 years President Bush served as President, we created on average of 608,000 jobs per year, and in the last 40 months, from January of 1993 through December of 1995—it does not include these last 4 or 5 months, but my colleagues will recall there were in excess of 620,000 jobs created in the month of February alone. That is more jobs created on a yearly basis than between 1989 and 1992.

Quickly someone is going to say, ''Well, those aren't great jobs.'' That is wrong. The overwhelming number of jobs, more than 90 percent of these jobs, are private sector jobs, and well over 60 percent of these jobs are high-paying jobs. Not every one of them is, but the overwhelming majority are high-paying jobs in the private sector.

Mrs. BOXER. My last question. When President Clinton ran for office, he made a promise on new jobs. As I understand it, that promise has been met; is that correct?

Mr. DODD. I say to my colleague from California, I believe it has, and promises were made in terms of cutting the deficit in half. Those are real numbers. The CBO, the Congressional Budget Office, says they are real numbers. So here is the deficit coming down, job creation is going up, and my colleagues on the other side are treating this like bad news, as if this was some dreadful information.

If we are on the right track, if things are working right, why do you not stick with the plan and the program here so that you have a healthy balance—investment in education, investment in our environment, cutting back our spending where we can, trying to have some sense of fairness about all of this so we move into the 21st century as a healthy nation.

Today, of the G–7 countries, we are the healthiest economy. We are the healthiest economy of all the great economic powers in the world. We are the healthiest today in terms of job creation and deficit reduction. Why are our markets responding the way they are? The people on Wall Street are not making those investments because they want to help Bill Clinton get reelected. It is not because they are Democrats. They are making cold, hard financial decisions: Are we heading in the right direction or the wrong direction? They are investing because they think things are going in the right direction. It is their money they are putting on the table, and they like the trend lines they see: the deficit coming down, job creation going up.

You can dance all around this, you can try to throw out a lot of misinformation about it, but the hard line bottom facts are, we are on the right track, we are going in the right direction. A lot more has to be done. It would be foolish for anyone to stand up here and say our work is over with. It is not. There are going to be some difficult decisions that have to be made. But you cannot argue with the facts. Job creation, deficit reduction, the trend lines of where we are going in this country are on a solid and sound footing.

So, Mr. President, I urge my colleagues in the coming days to move away from politics as usual. We need to come together. We have 20 to 25 days to get a job done. There is no debate here about whether or not we ought to balance the budget. I know some hope others will take a position—in fact, I heard someone the other day in the House of Representatives say, ''We don't want to settle this because it is too good of an issue.''

It reminds me of the story of the law clerk who arrives in a law firm and he has only been there a month. He walks in to the senior partner with this huge file, a file that has been around 20 years. He says to the senior partner of the law firm, ''I've got great news, boss. This case that has been here 20 years. I've settled this case. It's over with. It's done. Everybody's happy.''

The senior partner says, ''Why did you do a thing like that for? I've educated four of my children on that file. You don't want to close that case, that's too good a case, keep that case open.''

So we have certain friends who want to keep the case open, because it is a good case politically for them. Do not let it settle. For God's sake, do not come to an agreement, they say. Do not try to resolve your differences. The politics of that are dreadful; they are dreadful politics. Keep the issue alive, keep the debate going.

We are here to say today, let us end the debate. We can. We have agreed on balancing the budget in 7 years. We all have agreed to do it according to the Congressional Budget Office numbers. We are on the right track. The differences are not that great. They can be resolved. We can get the work done.

I urge my colleagues today on both sides, particularly those on the majority side—it is difficult, I know, to admit when you are wrong. That is a hard thing for anybody to do in this world. It is particularly hard, if you are in politics, to admit you are wrong, but the facts do not lie. The deficit has come down. A young Governor arrives from a small State in January of 1993, gets dumped on his doorstep—dumped on his doorstep—$4 trillion in debt, some $290 billion, $300 billion in an annual deficit.

In 40 months, that deficit is down to $144 billion. The Congressional Budget Office now says we are heading in the right direction, going in the right direction now. That is the right direction to be going in.

Job creation is up, the basic thing people need. The best social program anybody ever created is a job, a good job in this country. Here we have jobs being produced in the Nation while the deficit is coming down, and intelligent priorities, good priorities.

I heard the other day the House majority leader—put aside whether you are for or against a gasoline tax; we can debate that, and will, in the coming days—but, my Lord, to hear the majority leader of the House of Representatives say, I'll tell you how we'll pay for that—we'll cut education.

In my State, my working-class families in my State need the Pell grants and the student loans and the Stafford grants and so forth. Otherwise, they could not get an education. We have commencements coming up.

I am going to give a commencement speech at Western Connecticut State University, a State university in my State. Fifty percent of their students receive some form of financial help or assistance. Here we have the majority leader of the House of Representatives saying we ought to just pay for that gasoline tax by going after education. You wonder why people are suspicious.

Mr. DOMENICI. Will the Senator yield?

Mr. DODD. With some reluctance, I yield to my colleague.

Mr. DOMENICI. I just say——

Mr. DODD. I am on a roll.

Mr. DOMENICI. The distinguished majority leader in the House has not said that since that day.

Mr. DODD. My colleague from New Mexico obviously got a hold of him and straightened him out. I appreciate that. But come on, what else do you rely on, when you get up on a national news program and you say, ''I'll tell you how I'd do it. This is how I'd do it''? Immediately the phones were ringing off the hook. What a foolish thing to say. So immediately they start to backtrack.

But if you wonder why the American people get suspicious about what the priorities are, it is statements like that. What are your real intentions?

So when we hear statements about Medicare, and we say, ''We will let it wither on the vine,'' or, ''I'm proud I voted against it 35 years ago,'' then everyone gets upset. You can understand the average person in this country gets a little nervous when they hear that. If they are relying on Medicare, relying on Medicaid, in order to meet basic health care costs, they are wondering, which side do we chose here? Who is going to watch out for me? They have one person saying, ''Look, I think it ought to die or we get rid of it. I never thought it worked very well.'' And others say, ''Look, we're going to have to make it work better and make tough decisions so it's there.'' Then you begin to understand the suspicions, the worries, the fears, the insecurities that many people feel. This is not an abstraction to them.

We have a good health care program as Members of the U.S. Congress. Thank God for it. We have a good health care program. But millions of Americans outside of Washington, Mr. President, they rely on Medicare. They rely on it. For many, Medicare is the difference between having a life of relative decency and being wiped out financially. It is not an abstraction to them.

So when we talk about these numbers and CBO and OMB and percentages and GDP, and so forth, that person out there today watching this debate says, ''What does that mean in terms of me, my kids, our jobs, our health care? Where are we going? Who is on my side?''

So, again, I come back to the point, Mr. President, I tried to make at the outset here. Put aside all the glitter and all the distractions; we are going in the right direction on deficit reduction. It is a major issue. People care about it deeply. This President in 40 months, not 40 years, not 15 years, but 40 months, has moved the country in the right direction on deficit reduction for the first time in decades.

At the end of this fiscal year, we will have now had 4 years of deficit reduction, 4 consecutive years. You have to go back to Harry Truman's administration—Harry Truman's administration—to find another American President who took us through 4 years of consecutive deficit reduction.

We have reduced the size of the Federal work force under President Clinton by 270,000 jobs. Now, 30 percent of those jobs were in the military. My colleagues on the Budget Committee pointed that out. That is accurate. But 70 percent of those jobs came from the civilian work force.

By contrast, with all due respect, under President Reagan, the Federal work force increased by 188,000 positions; 188,000 positions during the 8 years of President Reagan. Contrast that with 270,000 fewer jobs in 40 months under President Clinton.

Under the leadership of AL GORE, the President has ripped out 16,000 pages of the 80,000 pages of Federal regulations, so that businesses in this country can work with less paperwork cluttering their desks.

Is it done yet? No; but for the first time, there is a real reduction in paperwork, real reduction in the size of the Federal work force, real reduction in the deficit, getting the unemployment rate down. Those are the things that people care about, seeing to it that Medicare, Medicaid, education, and the environment are going to get proper protection.

It is a commonsense budget. That is what has happened under this proposal. That is why I urge my colleagues on the other side in these coming few days to sit down. Let us work out this budget.

The President extended the hand to our majority leader. He said, ''Let's come on down, you and I, no staff, no one else, and let's work this out together.'' Our majority leader is going to be here until June 11. I hope he will take him up on that offer. What a great thing it would be, before the majority leader leaves and retires from the Senate, with one of the great issues we have tried to resolve, if an American President and the majority leader, from the two different parties in this country, the two major parties, came together, with no one else in the room, and the two of them sat down and worked out this problem before June 11.

What a great achievement that would be. I think both individuals would deserve the sincere praise and credit from the American public. I know we have an election in 25 weeks, but this issue deserves resolution, and we are close to achieving it.

You have a President taking us in the right direction. You have a majority leader who is about to retire from here, who I think could close the gap. I urge that that offer the President made to our majority leader be picked up before he retires, and let's see if we cannot complete this work.

For those reasons, Mr. President, I urge our colleagues to take a good, strong hard look at the budget that has been proposed by the President. It takes us in the right direction for all the reasons I mentioned. I urge its adoption. With that, Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I speak off the resolution, Mr. President.

I might say to Senator DODD, I cannot at this point, because we are going to offer an amendment—but so the Senator will know, I will have an interesting rebuttal to what the Senator has said. I will give the other side of the coin sometime today. I do not want to do that and not have the Senator know about it. I cannot do it right now while the Senator is here because I have some commitments. But we will let the Senator know in advance, so if he wants to come down and sort of chide me, as I did him, he can.

I say, I had a little trouble with the Senator's analogy of the law firm and the old case, because it seems to me it is the President who is gaining from this budget debate. He is the one who has that old case. He is the one who ought not to get rid of it because it has been good for him. I have a strong suspicion that unless you settle the case his way, he is going to have that old case right on through the election because it is, as that senior partner said, it is a great livelihood and it has kind of been a great political livelihood for him.

Mr. DODD. If my colleague will yield.

Mr. DOMENICI. Of course.

Mr. DODD. Our colleagues will appreciate that my friend from New Mexico and I have spent a lot of time working together on old cases.

Mr. DOMENICI. That is right.

Mr. DODD. So we share at least our concern about old cases. I appreciate his comments. I will try to be here when he makes them.

Mr. DOMENICI. Mr. President, I think we have tendered an amendment, second-degree amendment. We have given it to the minority so they know what it is. I understand that there are 7 minutes left on our side for our statutory time to rebut the President's budget. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I yield back the 7 minutes. Now I yield to Senator FRIST for a second-degree amendment.

The PRESIDING OFFICER. The time is yielded back.

AMENDMENT NO. 3968 TO AMENDMENT NO. 3965

(Purpose: To express the sense of the Senate that the discretionary spending caps should not include triggers that would make drastic reductions in nondefense discretionary spending in fiscal years 2001 and 2002 (the last 2 years of the budget) for the purpose of achieving a balanced budget in fiscal year 2002)

Mr. FRIST. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. FRIST] proposes an amendment numbered 3968 to amendment No. 3965.

Mr. FRIST. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the pending amendment.

SEC. . COMMON SENSE BUDGETING AMENDMENT.

(a) FINDINGS.—The Congress finds that—

(1) President Clinton proposed in this fiscal year 1997 budget submission immediate downward adjustments to discretionary caps after the year 2000 if the Congressional Budget Office projected that his budget would not balance in 2002;

(2) the Congressional Budget Office (CBO) has estimated that President Clinton's fiscal year 1997 budget submission will incur a deficit of $84,000,000,000 in 2002;

(3) as a result of CBO's projected deficit in fiscal year 2002, the President's budget would trigger drastic reductions in discretionary spending in 2001 and 2002 to reach balance;

(4) these drastic reductions would have to occur in nondefense programs such as education, environment, crime control, science, veterans, and other human resource programs;

(5) 100 percent of the nondefense discretionary cuts in the President's budget occur in 2001 and 2002; and

(6) the inclusion in a budget submission of triggers to make immediate, drastic reductions in discretionary spending is inconsistent with sound budgeting practices and should be recognized as a ''budgetary gimmick'' that is antithetical to legitimate efforts to achieve balance in 2002.

(b) SENSE OF SENATE.—It is the sense of the Senate that the discretionary spending caps should not include triggers that would—

(1) result in 100 percent of the nondefense discretionary reductions occurring in fiscal years 2001 and 2002; and

(2) make drastic reductions in nondefense discretionary spending in fiscal years 2001 and 2002 (the last 2 years of the budget) for the purpose of achieving a balanced budget in fiscal year 2002.

Mr. FRIST. Mr. President, I submit what is a very simple and straightforward amendment today that strikes, I think, at the heart of one of the major problems that we all have with the President's proposal.

To set the stage for this amendment, let me go back and set the background, starting with where we are today and how we have gotten here.

The President proposed in his budget, the 1997 fiscal year budget, that there would be immediate downward adjustments to discretionary caps after the year 2000 if the Congressional Budget Office projected that his budget would not balance in the year 2002.

The Congressional Budget Office, second, has estimated to us that President Clinton's fiscal year 1997 budget submission will, indeed, incur a deficit of $84 billion in the year 2002. Now, as a result of the CBO's projected deficit in the year 2002, the President's budget will trigger drastic, drastic reductions in discretionary spending in the years 2001 and 2002. It is important for my colleagues to understand that these drastic reductions which will kick in would have to occur in those nondefense programs such as education, the environment, crime control, science, veterans, and other human resource programs.

It is also interesting, and, again, important for our colleagues all to understand, that 100 percent of the nondefense discretionary cuts in the President's budget that occur in 2001 and 2002, over that 2-year period, 100 percent of those cuts will occur.

Now, the inclusion of a budget submission of triggers to make immediate drastic reductions in discretionary spending is simply inconsistent with sound budgeting practices and needs to be recognized for what it is—budgetary gimmickry, smoke and mirrors. This is, indeed, inconsistent with our bipartisan, I hope, legitimate efforts to balance the budget by the year 2002.

Thus, this sense-of-the-Senate amendment says it is the sense of the Senate that the discretionary spending caps should not include triggers which would result in 100 percent of the nondefense discretionary reductions occurring in fiscal year 2001 and 2002, and, second, should not include triggers that make drastic reductions in nondefense discretionary spending in fiscal years 2001 and 2002, the last 2 years of the budget, for the purpose of achieving a balanced budget in the year 2002.

This amendment is very simple. That is it. You just heard the sense-of-the-Senate amendment. It is straightforward. By passing this amendment, the Senate, today, can make a strong statement opposing budgetary gimmickry, smoke and mirrors, and in support of nonsense budgeting.

We all travel around this country and to our town meetings. It is very clear that the American people are tired of gimmicks out of Washington, are tired of the smoke-and-mirrors budgeting that we have undertaken in the past and that is reflected in the President's budget. Repeated use of these gimmicks over time has contributed to the overall lack of confidence that we see in our budgetary process in our Federal Government today.

A few months ago, the President introduced his 1997 budget, proudly claiming that his budget balanced in the year 2002 using Congressional Budget Office numbers. Now, this is the 2,200 pages of the President's budget for 1997. Intrigued by the President's new enthusiasm, very different than a year and a half ago, for a balanced budget, my colleagues and I on the Budget Committee went through the 2,000 pages. It was very interesting what we discovered. Buried in the budget supplement on page 13, we discovered a very troubling budget gimmick that it is important for all of our colleagues to understand, to note that is in there. It is really the purpose of the sense of that amendment to point this out and to refute it.

On page 13, it says that in case the new assumptions produce a deficit in 2002, the President's budget proposes an immediate adjustment to the annual limits or caps on discretionary spending, lowering them enough to reach balance in the year 2002.

Let me explain how this proposal works. The proposal is called a trigger here in Washington, but to the typical American it is not a trigger. It is a gimmick. It is a smoke-and-mirrors approach. The CBO, the nonpartisan Federal budget analysts that look at this information, says the budget of the President will have a deficit of $81 billion in the year 2002. To make up that deficit which the CBO tells us will exist in 6 years, the President's budget, in this document, includes a trigger. That trigger will make unspecified cuts in discretionary spending over those last 2 years. That is how his budget achieves so-called balance, through this gimmick.

Now, discretionary spending, what is it? It makes up one-third of our entire Federal budget. It includes spending on our basic Government functions, including education, including roads, including the environment, including science and scientific research, including veterans, including medical research. The President's trigger says it cuts discretionary spending in these fields in the years 2001 and 2002 but does not say where these cuts will come from. It does not say which programs will have to absorb these drastic and instant cuts of such magnitude.

Let me refer to this first chart. It basically is headed ''Spend now, save later.'' In red is the President's budget. In green is the budget proposed today before the U.S. Senate, the chairman's mark. The President's budget frontloads the spending and backloads the savings. The President proposes to increase spending over the next several years. This is 1996, 1997, and 1998.

The President's budget says: Yes, increase the nondefense discretionary spending over the next several years and then drastically cut thereafter. Contrast that to the mark that we have before us today, the chairman's mark for spending cuts; reductions begin and continue evenly over that entire period of time.

These drastic cuts are really what we are focusing on in this sense-of-the-Senate amendment today because what the President's budget tells us in the supplement, that if they do not reach balance and the CBO says it will not reach balance, these cuts come in. Look at the drastic cuts occurring in these 2 outlying years. The chairman's mark shows a steady glidepath of decreased spending over time.

Now, discretionary spending is an inside-the-beltway term. Let me show how the cuts and the President's budget compare to the cuts in the Senate balanced budget resolution. On the second chart we will look at one such area that is of the Food and Drug Administration. As we can see in our budget before the Senate today, in the Senate budget, we see we assume a freeze at a spending of about $880 million over the next 6 years. In contrast, we see the President's budget also has a freeze the first year but then a reduction over time—again, with drastic cuts coming in to the year 2000.

The Food and Drug Administration, a program we all know is valuable to the safety of our country, that is valuable both in terms of food and drug safeguards, we see the significant cuts. If we look at the Environmental Protection Agency, the Senate plan, again, in green, increases spending about $900 million next year and freezes it over the period out to the year 2002. In contrast, the President's plan increases spending over time. But, again, in those last 2 years, because of this smoke and mirrors, because of this budgetary gimmickry, we see drastic cuts that have to take place according to the budget as presented and written by the President in these last 2 years.

It is these drastic cuts that we are addressing in this sense-of-the-Senate amendment. On the one hand, we have had many attacks on this side of the aisle for ravaging the environment. Look at the difference of what actually occurs in the Senate-reported budget versus that of the President of the United States.

Let me turn to another area which is obviously quite close to me, being a scientist in the U.S. Senate. That is the National Science Foundation. Once again, you see that what is in the chairman's mark, passed out of the Budget Committee, is very different than what is proposed in the President's budget—once again, if we focus on the last 2 years.

The National Science Foundation funds many of those important scientific research policies, projects, and investigations, which have long-term payouts and affect our individual lives.

Another area I am very close to is the National Institutes of Health. If there is one thing I keep coming back to this floor talking about, it is that we need to think long term. We cannot just think short term and think just what gets us to the next election, or what will be politically appealing to the masses of people today. We have to

think long term. The National Institutes of Health, as you can see, is at about $12 billion in spending right now. Under the Senate-reported plan, it will be frozen and will continue at that level. Right now, under the President's plan, there is a proposed increase. It makes us feel good because this is long-term investment for this country. But look what is also in the document. Look what happens in 2001 and 2002, which is 5 years from now. There are drastic cuts in the President's plan for the National Institutes of Health—a valuable program that engages in life-saving research that will affect everybody's lives in this body and all Americans lives in the future. It is this long-term view, not just the short-term view, that we must take.

We can look at another area, again, that I have been close to, which is veterans' medical care and hospital services. I have had the privilege, over the last 12 years of my life, to spend every week operating in a veterans' hospital, either in Tennessee or in California. It has been a big part of my life to see the sort of care that can be delivered to our veterans, who deserve this care. Well, once again, we see in green on the chart what happens under our budget proposal, which came through the U.S. Senate Budget Committee. You can see that over time, there is essentially a freeze of about $17 billion. But contrast that with the realities that are in the President's budget. The realities are that we have extreme and drastic cuts, over time, into the year 2000.

Again, we will focus on the years 2001 and 2002. These charts are really selected charts. You can go on and on, program by program. But what is important is for all of our colleagues to understand what happens by putting in this budgetary gimmickry. These are just a few examples, and there are many, many more. The simple fact is, Mr. President, that these cuts are never going to happen. I hope that they will not happen because they are so drastic, and they would occur in fields that need sufficient funds. And that is, science, education, the environment, and the Veterans' Administration. People know that these drastic cuts will never happen. We have this feeling put forward in the President's budget that we can spend more right now, and we can worry about saving later, and that we can cut drastically later. This is not fair to the American people or to Members of this body.

We, as Senators and elected leaders, must avoid gimmicks when we are dealing with taxpayers' money. Earlier today, there has been a lot of pointing as to what happened in the past, 10 years ago, and with asterisks, and 15 years ago. Well, it is a new day and time, and there are new people in this body, and we have come here and said, ''No more gimmicks. That is not what the American people want. No more smoke and mirrors. Let us address the problems that can be addressed in a bipartisan way.'' We know what the problem is and the problem is that we have not been spending very smart in the past. We have been spending too much. Now is the time to avoid gimmicks and to spend smarter.

Again, I will also re-echo what my distinguished colleague from Connecticut just said. This can be done in a bipartisan way; this can be done bringing both sides of the aisle together. I hope that in that spirit of bipartisanship both sides of the aisle will come together and join me in opposing the budgetary gimmicks and the budgetary smoke and mirrors that are in the President's plan, and support commonsense budgeting.

Mr. President, at this juncture, I will yield 5 minutes to my colleague from the State of Missouri, and that 5 minutes should be taken off the resolution.

The PRESIDING OFFICER. The Senator has that right.

The Senator from Missouri is recognized.

Mr. BOND. I thank and congratulate my colleague from Tennessee. Senator FRIST has put his finger on the real problem in this budget. The President, in his budget, has glowing words, as several of my colleagues on the other side have, about the priorities that they think are important. The President has said that we must invest in education and training, the environment, science and technology, law enforcement, and other priorities.

But, as I pointed out earlier today, when it comes to making these sets of numbers balance out, they have a meat ax, a paint-by-numbers meat ax that whacks 10 percent out of all of those budgets in 2001, and 18 percent in 2002. Now, are you for the priorities? If so, this is an opportunity to vote for some honesty in budgeting. The President has claimed he gets to balance. I think most of the people in this body say we want to get to balance. But do we really want to get to balance by taking the drastic cuts that my colleague from Tennessee has just talked about?

I talked earlier this morning about the cuts in NIH, National Institutes of Health, FDA. Yesterday, I talked about the serious cuts that would happen to the Environmental Protection Agency if you apply this meat ax arbitrarily in 2001 and 2002, because the President's numbers do not add up, unless you have the meat ax.

What the Senator from Tennessee is saying is, if you are serious about this budget, serious about reporting a responsible budget that gets to balance, let us take a look at what your budget, as now proposed, would actually do. It savages some of the very programs the President said he wants to promote and defend on the way to a balanced budget.

Well, Mr. President, I urge my colleagues on both sides of the aisle, if you are serious about establishing priorities, if you really believe that numbers do not lie, if you believe that budgets should say what they mean and mean what they say, let us get rid of the arbitrary cuts in NIH, funding for the Women, Infants and Children Program, funding for child care, funding for the National Science Foundation, and NASA, and, yes, funding for the Veterans' Administration.

My distinguished colleague who has had experience in working with the Veterans, Administration knows how compelling the needs of those veterans are. I have visited facilities and talked with people who are finding that the problems in those Veterans' Administration facilities cannot be dealt with.

If we follow this meat ax budget approach, we would be closing more than one out of four veterans' facilities in the Nation. That means, as I said, California, with 11 hospitals, would lose 3, or probably 4. Our friends from California might want to tell us which of these four hospitals would be closed; and Florida, with six facilities, would probably lose at least one, maybe two; Illinois, with six, would also lose one or two; Massachusetts, at least one; Missouri, at least one; New York, at least three, and probably four; Pennsylvania, at least two, and probably three; Texas, at least two; Ohio, at least one.

Do we arbitrarily want to close all of these facilities because we do not want to meet our obligations to the men and women who have defended this country who are either injured in war or who are now medically indigent? I cannot believe that is a serious budget proposal.

If my colleagues really want to pursue the President's budget and defend his priority, then I urge them to vote for the Frist resolution so that they can go back and make some intelligent decisions rather than taking a meat ax to the very programs the President said he wants as his priorities. His program would slash environment, children, education, and health care for veterans. Mr. President, that is not acceptable.

I urge my colleagues to support the amendment which I think is very well considered presented by the Senator from Tennessee.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I yield myself 15 minutes off the amendment.

Mr. President, as we begin consideration of the fiscal 1997 budget resolution, we ought to take a good look at the history of what has happened to the Federal budget in the last 15 years.

The fiscal records of Presidents Clinton, Bush, and Reagan could not be more different. For 12 years the Reagan and Bush administrations racked up $2.3 trillion a day. In fact, if we did not have to pay the interest on the debt that was chalked up in these 12 years, the budget would be balanced in fiscal 1996.

Just to be sure there was not too much confusion to make the point, let me repeat that, if we did not have to

pay the interest on the debt that was stacked up in these 12 years, the 12 years of the Reagan and Bush administrations, $2.3 trillion worth of debt, the budget would be balanced in fiscal year 1996. Not once did President Reagan or President Bush propose a balanced budget. Fortunately, President Clinton's 3-year record is much different. President Clinton promised a change in 1992, and he has produced one.

If you would consider the following, it makes the point very clearly. The deficit has gone down for 4 straight years. The deficit for the year that we are in now is expected to be only $144 billion which is 1.9 percent of our gross domestic product. This is the lowest annual percentage of any industrialized country. For example, Japan's deficit is over 3 percent of its GDP. Great Britain's is 7 percent, and Italy is 9 percent budget to GDP.

Finally, President Clinton is the first President to put forward a balanced budget proposal since the 1974 Budget Act created the Budget Committees.

So the question is no longer whether we will balance the budget. The question is how we will balance the budget. President Clinton has laid out the right way to balance the budget. He did exactly what the Republicans demanded last year. He put forward a 7-year balanced budget scored by the Congressional Budget Office.

President Clinton once again has put forward a 7-year balanced budget scored by the Congressional Budget Office. His budget is much different than the Republican budget. His budget protects Medicare and Medicaid, education and the environment, and does not increase taxes on working families. The President's budget not only protects 37 million senior citizens from deep Medicare cuts contained in this budget but would also make the Medicare trust fund solvent until the year 2006. It preserves the guarantee of Medicaid for 37 million seniors and disabled persons. It protects our Nation's environment by ensuring full funding for implementation of the major environmental programs that so many support like clean air, clean water, and toxic waste cleanups. It makes critical investments in education and training. It provides increased funding for programs like Head Start, title I, and Safe and Drug-Free Schools.

Finally, the President's budget maintains the EITC, the earned-income tax credit, which provides tax relief for working families who earn less than $28,000 a year. This allows them to maintain their family needs for basic essentials for sustenance.

The Republican budget is much different. It is punitive to working families and senior citizens. In reality, the underlying budget resolution should be dubbed ''extremist budget, part 2.''

For example, they claim that they have lowered their Medicare care cuts. But have they? The answer is no. They claim that their cuts have come down to the President's level. But they have not. In January the final Republican offer in the budget negotiations included a $226 billion cut in Medicare over 7 years. This budget resolution calls for $228 million in Medicare cuts over 7 years. The number is virtually the same.

These large cuts combined with their structural changes will truly make Medicare, as it is said, ''wither on the vine.'' I think that quote comes from the Speaker of the House. If the Republican budget is enacted Medicare will become a second-class health care system.

The Republican budget also eliminates the guarantee of Medicaid coverage for seniors, for the disabled, for children, and for pregnant women.

This budget continues the Republican assault on education. Over 7 years the budget cuts $70 billion in education and training compared to the President's budget.

This budget contains the Republican trashing of the environment. It will cut environmental programs by 19 percent in the year 2002. It will slow down toxic waste cleanups.

I am not going to stand idly by, and neither are many, and watch this pillaging of the environment go unchallenged. Senator JOHN KERRY and I will offer an amendment to restore these deep cuts in the environmental protection programs.

Finally, their budget contains the Republican war on working families. At the same time the Republican leadership is opposing an increase in the minimum wage, they are also proposing a tax increase on working families who earn under $28,000 a year. It is hard. It is unfair. And that is why this resolution should be called ''extremist budget, part 2.''

Mr. President, as we heard the debate here, I have heard references to moral fiber; to the fact that the President lacks the moral fiber to produce a budget that truly answers the question as to balance in 7 years. Mr. President, when we talk about moral fiber I cannot help but think about the moral fiber that is necessary to say to 12 million Americans that you ought to make more than $4.25 an hour, that on $180 you are still way below the poverty level, and when you go, if we finally can get there, to $5.15 an hour, you are still being asked to get by on less than the poverty level.

Where is the morality of that issue? I cannot see it. We can talk about the accountants' version of morality. That is what we are discussing. We are discussing whether or not this budget is balanced in 7 years.

The President, President Clinton, has delivered on his promise, and the budget deficit has come down 4 years in a row. It is the first time since President Truman that has happened. And we question the moral fiber of the proposal? It is an outrage.

Part of the proposal put into the underlying budget resolution is a reduction, or the elimination, of much of the earned income tax credit. That is the payroll tax portion of the incomes less than $28,000. Give it back—$28,000.

The poverty level for an individual today is $8,000 worth of income, and $11,000 for a family of three. But we are saying that even though the average income is substantially above the $28,000 that we ought to raise taxes on those people. Does anybody have an idea how well you can support a family in the high-cost areas of the country on $28,000 a year? At the same time, Mr. President, it is proposed that we furnish a tax break for those in the higher income levels. Under the original proposal, if someone earned $350,000, they would have gotten an $8,500 tax deduction, but we do not want to give a 90-cent raise to people making $4.25 an hour. It is outrageous. We ought not to loosely talk about morality when we discuss these. If we want to discuss them as numbers, if we want to challenge the figures, everyone has a right to do that. But when we get into the subjective evaluations of what is moral and what is right, it is more hokum than a serious evaluation of morality.

Mr. President, I have had the good fortune to have spent a lot of my years in the corporate sector, and I ran a fairly successful company. The company today employees 29,000 people, the company that I started with two other fellows, all of us from poor families in the working community of Patterson, NJ. So I know something about the corporate world, and I know something about how one conducts business. When I hear about how we have to achieve this balance in our budget, eliminate the deficit in 7 years, I think it is a worthwhile target, but I think we have to include in that evaluation which part of the budget is important and which part of it is simply paying attention and fulfilling obligations to special interests.

There are few companies worth their salt in this country that do not brag about their creditworthiness, about their ability to borrow to make investments in the future. Unfortunately, the accounting technique that we use in Government does not permit us to take capital investments and amortize them over a period of years. They are treated like cash investments. So we have a skewed view of what national accounting is about.

I announce here and now that I, too, want to achieve a budget balance, but I do not want to do it on the backs of poor working-class families. I do not want to do it on the backs of citizens who have been promised as they paid into the Medicare trust fund that they would get particular benefits, that they had a contract with their Government. I do not want to balance the budget on their backs. I do not want to balance the budget on the backs of young people who desire and have the ability to get an education who are not going to be able to get it if we continue to cut into college loan funds.

So it is a question of not when we are ready to balance the budget—the President has laid down a budget that will balance in 7 years; CBO says they agree with him; they are the objective voice that we are using here—it is only a question of how we get that budget balanced. I think if we all work at it, we all try our best, we can achieve something that is fairer to all of the members of our society.

So I hope my colleagues will support the President's balanced budget and oppose the extremist Republican budget. Last year, we stopped the extremist Republican budget that gutted Medicare to pay for tax breaks for the rich. They want to do it again.

At this point, Mr. President, I ask how much time we have on the amendment?

The PRESIDING OFFICER. There are 15 minutes 45 seconds.

Mr. LAUTENBERG. I yield the remainder of that time to the distinguished Senator from Oregon to use as he sees fit.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. I ask, how much time on this side?

The PRESIDING OFFICER. There are 13 minutes 45 seconds.

Mrs. BOXER. May I ask the Senator from Oregon if he would reserve just 3 minutes of his 15 minutes. We do have an offer we want to propound to the other side.

Mr. WYDEN. I would be happy to.

Mrs. BOXER. I thank the Senator.

Mr. WYDEN. Let me say thank you to my friend from New Jersey as well and say that I think he has made a fine statement and offered much on this issue with which I agree. I commend him for it.

Mr. LAUTENBERG. I thank the Senator.

Mr. WYDEN. Mr. President, many Americans see the process of setting a budget resolution as a murky, inside-the-beltway exercise that, charitably speaking, leaves them confused and frustrated. More than occasionally I have shared this frustration. But Americans also know that the decisions we make now are going to affect their futures and the futures of their children and their grandchildren. At home in Oregon, that means doing the hard work that the majority budget resolution simply ignores. At home in Oregon, it means making tough choices, not politically expedient ones.

For example, it means fixing Medicare and Medicaid, not just sucking billions of dollars out of these extraordinarily important health care programs. At home in Oregon, we have ground down the cost of health care and Medicare to one of the lowest per capita averages in our Nation. Republican budget drafters could have built on Oregon's success. They could have helped transform the Medicare Program, its management and its finances, in a way to encourage innovation and equality and efficiency as we have done in much of my State. But this budget simply cuts rather than transforms. It leaves behind many of the same old problems in the Medicare Program, the problems that have seen so often results in rewards for inefficiency and instead again pounds the vulnerable. I think it is a mistake, and I think it is possible to do far better.

On the welfare reform issue, all of us understand this is a job that must be done. Again, at home in Oregon, we found a way to make a real start by reforming our health care system for the working poor and launching a new welfare-to-work program that is putting our citizens in good-paying jobs. It took an up-front investment that is already paying dividends and is expected to be yet more successful in the future. But it took political will. It took reasonable public support to get the job done, and again I think this budget is not going to make that possible.

I am afraid this budget on the welfare reform issue promises a stillbirth for future efforts in other States by operating on the idea that you can just out-cheap the system rather than transform it to make it work.

If you look at the budget offered by the majority, we would have to cut $56 billion more than the administration foresees for education and training. On one of the issues most important to the future of Oregon families, this budget says it is more important to spend on a number of outdated military weapons systems than it is to support education and vocational training for our children who are going to need the skills and the experiences essential to compete in a global economy.

I say to my friends, the cold war is over. We won it. But the majority budget does not reflect this reality.

The new war, the economic war that enlists every schoolchild in my State and across the country, is the one that we are going to have to fight aggressively. Our competitors in Asia and Europe shoot with real bullets. They are making stronger investments in education and training than we are, and they are creating world standard, technical quality work forces.

What is the response in this budget? The majority budget extracts funds that we need for training and educating our schoolchildren and reinvests it in goldplated weapons systems that even the military questions today. The majority budget goes on to cap the Direct Student Loan Program at 20 percent, a program that eliminates red-tape and middle-level bureaucracy in order to get funds to working families and students. Head Start would be frozen, eliminating opportunities for up to 20,000 children. And, while Americans across the country are talking about the specter of corporate downsizing, this budget would deny assistance over the next 6 years through the Job Training for Dislocated Workers Program to many of the workers in our Nation who have lost their jobs.

On the environmental issue, an issue of great importance to our State, we see again how there is a retreat in this budget from much of the great bipartisan progress that has been made in the last 20 years. For example, in my State this bipartisan progress has led to effective stewardship of great natural treasures like Crater Lake and the Three Sisters Wilderness. This budget would put that bipartisan tradition of environmental protection in reverse, simply by cutting the National Park Service budget by 20 percent below the administration's proposal. This is going to force some parks to close, others are going to cut back on maintenance and access, and we are going to spoil, in my view, much of the important progress in environmental protection that has been made in the last few decades.

In the early 1960's, citizens of my State launched a huge public program to clean up the polluted Willamette River, a project that, at that time, was one of the biggest and most expensive environmental efforts in our history. We understand the value of clean water and resource protection, and we were willing to pay the price of renewing that great river. And that wise investment has been paid back many times.

The people of our State want to see those special values and environmental stewardship projected in this budget resolution. But this budget makes a retreat from those values by cutting the environmental programs nearly 20 percent in 2002. The budget would relieve polluters of certain Superfund cleanup costs and make every taxpayer shoulder new burdens. EPA enforcement activities would be rolled back, and there would be fewer environmental cops on the beat.

I am particularly concerned that the need for salmon restoration funds in the Columbia River and maintaining our fish hatcheries in this Great Basin are priorities that again come up unattended and short in this resolution.

So I say to my colleagues on both sides, one of the efforts I have been proudest of in my early days in the Senate was getting 34 Senators to join me in a letter that I authored, making it clear that it was important to get the nongermane and devastating environmental riders out of the omnibus appropriations bill. We were successful at that. The spending bill does not gut the environmental protections that have been pushed so hard by so many for so long. If this budget resolution forces a retreat on environmental protection, we will make the same effort, as this process goes forward, to turn it around as we did in our successful work in terms of getting the antienvironmental riders out of the omnibus appropriations bill.

Let me conclude with a word or two about taxes. Oregonians want tax reform and they believe that this should be a priority as part of this budget resolution. But this majority budget cuts taxes in strange and mysterious ways

that many of my constituents challenge. A $500 per child tax credit for a person making $110,000 per year? How does that square against increasing taxes to low-income working families, families that work hard, that play by the rules, and have had a chance to see work rewarded under the earned income tax credit? This budget, unfortunately, retreats, in terms of support for working families that are struggling to get ahead. It retreats on the question of Medicare and Medicaid. And I believe, as a result of those changes, we are going to see lower quality health care, a sicker pool of individuals relying on those Government programs, and we will see, as a result of the tax changes and the health changes, a significant reduction in the opportunities that all of us want to see for individuals in these public programs who want to get out having that opportunity to do so.

The proposed cuts in Medicaid would end guaranteed health coverage, for example, for 36 million Americans. For seniors, the $250 billion in Medicaid cuts over 7 years risks cutting off prescription drugs, home and community-based care, and assistive devices such as wheelchairs. I do not think our families can afford those additional burdens.

So, as we now go to the amendments on this issue of extraordinary importance, let us look beyond the cold, stark figures of the budget. Budgets just are not about numbers, they are about the hopes and aspirations of the American people. We have to get a balanced budget. The families of my State balance their budgets. It is important for the Congress to balance the Federal budget as well. But it has to be approached in a way that ensures a sense of fairness, that sacrifices are not just singled out for those who do not have political power. Let us make sure that this budget resolution, this budget resolution which would provide an opportunity to reform Medicare and Medicaid in a way that Oregonians have already begun, would be pursued by the Congress as a whole.

I am happy to yield time to the Senator from California.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not.

Mr. FRIST. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mrs. BOXER. If the Senator will yield, I would explain we would just like to assure the vote is after 2 o'clock and we will be delighted to vote on this amendment.

Mr. FRIST. That will be fine.

The PRESIDING OFFICER. The Senator from California has 2 minutes and 25 seconds.

Mr. FRIST. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, do we have a unanimous-consent agreement now we are going to vote on the Frist amendment at 2 o'clock?

Mrs. BOXER. We do not yet.

Mr. DOMENICI. Is all time yielded back?

Mrs. BOXER. No. We have 2 minutes and 30 seconds we would like to use.

Mr. DOMENICI. Mr. President, does the Senator from Tennessee have any additional time he would like to use?

Mr. FRIST. We still have 13 minutes on our side. If we have time, the Senator from Michigan would like to use some of that.

Mr. DOMENICI. In any event, I ask unanimous consent we vote on the Frist amendment at 2 o'clock, and there be no intervening amendments or requests for votes in the interim.

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

The Senator from California.

Mrs. BOXER. Mr. President, I would like to just ask—we would like to use a few minutes off the bill as well as this 2½ minutes. We would like to do that. Under the rules, are we permitted to do that? Would I have that right?

The PRESIDING OFFICER. You may choose what block of time you would like.

Mrs. BOXER. I would like to add to the 2 minutes another 6 minutes.

The PRESIDING OFFICER. Are you yielding it from the time on the resolution?

Mrs. BOXER. Yes; that is correct.

The PRESIDING OFFICER. The Senator has that right.

Mrs. BOXER. Thank you very much, Mr. President.

Mr. President, I am a little bit puzzled by the amendment the Senator from Tennessee has offered because it is an amendment regarding a trigger that is supposedly in the Democratic budget that is on the table, and there is no trigger mechanism in the budget we have offered. I ask my colleagues to carefully peruse this document, and you will not find a trigger mentioned in the budget that is before you.

So this is really a phantom amendment about something that is not happening in the Democratic budget. Behind me is a chart which shows the Democratic budget that we have before us, and it shows that the discretionary spending is fairly close between the two budgets, the Democratic one and Republican one, despite the fact Senators on the other side have decried steep reductions in veterans, so on and so forth. That is not true. There is no trigger in this budget. We spend $65 billion more on discretionary spending than does the Republican budget.

So, in our view, this is a kind of bizarre situation. We are happy to vote for the Senator's amendment because we agree that we do not want to see deep cuts in the outyears, and we do not have them in our budget. So we would be happy to take this without a vote, although Senator DOMENICI says he prefers a record vote. We are happy to do that. I yield to the Senator from North Dakota who has comments to make on this.

Mr. DORGAN. Mr. President, it seems to me a mistake has been made here, and I do not know the genesis of the mistake. As I understand it, we have an amendment that has been offered that suggests there should not be a triggered reduction in discretionary spending pending certain events, and there is no such trigger in the legislation before the Senate.

Mr. FRIST. Will the Senator yield?

Mr. DORGAN. Momentarily—I will be happy to yield, just briefly.

Mr. FRIST. The word ''trigger'' is not used, but if you look in function 920 of the document—I do not have it before me, I will have it shortly—you will see a series of numbers, and in those series of numbers the trigger is spelled out in actual numbers. So the effect of the trigger is spelled out in function 920, and that is what we are addressing.

Mr. DORGAN. This is a matter of fact, not a matter of conjecture. There is no trigger that would automatically reduce discretionary spending pending certain events in the future. If we are going to legislate this way, maybe we should legislate against four or five other triggers that do not exist. As long as there is no prohibition against legislating to prohibit things that do not exist, let us amend this by saying, ''Let's prohibit a trigger that would reduce defense spending.'' There is no such trigger, but why not add that.

I do not quite understand the circumstances here. There is, in fact, a trigger that given certain circumstances would allow an increase in certain discretionary spending, but there is no trigger that would provide for the decreases that are the subject of this amendment.

In fact, the important point here is contrary to the assertions that have been made on the floor of the Senate yesterday and today about a whole range of issues, including funding for the NIH, funding for the EPA and others, contrary to those assertions, the budget that has been proposed by the President would provide more spending in these areas. In the aggregate, it proposes more spending in the discretionary spending accounts because that represents what he believes to be a priority.

We have the circumstance of people coming to the floor of the Senate saying, ''We want more spending''—the majority party—''We want $11 billion more spending on defense. We want to buy trucks the Defense Department did not ask for, planes they do not need, ships they do not want. We want to spend it on defense.''

The President has said he believes we ought to spend slightly more on discretionary spending than the majority party is proposing. But this amendment is a real Trojan horse. It seeks to preclude something that has not been proposed, and if that is a new standard of amendments, then let us have fun by precluding a dozen additional proposals that have never been made. But it is not, in my judgment, a very sensible way to legislate.

Mrs. BOXER. Will the Senator yield?

Mr. DORGAN. I will be happy to.

Mrs. BOXER. I want to thank the Senator for participating in this. As a member of the Budget Committee, I will tell you right now, we have looked at this document. There is no word ''trigger'' in it. The Senator from Tennessee, who wrote this, admits there is no word ''trigger.'' And yet, he has a sense-of-the Senate amendment that says the discretionary spending caps should not include triggers. We agree. That is why the bill we have put forward, the Democratic budget, has no triggers.

This is what it has. We have used these numbers. They are $65 billion more than the Republicans have put forward, and they are complaining that we cut the budget too much—we cut the budget too much. They spend $65 billion less on veterans, $65 billion less on all of these discretionary spending areas.

So this amendment is a phantom amendment, and that is why we are going to support it, because we do not like the idea of a trigger. We have not offered a budget that has a trigger, so why have an argument about it?

I yield to my friend.

Mr. DORGAN. I simply observe, it seems a waste of the Senate's time to have a record vote on an amendment designed to prohibit something no one proposed. It might be fun to offer an amendment like this, but it serves no purpose and will simply delay the Senate.

I think the Senator from California, I think the Senator from Nebraska also said, since this has not been proposed, if someone feels the urge to offer an amendment to prohibit something not proposed, we accept it. It seems to me irrelevant and nonproductive to have a record vote.

Mrs. BOXER. We are ready to do a voice vote, but if the chairman wants a record vote that has nothing to do with the budget on the table, we will vote for it.

Mr. FRIST addressed the Chair.

Mrs. BOXER. I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I will be referring to function 950 in the amendment. This is the President's policy which is laid out, the numbers that were put before us in the President's bill. Let me just read, again, what that policy is, and I quote page 13 of the President's budget:

> In case the new assumptions produce a deficit in the year 2002, the President's budget proposes an immediate adjustment to the annual limits or caps on discretionary spending, lowering them enough to reach balance in the year 2002.

June O'Neill from the Congressional Budget Office came before our committee, and I will quote from her testimony on April 18, 1996. She says:

> The basic policies outlined in the President's budget would bring down the deficit to about $80 billion by the year 2002 instead of producing the budget surplus that the administration estimates.

Mr. DORGAN. Will the Senator yield?

Mr. FRIST. Let me finish this line of thinking. We are going to have a deficit in the year 2002, according to CBO, using the policies set forth in the budget presented by the President of the United States. That is the President's plan. The President does have a trigger in his plan, and it is spelled out in function 950, which I ask you to refer to. Correction, 920. And if you look on page 41, those triggers, the trigger in the reduction is actually spelled out in numbers. The trigger has already taken place, and what my sense-of-the-Senate amendment simply says is that those triggers, which result in drastic reductions in the year 2001 and 2002, which are spelled out on page 41 of this document, are already written and worded right now. Those triggers have taken place.

My sense-of-the-Senate amendment says those drastic reductions spelled out in actual numbers, as spelled out in the policy by the President of the United States, are wrong.

Mr. DORGAN. Will the Senator yield?

Mr. FRIST. Yes.

Mr. DORGAN. I appreciate that. I yielded to the Senator when he asked. I enjoy the opportunity to discuss this. I guess the Senator's point is accurate with respect to what he read from the document in front of him. That is not what is before the Senate.

Will the Senator not agree with me that is not what we have laid before the Senate, and if that is the case, you are talking about something we are not debating today?

If I can make one final point. When you talk about cuts, there is not any way to deny that the amount of discretionary spending proposed by the majority party is substantially less than the amount of discretionary spending proposed by the President.

So those two questions: Is it not true that we are debating something here that is not before the Senate? And what is laid before the Senate does not contain a trigger; is that correct?

Mr. FRIST. To answer the Senator's question, is this the President's budget? This is the President's budget. I read the policy. The budget is spelled out in actual numbers on page 41 of function 950, the actual numbers which is the trigger in place, the actual numbers of policy spelled out in the document.

The PRESIDING OFFICER. Who yields time?

Mr. FRIST. Mr. President, how much time remains on either side?

The PRESIDING OFFICER. There is 9½ minutes.

Mr. FRIST. I yield to my colleague from Michigan on the amendment.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President.

Mr. President, I think we should begin by just reminding everybody what we are about. Pending is an amendment to the Republican budget resolution which would substitute the President's budget for our own. So I will incorporate here in my comments remarks both about that budget itself, as well as the amendment by the Senator from Tennessee.

The President's budget, in my judgment, is quite deficient in a variety of ways. We can call it a balanced budget if we want to, but as the amendment before us reveals, it is only a balanced budget if drastic reductions in discretionary spending take place in the final years of that budget. But that is not the only problem with the budget.

First, and foremost, I believe the budget is inadequate to deal with the Medicare crisis which faces this country. We know already that the Medicare part A trust fund is headed towards bankruptcy. We have not gotten the most recent projections of the trustees of the Medicare trust account, but we believe that the date of bankruptcy will be much sooner than anticipated just a year ago when the majority attempted to try to address the problem and were thwarted by the President and the minority.

The fact is that Americans expect the trust fund to be solvent. Right now the trust fund is paying out more than it is taking in. It will reach insolvency far sooner than anticipated. What we have attempted to do, in the budget that the majority has presented here today, is to try to keep that trust fund solvent for 10 years.

The President's budget attempts to do that by simply removing a very vital part, home health care, from the trust fund and moving it off the trust fund somewhere else.

If that is the way we are going to approach Medicare, Mr. President, then who knows what will be taken out of the trust fund next. Americans have a right to expect that trust fund will remain constant, that the items covered will remain protected, and that every time we face a crisis, Congress does not simply remove more and more parts of the trust fund and eliminate the coverage it provides.

By moving them, as they have in the President's budget, the President and his budgeteers are, in fact, moving some $55 billion of trust fund responsibility to the taxpayers as part of the general account. That is not the way to guarantee the solvency of Medicare, and it is in contrast to Republican efforts to ensure Medicare's solvency for 10 years its solvency in the budget we have presented.

The second concern I think needs to be addressed is the issue of taxes. As Senator GRAMM just a few moments ago indicated in a series of charts that the tax burden faced by America's hard-working families is the highest in the history of this Nation. Indeed, if the President's budget becomes the law of this land, under this budget we will move to the highest federal tax burden ever.

At the same time, Mr. President, under this budget, social spending will also reach record highs at 17.3 percent of the gross domestic product of this country. That means more and more working families sending more and more dollars to Washington to pay for more and more programs that Americans find to be overbloated, bureaucratic and, in many cases, unnecessary.

That is not the direction we should head, Mr. President. That is why the President's budget sends us in the wrong direction.

To just once again comment on the tax portion of this budget, as I said, it heads us toward the highest tax burden in history. There has been an effort in the budget to address the question of high taxes with a purported tax cut. But when one examines the President's budget and calculates all the taxes that are cut and all the taxes that are raised, what you come up with is a final bottom line number of $6 spread over 6 years. Distributed to 250 million American people, that works out, Mr. President, to $4 per year per American.

I have talked to the taxpayers in my State. When they think in terms of getting a tax break, they at least were hoping for something slightly more substantial than that, Mr. President. The $4 a year will not make much of an impact on the hard-working middle-class families of my State or any of the other States.

But I would like to more totally focus my comments at this point on the amendment before us to this budget. In this amendment, we are trying to address what we consider to be the truly extremist issue before us today. That is the proposal that in the final 2 years of this budget we will see drastic cuts, across the board virtually, in the domestic discretionary spending programs, huge cuts, cuts which I think go way too far. I think probably most of my colleagues, one way or the other, would agree they go too far.

To approach balancing the budget in this fashion, to approach it by having all of these cuts happen somewhere in the far distant future, and to happen at this drastic of a level, literally 100 percent of the President's discretionary spending reductions happening in the years 2001 and 2002, in my judgment, totally undermines any validity to claim that this is a balanced budget.

This is the same thing as having a family say, ''Well, we're running in the red right now. We're spending more money than we take in. We've got to correct this. The way we're going to do it is not by addressing the problems over a period of time, this year, next year, and the following years, but 5 years from now we're going to eliminate all our expenditures on food.''

That might make the budget of the family balanced in the fifth year, but it is unrealistic and wholly improbable that in one year an American family is not going to consume any food. The same way, it is inconceivable that 100 percent of the discretionary spending cuts are going to take place in the final 2 years of this budget to achieve balance. Neither will happen, Mr. President.

For those reasons, I think the approach that is taken in this amendment is on track. I think we have to make a clear statement to the American people that we are not going to achieve a balanced budget with any kind of cook books, any kind of gimmickry, any kind of last-year changes of this magnitude. We are going to go at it in a responsible way.

So for those reasons, Mr. President, I am pleased to support the Frist amendment and urge my colleagues to do so as well. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. What is the situation? Do we have a unanimous consent to vote at 2 p.m. on the pending amendment? What exists with reference to time?

The PRESIDING OFFICER. That is correct. Senator FRIST's side has 1 minute 50 seconds. The Senator from Nebraska has 2 minutes. The remainder of the time can be taken from the general-issue pool.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, while the distinguished manager of the bill is here, I will just make a comment or two and see if we cannot do something to move this process along. I understand that a rollcall vote has been demanded on that side of the aisle, which is surely their right to demand a rollcall vote. I understand—I do not know who it is—but someone on this side of the aisle could not be here to vote until after 2 o'clock.

I simply point out that we are wasting an awful lot of time. In the committee, as the chairman knows, this Senator has tried to move things along. On the floor, this Senator has been trying to move things along.

Here we are debating a sense-of-the-Senate resolution which we all know has no effect in law whatsoever. But if we are going to spend this much time on sense-of-the-Senate resolutions that have no effect in law, and then put off votes that should have occurred an hour ago until some time after 2 o'clock—if that holdup is on our side, I apologize—I simply say that I guess we have given up all chances of finishing this bill by tomorrow night as was clearly stated was the goal.

Since that goal was stated, we have had one vote. We have been locked pretty much in meaningless debate in the view of this Senator, since yesterday morning at 9:30. We had only one vote yesterday. Like yesterday we came in at 9:30 this morning. Here we are at 2 o'clock this afternoon and we are continuing to move around, politicize and question the motives of others.

We have so much to do in the U.S. Senate. I would have liked to have seen this finished by tomorrow night. I recognize now that is impossible. I simply say that this Senator is interested in reducing the number of the amendments that we have, as best we can. I simply say I hope we do not get tied up for this lengthy period of time as we have on the amendment before the Senate. We have agreed to accept the amendment.

Earlier today I said we had 31 or 32 amendments. We now have 51 Democratic amendments on this side of the aisle. If we take as much time on those and other amendments that I am sure are pending on that side, we could be here through July 4th on the budget resolution, talking past each other. We have agreed to accept this meaningless amendment by voice vote, but that is not good enough. Why? I do not quite understand. I simply say I think we are bogging down this process in an unreasonable manner. I renew my pledge to do whatever I can to expedite the process.

I do not think there is any question that the majority is going to vote down the budget of the President of the United States, which is their right. Why do they not just go ahead and do it and move on with the process?

I renew my pleading to the chairman that we move forward and expedite this process.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes. I very much want to not use up our time. Senator HUTCHISON would like to have some time before this 2 o'clock time. She has been waiting a long time.

Let me suggest to my good friend, Senator EXON, first, if the Senator wants to work with me to establish policy for the rest of this debate, that sense-of-the-Senate resolutions—what was your word—are irrelevant, unnecessary.

Mr. EXON. I said it had no effect in law, which it does not.

Mr. DOMENICI. We will make a deal with you. We will get a grand agreement. You do not offer any of them, we will not offer any of them. I put that before you, since sense of the Senates have no effect in law. We are ready to negotiate. Just have real amendments from now until tomorrow afternoon at 3 o'clock and we will be finished with this. I am authorized to speak for the majority leader. We intend to finish this budget resolution this weekend so people who have plans better start talking to our leaders about how they might help us get this budget resolution finished. Everybody has plans, but

we have plans to get a budget resolution finished. Frankly, I think we can. I look over the list of amendments on our side. I have not had a chance to look over them on your side. I will shortly.

Frankly, I do not know why, from now until 3:30 tomorrow afternoon, giving us until 10 o'clock or 11 o'clock tonight, and a nice chunk of time tomorrow, we could not get it finished.

Let me talk a little bit about this amendment. The interesting thing about this amendment and the budget tendered by the minority, they may have pulled the trigger but they have replaced it with a giant plug. There may be no trigger but there is a plug. The plug is $67 billion out there in a little compartment of Government called function 920. You do not have to tell anybody how you got there, just put $67 billion in. What it will do, who it will hurt, what it will cut, is not itemized, as ours is. We would like to make sure that the vote says we want to pull the plug, pull the trigger on that plug so it is not there.

Having said that, Senator, I seriously will work with you to try to narrow what we are doing and get on and try and get this done. Thank you for your cooperation.

Mr. EXON. Mr. Chairman, I thank you for your cooperation. This is an irrelevant amendment, a sense of the Senate that we should not have debated as long as we have. But we have. Talk about plugs, the kettle keeps calling the pot black.

I simply cite on page 43, line 20, there is a $43 billion plug in your budget. Take a look at it. Maybe you can explain it. I simply say that it seems to me we keep blaming each other for the delays, when it is a responsibility of both of us. I think this sense-of-the-Senate matter is irrelevant. That is why I agreed to a voice vote. But you are entitled to a rollcall vote.

I yield 4 minutes off my time to the Senator from North Dakota.

Mr. DORGAN. Mr. President, this is not a debate about plugs and triggers but a debate about that we feel is important in terms of investments for the future of this country. I am going to speak, after we have voted on this amendment, about the budget more generally. I want to stay on this subject because I think it is very important to lay out the facts.

The facts are these: If you get rid of all the discussion about any triggers, all the discussion about plugs, the question of who is spending more or investing more in discretionary spending, especially nondefense discretionary spending, is not a serious question any longer at all. The President's budget proposes more investment in the kinds of things that many of us think are very important—college financial aid, Head Start, cops on the beat, the WIC Program. Things that we think are important are going to be better funded in the President's budget.

Now, the majority party says their priority is to add $11 billion above what the Pentagon asked to be spent to buy trucks, planes, ships, and submarines that the Pentagon did not request. They want to add $11 billion in that spending. Then they want to make the case that somehow they are spending more money in discretionary spending than the President's budget. It is simply not true.

If you pull out the defense numbers from that chart, which is included in discretionary spending, the Republican budget would put $10 billion less in nondefense discretionary, which means that the Republican budget over those 6 years is $116 billion below the budget submitted by the President in budget authority—$116 billion below in discretionary spending.

You cannot paint those numbers any other way. That chart does not lie. That chart, if you take out the $11 billion increase in defense the majority party wants, would show a wider gap in nondefense discretionary spending. The President is requesting a much more substantial amount of spending in things like Head Start, WIC, education, student financial aid, cops on the beat, and a whole series of those issues than would exist in the majority party budget. They would have us believe somehow with charts and all kinds of tapdances around these numbers that they are proposing more funding for discretionary spending. It is simply and demonstrably not true. That is the point that is important as we cast this next vote.

The Senator from Nebraska has it absolutely right. I do not know why we are wasting time voting on a proposal to eliminate something that does not exist, but, I suppose, some people will feel better if they can amend something that did not exist and maybe we can have six or eight more of these, but it wastes time and accomplishes nothing.

I yield the floor.

Mr. FRIST. Mr. President, I yield the remaining time on the amendment.

The PRESIDING OFFICER. The time on the amendment has been consumed. The Senator would now have to yield time on the resolution.

Mr. FRIST. I yield time from the resolution to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas [Mrs. HUTCHISON], is recognized.

Mrs. HUTCHISON. Thank you, Mr. President. I thank Senator DOMENICI and Senator FRIST for all the work they are doing to try to draw distinctions between the President's budget, which is before us as an amendment, and the underlying budget resolution, which is the responsible budget resolution that really balances by the year 2002.

My colleagues have said that the President's budget balances and that it provides for middle-class tax relief. The American people want a Federal budget that balances, and they also want to keep more of the money that they work so hard to earn. But let us look at the President's budget and let us respond to the demands of the American people. As Paul Harvey would say, ''Now it is time for the rest of the story.''

Let us look at the issue of balance. I really think the President cannot have a straight face when he says his budget balances, when more than half of the cuts—more than half—come in the last 2 years—2001 and 2002—of the 7-year period the budget covers. There are $600 billion in cuts over 7 years, and some $350 billion of those are in the last 2 years.

I think it is very obvious that whoever is elected President this year, 1996, is not going to have to face the issues in the year 2001 and 2002, because there will be yet another President.

I do not think we can, responsibly, with a straight face, pass the President's budget and tell the American people that we have done the responsible thing. I want to use some examples of what the President's budget does. Take NASA for an example. Under the President's budget, the NASA budget lopes along about where it is now for 3 years, and then it drops 10 percent over 2 years. Now, that is not a responsible approach toward a research, technology, or scientific endeavor. How can you be midway into an experiment and, all of a sudden, not have the money for it?

The Republican budget, on the other hand, has steady declines in the NASA budget, for which they can prepare. NASA officials can see very clearly what is going to happen and plan how they are going to have to allocate their resources.

Let us take defense spending, another example. The President is proposing another $3 billion in cuts this year. That would make it the 12th straight year of decline in defense spending. Today we spend only a little more than one-half of what we spent on defense in 1985. Weapons purchases alone are down 70 percent from 1985. And here we are, at a time when we have American troops all over the world that are seeking to keep peace in some way or another; while we must maintain the highest defense readiness, and we are looking at a major technology initiative in theater missile defense to defend against the very real ballistic missile threat to our country and our troops in the field; with all these priorities, we are looking at a Presidential budget that reduces defense spending again.

Now let us look at tax cuts. The President's budget has a tax credit of $300 per child up to the age of 13. But the tax credit is only temporary, because it ends if a balanced budget isn't reached in the year 2002. And, according to the Congressional Budget Office, the President's budget will not be balanced by the year 2002.

By comparison, the Republican budget, the underlying budget, has a permanent tax credit of $500 up to the age of 18 for middle-income taxpayers. That is

a big difference to an American family. Anyone who has a teenager knows that those are the years when you face the most urgent demands on their hard-earned income.

Let us talk about the homemakers of this country. The budget that is underlying—like the budget that we sent to the President last year and which was vetoed—hopefully will include homemaker IRA's. But the President's budget does not. He does not think that the work done inside the home is every bit as important as the work done outside the home. Therefore, he did not provide for the retirement security options for the homemakers of this country. We must not stand for that. We must make sure that this year we do address that terrible inequity, so that a one-income-earner family and a two-income-earner family will have the same retirement security options. It is only fair that homemakers have their retirement nest egg and that one-income-earner families, who are sacrificing to have a homemaker at home when their children come home from school, will not have to suffer in retirement years.

So there are big differences between the President's budget and the budget that we are trying to pass today. We must reject the President's budget. It is a hollow budget. The balance will only occur if we make huge cuts in the year 2001 and the year 2002.

Mr. President, now is the time for Congress to act responsibly, to have cuts that are sloping very gradually, so that agencies or people that are entitled to benefits will know exactly what is there in a responsible manner. The cuts in the rate of growth of spending should be gradual, not staying at the same level until no one around here will be in office anymore, and then cutting to the bone and saying, ''Oh, yes, we are going to set the budget numbers, but we are going to let you in the future make the tough decisions.'' No, Mr. President, now is the time to make the tough decisions, and that is the issue before us.

Are we going to do the responsible thing for our children and grandchildren for the future of this country, or are we going to adopt the President's budget that is before us on the floor right now, which will not really balance? Those tough decisions being put off now will not be any easier then. Most certainly, we cannot expect a defense budget to go up, down, and back up. Nor can we afford to have an experiment at NASA proceed to a certain point and then drop off the face of the Earth—figuratively speaking.

Mr. President, that is not responsible. We know it, and the American people know it. Let us do the responsible thing and reject the President's hollow budget and make the real tough decisions now. That is what the American people asked of us in 1994. It is what we promised. Let us keep the promise.

I yield the floor.

Mr. FRIST. Mr. President, how much time is remaining?

The PRESIDING OFFICER. There are 2 minutes before the vote. There is no time remaining on the amendment.

Mr. FRIST. We yield back our time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. 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. GREGG. Mr. President, I ask unanimous consent that we proceed immediately to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Tennessee.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Kansas [Mr. DOLE] is necessarily absent.

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—99

Abraham	Feinstein	Lugar
Akaka	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Bradley	Gregg	Nickles
Breaux	Harkin	Nunn
Brown	Hatch	Pell
Bryan	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burns	Helms	Reid
Byrd	Hollings	Robb
Campbell	Hutchison	Rockefeller
Chafee	Inhofe	Roth
Coats	Inouye	Santorum
Cochran	Jeffords	Sarbanes
Cohen	Johnston	Shelby
Conrad	Kassebaum	Simon
Coverdell	Kempthorne	Simpson
Craig	Kennedy	Smith
D'Amato	Kerrey	Snowe
Daschle	Kerry	Specter
DeWine	Kohl	Stevens
Dodd	Kyl	Thomas
Domenici	Lautenberg	Thompson
Dorgan	Leahy	Thurmond
Exon	Levin	Warner
Faircloth	Lieberman	Wellstone
Feingold	Lott	Wyden

NOT VOTING—1

Dole

The amendment (No. 3968) was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from New Mexico.

Mr. DOMENICI. Madam President, let me tell my colleagues where we are. Frankly, we have a long way to go. Once again, I am urging that Senators on our side—and I will yield to Senator EXON on his side—we need all the amendments, everybody who has an amendment to get us the amendment or at least the substance of it. We are going to try to work something out so we can get out of here at a reasonable time.

We are not anywhere close to that. I think on our side we have 22 proposed amendments. We are looking them over, first with staff and then with various Senators.

Senator EXON has a tentative list that is not even completed, of how many?

Mr. EXON. Fifty-one.

Mr. DOMENICI. That is 51, and 22, that makes 73 amendments.

Our leader has told me his desire is that we finish this budget resolution over this weekend. That means we have all night tonight and we have all day tomorrow and perhaps we have part of Saturday. I know that brings a lot of grumpy looks on lots of faces, because I am sure everybody has something they planned to do tomorrow. I have great respect for that. But if I am the general, I will do the job. If I am the follower, I will do the job. Right now, I am the follower. I am doing what the leader suggested.

We are going to be here a long time unless we can reach some agreement. In fairness, we are working with the minority leader and with Senator EXON, who is being very cooperative, to see how we can narrow this down.

Maybe my colleague could report to the Senate from his side?

Mr. EXON. I thank the chairman for bringing this up.

Mr. DOMENICI. We need order.

The PRESIDING OFFICER. Order in the Chamber.

Mr. EXON. Madam President, everything he said I second. The way we are going we will not be through even if we would stay here all weekend including Sunday. The way we are going that would not be enough, we would not get out of here until July 4 sometime, and I am not saying what year. We must move this ahead, not only because I think we are wasting a lot of time but because we have other things that we must address.

I say to the leader, we are sending out a hotline at the present time to try to get an agreement that all the Democratic Senators would file amendments with me by 4 o'clock, or maybe 5 o'clock. I think something like that would very likely be acceptable on my colleague's side. Then we would know how many amendments we have and we might be able to work out something so we can maybe come to a reasonable agreement and if necessary go over sometime until next week, which I think everyone would like to do.

But we are not going to do that, I suggest, following up on the statement of the manager of the bill, the chairman of the committee, as he has just indicated, unless we can have some movement. I think we can get that small amount done, and that small amount is simply to get the amendments listed as we have previously. I think that can happen, but I cannot commit to that now because we are running a hotline. But I believe that

will come to pass. I think the immediate thing we have to do is decide where do we go from here? The Senator from Nebraska is interested in going to a vote as soon as possible on my amendment offered this morning at 9:30, to have a vote on the President's budget. We have had a lot of debate on it. I do not know whether we shed much light, but we have had a lot of debate.

In the meantime, I understand the next amendment on that side, and correct me if I am wrong, is an amendment that is supposed to be offered by the Senator from Missouri. Is that correct?

Mr. DOMENICI. That is correct.

Mr. EXON. I am looking at this for the first time now. Is this a sense of the Senate? It is not a sense of the Senate?

Mr. DOMENICI. No, sir, it is a substantive amendment.

Mr. REID. Will the Senator from Nebraska yield for a question?

Mr. EXON. Certainly.

Mr. REID. Madam President, I have been here listening to the dialog between my colleague from Nebraska and the Senator from New Mexico, the manager of the bill. I just have a question maybe one of them can answer.

I have been faithfully attending to my duties here in the Senate the last 3 weeks. Frankly, we have not been doing anything. We have been playing here on the gas tax, minimum wage, and something called the TEAM Act. What, all of a sudden, when we finally have something we can work on that is substantive —what is the rush? Why, suddenly, are we going to work like we have not been working before? Is there some reason suddenly we have to work on these very weighty issues into the middle of the night and on weekends?

Mr. EXON. I do not know for sure how to answer my friend and colleague from Nevada, except to say I do not think it would hurt the image of this place very much, in the public mind, if we would at least appear to be getting something done. That is the reason that I have to say we should move on this more expeditiously. But I think the question can more likely be answered by the chairman of the committee, with whom I have been working. I suspect maybe that is who the question was directed to anyway.

Mr. REID. The Senator from Nebraska had the floor. I certainly am willing to work whatever hours anyone wants. I, like most Senators here, when there are not things going on on the floor, still have lots of work to do on committees.

Mr. EXON. May we have order in the Senate?

Mr. REID. I will await the judgment of the manager of the bill and the Democratic manager of the bill and be available whenever it requires. My only comment was that we have not been doing a great deal the last few weeks and I hope since we are on the bill now substantively, where we do not have the opportunity to offer an amendment on minimum wage which 90 percent of the American public wants, that we can handle this—expeditiously, of course—but I see no reason to treat this bill any differently than we do other bills. There is a lot of work that needs to be done and I think we should do it in an expeditious fashion, not necessarily work in the middle of the night, on weekends, on this bill when we have not been doing it on others.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I would say to my good friend, Senator REID, from Nevada, it is not like we are trying to hurry this thing through. We almost always have agreed to waive substantial portions of the time on budget resolutions. Almost every evening as we went out we would say we have agreed to use up 5 hours or 7 hours, and I am checking so we will know and next time we can answer you, how we have been doing that.

Second, it is very important we get this finished because we want to give the Appropriations Committee—the Senator serves on that committee—we want to give them their numbers at the earliest possible time so the 13 appropriations bills can be done early this year, rather than holding them over until December and maybe next year.

In addition, we are not in any way talking about forbearing, precluding amendments. We are talking about whether we really need to do 75 amendments.

Mr. REID. If my friend will yield, I understand. I know how hard he has worked on this bill.

I do say, however, the budget resolution was not reported on time. I say to my friend from New Mexico, and I am not speaking for anyone other than myself, I have listened to the debate on this. I think it has been a productive debate to this point. I think it has been good for the Senate. I think it has been good for the American public to have this debate.

I hope this budget resolution can be debated in its entirety. I think we need to have debate on the issues. I say to my friend, I agree with my friend from New Mexico, I do not think we need 75 or 100 amendments on this budget resolution but there are some substantive amendments that I think we need to fully debate and arrive at conclusions on.

My only point is, as my friend knows, he works hard, I work hard. I am willing to do that. I just am a little bit concerned that there is some attempt to stop a full and complete discussion on this, one of the most important matters we are going to decide all year. But I appreciate the courtesy of explaining the Senator's position.

Mr. DOMENICI. I thank the Senator.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Madam 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. Madam President, I have just received word, I want to say—Senator DASCHLE is here—I just want to say we are going to have Senator BOND's amendment ready in 5 or 10 minutes. He will come down and offer it. In the meantime, I want to say it is the intention of the majority that we proceed well into the night to see how much time we can use and how many amendments we can take care of.

I wanted to make sure you knew that, your Senators know that, and I am informing ours right now.

Mr. DASCHLE. I appreciate the Senator's comments. I hope we can get a good debate on amendments. We have a number of them we are prepared to offer just as soon as we dispose of the amendment offered by the distinguished ranking member. We will be prepared to offer those. I assume we will alternate back and forth.

I think it is good to put Senators on notice that we will be here tonight. We are prepared to vote, and we ought to continue as we are.

I thank the Senator.

COAST GUARD BUDGET FOR FISCAL YEAR 1997

Mr. GORTON. Mr. President, with an extensive shoreline in Washington State, the Coast Guard plays an important role in protecting those people who rely on the waters of the Columbia River, Puget Sound, and the Pacific Ocean for commercial and recreational purposes. Whether it is dangerous search and rescue operations, enforcement of existing fishing treaties with Canada, or maintenance of navigational aids, the Coast Guard does its job and it does it well.

For that reason, Mr. President, I included language in the report accompanying the budget resolution that commends the Coast Guard for both its current operations, as well as its efforts to streamline and reduce its overall budget. Under Adm. Robert Kramek's leadership as Commandant of the Coast Guard for the past 3 years, the Coast Guard has reduced its work force by 4,000 positions and lowered its budget by $400 million per year. All of this done without reducing any valuable services to the general public.

In all of the debate over the next 9 months regarding funding for specific programs, I hope that the fiscal year 1997 Coast Guard budget appropriately reflects the efforts being made by Admiral Kramek and all of his staff to provide better government at less cost, while still providing important services to the citizens in Washington State and across the country.

Mr. DOMENICI. I suggest the absence of a quorum just for a few moments until Senator BOND arrives and that it be charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Madam President, I ask unanimous consent to speak as in morning business.

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

Mr. DOMENICI. How long does the Senator desire to speak?

Mr. GRASSLEY. Ten minutes.

THE MORAL CHARACTER OF CONTENT

Mr. GRASSLEY. Madam President, after 3 years of inaudible policy on drugs, the administration is suddenly trying to find its voice. Naturally, after not having been used for so long on this issue, the voice is a bit rusty and unsteady. For those of us not used to the sound after so long a silence, it is just a little hard to make out the meaning. At the moment, the meaning sounds a lot like a New Year's resolution—full of seasonal promises. It is not too clear just what is being said or how much faith we ought to put in this election-year resolution. It is also not too clear if what is being said bears any relationship to the issue being addressed.

The question is, Is the voice speaking from principle or opportunism? The answer lies in finding clues to see whether we are in the presence of conviction or convenience. Sincerity, after all, is not measured in the volume of one's words or the lofty sentiments with which they are pressed. It is to be gaged by actions that match rhetoric. It is measured not in sound bites or self-serving gestures but in commitments made and promises kept. It is signified by candor and stout-heartedness. It is judged by deeds. It is marked by courage. And it is generally easy to tell the difference between stage-managed courage and the genuine article. The genuine article generally has a past and a future because it is based on substance, on character. Its history is not one of fair-weather friendships and will-o'-the wist obligations. The counterfeit tends to swell on cue and to fade when the audience leaves.

So, as the administration clears its throat on the drug issue, it might be timely to take a look at the content and context of the pronouncements that are likely to ensue. At the moment, the new-found conviction of the President on the drug issue, as I said, looks a lot like a New Year's resolution. It is probably only a coincidence that this new year is also an election year. I hope, however, that the present resolution is a little sturdier than most New Year's declarations—so full of promise and so short on fulfillment. We do have some guideposts to go by to decide whether what we have on the drug issue reflects principle or calculation.

It is no secret to the press or to many in the public that the President is candor-challenged. He has a problem with consistency when it comes to what he says. And much of this fidelity deficit seems to owe a lot to expediency. The question is, Does policy grow from sound foundations or from what sounds good at the moment? It was one of the chief advisers to the President who gave us some insight on this. As Mr. Stephanopolous told us, to this President, words are actions. Just listen to what I say, don't look at what I do—or say tomorrow.

There is something of the magician in this philosophy. It is, after all, essential to the illusionists' art that you be distracted by words from what the hands are up to. Thus, it is possible to have no consistent policy but to claim one. It is possible to have mismanaged foreign affairs and assert the opposite. It is possible to have reneged on a bounty of campaign promises and to call it keeping faith. It is possible to make a virtue of having offered no fiscally responsible budgets while blaming others for the lapse. It is possible to have discovered the drug issue on the eve of an election and then to denounce critics as playing politics. And all of this with an elegant turn of phrase.

But there is more involved here than words. We have actions to guide us, to help us go beyond the sleigh of hand. What do they tell us when it comes to sincerity on fighting drugs? In this case, actions do speak louder than words.

The echoes of the Inauguration balls were hardly over before the President cut the Office of National Drug Control Policy—the Nation's drug czar—by 80 percent. That gesture was not an economy it was a massacre. It would also seem to be a statement about the importance of drug policy in the President's own household. But it was not singular.

The new-car smell of the administration had hardly dissipated when the Nation's chief medical officer, the Surgeon General, suggested we could legalize our way out of the drug problem. The tepid condemnation that followed from the President did nothing to foreclose this line of thinking. In fact, the idea of normalizing drug use has gathered strength in the last few years. But this was not all.

The administration also cut interdiction funding. This controlled shift in the priorities in our interdiction policies produced uncontrolled muddle here and abroad. We may not have scared our enemies with this policy, but we successfully confused our friends and our own people. But the story does not end here.

Along with these actions, the President also abandoned the bully pulpit. This is, perhaps, the truest measure of intent. If there is one thing that the President is able to do, it is to talk. He has a gift for words. We must ask ourselves, knowing this, why the President spoke virtually not at all on the drug issue for 3 years? What does this say about a commitment to the drug issue? In over 1,700 utterances in 1994 alone, illegal drugs were mentioned less than a dozen times. As they say, ''silence is golden.'' This is a silence that speaks volumes. But there's more.

In these years of just say nothing, the nature of our drug problem began to change. Although we still had a hardcore addict population largely resistant to our efforts to treat them, we had made major strides in reducing use, particularly among our young people. Between 1980 and 1992 we had succeeded in reducing so-called casual use by more than 50 percent for all drugs, and over 70 percent for cocaine. We had succeeded in persuading young people that drugs were both dangerous and wrong to use. That is now changing.

Since 1992, teenage drug use has surged. The age of people using drugs has dropped. The belief that drugs are dangerous and wrong has reversed. Popular culture once again abounds in drug glorification messages. The legalization movement is better funded and organized, and has found allies like William Buckley. Much of the media has declared a moratorium on discussing drugs—unless it is to give space to legalization arguments. All of this in 3 years, and all of it with hardly a word from the Nation's leading wizard of words.

If the past is any guide, then, we need to approach the present born-again resolution on drug policy with some questions about its meaning and purpose. In this regard, I was struck by comments in several leading periodicals about the new resolution on drugs coming from the White House this election year. These may give us a hint about the future, about whether the President's new found voice speaks from principle or poetic license.

The Weekly-Standard, a policy journal, recently editorialized that ''Bill Clinton is mostly talk. He enjoys daily political combat and negotiates its demands with rare talent. But he has never been much for actual, week-in, week-out government. Over any given administrative term in his long career, the Clinton record is thickly stained with the evidence both of his personal disengagement and of the ideological inclinations of his loosely supervised appointees.'' The piece further notes, ''So the early months of a Clinton election year always look the same: He mounts a slick and furious propaganda offensive to muddy that evidence, the better to confuse and silence his opponents. What looks bad, Clinton knows, can often be made to look good—if you jabber about it enough.''

If this view is any indication of the depth of the recent pronouncements on drug policy by the President, then we are in the presence of a pretty shallow reservoir. We have words filling in for action. But this was not the only comment on the President's newly found vocabulary on drugs.

A recent piece in the Wall Street Journal noted that ''Bill Clinton's retreat in the drug war is among the