

children with absolutely impossible obligations in the next century.

Before we get too excited about the progress we have made on the deficit, keep in mind the real heavy lifting which has not yet been done and that the real test of leadership on the budget lies ahead. As the White House exalts the improved deficit estimates, I say to the American people in a straight-forward way, we have proposed how we would head off the real train wreck, and we anxiously wait for action.

I yield the floor.

FEDERAL BUDGET DEFICIT UNDER PRESIDENT CLINTON

Mr. CONRAD. Mr. President, I was interested to hear my colleague from New Mexico, the chairman of the Budget Committee, attempting to rewrite history with respect to what has happened to the Federal budget deficit under this President. Now, a lot can be said about the Federal budget, about deficits, and the growth of the debt, but the record of this President is really quite clear.

This President came into office promising that he would cut the deficit in half during his first 4-year term, and today we did get the results of what is likely to occur in those first 4 years. We heard from the Congressional Budget Office that the deficit this year is likely to be in the range of \$115 billion to \$130 billion.

Mr. President, when Bill Clinton came into office, he inherited a deficit of \$290 billion. He pledged to cut that in half in his first 4 years. That would be a deficit of \$145 billion. Today, the Congressional Budget Office—not the President's Office of Management and Budget, not the budget committees, but the bipartisan Congressional Budget Office, the head of it, June O'Neill—sent a letter to JOHN KASICH, chairman of the House Budget Committee, saying:

At this point, a preliminary analysis of actual receipts and outlays through May and our estimates for June receipts and outlays suggests the 1996 deficit will be somewhere in the range of \$115 billion to \$130 billion.

I ask unanimous consent to have this letter printed in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE
Washington, DC, July 16, 1996.

Hon. JOHN R. KASICH,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This letter is in response to your July 11 request for our current estimate of the fiscal year 1996 deficit. Over the next several weeks, we will be reviewing carefully our budget estimates for 1996 in preparation for our summer economic and budget outlook update report that will be published in mid-August. At this point, a preliminary analysis of actual receipts and outlays through May and our estimates for June receipts and outlays suggests that the 1996 deficit will be somewhere in the range of

\$115 billion to \$130 billion. Receipts are likely to be \$20 billion to \$25 billion higher than the level we estimated for our May economic and budget outlook report, and outlays could be \$5 billion higher or lower than our May estimate.

As always, there is uncertainty about tax collections and spending for various programs, but two sources of uncertainty stand out this year. First, we are uncertain about the amount of offsetting receipts that will be credited to 1996 for the spectrum auctions. The uncertainty arises from two sources: (1) the timing of the FCC resolution of various petitions to deny the results of the auctions, and the issuance of promissory notes to the C-block licensees; and (2) whether the results will be recorded on a cash or credit reform basis in the monthly Treasury statements. The CBO and OMB estimates for the C-block auctions are on a credit reform basis, but the monthly Treasury statements may report the receipts from this auction on a cash basis. The possible range for spectrum auction receipts for 1996 is on the order of \$5 billion.

Second, we are uncertain about the effects of the delay in the enactment of 1996 appropriations and the temporary shutdown of government activities earlier in the fiscal year. First quarter outlays were at least \$15 billion lower than we would have expected for the level of enacted appropriations, and we don't know how much of this lower-than-expected spending will be made up before the close of the fiscal year.

Even with nine months of actual and estimated data, there is always some uncertainty about the final budget outcomes. Very small differences in rates of spending or tax collections can have large effects on the deficit when the total amounts of outlays and receipts involved are \$1.5 trillion. Each 0.1 percentage estimating error in the rate of spending or tax collections would amount to about \$1.5 billion. Over the past 15 years, the average absolute CBO percentage estimating errors in our summer economic and budget outlook update reports for the current fiscal year have been 0.4 percent for receipts and 0.7 percent for outlays. On this basis, a \$15 billion estimating range for the 1996 deficit at this point in time is not out of line with CBO's past experience.

I look forward to providing a more detailed analysis in August, but I hope that this information is helpful until then.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

Mr. CONRAD. Mr. President, whatever else one can say, this President has delivered on his promise to cut the budget deficit in half. In fact, he has more than delivered on his promise. I listened with great interest to my colleague, the chairman of the Senate Budget Committee. I respect and admire Senator DOMENICI, but I must say, facts are facts, the record is the record. The record of this administration and this President with respect to deficit reduction is clear and unassailable. This President said he would cut the budget deficit in half. He has cut the budget deficit in half.

If we compare his record to the record of his immediate predecessors, he can be especially proud of what he has accomplished. The fact is, as this chart demonstrates, this is what has happened under the previous three Presidents. President Reagan came in and inherited a deficit of about \$60 bil-

lion. Under his leadership, those deficits skyrocketed. In fact, they were tripled until they were up in a range of \$220 billion. At the end of his term, we saw some reduction, back to the range of \$150 billion. Then, under the new administration, the administration of President Bush, the deficits again took off. They took off like a scalded cat. What we saw was record deficits. In fact, in the last year of the Bush administration, the budget deficit reached an all-time high of \$290 billion.

President Clinton took office and in each year—in each succeeding year for now 4 years in a row—we have seen a reduction in the budget deficits, a substantial reduction. As I indicated, the head of the Congressional Budget Office, June O'Neill, has said in a letter dated today that she anticipates the deficit will be \$115 to \$130 billion this year. That is even better than this chart shows, because this chart indicates the last estimates we had. That indicated the deficit would come in at about \$145 billion this year. That, too, would have kept the President's promise of cutting the deficit in half. The news today is even better, suggesting the deficit will be about down here with respect to this chart, a very steep decline. Four years in a row of deficit reduction under this President, for the first time in any administration since the 1840's. Let me repeat that. Not the 1940's; this is the first administration since the 1840's that has delivered 4 years in a row of deficit reduction.

Not only did the President deliver on his promise of deficit reduction, he also delivered on his promise of creating jobs in this country. He promised 8 million jobs. We have now had more than 10 million created in the 3½ years of this administration.

The President did not stop there. He also promised to reduce the Federal payroll by 100,000. The most recent numbers indicate that he has reduced the Federal work force by 230,000.

So, in each of these areas where this President made a direct promise to the American people of what he would achieve, that is what has happened. Deficit reduction; he said he would cut it by 50 percent. He has cut the deficit by 60 percent. The President said he would be part of an administration that would have a strategy that would create 8 million new jobs. They have created over 10 million new jobs in the 3½ years of this administration. The President said he would reduce the Federal payroll by 100,000. He has reduced the Federal payroll by nearly a quarter of a million, 230,000.

I think it is important, when we have these political debates, that we be direct and clear with the American people as to what has happened. The fact is, the Clinton record on deficits is an admirable one. The Senator from New Mexico may quibble about how he has achieved it, but there can be no question about the results. The deficit this year, the Congressional Budget Office says, will be between \$115 and \$130 billion. That is a dramatic improvement

for this country. In fact, measured against the size of our economy, these are the smallest deficits in over 20 years, as measured by the share of our economy.

We now anticipate that the deficit this year will be 1.6 percent of the size of our economy, lower than any year since 1974. In fact, we now have the smallest deficits of any major economy in the world as a share of our gross domestic product.

In 1992, the last year of the Bush administration, the United States had a larger budget deficit as a share of the economy than Japan, Germany and France. In fact, we can all remember that we were embarrassed when we went to the international meetings on the economy and were on the defensive because of the size of our budget deficits. This year, when our President went to the international meetings of the economic leaders of the major industrialized countries, the United States was in the best position of any of the major economies in the world. This President was able to proudly say that we had not only cut our deficit in half in dollar terms, but we had reduced the deficit even more significantly when measured against the size of the economy.

This chart demonstrates what I am talking about with respect to the deficit as measured as a percentage of the gross domestic product, or, put perhaps more understandably, as measured against the size of our economy. President Reagan came in and inherited a budget deficit that was just below 3 percent, in terms measured against the size of our entire economy. During the Reagan years the deficits absolutely skyrocketed up to over 6 percent of the size of our economy. They saw a reduction back down to over 3 percent when President Bush took over and then, once again, they took off. They took off to a level of about 5 percent, deficits that were running 5 percent of our gross domestic product.

Under President Clinton, the deficit, as measured against the size of our economy, has gone down each and every year. This chart shows it at under 2 percent. The news today is even better than that. It indicates that the deficit this year, as measured against the size of our economy, will be about 1.6 percent, somewhere right in here on the chart. Those are the facts.

I do not mind criticism of this President or any other President with respect to their record. But this is the Clinton record, and this is the record of the previous Presidents—President Reagan and President Bush. They were the kings of deficits. We had the larger deficits, historically, under those Republican administrations. I might add, Republicans also controlled the Senate from 1980 to 1986. Those are the years when the deficits absolutely skyrocketed out of control. Interestingly enough, it is when we had President Clinton and Democratic control of the Senate and Democratic control of the

House of Representatives that we saw the sharpest reduction in the budget deficit in this period.

This chart follows three Presidents, two Republicans, one Democrat. This is a period in which the Republicans controlled the U.S. Senate for 6 years.

This is a time when Democrats, for 2 years, controlled the Presidency, the Senate of the United States and the House of Representatives. During that period we finally got on a course of dramatic reduction of the budget deficits, whether we measure it in dollar terms or measure it against the size of the economy. In either case, we saw dramatic progress.

Those are the facts. No chart that shows how the deficits were reduced, how they were produced, can change the hard reality and the hard fact that this President delivered on his promise, that this President has produced 4 years in a row of deficit reduction, the best record of any administration for over 150 years. That is the reality, and this President deserves the credit. I might also add this President is the first one in 17 years to submit a Congressional Budget Office-certified balanced budget.

My friends on the other side of the aisle are quick to claim credit for the deficit reduction which has occurred. I remind them that none of their plans would balance without the plan that passed in 1993 with only Democratic votes in this Chamber and in the other Chamber and with the support of this President. Not a single Republican voted for that deficit reduction plan that put us on this path.

Talk is cheap. It is tough to actually cast the votes that lead to this result. This result is clear, and this result is important to the economic future of this country.

The other point I think needs to be made is the suggestion by the Senator from New Mexico that this has only occurred because of tax increases. I say to my colleague, he may have forgotten that the 1993 budget plan that passed here not only had tax increases, tax increases that were aimed at the wealthiest 1 percent in this country, but also substantial spending cuts. And, again, the record is clear.

If we look at spending as a share of the gross domestic product, we saw that spending under President Bush increased from 22.1 percent of the gross domestic product to 23.3 percent.

Under this administration, spending as a share of the economy has declined from that 23.3 to 21.7 percent, and that takes us to a lower level than at any time during the previous two administrations.

That might come as a surprise and a shock to some who want to portray the Democrats as the spenders. The fact is, the Democrats, in the plan that they passed in 1993, not only reduced the deficit but also reduced spending as a share of our national economy to the lowest level that we have had in the last three administrations, down from

23.3 percent of our national economy to 21.7 percent of our national economy today—the lowest spending level in the last three administrations.

Mr. President, we can debate a lot of things, but the record with respect to deficits is clear. In the previous administrations, headed by President Reagan and President Bush, the deficit skyrocketed, the highest deficits we have ever had in our history. Under the administration of President Clinton, the deficit has been cut by 60 percent, exceeding his stated goal of a 50-percent reduction. It has also reached the lowest level measured against the size of our economy in 20 years, and this is the first administration since the 1840's that has delivered 4 years in a row deficit reduction.

There is no way, I say to my colleagues on the other side, to rewrite the history of what has occurred here. You can show all the charts, make all the caveats, try to score all the political points one wants to try to score. It is not going to change the reality and the facts. The fact is, the reality is that this administration has delivered on its promise, and the result is we have a much stronger economy than we would otherwise have.

Let me just conclude by saying that there was an element to the remarks of my colleague from New Mexico, with which I strongly agree: The job is not yet finished, and it is in our collective interests and in our national interest to finish this job.

What does it mean? I was proud earlier this year to be part of a centrist coalition, 20 Senators, about evenly divided between Democrats and Republicans, that presented a plan to make further progress to move us toward a balanced budget to continue to reduce these deficits and to get the job done.

Mr. President, the Senator from New Mexico said we continue to face a significant challenge, even as we have seen these deficits come down. The fact is, if we look over the horizon at what is to come, we all understand that it is critically important that we stay on this course of deficit reduction. I think every responsible Member of this Chamber knows that there is much more to be done, because we face in the future a demographic time bomb, and that is the baby boom generation. When the baby boomers start to retire, the number of people eligible for our very basic social programs is going to double in very short order, from 24 million today to 48 million by the time the baby boomers have fully retired.

Mr. President, that ought to send a warning signal to all of us that while there has been significant progress, there is much more that needs to be done. I hope that can be done in a bipartisan effort, unlike 1993 when no Republicans came forward, stood up and were willing to vote to reduce the deficit. It is going to require that we work together so that we can keep this process underway and so that we can achieve the ultimate result of balancing the Federal budget to avoid

leaving an enormous burden to our children and grandchildren.

I thank the Chair and yield the floor.

CLINTON'S CUBA DECISION IS DOUBLETALK, CHARADE

Mr. HELMS. Mr. President, early this afternoon President Clinton turned his back on the people of Cuba with an announcement which revealed that he had decided to try to double-talk his way into appearing to be taking a tough stand against Fidel Castro.

But when one examines this charade, Mr. President, Mr. Clinton had in fact delayed the enforcement of the Libertad Act which Congress passed and the President immediately signed into law earlier this year when it would have been politically disastrous for him not to do so.

The Associated Press reported, correctly, that today's decision by the President could help Clinton to buy time knowing that his refusal to impose sanctions on Castro would risk losing Cuban-American votes in Florida and New Jersey, two key States in Mr. Clinton's reelection bid.

So, Mr. President, once again Mr. Clinton has taken a firm stand on both sides of an important issue. While today's announcement contains tough anti-Castro rhetoric, it is all talk and no substance. The truth is, Mr. Clinton has capitulated to Fidel Castro and his foreign business collaborators, who not only condone Castro's cruel dictatorship, but want to help it flourish.

But the President's problem is not going away. The Libertad Act is Clinton-proof. The President could not muster the courage to implement title III today, but the threat of lawsuits still hangs over the necks of Castro's business partners like the blade of a guillotine. Even before today's decision, businesses were fleeing Cuba because of the threat of such lawsuits. This will continue, and the law will not be mitigated by the President's lack of courage.

At a time like this, Mr. President, one is obliged to wonder: Is there no Teddy Roosevelt, no Winston Churchill ready to stand up for freedom? There was none on Pennsylvania Avenue today.

TRIBUTE TO JUDGE JOSEPH PHELPS

Mr. HEFLIN. Mr. President, we were deeply saddened recently by the death of one of Alabama's most distinguished jurists, former Judge Joseph Phelps. He had only retired in January 1995 after serving as Montgomery County Circuit Judge for 18 years. During his long tenure as a circuit judge, he earned a reputation for being thorough, fair-minded, and tough, all hallmarks of an outstanding jurist. After retiring from the bench, he still handled an expedited docket. He also spent time at his farm and doing volunteer work.

Judge Phelps was an outstanding leader in Alabama's judicial reform

movement in the 1970's. His leadership in securing support for the passage of the judicial article and its implementing legislation was significant. He played a pivotal role in the educational effort of getting judges and lawyers, court clerks, registrars, and all court-related personnel to understand the new system. His planning, explanation, and leadership brought about a smooth transition from the old antiquated system to the new one. Alabama will always be indebted to him for his many contributions to a vastly improved judicial system.

Judge Phelps was appointed as a special circuit judge in 1976, then elected in his own right later that year. Prior to that, he helped found law awareness programs in Montgomery schools and served as dean of the Jones School of Law from 1968 to 1972. A 1958 graduate of the University of Alabama School of Law, Judge Phelps served as an assistant attorney general from 1958 to 1961, as an assistant city attorney from 1969 to 1973, and as acting dean of the State's judicial college from 1978 to 1979.

As one writer said so well of Joe Phelps, "It speaks volumes of this man that even though he was a successful lawyer and a highly respected circuit judge, he will be remembered—and missed—for the great good he did for his community and State. He was one of Montgomery's greatest natural resources." He was active in several organizations, including Strategies to Elevate People, Success by Six, and the YMCA. In 1990, the Alabama State Bar Association bestowed its highest honor on him when it awarded him the Judicial Award of Merit.

Judge Joe Phelps will long be remembered for his love, faith, commitment, and fairness. He will also go down as one of the best circuit judges to ever serve in Alabama. I extend my sincerest condolences to his wife, Peggy Black Phelps, and their entire family in the wake of this tremendous loss.

I ask unanimous consent that a Montgomery Advertiser article on Judge Phelps be printed in the RECORD at this point.

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

[From the Montgomery Advertiser, June 25, 1996]

PHELPS' LOVE, FAITH STRESSED BY SPEAKERS (By Matt Smith)

Retired Circuit Judge Joseph Phelps passed through the doors of Trinity Presbyterian Church for the last time Monday, past an overflow crowd of family, friends and colleagues.

They came to pay last respects to the 61-year-old judge, eulogized as a man who translated his deep faith into community service outside the courtroom. He died Saturday at 61, when his 1991 Oldsmobile ran off Woodley Spur Road and overturned. He had retired less than 18 months before the accident.

"Joe Phelps was an embodiment of love for God and love for his fellow human beings,"

said the Rev. Curt McDaniel, pastor of the Garden District church where Judge Phelps had been a member for 51 years. His body left the church in a simple, pine coffin adorned by flowers from the farm he kept in south Montgomery County, where he hunted and invited friends each Thanksgiving for a holiday breakfast.

"Joe was a community leader, first of all," said Bill Chandler, director of Montgomery's YMCAs. When Mr. Chandler arrived in Montgomery in 1948, the future judge was one of the first to join the Y.

"One of his characteristics was he got other people to become involved in community activities who wouldn't otherwise have been involved in those activities," Mr. Chandler said. "He found a way to get others to give their time, multiplying their effect."

The flag outside the Montgomery County Courthouse flew at half staff Monday. County commissioners canceled their Monday meeting to attend the funeral. Family, friends, courthouse regulars and local dignitaries filled Trinity Presbyterian Church to capacity and then some. Mourners unable to find a seat in Trinity's sanctuary stood in hallways and back rooms, listening to the service via remote speakers.

The Rev. Dr. McDaniel was joined by two other ministers: the Rev. John Ed Mathison of Frazer United Methodist and the Rev. Jay Wolf of First Baptist Church. Both had served with him in numerous volunteer endeavors.

His efforts off the bench included positions on the YMCA's Metro board of directors; to helping found the Success by Six and STEP (Strategies to Elevate People) programs; working with the Fellowship of Christian Athletes, Leadership Montgomery, the Youth Legislature and the Capital City Boy's Club.

Judge Phelps graduated from the University of Alabama Law School in 1958 and returned to Montgomery, where he had graduated from Sidney Lanier High School. In 1976, after an extensive career in private practice, county voters made him a circuit judge.

He held that post until his third term ended in 1995. In 1990, the Alabama State Bar Association bestowed its highest honor, the Judicial Award of Merit, on him. Even after retirement, he handled an expedited docket for the circuit until a few months ago.

"He gave most defendants an opportunity for light treatment on a first offense," said John Hartley, who worked as a public defender in Judge Phelps' third-floor courtroom for more than three years.

Judge Phelps was buried in Greenwood Cemetery after Monday morning's services. He is survived by his wife, Peggy Black Phelps; and two daughters, Margaret Romanowski of Montgomery and Julia Phelps Lash of Birmingham.

THE CLINTON ECONOMY

Mr. ABRAHAM. Mr. President, I rise today to draw my colleagues' attention to recently released facts on the condition of our economy, and the fate of the American people in that economy.

For too long, Mr. President, we have been subjected to the old canard that tax cuts favor only the rich, while intrusive government programs help the poor. The experience of this administration proves that this is not so. Under the high-tax, high-spending policies of the current administration, the rich have gotten richer while the rest