

Senator can ask for a longer period of time.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent to extend my remarks for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE PRESIDENT'S FISCAL YEAR 1998 BUDGET

Mr. LAUTENBERG. Mr. President, just a few hours ago, President Clinton delivered his 5-year balanced budget to the Congress. For the first time in a long while, no one was singing a funeral dirge on budget day. The budget is alive and it is well and already has a sense of momentum and history to it. This is a budget that reflects mainstream America. It does not favor one special group at the expense of another. It does not pit generation against generation or rich against poor.

The President's budget reflects the hopes and the desires of all of our citizens, whether it is one of our seniors on a fixed income worried about health care or a family concerned about the quality of education of their children or citizens fighting the pollution in the neighborhood in which they live. The budget moves ahead toward the future without leaving anyone behind.

As the senior Democrat on the Budget Committee, I say to my colleagues on both sides of the aisle this is a credible budget. Do not just knock it. Look at it and see if you want to recommend adjustments or amendments to it. It will reach balance by the year 2002. There are safeguards built into this budget to ensure that promise.

President Clinton deserves a lot of credit for presenting a real balanced budget that builds upon the deficit reduction of his first administration. Since the President first took office, that deficit has been reduced consistently and dramatically to last year's low of \$107 billion. I can remember when President Clinton took office that no one dreamed, no one thought it possible that we could have a budget deficit at that low level. It is now the lowest deficit as a percentage of GDP of any major industrialized country. There are no dark clouds on the horizon. The economy continues to grow and surpass most expectations. The Federal Reserve Board Chairman, Dr. Alan Greenspan, recently testified before the Senate Budget Committee: "The economy has retained considerable vigor, with few signs of the imbalances and inflationary tensions that have disrupted past expansions." And last week we had more good news. The GDP grew at a 4.7 percent rate in the fourth quarter of 1996.

The President has presented a forward-looking budget that not only demonstrates fiscal stewardship but is oriented toward the 21st century and its challenges and opportunities, what America needs to regain its full-time

leadership across the face of the globe. It looks forward to the future but does not leave anyone behind.

This budget protects Medicare. For example, rather than trying to impose radical and untested structural changes to Medicare, the President's budget ensures solvency through the year 2006 while at the same time crafting pilot and demonstration projects that will expand health choices for seniors without jeopardizing the quality of care.

This budget also makes critical investments in education, transportation, environmental cleanup, investments that are necessary if we are going to have long-term economic growth and an improved standard of living.

We must make sure, however, that any new caps on discretionary spending will allow these investments to continue, because if we do not, we will be forced to make deep cuts during this 5-year period in programs like computers in schools, highway modernization, safe drinking water grants, and community policing.

I hope, too, that as this budget evolves, we will take a closer look at cutting special-interest tax breaks and subsidies to help offset the costs of making sound investments. The President has proposed about \$34 billion of savings in this area, and we should consider this number only a beginning. Since we will spend over \$2.8 trillion for tax breaks over the next 5 years, I think we can identify even greater savings in this area. The President's budget also includes \$98 billion of tax relief for middle-class Americans, and it is targeted toward child care, college tuition, and buying and owning a home.

Mr. President, this budget is an excellent starting point, and I believe the Budget Committee markup is the appropriate venue for Republicans and Democrats alike to resolve their differences. The American people deserve to know and everybody within the sound of my voice deserves to know the changes that the Republicans would like to make to the President's budget. If they think they can do better, OK. Look at it and try to make some decision. But they have an obligation to the American people to show "how," "where," and "when" and not simply carp.

Mr. President, Senate Majority Leader LOTT has called for the so-called regular order to produce a budget through the normal legislative process. I second that call. Regular order would be for the Budget Committee to conclude its hearings in a timely manner and then write a budget in early to mid March. At that point, either the Republicans would use the President's budget, or Chairman DOMENICI will have a chance to put down a budget of his own. Congress would then stand a chance of meeting the April 15 statutory deadline for producing a budget and the bipartisan goal of a balanced budget.

Mr. President, as we move toward the balanced budget, we must also remem-

ber that we are Senators, not simply accountants. We have to look at any budget proposal and evaluate its impact on the American people, their lives and the economy. A budget—as the distinguished occupant of the chair knows from his professional background as a physician tending to people's needs—a budget is far more than numbers. A budget is programs like Medicare, Medicaid, educational opportunity, cleaner environment. A budget has to be a reflection of the American people, their needs, their dreams, their hopes. That is what this budget, frankly, is. I hope we will get to work quickly on a review of the budget if any changes are going to be recommended.

As I said earlier, let's hear them. But I am encouraged by what I have heard to this point—not just those who want to hang a black drape and say it doesn't work, it won't go, it can't go, it shouldn't go, but rather a more reasoned approach, I think. We all know that we are on different sides of the aisle in terms of the parties, but I am talking about a more reasoned approach that says maybe this budget is one that we can work from, or work to, and we can get ourselves a budget that reflects the interests of both of our parties, our country, and our people.

It is time for a reasoned discussion. It is time for a deliberate discussion for a serious review. And I am optimistic about the possibilities of being able to say to the American people that we did just what they wanted us to do. We got over the bipartisan squabbling. We are not fighting anymore. What we are trying to do is to do what our constituents sent us here to do, and that is solve the problems, folks, don't just argue about them.

I yield the floor.

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

The ACTING PRESIDENT pro tempore. 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 ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GREGG. Mr. President, can I ask what the present proceedings are before the Senate?

The ACTING PRESIDENT pro tempore. The Senate is currently in morning business, and Senators are to be recognized for up to 5 minutes. Several Senators, under a previous order, will be recognized for up to 10 or 15 minutes.

THE PRESIDENT'S BUDGET PROPOSAL

Mr. GREGG. Mr. President, I want to speak briefly this morning about the status of the President's budget. Obviously, this is always a very significant event when the President presents a budget. This year, I think the climate

and the substance of the budget is significantly different than what has occurred in past years. There is a commitment by this Congress to get to a balanced budget by the year 2002.

A year ago, we sent a budget that would have accomplished that to the President, and he, regrettably, vetoed it. Now the President has come forward and accepted this challenge and said that he also believes that we should get to a balanced budget by the year 2002. He sent up to us a proposal to accomplish that. His budget, as proposed, has many constructive functions in it. It also has many questions. Regrettably, it has a lot that is left undone and unaddressed.

On the constructive side, he does get to a balanced budget—at least as he claims—using his numbers. Unfortunately, the questions that are raised by the way in which he gets there are significant. For example, next year, the deficit will go up and the following year the deficit will go up, under his budget. Even in the following year, the deficit goes up under his budget. It is not really until he is about to leave office that he alleges or represents he is going to put in place programs which would bring the deficit down. That, to me, is not what I would call a good glidepath to a balanced budget. The glidepath should be a downhill glidepath, not a roller-coaster graph.

The President proposes about \$258 billion of not cuts, but attempts to slow spending over the next few years. Of this, it appears that about \$80 billion comes from defense, about \$58 billion comes from domestic discretionary programs, and about \$21 billion comes from entitlement issues. Those are good, solid numbers—well, not necessarily solid numbers, but good starting numbers, and we will see whether they are solid numbers.

At the same time he is proposing \$121 billion in savings over the next few years in the rate of growth of entitlements, he is also proposing \$60 billion of new spending on entitlement programs, such as new Medicare benefits, Medicaid benefits, food stamp and SSI benefits, new health insurance benefits. And under his education initiative is a brand new entitlement program for school instruction, allegedly, and a brand new entitlement program for school literacy—\$60 billion in new spending, which gives you basically a net in the entitlement areas over 5 years of \$60 billion in reduction, which is not a very significant number. That is about \$10 billion a year on entitlement spending which annually represents almost 55 percent of the Federal budget and is closing in on \$700 billion. So it is not a big number. In fact, it is not a strong enough number in order to get to a solid balanced budget because what happens is that, even if we get to the balanced budget, even if we accept the figures which the President has proposed in his budget as getting to the balanced budget in the year 2002, we see those deficits exploding

after that period. Why is that? Because there is no fundamental proposal for structural reform of the major entitlement programs in the President's budget. That is where I believe this budget is inappropriate. There has to be fundamental reform if we are going to honestly address this issue, if we are not going to simply pass it off onto the next administration, as would occur in this case, or the next Congress as might occur in our case, or, unfortunately, the next generation, which is exactly what we are doing as a Congress and a Presidency if we pursue a tentative course in addressing the entitlement reform.

In the area of entitlement reform, there is in the President's budget no initiative to try to put in balance for any extended period of time the Medicare trust fund, part A, or the Medicare system. The President of the Senate today has been one of the leaders on the issue of how you can reform Medicare in a substantive way so we can have a strong insurance system for our seniors.

I have also put together something called Medicare Choice, or Choice Care, which would be a substantive structural reform which would use the marketplace to try to create an incentive for efficiency in the Medicare system which would give seniors choices, much as we have as Members of Congress, to go into the marketplace and choose a variety of different health care programs, the type of structural reform which myself and the Senator from Tennessee, who is in the chair today, have talked about, are trying to energize and for which we have a lot of support, by the way, here in Congress. It is nowhere to be found in the President's proposal, nor is there any other structural reform which would address the underlying Medicare concerns to be found in his proposal; just a variety of traditional provider payment slowdowns and possibly an accounting mechanism that would significantly adjust the way we pay for home health care. Neither is there a long-term solution, but one which is a totally inappropriate accounting gimmick. There is no long-term solution as to how we make Medicare solvent. So the proposal does not address Medicare reform.

The proposal also does not address the reform of our tax laws, which it should. It calls for a \$98 billion cut in taxes. It also calls for an increase in taxes of about \$76 billion. So essentially there is no tax cut in this package. More importantly, there is no attempt to address the underlying problem which our tax laws have. We just saw where the IRS spent \$4 billion to put in place a computer system to try to make the tax system work in this country, and it appears it can't even figure out who is filing what returns when and how much they are owed. After spending \$4 billion, the IRS has openly admitted that it has failed; \$4 billion down the drain. Why is that? Is

it because they cannot produce such a computer system? In large part, yes. More significantly, it is because our tax laws are so complex and convoluted that they are simply unenforceable and ineffective, and is not a way that we should be raising revenues for the citizenry. The IRS has become a totally overbearing and, in many instances, inept organization which the American people no longer have confidence in. That undermines constitutional government when your tax-raising organizations lose the confidence of the people.

So there should be a proposal, or at least a discussion of or an initiative for how you reform the tax laws, how we take this great, huge, byzantine morass called the IRS and bring it into the 21st century and simply make it understandable and give the American people an opportunity to file a tax return on a postcard, pay taxes, and know that they are being accounted for correctly and recognize that we need more efficiency.

So there is no proposal in here for fundamental tax reform, and there should be. The President has missed an opportunity. It is basically a budget which is based on optimistic economic assumptions, has in it new entitlement proposals for spending, and has a very low net tax cut, none of which really accomplishes the basic goals of the balanced budget. If we are going to balance the budget, we have to fundamentally reform the underlying drivers of our budget problem, which is the entitlement system and our tax laws. Yet, that is not addressed in this budget proposal. It is, however, a starting point.

We as a Senate, and I as a member of the Budget Committee, intend to take it as such and to work with the President to try to put in place something that should not only lead us to a balanced budget in the year 2002 but will give us an opportunity at least to see some light at the end of the tunnel for a long-term resolution of the major underlying public policy questions which we have in this country—Medicare, Social Security, and our tax laws.

So I appreciate the time, Mr. President, of the body. I yield back my time at this point.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, February 5, the Federal debt stood at \$5,302,957,481,388.92.

One year ago, February 5, 1996, the Federal debt stood at \$4,987,401,000,000.

Five years ago, February 5, 1992, the Federal debt stood at \$3,800,008,000,000.

Ten years ago, February 5, 1987, the Federal debt stood at \$2,233,219,000,000.

Fifteen years ago, February 5, 1982, the Federal debt stood at \$1,030,621,000,000 which reflects a debt increase of more than \$4 trillion, \$4,272,336,481,388.92, during the past 15 years.