

and hospitals has historically been circumvented as the recipients have invented ways to work around the limitations. In addition, the compromise requires that the fastest growing part of Medicare, home health care, be taken out of the Medicare trust fund and financed from general revenues.

Perhaps the most perverse aspect of the compromise is that this budget will trample an emerging bipartisan commitment to real Medicare reform. This budget agreement virtually guarantees that five years from now Medicare will be in much worse shape than it is today. Moreover, virtually every penny of the \$115 billion claimed from Medicare savings will be spent on increases in social programs and new entitlement benefits.

That brings us to my party's favorite part of the deal, the much-discussed \$85 billion tax cut. The cut is largely funded by odd-and-ends measures, the largest of which is at least \$25 billion of revenues assumed to be derived from auctioning off broadcast and non-broadcast spectrum—the right to use public airways for everything from broadcasting the 6 o'clock news to setting up a cellular phone system.

Last year Congress assumed a limited spectrum auction of \$2.9 billion as an offset to new spending. When actually auctioned, the spectrum brought in just \$13.6 million, or roughly \$1 for every \$200 that Congress had assumed would be raised. Given our experience of last year, it is highly unlikely that anything like \$25 billion will be raised from spectrum auction unless television stations are forced to buy spectrum to broadcast their new digital signals, something the Federal Communication Commission, the White House and Congress have opposed.

The budget agreement claims a net reduction in taxes of \$85 billion. Some \$5 billion of that tax cut will be lost to the public because the assumed reductions in the consumer price index will raise income taxes by \$5 billion. Of the remaining \$80 billion, the Clinton administration's education tax credit will absorb roughly \$35 billion, leaving Republicans some \$45 billion in net tax cuts to fund their tax-cut priorities.

Unfortunately, the full Republican tax package costs \$188 billion. Republicans on the House and Senate tax-writing committees now will be forced to try to stretch a net tax cut of \$45 billion to cover a \$500-per-child tax credit that costs \$105 billion, capital gains relief that costs \$32 billion, estate and death tax relief that cost \$18 billion and individual retirement account expansion that costs \$32 billion.

Even if \$50 billion of offsetting tax increases can be found, it is a certainty that the individual tax credit will be dramatically curtailed, probably by ensuring that many middle- and upper-middle-income working families don't get any child tax credit. Capital gains and estate tax relief will be similarly truncated. In the end, despite all the talk of achieving a major tax cut, it is hard to see a substantial impact in a \$7 trillion economy being created by a \$45 billion tax cut.

Obviously, in a budget deal such as this, the logical question is: "Is it better than nothing?" And, as is usually the case, beauty is in the eye of the beholder. But in the final analysis, two factors ultimately make this

budget agreement worse than no agreement. The first is the false perception it creates that the deficit problem has been fixed. This notion already has given rise to the largest increase in social spending since the '60s in this budget agreement and is likely to further open the floodgates as Congress convinces itself and the American public that the deficit is behind us. Second, by claiming to have solved the Medicare problem for 10 years, we will take the pressure off the president and Congress to reform Medicare even though the trust fund is careening toward bankruptcy, and Medicare will produce a \$1.6 trillion drain on the federal Treasury over the next 10 years.

Historically, America has looked to its two great political parties to contest over principles and new ideas so that the highest principles and best ideas could become the governing consensus for the country. But divided government often produces massive pressure for bipartisanship, and the current budget deal is an example of how bipartisanship sometimes can manifest itself not in compromise policy but in a decision to join together to mislead the public. The opposite of gridlock is not necessarily efficiency, it is sometimes deception. ●

ORDERS FOR TUESDAY, MAY 20, 1997

Mr. COATS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, May 20. I further ask consent that on Tuesday, immediately following the opening prayer, the routine requests through the morning hour be granted, and the Senate then be in a period of morning business until the hour of 10 a.m., with Senators recognized to speak up to 5 minutes, with the following exception: Senator HAGEL and Senator KERREY in control of 30 minutes.

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

Mr. COATS. I further ask unanimous consent the Senate recess from the hour of 12:30 to 2:15 p.m. for the weekly policy conferences to meet.

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

ORDER FOR THE BUDGET COMMITTEE TO FILE REPORTED LEGISLATION

Mr. COATS. Mr. President, I also ask unanimous consent that the Budget Committee have until 12 midnight this evening in order to file reported legislation.

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

PROGRAM

Mr. COATS. For the information of all Senators, at 10 a.m. tomorrow

morning it is hoped the Senate will be able to reach an agreement allowing for the completion of the partial-birth abortion ban bill. If that agreement is reached, Senators should anticipate a vote on passage of that legislation at approximately 2:30 p.m., on Tuesday.

Also, Senators should be reminded that it is the intention of the majority leader to begin consideration of the budget resolution tomorrow afternoon. Senators can expect rollcall votes throughout Tuesday's session, as the Senate attempts to make progress on the first concurrent budget resolution. Members who intend to offer amendments to that resolution should be prepared to offer those amendments during tomorrow's session. It is the hope that the Democratic leader will join the majority leader in an effort to yield back much of the statutory time limit for the budget resolution. All Members will be notified accordingly as any votes are ordered with respect to any of this legislation.

I thank all Members for their attention.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. COATS. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:37 p.m., adjourned until Tuesday, May 20, 1997, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 19, 1997:

THE JUDICIARY

WILLIAM P. GREENE, JR., OF WEST VIRGINIA, TO BE AN ASSOCIATE JUDGE OF THE U.S. COURT OF VETERANS APPEALS FOR THE TERM OF 15 YEARS, VICE HART T. MANKIN, DECEASED.

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. NAVY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

To be rear admiral

REAR ADM. (LH) TIMOTHY R. BEARD, 0000
 REAR ADM. (LH) DAVID L. BREWER III, 0000
 REAR ADM. (LH) STANLEY W. BRYANT, 0000
 REAR ADM. (LH) TONEY M. BUCCHI, 0000
 REAR ADM. (LH) WILLIAM W. COPELAND, JR., 0000
 REAR ADM. (LH) JOHN W. CRAINE, 0000
 REAR ADM. (LH) ROBERT E. FRICK, 0000
 REAR ADM. (LH) PAUL G. GAFFNEY II, 0000
 REAR ADM. (LH) JOHN A. GAUSS, 0000
 REAR ADM. (LH) EDMUND P. GIAMBASTIANI, JR., 0000
 REAR ADM. (LH) JOHN J. GROSSBACHER, 0000
 REAR ADM. (LH) JAMES B. HINKLE, 0000
 REAR ADM. (LH) GORDON S. HOLDER, 0000
 REAR ADM. (LH) PETER A. C. LONG, 0000
 REAR ADM. (LH) MARTIN J. MAYER, 0000
 REAR ADM. (LH) BARBARA E. MC GANN, 0000
 REAR ADM. (LH) CHARLES W. MOORE, JR., 0000
 REAR ADM. (LH) JOHN B. NATHAN, 0000
 REAR ADM. (LH) WILLIAM R. SCHMIDT, 0000
 REAR ADM. (LH) ROBERT C. WILLIAMSON, 0000