

level since 1968. That is the lowest level in almost 30 years.

Mr. President, incomes are going up, and poverty is going down.

This chart speaks to some of the really remarkable economic results that we have gotten ever since the 1993 budget agreement. At that time we put in place a new economic plan. Since that time we have seen median household income up the largest increase in a decade. We have seen the largest decline in income inequality in 27 years. We see nearly 2 million fewer people in poverty, the largest drop in the poverty rate in this country in 27 years. The poverty rate for the elderly is at 10.5 percent, its lowest level ever, and we've seen the biggest drop in child poverty in 20 years. Those are remarkable economic results by any standard.

Mr. President, I wanted to put in some context what the 1993 budget agreement meant in terms of deficit reduction compared to the agreement that we are working on now. I think it tells quite a story.

This chart shows the 1997 budget agreement was possible only with the 1993 deficit savings. The purple area shows the savings from the 1993 deficit reduction package and the economic growth that it made possible. The 1993 budget agreement reduced the deficit from 1994 to 2002 by \$2 trillion. The savings in the 1997 package during that period will be \$200 billion, or one-tenth as much.

Mr. President, the only reason we are able to have an agreement like the one that is before us is because of what was done in 1993.

But when I look at the 1997 agreement I largely see a missed opportunity. Eighty percent of the American people in the polls say they don't believe this new agreement is going to balance the budget. I regret to say that 80 percent of the American people are right. This agreement does not balance the budget.

Unfortunately, as this chart shows, if you go out to the year 2002, what you find is not a zero deficit but a \$109 billion deficit. The reason for that difference is, of course, that the only way they are able to claim balance as a result of this agreement is that they are counting all of the Social Security trust fund surpluses.

That is not a balanced budget. That is not a balanced budget by our own rules. If you look in the concurrent resolution, the document that is before us, and you turn to the page that reports what the deficit will be in the year 2002, what you find is not a zero. What you find on page 4—I direct my colleagues to this page. I think it might be a revelation to those who are saying that this is a balanced budget agreement. If this is a balanced budget agreement, why does it say on page 4 that the deficit in fiscal year 2002 is \$108.7 billion? Why does it say that? Why does it say there is a deficit if the budget is balanced? Of course, the answer is the budget is not balanced.

It is remarkable to me that our colleagues report to the American people that this is a balanced budget agreement and the press reports it when the document that we are considering here, the budget resolution, shows clearly the budget is not balanced in 2002. There is almost a \$109 billion deficit.

The other thing that troubles me is, if you look at the budget line, as I indicated, the deficit was \$290 billion, and the unified deficit in 1992 has come down to \$67 billion this year, but for the next three years the deficit is going to be higher than it is this year.

Here we are in the midst of great economic times and under this budget agreement the deficit is going up. How do we justify that? It makes no sense. In good economic times, we ought to be steadily reducing the deficit. We shouldn't let the deficit go up. But that is what this budget agreement does.

And then, of course, on a unified basis they say it is balanced. Unified means they are counting all of the trust funds. Of course, that is the problem. We should not count the Social Security trust funds. No company would be able to do that. No company would be able to take the retirement funds of its employees and throw them into the pot and call it a balanced budget. But that is what we are doing here.

I say to the President and those who might be listening, that is a mistake. We ought not to be counting these trust fund surpluses. This is really not a balanced budget. No company could claim it. If they did, they would be in violation of Federal law, and they would be headed for a Federal institution, but it would not be the United States Congress. They would be headed to Federal jail. And yet we blithely call this a balanced budget.

Of most concern to me is that budget negotiators failed to correct the upward bias that currently exists in the Consumer Price Index. As the occupant of the Chair knows, we use the Consumer Price Index to adjust for the change in the cost of living in our revenue system and in all of our spending programs. That is an appropriate thing to do. It is appropriate to adjust for the cost of living, but the overwhelming scientific evidence is that we are over-adjusting.

In fact, the Senate Finance Committee appointed a bipartisan commission that was headed by Michael Boskin, who was the head of the economic advisers in the Bush administration. The Boskin Commission came back to us and said the overstatement is about 1 percent a year. One percent does not sound like much but over time it makes a big difference. A 1 percent overstatement in the Consumer Price Index means \$1 trillion in debt of the United States over the next 12 years. That is a mistake we should not allow to continue.

I also am concerned that some of the economic assumptions in this plan are also highly suspect. CBO's last minute

revenue adjustment of \$45 billion a year may be credible for the first few years, but its credibility from the years 1999 to 2007 is unclear.

In addition, the balanced budget fiscal dividend assumes lower interest rates will result from balancing the budget with a credible deficit reduction plan. The problem is that is not what most people are considering in this country. There is very little debate about whether interest rates are going to be reduced. The question is whether interest rates are going to be increased.

Mr. President, ultimately each of us must decide if this plan is worthy of support.

In deciding how to vote on this package, a key question for me was whether or not passage of this package was better policy than doing nothing at all. I believe it is a fairly close call.

Despite all of its shortcomings, the 1997 budget deal does contain some good policies, including about \$200 billion of net deficit reduction. From 1998 on, the deficit declines steadily as a percentage of gross domestic product. Unfortunately, it ought to be declining from this year on, not starting only in 1998.

In addition, debt subject to limit—and this is the final chart I will show—debt subject to limit as a percentage of GDP also declines from about 68 percent in 1998 to 66 percent by the year 2002. Federal debt subject to limit declines from 1997 to 2002. Finally, the incredible growth of the debt has been stopped. It was stopped largely because of the 1993 budget agreement, but this budget package will continue to hold down the growth of the debt, and that is critically important to our economic future.

Finally, the plan protects discretionary investments for programs like education and transportation, provides health insurance for 5 million insured children and helps people move from welfare to work. The plan also preserves the solvency of the Medicare Part A Trust Fund through the year 2007. And the plan includes targeted tax relief for working Americans. The education tax cuts in the package will help provide educational opportunity, and reform of the estate tax which has been unchanged for 10 years will help farm families and small business owners keep their businesses and their farming operations.

Finally, let me say, even though I favor a far more ambitious deficit reduction package, I view this agreement as a step in the right direction. I will support this budget agreement and work to improve it throughout the budget process this year.

Mr. President, I thank the indulgence of the Chair and yield the floor.

ADJOURNMENT UNTIL 9:30 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate is adjourned.

Thereupon, at 10:50 p.m., the Senate adjourned until Thursday, May 22, 1997, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1997:

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. GEORGE T. BABBITT, JR., 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. TAD J. OELSTROM, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. RICHARD B. MYERS, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. RALPH E. EBERHART, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN B. HALL, JR., 0000

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE REGULAR AIR FORCE OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

- COL. GARY A. AMBROSE, 0000
COL. FRANK J. ANDERSON, JR., 0000
COL. THOMAS L. BAPTISTE, 0000
COL. BARRY W. BARKSDALE, 0000
COL. LEROY BARNIDGE, JR., 0000
COL. RANDALL K. BIGUM, 0000
COL. RICHARD B. BUNDY, 0000
COL. SHARLA J. COOK, 0000
COL. TOMMY F. CRAWFORD, 0000
COL. CHARLES E. CROOM, JR., 0000

- COL. RICHARD W. DAVIS, 0000
COL. ROBERT R. DIERKER, 0000
COL. JERRY M. DRENNEN, 0000
COL. CAROL C. ELLIOT, 0000
COL. PAUL W. ESSEX, 0000
COL. MICHAEL N. FARAGE, 0000
COL. RANDAL C. GELWIX, 0000
COL. JAMES A. HAWKINS, 0000
COL. GARY W. HECKMAN, 0000
COL. HIRAM L. JONES, 0000
COL. JOSEPH E. KELLEY, 0000
COL. CHRISTOPHER A. KELLY, 0000
COL. JEFFREY B. KOHLER, 0000
COL. EDWARD L. LA FOUNTAINE, 0000
COL. WILLIAM J. LAKE, 0000
COL. DAN L. LOCKER, 0000
COL. TEDDIE M. MCFARLAND, 0000
COL. MICHAEL C. MCMAHAN, 0000
COL. DUNCAN J. MCNABB, 0000
COL. RICHARD A. MENTEMEYER, 0000
COL. JAMES W. MOREHOUSE, 0000
COL. PAUL D. NIELSEN, 0000
COL. THOMAS A. ORIORDAN, 0000
COL. BENTLEY B. RAYBURN, 0000
COL. REGNER C. RIDER, 0000
COL. GARY L. SALISBURY, 0000
COL. KLAUS O. SCHAFER, 0000
COL. CHARLES N. SIMPSON, 0000
COL. ANDREW W. SMOAK, 0000
COL. JOHN M. SPEIGEL, 0000
COL. RANDALL F. STARBUCK, 0000
COL. SCOTT P. VAN CLEEF, 0000
COL. GLENN C. WALTMAN, 0000
COL. CRAIG P. WESTON, 0000
COL. MICHAEL P. WIEDEMER, 0000
COL. MICHAEL W. WOOLEY, 0000
COL. BRUCE A. WRIGHT, 0000