

I yield the floor.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. GORTON. Mr. President, what is the status of business?

The PRESIDING OFFICER. We are in morning business. Each Senator is allowed to talk for 10 minutes.

#### THE MOST SIGNIFICANT BILL PASSED BY THE CONGRESS

Mr. GORTON. Mr. President, last evening the Senate passed what the majority leader described as the most significant bill passed by the Congress during his long and distinguished tenure in this body. I should like to express my agreement with the majority leader's characterization.

That Balanced Budget Act of 1995, which will undoubtedly be passed by the House of Representatives today because of the minor changes made in the Senate, represents a degree of responsibility, of fiscal responsibility unmatched by that of any Congress, at least since the end of World War II.

That degree of fiscal responsibility, of course, has been required by the habit of huge multi-hundreds of billions of dollars in deficits over the course of the last several years, and, most particularly, it has been required because of the nature of the budget submissions of this President of the United States who, while he was a candidate for the Presidency, claimed that he could and would balance the budget in 5 years, but who, in January of this year, proposed a budget which would never, ever lead the United States to a budget deficit significantly lower than \$200 billion.

The course of action since 1969, the last year in which there was a balanced budget in this country, has created a debt on our shoulders and on the shoulders of our children and grandchildren of almost \$5 trillion. That means, Mr. President, that a child born today inherits a debt, or a bill, of some \$187,000 during his or her life, simply to pay interest on the national debt. That statistic alone starkly illustrates not just the fiscal and financial necessity, but the moral necessity of a sharp change in direction.

This country can no longer go on providing goods and services for which it is unwilling to pay and sending the bill to our children and grandchildren. Such a change is significant. Such a change does demand dramatic changes in many of our financial priorities. But such a change carries with it great rewards.

The Congressional Budget Office tell us that simply by passing this bill, the

Government of the United States will gain a fiscal dividend of \$170 billion in more taxes and lower interest payments, a \$170 billion dividend matched by a dividend of three or four times that size, more than half a trillion dollars to the people of the United States in the form of better jobs, higher wages, lower interest rates on their mortgages and on their car loans.

That is the tangible dividend for our having passed this bill if, and only if, the President of the United States signs it.

At this point, he has said he will not. At this point, he has said he will veto even the continuing resolution passed by this body two evenings ago which would allow all of the Government workers to go back to work, all of the activities of Government to continue until some time in December, merely in an exchange for a promise on the part of the President that he will agree to a budget that is balanced by the year 2002 by the honest figures and statistics of the Congressional Budget Office.

The President, in spite of his promise in 1993 to use just those figures, has refused, prefers to keep the Government out of operation to making that pledge.

Now, Mr. President, nothing in that pledge requires him to accept the precise numbers and priorities of our budget. He can insist on more in the way of taxes than we call for and more in the way of spending than we call for, or a different balance of spending. We may or may not agree, but that can be negotiated. What we will not negotiate, Mr. President, is the proposition that the budget will be balanced by the end of 7 years, with firm statutes in place that will assure that balance, and that the figures we will use to determine whether or not that balance is reached are honest figures, not figures cooked up in the White House.

At this point, we understand the President wants us simply to say we will have the goal of balancing the budget in 2002 and maybe the goal of using Congressional Budget Office figures. Well, Mr. President, that just does not work. We know, regrettably, that this White House has a different goal every day of the week.

In fact, this President has talked about a balanced budget in 5 years, 7 years, 8 years, 9 years, 10 years, and never, and he has used at least two different sources of statistics for each of those promises. So we have to nail down the proposition that the budget will be balanced in 7 years under honest statistics. That is all we ask for. But we can ask for no less because nothing less will result in the people of the United States having this wonderful fiscal dividend for them in the form of better job opportunities and higher wages and lower interest rates, and we will also say that we have been wrong in the past in spending what we would not pay for and sending the bill to someone else, and that we are not going to do it anymore.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Thank you, Mr. President.

#### A TURNING POINT IN THE HISTORY OF OUR COUNTRY

Mr. ASHCROFT. Mr. President, I commend the Senator from Washington for his clear statement about the kind of challenge that is before us. This is a turning point—a turning point in the history of our country. Will we decide to discontinue using the credit card of the next generation and then after racking up the charges, sending them the bill? That is the fundamental decision. It is a decision we have not had the courage to make for the last 26 years. Over a quarter of a century has passed since we last operated without sending this enormous credit card bill to our children and grandchildren.

This is an issue of freedom. Who will be free to make the decision on how the next generations resources will be spent? Will we be free to decide how their resources are spent? Or will they be free? It is not unlike the kind of decision that was made when this country came into existence. The British thought they could tax us and spend our resources without listening to us. We referred to it as taxation without representation. And spending our resources against our wishes was so offensive to us that we drew a proverbial line in the sand. The midnight ride of Paul Revere launched this Nation into a period of conflict to establish once and for all that one group does not spend the resources of another group against the other group's wishes and will.

I believe that this is a fundamental turning point in America. Who is going to control the destiny of the next generation? Will they, as free people, have the God-given right to shape the tomorrows in which they live by deploying their resources in ways in which they see fit? Or will they be slaves to the past? Will they be devoting their resources to pay for our excesses?

I think the Senator from Washington has stated the case rather clearly. He has pointed out that we have to live within our means, that we have to fashion a spending plan that is within the limits of the money that we will have. Now, that is always a little bit difficult to do in government. You have to project how much money you will have. You do not know exactly how much money you will have because you do not know how much will be paid in taxes and you do not know the level of business activity. So you have to make estimates. You have to have assumptions about the level of economic activity in society. You have to have forecasting.

Any time you have forecasting, you run into the same trouble that you run into if you are going on a picnic with

your family. No family that I know of is so devoid of good sense as to turn the television or radio on to get the weather forecast and there is a 100-percent chance of rain and thunderstorms and then see it maybe on one or two channels and say, "There is a series of bad forecasts out there; we need to have our picnic. Let us go out on the street and find somebody else who might tell us that there is going to be sunshine."

The truth of the matter is that you have to use honest data in a forecast. You cannot go to somebody who does not know anything about the weather or somebody who has another agenda, who wants to sell you the hot dogs and say, "Are we going to have weather good enough for a picnic?" You have to have the right forecast. We have to have the right forecast if we really want to balance the budget.

That is really what this business is about when we talk about using honest numbers. Are we going to use numbers that are put together by nonpartisan individuals who are solely and totally devoted to the development of an honest forecast, or are we going to use figures put together by people who want to sell the hot dogs and send us on the picnic in the hopes that maybe there will be some miracle?

Well, that is where we are. We believe that using the nonpartisan Congressional Budget Office as the basis for the forecast—using their numbers and their forecast—is trusting the best source of prediction. This source of prediction is so well revered and so well honored as the independent and nonpartisan, accurate source, that the President of the United States, President Clinton, in 1993, in his State of the Union message, said we should stop using other groups like the Office of Management and Budget, which is subject to political pressures. This is true even if the forecasters are not overt or do not mean to develop distorted figures. Sometimes the real desire of people in politics to do what they want to do skews their judgment a little bit. They have too much of a stake in the fight to be the referee. The President said in his State of the Union Message in 1993, "Do not use other figures, use Congressional Budget Office figures." I think there is a real reason to use Congressional Budget Office figures, because they are bipartisan and they do not have a dog in this fight. They can go either way.

As a matter of fact, that is what the Congress has been insisting on. At least, that is what those of us on this side of the aisle have insisted on—that we use the bipartisan Congressional Budget Office forecasting.

I point out that using the Congressional Budget Office forecasting does not make balancing the budget easy. It makes it tough. It makes it hard because it is a realistic forecast. If we were to try to solve this problem by going and getting another forecast, by going to find some other economist that would tell us, "Do not worry

about it, you are going to have lots and lots of money, so do not worry about how much you spend," I think we would be sticking our heads in the sand. Then we would suffer the consequences of not knowing when the real peril emerged to threaten the future of this country.

Let me just tell you that I am not totally comfortable with the CBO forecast. I am not a professional forecaster, and I am willing to accept their perspective. CBO has forecast that for the next 7 years we will have 2.4 percent growth every year.

I really cannot remember a 7-year period when we could have counted on that kind of growth before. Almost every time in a 7-year period you have some downturns.

Now, there are those folks who say, surely we will have growth of greater than 2.4 percent. I confess, I am willing to bet that we will. But I am terribly fearful of the fact there may be times when we are below the 2.4-percent growth line.

The idea we would leave CBO out of the equation and leave the leavening influence, the stabilizing influence, the ballast of this nonpartisan organization out of the settlement is an idea which is frightening indeed.

CBO, which has made a pretty aggressive estimate that we will have 2.4 percent growth—and that means overall we will have that kind of growth as if there is no upturn or downturn, that we will not ever slide below it enough to drag the average down, is pretty aggressive.

I think as we work with the President toward a balanced budget, and I am committed we will work long enough to get a balanced budget, to get the commitment—people have been calling me from home saying, "Do not weaken. Do not sell the future of America. Do not jeopardize our children and grandchildren one more time." We are at a turning point. Children born this year already will have, if we do not do something about the debt, \$187,000 to pay in their lifetime in interest on the debt. "Please do not extend that," they are saying. I do not want to.

We will work together with the President to get something done here, but make sure we commit ourselves to 7 years and make sure we commit ourselves to reasonable estimates by nonpartisan professionals. Heavens knows, with a 2.4-percent 7-year presumption in the mix, to assume there will not be some downturn there somewhere would be whistling in the dark. It would be planning the picnic in the face of a tornado, but going to someone who knows nothing about the weather and saying, "Give me a better forecast. I want to go out in spite of the dark clouds that may be on the horizon."

Let me add just one other thing as I talk about these forecasts and about the Congressional Budget Office, the nonpartisan forecasting agency of Government. I know the CBO and OMB and

all these letters are like alphabet soup, and I am sorry we have to use them.

If the President says he wants to balance the budget and he uses one set of figures, and the Congress says they want to balance the budget and we use another set of figures, the President can argue from one set of figures, we argue from the other set of figures, the twain shall never meet. We never really come to grips. We never have an honest debate. We never figure out what we will or will not spend because one debate is on the basis of one projected income and another debate is on the basis of a different amount of money as projected income. It does not provide for rational debate.

When the families of America balance the budgets around the kitchen tables, the husband does not come in and say we have this much money to spend and the wife comes in and says "no," we have this much money to spend. The first thing we do is agree on how much money we have to spend. Not only does that happen around my kitchen table, but it happens around virtually every kitchen table in America. It happens in corporate America, in businesses, in charitable institutions, in churches, and in civic organizations. The first thing you decide is how much money you have to spend, and until you agree upon that, you do not start the debate about how to spend.

In Government, we sadly had this position where one part of the Government comes in and says we will have this much to spend and another part of the Government says we will have this much to spend, and they all talk about their independent things, never coming together.

It is time for us to follow the suggestion of President Clinton in his 1993 address to the Congress where he said we ought to use the Congressional Budget Office figures. He said we ought to use them because they are most likely to be correct and they are more accurate than other figures.

The truth of the matter is we need to use them for another reason, and that is so we are all debating the same amount of money rather than one debating one set of facts and another debating a separate set of facts.

I had the privilege of serving as Governor of the State of Missouri for 8 years. We had this insane system of different sets of facts and different presumptions when I became Governor. We were able to work with the legislature to arrive at a single budgeting forecast so that we had what we called consensus revenue estimation. We would get together, figure out with an independent forecaster how much money we would be talking about, and then the debate meant something.

The President proposed that in 1993. It is, I believe, time for the President to agree to it now in 1995. It is his proposal.

I ask unanimous consent for an additional 2 minutes.

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

Mr. ASHCROFT. The President's proposal was that we use CBO figures. It was a good idea in 1993. It was a good idea because they are accurate. It is a good idea in 1995 because they are accurate, but it also is a good idea because it would give us a common basis for discussion.

More than anything else in politics we need to start with as much in common as we can. We all know that we have ideas and philosophy that tends to divide us, but when we start from a common basis of resource, we will at least have an intelligent means for discussing how that resource is to be divided, used, allocated, and spent for the benefit of the people of this country.

I yield the floor.

Mr. GREGG. Mr. President, I ask unanimous consent to address the House as in morning business.

The PRESIDING OFFICER. We are in morning business. The Senator can proceed for up to 10 minutes.

#### BALANCED BUDGET

Mr. GREGG. Mr. President, I want to address a couple of topics. First, I want to congratulate the Senator from Missouri for his cogent comments on how we get to a balanced budget, how we score the question of spending, and how we maintain some semblance of credibility to the numbers here in Congress.

I respect his leadership as a former Governor in this area and recognize that he understands, maybe more than many of us, the importance of having honest numbers because, of course, in his State they had to have a balanced budget—something, unfortunately, that we do not have to have at the Federal level. It would be nice if we did. When you have to live by a balanced budget, as he did as Governor of Missouri, the real numbers become very important.

It is not a gamesmanship exercise here in obtaining real numbers and his points are well-taken as we move forward to try to resolve this continuing resolution process issue, that we have to have hard numbers that are real numbers so that there can be true movement toward a balanced budget, not something done by mirrors or smoke.

I want to talk a little bit, also, about what the President has been saying about the balanced budget amendment which we passed yesterday, the balanced budget resolution. The President has once again in his radio address, as I understand it, misrepresented facts and the situation especially in the area of Medicare.

It is now extremely ironic that the administration should continue to attack the Republican membership for our bill to balance the budget, which bill, at the same time, puts the Medicare trust fund into solvency and gives the senior citizens of this country choices which they do not have today,

choices which are similar to those that we have as Members of Congress.

It is ironic that the President and the Vice President and his minions should continue to attack us for putting forward a proposal like this, calling our proposals extremist, cuts, slashing of the Medicare system, when, in fact, the number agreed to and which was passed last night by this Senate and by the House and therefore by the Congress and sent down to the President for the rate of growth of Medicare which we have agreed to, which the Republicans have put forward, actually now exceeds the number that the President of the United States sent up as his rate of growth that he would like to see in the area of Medicare spending in his June budget.

To go over it in specifics, in his June budget the President said he wanted Medicare to grow at 7.1 percent. Why did he say that? Because his trustees of the trust fund had just come back—Secretary Rubin, Secretary Shalala, and Secretary Reich had just come back—and said if we did not slow the rate of growth in Medicare the trust fund would go bankrupt in the year 2002, and the rate of growth of the trust fund was 10 percent. In other words, every year we are spending 10 percent more on Medicare than we spent the year before. The reason we are doing that is because the system is broken.

So, the President understood this in his June submission and said, "We have to slow that rate of growth to 7.1 percent annually, down from 10 percent."

Then we put forward our proposal and we suggested the rate of growth, in our initial proposal, should be 6.4 percent. That is what the debate was about, the difference between 7.1 percent and 6.4 percent, or approximately 0.7 percent.

Now, after negotiating with the House and making some changes to try to address the concerns of some of the seniors in this country and their groups, we have come forward with a budget which allows Medicare to grow at 7.4 percent. That is what the Republican resolution, the Balanced Budget Act which we passed last night, has as a number: 7.4 percent. I think it is very important the press and the people of this country take note of that. Because we are now 0.3 percent higher in our rate of growth in Medicare than what the President had in his budget submission in June. So, if he is going to continue to say we are slashing, cutting, savaging the Medicare system, then he must have the integrity to say that his proposal exceeded our slashes, exceeded our cuts, exceeded our attacks on Medicare, if that is the case.

Of course, in fact, it is not the case. Actually what we have done is, rather than slash, cut, or in any other way negatively impact the Medicare system, we have actually created a new system which is going to strengthen the Medicare system. We are going to spend \$349 billion more on Medicare

over the next 7 years than we are spending if we were to just flat-fund it; a \$349 billion increase in spending. Every senior in this country on Medicare today gets \$4,900 in benefits, they are going to get \$6,700 by the year 2002. They will not only get additional benefits in the way of dollars, but they will get additional benefits in the way of opportunities. They will be able to go out and try some other types of health care delivery systems, many of those systems which we now as Members of Congress have available to us but seniors do not have available to them. In the same process, we are not going to limit their ability to stay in their present Medicare system. We are actually going to let them expand that ability, if they desire to do so.

So, the President once again is being a bit disingenuous in his positions—to be kind. He is misrepresenting, not only his position but our position. What for? To pander to an electorate, to try to scare that electorate, to try to run for reelection rather than substantively address the issues which we have to address, which of course is that we need to balance this budget in order to make sure that our children have a chance for a prosperous lifestyle and our seniors have a Medicare trust fund that is solvent.

So we have put forward this balanced budget which makes a great deal of sense, because if we do not pass this balanced budget, we would be passing on to our children no opportunity for prosperity because we would be passing on to them a country which would be confronted with trillions of dollars of additional debt which our children will have to pay. A child born today will have to pay \$186,000 in taxes just to pay the interest on the Federal debt. That is not right. It is not fair. Our generation is spending our children's future and it is not right.

So we passed this bill last night and it was a good bill. It had changes in basic programs which will be positive and which will make those programs deliver better services. But, as with all good bills that pass this Congress, when they are large bills sometimes something happens. Some little cadre of folks around here realizes those bills have a certain amount of momentum and they are going to pass because they are good bills and on balance everybody who is thoughtful about quality Government is probably going to vote for them and there will be a majority that will pass them.

So they sometimes sneak little provisions into these bills that are not that good. But because you have an up-or-down vote on the whole bill and you cannot get those provisions out, you end up with those provisions in. In this instance, that occurred, unfortunately, and I want to talk briefly about that; sort of the dark side of the reconciliation bill, if you will, because, unfortunately, there were some dark corners in the reconciliation bill.