

quo. They like what Government is doing at the present time, and they are quite content to spend money and send the bills to someone else in some future generation.

We have been informed that, if we do in fact pass a set of laws that will balance the budget by the year 2002, the Federal Government itself will receive a dividend of \$170 billion in lower interest rates on the debt and in higher tax collections because people are making higher incomes. The dividends to the people of the United States is some half a trillion dollars in lower interest rates on their homes, their automobiles, in better job opportunities, and in higher wages. We look to the future. They look to the present and to the past.

The President now in the present negotiations is willing to set a goal of a balanced budget, a dream of a balanced budget, the thought that the budget might be balanced sometime long after he ceases to be President, but he is unwilling to state it as a policy.

Even if we are to go to a balanced budget, there is another struggle which is not at all petty, Mr. President, between whose figures we will use, those of the Congressional Budget Office, the very Congressional Budget Office which the President himself said was the neutral arbiter just 2 years ago, and the figures that the President himself through his own office comes up with to suit his own purposes.

Many, including some otherwise thoughtful commentators on national television, say, "This is \$1 million difference. Why are you quarreling over it?" Mr. President, we are quarreling over it because the difference in those estimates in the next 10 years is \$1 trillion in spending. This President wants to use estimates that will allow him to spend \$1 trillion more in the next 10 years, half a trillion dollars more in the next 7 years, the 7 which separate us in the debate on the balanced budget. That is not a modest difference, Mr. President—half a trillion dollars in the next 7 years.

What is the difference given the fact that neither side can be certain that it is right? If the White House is wrong and the Congressional Budget Office is right, and we adopt the White House figures, we will never have deficits lower than \$150 billion or \$200 billion even at the end of the 7 years. If, on the other hand, we are wrong, we are too conservative and they are right but our policies are adopted, what happens then? We balance the budget in 5 years rather than 7. We simply reach our goal more rapidly with a larger fiscal dividend.

Let us put it very straightforward. Two days ago this Congress passed a continuing resolution, one which would have put all Government employees back to work with the single requirement that we state that we would come up with a budget that would be balanced by the year 2002 using the honest and realistic figures of the Congress-

sional Budget Office. It did not confine the President or the other party to any particular tax cut, to any particular defense budget, or to any particular reductions or slowing of growth in any program at all. It simply said that we would debate from the same set of figures, and we would reach the same desired end. That is all.

So this is an important difference. If you want to spend another half a trillion dollars in the course of the next 7 years, you should favor the President's course of action. That is what he wants to do. That is his budget. If you feel that it is immoral, as well as economically wrong, to spend money today and to bill your children and grandchildren for it, and you can accomplish those goals while still allowing spending in the U.S. Government to go up by an average of 3 percent a year, then you take our side of this debate, Mr. President.

The debate is an important one. It is a vital one. It is, as the majority leader said, at least the single most important debate in the last 10 years, if not longer. It is a debate between those who believe that the budget ought in fact to be in balance at the end of 7 years and those who have other and higher priorities and want to continue to spend money that they do not put up themselves but that they will bill to their children and their grandchildren.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Chair, Mr. President.

THE CONTINUING RESOLUTION

Mrs. FEINSTEIN. Mr. President, I would like to speak this afternoon as one of the seven Democrats who voted for the continuing resolution, House Joint Resolution 122, which passed the Senate on Friday.

Essentially, as has been stated, this resolution provided what we have all wanted, a clean continuing resolution. In its third title, it said the Congress and the President, "shall enact a balanced budget by the year 2002 which is balanced." I believe a balanced budget is something that a majority of this body supports—perhaps it draws more support on your side of the aisle, Mr. President, than on our side, but a balanced budget draws support from our side of the aisle as well.

It is my understanding this continuing resolution has not yet gone to the President—in fact, that it is still in the enrolling clerk's office of the Senate. It is my hope that this resolution would go to the President for his signature. I would like to take a few minutes and explain why I think it is important that he do the statesmanlike thing, and sign this resolution, put Government back to work, call the parties together, and begin to negotiate on what is really the heart of the debate—the reconciliation bill.

As long as we keep Government shut down over the absence of a continuing

resolution, essentially all we are doing is talking about the size and shape of the table.

Now, there are those who would say, oh, that is not correct because, inherent in the continuing resolution is a very important point. The Congressional Budget Office provides the economic and technical data which enables one to judge the revenues with which one would be able to balance the budget. In fact, many people believe that regardless of whether you use the Office of Management and Budget or the Congressional Budget Office estimates, both will in fact be off and perhaps by some significant amount. The differences could translate into billions of dollars, so it is a significant issue.

But we have to keep our eyes focused on the economy. I know in California, for the first time in several years, revenues have begun to move ahead, some \$700 million, ahead of estimates in this quarter of the year for the State of California. That is a good omen. It means that perhaps the economy will move ahead at a higher level than has been anticipated. The CBO's estimates then could be amended.

For me, it is not a big difference because I think the economic projections will be amended, and they will be figured into the base of the future years as we move along. But I think what is important is that we put an end to what is taking place now because it has gone on now for 5 days and is in fact beginning to hurt people. There are small businesses in my State that are contractors with the EPA or with Defense that are now laying off employees. There are 60,000 Head Start youngsters that now may not be able to attend school.

I listened to Senator STEVENS quite eloquently outline on the floor of this body yesterday afternoon the impact that this shutdown is beginning to have on the military. He pointed out that in just a matter of a week, there will be no fuel. He pointed out that already people beginning to move on military leave to go home for Thanksgiving are being stopped; that there is no money being paid for many kinds of duties that the military must carry out.

We know what is happening with our national parks. The Senator from Arizona very eloquently stated the conditions at the Grand Canyon. At Yosemite National Park, I can tell you that \$22,000 a day is unable to be taken in because it is closed.

We know that the Securities and Exchange Commission is unable to collect higher filing fees for stocks and bonds because we have no appropriation bill in place, and that has cost United States taxpayers about \$10 million on the first day of this stalemate.

Then there are the hundreds of thousands of employees that have their house payments, their car payments and additional real facts of life that they have to be able to carry out to exist. This dispute has gone on long

enough and we can simply put an end to it.

Another course is to bring back the earlier continuing resolution, move for its reconsideration, amend it, and then send it to the President. The President should be given the opportunity to sign a clean continuing resolution.

Let me tell you why I think it is important that the President of the United States make a statement agreeing with the 7-year balanced budget. Let me clarify, I do not believe I am alone on this side of the aisle. Each week, I have a group of constituents for breakfast, and I give them a small handout. It is not blown up and it is not fancy, but it is useful information and I would like to try to explain it here.

One pie chart represents 1969 Federal outlays, and the other represents 1995 Federal outlays. So there is a 26-year interval between the two charts.

In 1969, military outlays were 44.9 percent of all Federal outlays. Today, 26 years later, we see they are just 16.6 percent of all Federal outlays.

We see where discretionary spending in 1969 was 21 percent of all Federal outlays. Today, it has dropped to 17 percent.

Now I would like to turn to net interest on the debt, not gross interest, but net interest, which in 1969 represented 6.9 percent. Today, net interest is 14.5 percent of Federal outlays. So, in 26 years, net interest on the debt has doubled as a share of Federal outlays.

We also see the major problem. We see entitlements at 26.9 percent of all Federal outlays in 1969 now exceeding the military budget, to 51.8 percent. So that today, in 1995, in terms of Federal outlay dollars, 66 percent of those dollars comprise entitlements and net interest on the debt.

What has been predicted is that in the next 20 years, absent an effort to balance the budget, entitlements and net interest will absorb all of that, leaving a crushing burden of debt on those who follow us.

That is really the message of why a balanced budget is so important, and why a 7-year balanced budget, I believe can be reached.

In the reconciliation bill, once we get to it, we have to resolve conflicting priorities, and I think that is where there are differences on both sides of the aisle. But, I believe those differences can be met.

I listened to Senator CHAFEE, whom I greatly respect, speak yesterday afternoon on this floor on some of the changes that could be made in Medicare. I happen to agree with the Republican premium levels on Medicare. I also happen to strongly disagree with the Republicans on what they have done with quality care involving the poorest Medicare recipients and the abolition of the Medicaid Program that would allow the poorest seniors to be able to pay their Medicare premiums and copayments through Medicaid.

That is a point of difference. But I think reasonable people can sit down

at the table and solve these problems, particularly if the majority is willing to delay a tax decrease.

Many of us find egregious the fact—

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent for an additional 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has an additional 30 seconds.

Mrs. FEINSTEIN. Many of us find very egregious the fact that a \$245 billion tax decrease essentially drives deeper cuts in what I view as very vital, safety-net programs. So I would be hopeful that we could end the debate on the size and shape of the continuing resolution, pass a clean continuing resolution, send this resolution to the President, and I would urge him to sign it.

I would then urge the parties to reach across the aisle and begin to discuss how we can resolve the differences in the reconciliation bill.

I thank the President, and I yield the floor.

The PRESIDING OFFICER. Under the previous order, the time in morning business is reserved for the Democratic leader.

The Chair notes the absence over a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. PRESSLER. Mr. President, I ask unanimous consent that, notwithstanding the previous order, I be permitted to speak for up to 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Dakota is recognized.

THE AMERICAN PEOPLE ARE WEARY

Mr. PRESSLER. Mr. President, we are engaged in an exercise of trying to balance the budget. That term has been on every Presidential candidate's lips since the 1970's. Indeed, in this Chamber, in my 21 years in Congress, we have had a number of speeches on proposals to balance the budget. We have had the Gramm-Rudman-Hollings legislation that was supposed to balance the budget. We had the Muskie rules back when Senator Muskie was here—he used to sit right over here, I remember—to balance the budget. Then we have had numerous votes on the debt ceiling. We have debt ceiling legislation that we are supposed to provide as a vehicle that would force a balanced budget. This has gone on and on and on, and the American people are weary.

Finally, today, we are faced with a situation where our Government is shutting down because we cannot reach an agreement on balancing the budget.

I feel that there might be a better mechanical way of going about this. I would rather force the Congress to have a vote every hour and stay here, or I would rather that the President be forced to come and meet with the congressional leaders every 4 hours, something like they do in some of the railway labor negotiations where negotiations are forced rather than shutting down the Government.

I have been trying to find some way of sponsoring legislation so we have an alternative vehicle to bring this type of impasse to a climax. I think it is a poor way to do business, that we are shutting down some of our services and that we are going through this exercise that will probably be costly in the long run, as a way of forcing the issue. But, nevertheless, we are here. This is where we are as of this hour.

So where do we go from here? I hope our leaders do not compromise at this point on anything less than something that will really balance the budget with real numbers. If we come up with phony numbers and a more lengthy period of time, it will severely hurt the long-term bond market, in my opinion. It will mean that long-term interest rates will go up substantially. It will mean that mortgage interest rates will go up substantially. It will mean eventually that student loan interest rates will go up substantially. It will mean that farmers' and ranchers' interest rates will go up substantially. And it will mean that our economy will be subject to inflationary pressures with high interest rates. That would be very damaging to the prosperity that we enjoy.

Let me say that I feel passionately that balancing the budget is a moral issue, and I am not one to come to this floor with a lot of moralistic speeches. But it is moralistic because it is right. It is the right thing to do to pay our debts. It is also moralistic because we are shoving a responsibility off to someone else, our children and grandchildren or future generations. We are not taking responsibility for what we are spending during our watch. That is a moral issue.

It is also a moral issue because we are going to be robbing future middle-class wage earners and working people of part of their paychecks without consulting them. We are going to be robbing senior citizens of a standard of living that they have come to expect and enjoy in the future, and we are going to be robbing people who are poor, who expect to get Government benefits or jobs or whatever from an economy that is abundant.

Therefore, I look upon this as a moral issue, as much as anything else. So I feel passionately that we must carry through at this time and do what we have to do.

During this past year, I have voted for the Dole-Domenici budget in this Chamber. By that, I mean the Republican budget or the budget put forth by