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Senate

The Senate met at 10 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

In the 13th century, Richard of Chichester prayed:

"Day by day, dear Lord, of Thee three things I pray:

"To see Thee more clearly,

"To love Thee more dearly,

"To follow Thee more nearly."

This is our longing for this new day, dear God. Help us to see You in the beauty of the world around us, in the never to be repeated miracles of Your grace, in the people of our lives, and in Your providential care in timely interventions to help us in the circumstances of life. Yes Lord, we do want to see You more clearly.

We love You not just for what You do for us, but most of all, for who You are. Your loving kindness, mercy, and faithfulness are our stability in a world of change. You are our help when we are helpless, our hope when we are tired in body and troubled in mind. Yes Lord, we do want to love You more dearly.

We hear Your summons to follow You sounding in our souls. We commit ourselves to walk humbly with You through this day. May we neither run ahead of You or lag behind, but keep pace with You. Help us to know what You desire and give us the strength to do what love requires. Yes Lord, we do want to follow You more nearly. In the name of Jesus, amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Mr. DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, for the information of all of my colleagues, we have morning business until 2 p.m. today with Senators to speak for up to 5 minutes each, except for the following: Senator DASCHLE, or his designee, 60 minutes; and Senator THOMAS for 60 minutes.

It is possible that the VA-HUD conference report will arrive from the House today. If that should happen, we will take that up today. Therefore, rollcall votes are possible during today's session.

As my colleagues know, the budget negotiations are underway. They start at 11 o'clock in the morning, and they meet again in the afternoon. So that will be an ongoing process, and I assume for the next 8 to 10 days.

If we can complete action on VA-HUD and send that to the White House, that would still leave five appropriations bills that have not been acted upon.

I am hoping the President will sign the Defense appropriations bill today. If not, it will become law, which will occur at 12 midnight today. It is a very important bill, and particularly important in view of the President's plan to deploy 20,000 American troops in Bosnia because it contains money for that purpose. It is my hope that the President will sign the bill.

(Mr. FRIST assumed the chair)

RECESS

Mr. DOLE. Mr. President, I move that the Senate stand in recess until 11 a.m.

The motion was agreed to, and, the Senate, at 10:04 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. CAMPBELL].

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m., with Senators permitted to speak for up to 5 minutes each.

The Chair, in his capacity as a Senator from the State of Colorado, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator has 1 hour.

FRESHMAN FOCUS

Mr. THOMAS. Thank you, Mr. President. I do not intend to take the hour.

We did set aside some time, however, and I hope to be joined later by some of my colleagues from the freshman class who have sought to come to the floor from time to time to talk a bit about what, in our view at least, our collective view, we are seeking to do during this session of Congress. What we have sought to do, of course, along with the other Senators in this body, throughout this year, is to make some substantial changes.

I think those of us who have just come this year perhaps feel more strongly about making changes, more strongly because we are not as wedded to the operations that have gone on here for 30 years as some may be. I think we are probably more sensitive to voters, having just come fairly recently off an election, an election in

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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which most agree that people said we have too much Government, it costs too much, we need to be as fiscally and financially responsible as a country as you and I expect to be as individuals in our families and our homes and our businesses.

So we feel very strongly about that. Balancing the budget has been and continues to be the prime issue, I think, for a number of reasons, not only because of the arithmetic, not only because for 30 years this Congress has not balanced the budget. We have spent more than we have taken in for a very long time. In order to do that, we have maxed out our credit card. We have charged it to our children and to our grandchildren and continue on at that rate, continue on to add to the debt to where we now have a \$5 trillion debt, which is more money than most of us can imagine. Maybe even more directly, we have an interest payment every year we must make of \$260 billion, probably next year the largest single line item in the budget, one that, of course, cannot be adjusted or changed. If it continues to grow at the rate it has, it will absorb more and more of the available funds.

So, balancing the budget is something that we have not paid a lot of attention to, collectively, over the years. The deficit sort of happened. Nobody felt much pain, and we continued to do that. It is financially irresponsible. As we look to moving into a new century we must ask ourselves, I think, what kind of a Government, what kind of a country do we pass on? One that is continuing to grow a \$5 trillion debt, adding on every day? Or do we, in fact, want to make some changes that will bring about different results?

In addition to that, however, balancing the budget has some other fundamental changes. It has to do with spending. I suppose you can balance the budget by raising income, raising taxes, raising revenue, which of course was what the President did in 1993. It was the largest tax increase the world has ever known. It did, to some extent, reduce the deficit. I guess you can do that. The real issue, however, is what do you want to do about spending? If, in fact, the message was that Government is too big and spends too much, then in addition to balancing the budget, you also have to balance it on the basis of holding spending, or at least reducing the increase in spending, which has an impact on Government. If you have too much Government, if you have too much regulation, if Government is too intrusive in your life—as many people believe it is, as I believe it is—then balancing the budget and the level of spending have something to do with that.

I have a hunch that one of the rules of nature or science or whatever is that government grows to the extent possible by available funds and available debt. Until you do something about that, it continues to grow. So this has been the pivotal issue and continues to be. We have done a number of things

this year with respect to it. One of the early ones was to seek to have a balanced budget amendment to the Constitution. I support that idea. Some do not. Some say you do not need to do it. You do not need to tamper with the Constitution. You just do it.

The evidence is that does not work very well. We have been saying that for a long time. It has not happened. It has not happened. Others say we just have to get at it. I am for a balanced budget amendment, but that proposal died by one vote here in the Senate. I believe it is necessary, frankly, to have a constitutional amendment to provide some discipline. Public bodies are awfully hard to discipline. Everyone comes from a constituency. Everyone has a constituency that needs a new bridge or new road or whatever. So it is very difficult to have the discipline to say no to some things, to live within a budget. The constitutional restraints help do that. I come from a State that requires a balanced budget in the State constitution. And no one thinks a lot about it. We know that you cannot spend more than is available, more than you take in. So you have to make adjustments. I think it is a great idea.

One of the problems with spending in this country is that we are over here talking about the benefits of spending but we do not then relate it to the cost of paying for it. One of the simplest and most direct cost-benefit ratios comes from the local school district. You say to the constituents that we need a new junior high, and it is going to cost you \$220 a year on your property tax. So you say to yourself, OK, is it worth \$220 a year? Then you go vote, and you decide based on what the benefits are of the school based on what it is going to cost. We are too far removed from that on the Federal level. So spending is over here. You pay for it over here, and the two never come together in terms of a cost-benefit ratio. That is not good for government.

So we did not get a balanced budget amendment. So then we set about to balance the budget over a period of 7 years by doing it through appropriations, and beginning to decrease the growth of spending in appropriations. And we have worked on that all year and have not yet finished, as a matter of fact.

I introduced yesterday a bill that would provide for a biennial budget, thinking we would be much better off if we had a 2-year budget so that at some time, when we would get through doing appropriations, we would have time to do other things like health care, and environmental issues, and have oversight of the spending that we have approved. At any rate, that is another matter. We are still working on it. It is not finished.

We still have out of the 13 appropriations bills I think 7 that are not completed. That is what brought us, of course, to the shutdown of the Government several weeks ago and to the controversy over that which allows for the potential of another one on the 14th or

15th of December when this continuing resolution runs out.

Some folks in the media have said, "Oh, my gosh. That is just an adolescent food fight going on in Washington. These guys ought to grow up." It is not that, Mr. President. It is a very fundamental controversy over the direction of this Government—whether you are going to continue to spend more and more, or whether you are going to reduce the level of spending and come to a balanced budget. That is what it is about.

You will recall in the last one the confrontation between the Republicans and the Democrats and the administration, which turned out to be a continuing agreement that said, yes, we will have a balanced budget. We will participate in putting together a balanced budget. We will commit to a balanced budget. We will commit to a balanced budget in 7 years, and we will commit to a balanced budget that is based on real numbers, in this case the Congressional Budget Office numbers. However, there were some other words added—some words that are a little less easy to define, such as we are going to protect Medicare, we are going to protect Medicaid, we are going to protect farmers, and we are going to protect the environment. I do not know what that means. I suppose protection of those things can be interpreted to mean many things. So that is where we are.

In addition, of course, to the appropriations comes a balanced budget bill which makes the changes in programs necessary to over 7 years balance the budget. The toughest ones are entitlements. Congress really has very little to do with the amount of money spent on entitlements. You set up an entitlement. If you qualify, you get paid. Welfare is one. So if you really want to do something about the rate of growth, you finally have to do something about entitlements.

That is what this is about—and welfare, to make block grants to the States so that they can, indeed, find growth that fits. My State of Wyoming has different needs than Pennsylvania or New York. So the block grants would allow for States to have the flexibility to put together programs that do work.

Medicare—to change Medicare so that it does not go broke in the year 2002, and, if we do not change it, it will. The question is not whether you do something. The question is what do you do if you want to continue to have health care for the elderly.

So what has happened is that I think some have taken the position that we need to make the changes needed, that you are going to have different results, and you have to do some things differently. Others have said, "Well, I really do not want to do that. We can talk about balancing the budget, but I am not sure I am for that today." Everyone who stands up starts by saying,

"I am for a balanced budget" and then goes on for another 30 minutes announcing why he cannot, and becoming a defender of those programs which are kind of scare tactics. Some have called it mediscare, and somehow you are going to do away with the benefits. It is not true, of course. We reduce the growth rate from 10.5, to 6.5. We reduce the amounts available per beneficiary that will grow \$4,700 to \$6,700 over this 7-year period.

So they say, "Gosh. This is radical stuff. And you are tearing it all apart." Let me see how radical you think some of this is.

Mandatory Medicare spending will increase each and every year from \$178 billion in 1995 to \$289 billion in the year 2002. That is a 62-percent increase. That is radical reduction? Overall mandatory spending—overall mandatory spending would increase in each and every year from \$739 billion in 1995 to \$1.93 trillion in 2002, a 48-percent increase. Overall, Federal outlay—listen to this—will increase every year from \$1.518 trillion in 1995, what we spend now, to \$1.856 trillion in 2002, a 22-percent increase in total spending. But if you listen to some of the Members of this body, if you listen to the media, draconian cuts are taking place. And we are going to do something about it.

Here is what the minority leader said:

So, if we cannot get the Republicans to come off those extreme positions, then I think we are advantaged in not reaching an agreement.

Mr. President, reaching an agreement is I believe our responsibility. I believe it is the thing that we have to do.

I forgot to mention, of course, that what is going on here is the President has submitted two budgets, and neither of them balance. Neither of them were accepted. Neither of them have gotten any votes in this Senate.

So we have to say, Is there a real effort made to do this? I hope so. I hope so. Collectively, for this country we need to make a move to balance the budget. We have the best chance we have ever had. We are on the way to doing that. We can do it in 7 years. We can do it with real numbers. We can do it, and provide the benefits that need to be provided. We simply need to have the will. Frankly, we need to have the will to come to the snubbing post, and say, "Here is what we need to do."

Now the notion is that it is all pain. Let me tell you it is not. A balanced budget will bring a good deal of stability to this country that will help the markets, that will reduce interest rates so that on your home, as some have suggested, it could be up to \$2,000 a year in savings in interest on a long-term date.

Mr. INHOFE. Will the Senator yield? Mr. THOMAS. Certainly.

Mr. INHOFE. I have been listening to the Senator from Wyoming. He hit upon something here I do not think people are fully aware of or sensitive to, and that is the effect what we are doing here is having on the markets.

We keep hearing if something happens, that there is an impasse, it is going to have a deteriorating effect. The markets have been very good. Interest rates are low. Things are going very well right now mostly because of the anticipation of the fact we are going to have a balanced budget.

I can remember so well, as the Senator can remember, when we had the discussion on the balanced budget amendment to the Constitution, and we lost it by one or two votes and what happened to the markets after that and the devaluation of the dollar against the yen and the mark. The deterioration was unprecedented. And so I would suggest that what the Senator from Wyoming says is true. There is nothing we could do that would enhance the optimistic future of the economy than to go ahead and take this Balanced Budget Act of 1995 and pass it.

I do not think most people are aware, Mr. President, that we have passed a Balanced Budget Act of 1995 which essentially does what the President committed to do during the last continuing resolution. It does provide for a balanced budget, and it uses real numbers, CBO numbers, those numbers that come from the Congressional Budget Office, which the President stood before a joint session of the legislature and said is the most reliable source that we can use, so we can end smoke and mirrors and we can handle what is out there.

The thing that concerns me more than anything else, and I ask the Senator from Wyoming if he agrees, is that we have passed a budget. It does what the American people asked us to do in November of 1994. And the President does not have a budget. So while I am not in on the negotiations, how do you negotiate when you have a budget and the other side does not have one? I wondered if the Senator had figured that out yet.

Mr. THOMAS. Mr. President, the Senator from Oklahoma asks a difficult question. I do not know, nor am I in on the negotiations. If there is bona fide negotiations, both sides need to put their proposals on the table and find some common ground and there can be some adjustment.

I think the key feature to the Republican proposal to balancing the budget is to have a spending limit. Within that spending limit, there are choices, priorities of how you do that. The key is to be able to have projections out into the future using CBO numbers with the contribution of the OMB and whoever else has knowledge, to have that projection and use the same numbers so that you are not using smoke and mirrors. Most anybody can balance the budget if they find some numbers that show revenues increasing out all the time and then it does not materialize. We have done some of that before. On the contrary, we ought to use the more conservative number so if we are wrong, we will err to have more surplus rather than less and add that to the reduction of the deficit and keep spending down.

So the Senator from Oklahoma is exactly right. If there is going to be bona fide negotiation, you need to come to the table with some ideas. And we are dedicated to doing that. So I hope that we do.

Let me yield the floor so that my friend from Oklahoma may proceed.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. I thank the Senator for yielding.

CRITICAL TIMES IN AMERICA

THE BUDGET NEGOTIATIONS

Mr. INHOFE. Mr. President, I wholeheartedly agree with the Senator from Wyoming. I have to say also that the people of Oklahoma, a lot of times—say you are reading these polls, and people are saying, well, we really do not want to balance the budget yet; let us wait until the President gets back; we do not want to be too harsh. There is a myth that is floating around that we are going to be cutting Medicare when in fact we are saving Medicare, and without our doing that, according to his own board of trustees, Medicare would go under.

I believe that when I go back, as I do every weekend, to Oklahoma and I talk to what I refer to—and it has offended several people in this Chamber—as real people, they tell me that they do not want us to back down. They say that this is our opportunity to have a balanced budget.

I can stand on the floor of this Senate and say in my honest opinion this is the last opportunity probably in my lifetime that we will have to have a balanced budget. And if we cave in now, we are not going to be able to have it. I do not think we will have another chance. And I think the President has every intention of having us cave in because he has a lot of discretionary programs he wants to keep funding. He is holding on to the past with white knuckles, to the last 30 years of reckless spending that has brought us where we are today, and he is trying to use the very sensitive argument that we cannot do this to all these people, that there are all these programs that are going to be cut, which are not going to be cut.

I would say that if you want to make a moral issue out of this, the moral issue is to go ahead with this, with the Balanced Budget Act of 1995, which passed in this Chamber and they passed in the House of Representatives, and get this passed because if we do not do it, we know what we are subjecting our future generations to. Many Members in this body are much younger than I am, and they have young families. I have grandchildren coming up now. One is due any minute now. If we do not change the trend that we established in the 1960's and that has continued until today, a person born today is