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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, May 22, 1995, at 12 noon.

Senate

FRIDAY, MAY 19, 1995

(Legislative day of Monday, May 15, 1995)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Lord of all life, Sovereign of this Nation, we ask You to bless the women and men of this Senate as they press on to express their convictions on the soul-sized fiscal issues confronting our Nation.

In these days of discussion, when priorities must be set and differences are sharply focused, we need a special measure of Your grace. In the debate over what it will take to balance the budget, and when and how this can be achieved, there will be strong disagreement. We will need Your wisdom and Your guidance to practice the fine art of creative compromise, so that the budget will reflect what is best for our Nation both now and for the future. Liberate us from the polarities of presuppositions that keep us from moving toward consensus. Help each Senator to speak the truth as he or she sees it, listen carefully to differing points of view, and then be willing to find workable solutions. Guide us through these days of discord and division and bring us to a resolution in which there is no victor except the people of this Nation. In Your reconciling name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mrs. HUTCHISON. Mr. President, this morning the leader time has been reserved and the Senate will immediately resume consideration of Senate Concurrent Resolution 13, the budget resolution.

Under the previous order, a rollcall vote will occur this morning at 10:45 on the Domenici amendment, the text of which is President Clinton's budget. That will be the only rollcall vote today. However, the Senate will remain in session in order to debate the concurrent budget resolution.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 13, which the clerk will report.

The legislative clerk read as follows: A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending: Hutchison (for Domenici) amendment No. 1111, in the nature of a substitute.

Mrs. HUTCHISON. Mr. President, I watched, as I am sure many people in America did, last night and all day yesterday, I guess starting at noon, the two sides debating probably the most important vote we will take maybe in our lifetime.

The balanced budget amendment, I felt, was the most important vote because that would set a framework for us, for the future generations to make sure that in our framework of Government we would not allow one generation to put in debt future generations. So while I reserve that vote as the most important vote, nevertheless, what we are doing today is implementing the balanced budget amendment that did not pass.

We are taking up for consideration a budget resolution that will balance by the year 2002.

I was watching C-SPAN this morning and I saw a recap, I guess, of the debate on the House floor yesterday. They were talking about Democrats holding up pictures of the elderly and Republicans holding up pictures of children saying, basically, that is where the arguments are—that the Democrats are going for the senior citizens and the Republicans are talking about protecting children.

I think that they are saying to the senior citizens, "We do not think you will be responsible." I think that is what the Democrats were saying on the House side. "We do not think you will

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



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be responsible with our money. We want you to vote for making sure that we continue all of these programs, business as usual," and I do not think the seniors of America are saying that at all.

In fact, one of the callers on the show called in from Florida, and the woman said, "I am a senior and I want my grandchildren to have a balanced budget. I want them to have the same kind of America that I have had. I do not want to be a senior that plunges our country into debt and will not take the responsible position."

I think if there is an effort to pander to seniors, the people of this country are smarter than that, and especially the seniors are smarter than that. They are looking for the future of this country. They want to cut this growth in spending so that we will have a future for their children.

We have been talking about cuts, cuts, cuts. I must remind everyone in this debate we are not talking about cutting. We are talking about less increases, fewer increases. We are talking about a 7-percent increase in Medicare, which we believe is a responsible rate of growth for Medicare.

In fact, it will save the system for future generations. That is in question if we do not take the steps now to give innovative alternatives to the Medicare system we have now so that we will be able to say by the year 2002 the Medicare trustees were wrong. It is not going broke. They were wrong because we did what we needed to do with their warning and we saved the system.

I hope in the year 2002 that I will be here along with many Members who will take the responsible position for our country to celebrate that our Medicare and Social Security systems are intact for our seniors because we have done the responsible thing. More importantly even than that, that we have a balanced budget to give to our children and grandchildren, which is what I think the seniors are expecting Members to do.

Mr. President, we are going to see debate all day today in the Senate. We are going to see it on Monday and Tuesday. We will have this monumental vote probably sometime Wednesday. I want to commend the House of Representatives for taking this step first. I want to say that I hope that my colleagues will follow so we can make history for this country and move toward this very important balanced budget.

I yield the floor at this time to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. COATS). The distinguished Senator, the President pro tempore, the Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I want to commend the able Senator from Texas for the excellent remarks she just made.

We have the greatest nation in the world. It provides Americans more freedom, more justice, more oppor-

tunity, and more hope than any nation has provided any people in the history of the world.

This great country of ours can be in jeopardy unless we do at least two things. We must provide an adequate defense to protect this country. That is essential. We must protect ourselves against the enemies who will destroy democracy and freedom in this world.

The next is, we must have a sound financial system. We have not balanced this budget but one time in 32 years. Eight times in 64 years. That can bring destruction. We are not being fair to our children, our grandchildren, and future generations. We must take steps to balance this budget.

I hope that we pass a budget this year, pass it now, that will take steps to bring sanity to this country's finances.

I love this country. I want to do everything I can to preserve it. We can preserve it if we stop this big spending. We have been spending more than we have been taking in for all these years. We have to stop it and stop it now.

Mrs. HUTCHISON. Mr. President, I want to say I yield to no one in my admiration for the senior Senator from South Carolina.

I just want to say he is an example of just what I was talking about. If he would not mind my calling him a senior Senator or senior citizen, he is the kind of senior citizen, as a Senator, who is leading the effort toward doing the responsible thing.

This is a distinguished veteran of World War II who understands the importance of a strong national defense. I am going to join with him later today or next week to try to strengthen the defense part of this budget resolution.

All Members are going to make our arguments. We are going to say what our priorities are. I know that the Senator from South Carolina who chairs the Armed Services Committee, and I believe we should have a stronger national defense element in this budget. In the end, we are going to vote for a budget resolution that balances the budget of this country.

After everyone has spoken and everyone's priorities have been looked at and considered, we are going to go with the majority of this Senate. I appreciate the leadership of the Senator from South Carolina, and I appreciate his words today, leading the charge for the responsible effort that so many of the senior citizens of this country are expecting.

Mr. THURMOND. I wish to thank the able Senator from Texas for her kind remarks.

Mrs. HUTCHISON. Now I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I appreciate the Senator from Texas for yielding, and appreciate the fine job she is doing as to present an argument as to why this balanced budget resolution is so important to the future in this country.

We will hear a lot of demagoguery about how terrible everything is, and what the Senator from Texas is doing is focusing on positive effects of getting to a balanced budget.

Today we have the opportunity to debate this. This is the President's budget that he sent up here earlier this year. It is for fiscal year 1996, and it calls for in his budget, as we see by this chart, the red line calls for budget deficits of around \$200 billion a year. That is what his budget numbers call for, using the Office of Management and Budget.

As we know from the President's State of the Union speech, it might have been even his first State of the Union speech, he says we should not use Office of Management and Budget numbers. Those are not the right numbers to use. We should use the Congressional Budget Office, they are the better estimator, they have been shown to be more correct over time. They would be the ones that we should use in all budget debates.

Given that fact, the purple line is the actual CBO estimate of what the Clinton budget, this budget right here, this budget will project out. Budget deficits starting around \$170 billion this year, going up to almost \$275 billion by the year 2000. And then up even further, up to over about \$300 billion by the year 2002.

He is going to add, with this budget—if we approve this budget today, we will add \$1.2 trillion to the debt, to the national debt. That is the solution offered by the White House. Further deficits, increasing deficits, further mortgaging of our country's future, further mortgaging of our children's future. That is the leadership.

The President of the United States is seen by the world as having the moral authority to lead the world. We are, in fact, the greatest country in the world. We are a country that is a leader among nations, and our President stands as the head of that country as the supreme leader in the world today—leader—leadership. Is this leadership? I suggest it is not.

So, as I said yesterday when I came to the floor, I am going to come to the floor every day, and I am going to ask the President why he is refusing to lead, why he is refusing to take part in possibly the most historic debate that we have seen in the last couple of decades here on the floor of the U.S. Senate, why he is abdicating his responsibility as the leader of the free world, putting the country that is most important to freedom for the world at risk by profligate spending, continued profligate spending. I think it is an act that is beneath the office, to stand on the sideline and throw barbs at those of us who are trying to accomplish the goal that, if I recall, when he ran for President he was going to do his best to accomplish, to balance this budget.

He said it in 1993 when he was putting forward his plan to raise taxes to help solve the deficit. "No hot air; show me

where," is what he said when it came to the Republicans' plan for balancing or reducing the budget. He did not want any smoke and mirrors, he wanted a plan.

This is not a plan that gets you to a balanced budget. Mr. President, you have an obligation—you have an obligation to lead this country and to show us where. So, I will put up, now, unfortunately, day 2 of the days with no proposal to balance the budget from President Clinton. I will be here every day that we are in session, adding number after number after number, until we reach 135 days, which is October 1 of this year when the new fiscal year starts and it is then basically too late to do anything about it.

Mr. President, we beseech you: Participate. Take the job seriously. Get involved in the process. Try to make a difference. Show the American people you really do care about what happens to the future of this country.

Mr. KYL. Mr. President, I wonder if the Senator from Pennsylvania will yield for a question?

Mr. SANTORUM. I am happy to yield to the Senator from Arizona.

Mr. KYL. I ask the Senator from Pennsylvania, how much does the President's budget show in annual deficits every year?

Mr. SANTORUM. If we go back to the previous chart, the purple line is the line that the Congressional Budget Office has estimated will be the annual deficit under this budget, the Clinton budget. It starts out at about—using rough numbers because I do not have them exactly—about \$175 billion for this fiscal year, the one we are in right now, increasing to over \$200 billion in 1996, about \$230 billion in 1997, about the same amount in 1998, and then up around \$290 billion for 1999 and 2000.

Mr. KYL. So over the 5 years of the President's budget, we are looking at an average of over \$200 billion a year.

Mr. SANTORUM. And going up.

Mr. KYL. And going up.

I further ask the Senator from Pennsylvania, according to my calculations, for every year that we have a \$200 billion deficit, the average young person in this country is going to have to pay an additional \$5,000 in taxes, with the result that after 5 years of Bill Clinton's budgets that is a \$25,000 tax bill for the average young person in this country?

Mr. SANTORUM. The reason for that is that is more debt we accumulate, more interest we have to pay on the debt; interest that will be paid by children being born today for the rest of their lives. So that is where we come up with this number, that is not a phony baloney number. This is actually numbers we add to the debt that we will have to borrow money for and children in the future will have to pay interest on for the rest of their lives, if we continue this.

Mr. KYL. Let me ask the Senator from Pennsylvania a couple of other questions here. It is my understanding

we are going to have the opportunity to vote on the President's budget later on today. I am sure the Senator from Pennsylvania and I will not be voting for this budget. During the debate on the balanced budget amendment I seem to recall a lot of our colleagues from the other side of the aisle, our Democratic friends, asking us how we were going to get to a balanced budget. They argued they did not need to support a balanced budget constitutional amendment because they could do it on their own. They did not need a constitutional amendment. So our constitutional amendment failed by one vote.

I do not recall—perhaps the Senator from Pennsylvania could help me here—I do not recall any budget having been submitted by a Senator on the Democratic side of the aisle, a budget that will bring us in balance by the year 2002 or any other year—am I mistaken? Have I missed something here?

Mr. SANTORUM. No. I think the Senator is right. I have not seen any budget being put forward either by the President, obviously, or by any Member of the other side of the aisle that gets us anywhere near zero within the 7-year timeframe or, frankly, any time thereafter. I am actually pretty excited about this possibility, because having sat through the balanced budget debate and listened to the numbers of Senators getting up and saying, "Look, we do not need the balanced budget amendment. We can do this on our own. We have the courage within us to make these decisions. We will stand up when the time comes to be counted," so I am guessing, but I suspect we will get all 54 Republican votes on this side for this budget, I am hopeful that we do that. If you add the 30, what, about 35 or so Democrats who voted against the balanced budget, who, of course, have the courage now to stand up and say we are going to be for a balanced budget, I think we will get 90 votes for this. I think we can get close to about 90 votes for this. We should.

If everyone who is serious—if you are serious over there, if you really want a balanced budget, if you really think you can make those tough choices, if you really are willing to stand up to the American public and say we are willing, we can do it ourselves, we do not need any balanced budget amendment to force us to make tough decisions, we have the power within us to do that—then here it is. Let us do it.

Mr. KYL. May I ask the Senator from Pennsylvania a couple more questions here?

So, the bottom line here is you have not seen a budget proposed on the Democratic side, and I have not seen a budget proposed on the Democratic side. The only budget is the one proposed by the President. I guess we will have a chance to see whether our Democratic friends will support the President's budget, because they have no other alternative.

Mr. SANTORUM. I cannot imagine they would because they said during

the balanced budget amendment debate that they have the courage to support a balanced budget and since the folks on the other side are so serious about getting to a balanced budget and see this as such an important thing, I cannot imagine then they would support this.

Mr. KYL. Has the Senator seen any constructive suggestions from the other side about how we might achieve a balanced budget by the year 2002?

Mr. SANTORUM. I imagine there will be several amendments. Of course, all of them will be deficit neutral. I am sure they will not offer any amendments to raise the deficit or get us off the glidepath here to zero. I am sure they are not going to be interested, since they have the courage over there to make sure we get to this balanced budget, they are not going to offer any amendment that is going to increase the deficit or throw us off this path. So I am sure they will have constructive suggestions about how we might tinker with this, and I look forward to debating those. But I do not think they are going to have any substitute proposal that is going to get them to a balanced budget on a completely different tack.

Mr. KYL. Of course, that is what I had reference to. If I could just ask the Senator from Pennsylvania one final question? I have listened to the debate over the last 10 or 12 hours here. Much of the debate has focused—

Mr. SANTORUM. You are a brave man.

Mr. KYL. Pardon?

Mr. SANTORUM. I said you are a brave man.

Mr. KYL. I listened to part of it, anyway, although it gets a little repetitious. The argument I have heard discussed most from the Democratic side of the aisle is about how they would like to spend the dividend that is created by the fact that we balance the budget.

In other words, the chairman of the Budget Committee, Senator DOMENICI, has done a very good job of putting this thing together in such a way that after 7 years, because interest costs will be reduced, we will actually have in effect a dividend of about \$170 billion. While I have not heard any suggestion from the Democratic side about how they would balance the budget, and they have certainly not indicated that they would support the way that we will achieve that balance by the year 2002, I have heard a lot of discussion about how they would like to spend the money that we save.

Mr. SANTORUM. Mr. President, it is amazing—if the Senator will yield—I remember we were in the House together and we had the peace dividend. Remember the peace dividend? That was the time the Soviet Union was crumbling and we could cut our defense budget a little bit, and it turned out to be a lot. Therefore, we would save money. So we had a peace dividend. So what did we do? We were running, by the way, over \$200 billion in annual deficits. But we had a dividend.

So what were we going to do? Spend it somewhere else. We were not going to put this toward the debt; oh, no. This was a peace dividend that was earned by the American public, and so we have a right, here in the Congress, to spend it.

Here we are again. We get a dividend, according to the Congressional Budget Office, by balancing the budget, and it will come down to zero by the year 2002. The Congressional Budget Office says they will change their economic assumptions to assume lower interest rates, lower inflation, and greater growth in the economy, which will mean less of a debt. So there will be a dividend.

So what do we hear? Are we hearing, "Well, we should put that toward the deficit," or "We should give people who worked hard for this money some of that money back"; in other words, let them keep the money they worked for? No, no, no. On the other side of the aisle, you will hear suggestion after suggestion after suggestion how we should spend this money because it is our dividend. It is not yours, American public; it is our dividend. We did this. So we should take your money and spend it on things that we think are best.

This is kind of ridiculous, having this kind of talk about let us get serious. Let us get serious. This is not our money; this is your money. To suggest that we could finally do something that we were hired to do, which is to get our house in order; that if we do our job, somehow we should get the dividend, to go out and take more of your money and spend it somewhere else? It is absolutely absurd.

Mr. KYL. If I may conclude with this comment to the Senator from Pennsylvania, I think he certainly helped me to understand this issue better than I did.

I guess I would summarize it this way: During the debate on the balanced budget amendment, we said we think we need a constitutional amendment because, otherwise, too many people in the Congress will not have the discipline to make the tough choices to bring the budget into balance. Most of our Democratic friends, many of them, said, "No; we can do this on our own."

Then the Senator from Pennsylvania said the only alternative to the budget that we have prepared, that brings us into balance, is a budget that the President proposed, that does not bring us into balance. According to the Senator from Pennsylvania, as a matter of fact, it averages deficits of over \$200 billion a year as far as this President has calculated it, and the trend is up over \$200 billion a year. That is about a \$5,000 tax every year on each American.

I learned from the Senator from Pennsylvania that, in addition to the fact that the Democratic side of the aisle here has proposed no alternative that will achieve a balance by the year 2002, the bulk of the discussion so far has been how to spend the dividend that is created by our budget.

So not only are they not willing to support our budget, but at the same time they are criticizing our budget, they want to take the money that we save by our budget and spend that rather than returning it to the American people.

Do I have this straight? Is that about the size of it?

Mr. SANTORUM. Mr. President, the Senator from New Hampshire is here, and he is on the Budget Committee. My understanding was during the budget debates in committee that the Democratic Members had, most of the debate on the committee was how to spend this \$170 billion, whether we should do tax cuts or whether we should go out and spend a lot more money on a lot more programs.

I do not know if the Senator wanted to comment on that. It is my understanding that they were just anxious to get at this pot of money so they could create some more spending here at the Federal level.

I will be happy to yield.

Mr. GREGG. Mr. President, if the Senator from Pennsylvania will yield, he has put it absolutely correctly. Of those worthy amendments, the vast majority of amendments—I have forgotten the number, 17 amendments—offered by the members of the Democratic Party on the Budget Committee, and everyone wanted to spend the dividend, which results from the lower interest rates as a result of getting to a balanced budget.

Mr. SANTORUM. I want to make it absolutely clear. Of all of the amendments in the Budget Committee offered by the other side—

Mr. GREGG. "All" may be too many, but the vast majority.

Mr. SANTORUM. The vast majority of the amendments offered by the Democrats in the Budget Committee were not how to get to a balanced budget—were not.

Mr. GREGG. There were not any amendments offered as to how to get to a balanced budget.

Mr. SANTORUM. There was no substitute offered as to how they would get to a balanced budget. There were no amendments offered on how they would change spending priorities. But the amendments were focused on what? The \$170 billion dividend that the CBO gives us by getting to a balanced budget, which assumes lower interest rates and more growth, how could they spend that money?

How can you take seriously people coming to the floor during the balanced budget debate, saying that they have the courage to balance the budget; they are willing to make the tough cuts, and when the bill actually comes to the floor to do that, all they do is focus in on how they are going to spend more money? It is almost incredulous to me.

You are going to hear speaker after speaker on the other side of the aisle talk about how terrible this is, and all their amendments will be on how to

spend more money and how we have to get to balance. This just is not the right way. They do not have a way, but this is not the right one.

All I suggest to the Senators in this Chamber—and you want to listen—is look at the big picture. Let us look at our responsibility to the future of this country, to the children of this country, to leave this country better off than it was left to us. We have a moral obligation to do just that, to balance this budget for future generations.

I yield the floor.

Several Senators addressed the Chair.

Mr. EXON. Mr. President, I yield 10 minutes to the Senator from Wisconsin.

Mr. GREGG. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized, if he will suspend for a question of the Senator.

Mr. GREGG. I just arrived on the floor. I understood there was an agreement that at 9:15, we would go to the statement on your side by Senator DODD.

Mr. EXON. Will the Senator repeat the question?

Mr. GREGG. Mr. President, it was my understanding that by 9:15, we would go to a statement by Senator DODD on your side.

Mr. EXON. Is the manager of the bill on the Republican side trying to interfere with the lineup that we agreed to offer on this side?

Mr. GREGG. No.

Mr. EXON. There was no agreement, to my understanding. I ask the Chair, was there an agreement as to who was to speak at what time? Last night as we left, I understood that we jointly yielded to allow your side to have the first half hour of debate. Chairman DOMENICI just came 2 minutes ago, 20 seconds ago, and stood right here and said it is our turn now. I would give that advice to the manager of the bill on the Republican side. Maybe I am wrong. But I ask the Chair if I am mistaken and misunderstood the binding agreement that had been previously entered into.

The PRESIDING OFFICER. The agreement previously entered into reserved time for the Senator from Nebraska from 10:15 until 10:30, and reserved time from 10:30 until 10:45 for the managers on the Republican side.

Mr. GREGG. I simply say we were looking forward with great enthusiasm to hearing the Senator from Wisconsin and also the Senator from Connecticut, and whatever order the leader of the Democratic side, the manager of the bill on the Democrat Party side, wishes to go forward with, that is fine with this side. We were just trying to get clarification of what was happening as to the priorities as we understood the gentlemen's agreement.

The PRESIDING OFFICER. The Senator from Nebraska has yielded time to the Senator from Wisconsin.

The Senator from Wisconsin.

Mr. KOHL. I thank the Senator from Nebraska.

Mr. President, as we debate the fiscal year 1996 budget, I would like to discuss some of the principles I hope this year's budget embodies. I believe these are bipartisan principles that the majority of Americans and majority of Senators can support.

I would like to talk today about a budget that is balanced, both financially balanced and balanced in the sacrifices it asks Americans to make. There is no question about our need to get to a balanced budget—and to get to a balanced budget in 7 years—but we must get there in a manner that does not do damage to our economy or to the basic principles of our democracy.

We must balance the budget, but we must do it in a way that is fair and is perceived to be fair by all Americans. That is my central criticism of the plan before us. It asks that the budget be balanced entirely by sacrifices from elderly Americans, middle-class and lower income Americans, and students, and it asks nothing from the wealthiest among us.

I support a balanced budget. I voted for the balanced budget amendment that was defeated earlier this year. And I support a balanced budget by the year 2002. I am pleased that we are starting this debate with the Budget Committee plan that gets to balance in 2002, and I hope that we end up with a budget that does, indeed, get to balance by 2002.

We all know why it is essential to get to the balanced budget. Simply put, our economic survival depends on it. Our almost \$5 trillion in Government debt is money taken directly away from private sector investment. The interest payments that are now our third largest spending program are dollars which are totally wasted. They are dollars we cannot spend educating our children, paving our roads, or providing tax relief to middle-income American families. And, just as bad, our mounting Federal debt pulls up interest rates and threatens our standing as a world economic power. With each year of deficits adding to that debt, we are rolling the dice: Will this be the year that the world turns its back on a country that cannot stop spending more than it takes in?

So there is no question that our current fiscal irresponsibility is not sustainable. There is no question that we have to balance the budget if we want to reassert control over our economy and our destiny. The only question is how are we going to achieve this balance.

Balancing the budget is a huge undertaking. It requires immediate reductions in Government services and real sacrifices from the American people. I believe the American people will respond to this challenge but only if

the challenge is considered to be fair. We need to balance the budget in a way that brings our Nation together in pursuit of the common good and not in a way that would drive us apart in pursuit of partisan political gain or just monetary gain for a few interests.

Achieving solvency is vital to our Nation's strength, but solvency alone will not make us strong. After all, a family is not strong only because its checkbook balances. A family is strong because it has strong values. Our country is the same. We need to balance our books. But if we do so in a way that pushes us apart, then we will find we have bought fiscal balance at the cost of values that make our democracy strong, values like equality of opportunity and fairness and compassion.

As most of us know or should know, there exists a very disturbing trend toward increasing inequality in our country today. The wealthiest among us are getting wealthier and everybody else is losing ground. Between 1973 and 1993, the wealthiest 20 percent of American families saw their incomes increased 25 percent while the poorest 20 percent saw their incomes decline by 15 percent, all in real terms. And families in the middle of the income distribution in this country saw very little, if any, increase in their average income over the same period. Today, 1 percent of the households in our country control about 40 percent of the Nation's wealth. Households that have net worth above \$180,000—the most well off 20 percent of American families—control a full 80 percent of America's wealth. And this trend is increasing. This concentration of wealth is more by far than is found in any other industrialized country.

Mr. President, our divisions are not just among income classes. They are among generations as well. Our poverty rate is 25 percent for children under 6 years old and only half of that for our senior citizens.

These growing inequalities have produced a vicious and unproductive cycle because poor children are poor students and poor students are poor workers. Poor workers are poor wage earners and poor producers, and no one wins in this sort of an economy. The inequality fuels the enemies of democracy, things like resentment and fear, anger, and misunderstanding.

In balancing the budget, we must not exacerbate these inequalities. We must balance our books but not by knocking off balance the ladder of opportunity that should allow every American working family to work toward a better life and a better standard of living.

In my judgment, unfortunately, the Republican budget proposal moves us in the opposite direction. Instead of helping lower income children out of the cycle of poverty by investing in education and child nutrition, this budget slashes Medicaid for children, takes \$14 billion out of student aid, and cuts \$34 billion out of nutrition programs. Instead of proposing ways to

help working families stretch their precious dollars, the budget proposal before us reduces the earned-income tax credit by \$21 billion. That is, it raises taxes on our lowest income taxpayers. And instead of offering constructive suggestions on reducing the huge medical costs that overwhelm our senior citizens, the budget before us includes one-quarter of \$1 trillion in unspecified Medicare costs.

The policy of the Republican budget for upper income taxpayers is exactly the opposite of this. It asks nothing from upper income Americans and wealthy corporations in our effort to balance the budget. It allows tax expenditures which are special tax subsidies that give benefit mostly to wealthy Americans and corporations to grow by almost 49 percent over the next 7 years, faster than any other category of spending.

In short, this budget gets to balance without any help from the 2 percent of our wealthiest Americans who control the bulk of our country's wealth and without help from the biggest corporations that stand to gain the most from a reinvigorated economy.

Mr. President, in my judgment, this is not a fair plan. Working middle-income families will not and should not tolerate unremitting reductions in their standard of living to finance special-interest tax breaks. If we are to come together as a country to solve our deficit problem and if we are to come together as a bipartisan Congress to balance the budget, we have to support a plan that asks something from everyone.

I am ready to support such a plan. I am ready to work with the Republican majority, Democrats, and anyone else who wants to balance the budget in a fair and a balanced manner. It may not happen this week, but soon when we are all done scoring political points, Mr. President, I believe we will sit down together and draft a budget that contains the best and the fairest proposals from both parties. That will be a budget that balances fiscally. It will also be a budget that is balanced in the sacrifices it asks from all Americans and in the opportunities that it provides for all Americans.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been listening with keen interest to my good friend and associate from the State of Wisconsin. We have worked together on many things, and I thank him very much for his kind and thoughtful remarks. Suffice it to say I join with him again and appreciate his appeal for some bipartisanship on this matter. We will continue to pursue those goals.

Has the Senator from Wisconsin finished his remarks or did he wish additional time?

Mr. KOHL. I did finish.

Mr. EXON. Mr. President, Senator DODD is on his way to the Chamber floor. I am prepared to make some remarks. Is there someone on that side of the aisle who wishes to speak at this time?

I see the Senator from Colorado has just come in. We would be very pleased to yield on the basis that we generally have, going back and forth on these matters.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. GREGG. I yield the Senator from Colorado 5 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 minutes.

Mr. BROWN. I thank the Chair.

Many Americans, as they listen to this debate, will think this is just another discussion in Congress about a budget with a lot of details.

Mr. President, it is not that. This is a discussion of the future of the Nation. This is a discussion of whether we follow the Clinton plan. Mr. President, the Congressional Budget Office, which the President has said is the right one to decide these things, has evaluated the Clinton plan. The Clinton plan increases the deficit from under \$200 billion to in the neighborhood of \$300 billion by the end of the 5-year plan and above \$300 billion by the end of the 7-year plan if projections go on.

It is a debate between having a deficit at the end of 7 years of over \$300 billion, according to President Clinton, or a balanced budget according to the Republican plan. Mr. President, it is quite simply a question of whether or not we bankrupt this Nation or whether or not we put it back on sound footing.

Members have come to the floor and talked about children. Mr. President, that is a fair evaluation. We ought to ask about the impact of these budgets on children. I hope every person, Democrat, Republican, or Independent, liberal or conservative, will ask themselves what are the consequences of bankrupting our Nation. That is what this question is all about.

And please do not kid yourself. There is no alternative to the Republican balanced budget plan. There is none, except President Clinton's bankruptcy plan. Now that is the difference that is being questioned here.

Hopefully, moderate Democrats will come together with a plan that also balances the budget. I personally would welcome it. I would be happy to look at their alternatives. But that has not been presented. Not once, not once in all the amendments that came up in the Budget Committee was that offered.

Mr. President, does it make a difference with regard to whether or not we adopt the Republican plan?

Let me point out in a world economy how the world reacted when they saw Republicans were willing to turn this Nation around. As a young man, when

I was in the Navy and I visited Japan, there were 460 yen to the dollar. When President Clinton came into office, there were 130 yen to the dollar. Before the Democrats defeated the balanced budget amendment in the U.S. Senate, you can see the yen to the dollar ratio, somewhere a little above 97. When the Democrats defeated the balanced budget amendment, the yen-dollar ratio plummeted. We had one of the biggest movements of current situations of any time in our history.

Let me remind Americans that every working person in this country who buys a product produced overseas, there is an impact to that because it is instant inflation, it is an instant increase in cost, whether you buy oil products or you buy Japanese cars or other products.

What we saw was a world referendum on American policy. And what happened was one of the most dramatic drops in the value of the dollar at any time in our history. Within a few days, we lost 14 percent of the value of the U.S. dollar against the yen when the Democrats defeated the balanced budget amendment.

But take a look at what happened, Mr. President, when Republicans passed the balanced budget in the House of Representatives. It reversed. You had one of the biggest increases in the value of the dollar in history.

Take a look at the headline. This is Friday, May 12, from the Washington Times. The headline is simple and straightforward: "Dollar Jumps in Biggest One Day Advance in Four Years."

Mr. President, that is what has happened. That is what the difference in this is.

If you want to destroy the value of the dollar and you want to destroy the credibility of the United States in the world economy, adopt the bankruptcy budget from President Clinton. And I say that because it is perfectly accurate. It is exactly where that budget heads us to.

If you want to straighten it out and if you want a future for American citizens, if you want our children to have a chance to compete in the world market, then you will adopt the Republican budget.

Mr. President, I want to make one other point, because I know time is scarce. Mr. President, I am not a millionaire. I admire those people who have done well. But, Mr. President, I have listened over the last several days to a series of Democratic millionaires, many of whom inherited their money, won and earned by someone else, come to this floor and bash the Republican budget because of how kind it is to millionaires. Now, being lectured about the evils of wealth from Democrats who inherited millions of dollars, I think, challenges the credibility. But what challenges it even more is the fact that they misrepresent what this budget does.

The PRESIDING OFFICER. The Senator has used the allotted time.

Does the manager yield additional time to the Senator?

Mr. GREGG. Mr. President, I yield the Senator from Colorado an additional minute.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I think the point needs to be made that these millionaires, who inherited their money and have the audacity to come down and lecture Republicans who are working people, have misrepresented the facts. To suggest that the Republican budget provides tax cuts for the millionaires is absolutely false. As a matter of fact, the Boxer-Brown amendment that is included in the budget document specifically addresses the question of tax cuts and specifically allocates 90 percent of any tax cuts that might come down for those working people who earn under \$100,000 a year. Mr. President, the allegation that they make is absolutely false.

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

Mr. BROWN. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, what is the time situation?

The PRESIDING OFFICER. The remaining time controlled by the Senator from New Hampshire is 8 minutes and 45 seconds. The time remaining to the Senator from Nebraska is 31 minutes and 27 seconds.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, my friend and colleague, Senator DODD, will be speaking in a very few moments. Let me take this time to make some remarks on the procedures and what the hopes are on this side of the aisle.

Mr. President, I am very disappointed by the amendment that is before us, because I do not think it is particularly helpful but it creates political drama.

Yesterday I made a sincere offer to my Republican colleagues to work with them to craft a bipartisan budget. I offered the hand of friendship and the hand of reason.

This amendment, the first amendment offered by those on the other side of the aisle, is a stinging rebuke to that offer of bipartisanship. The Republicans have decided to begin their part of the budget debate with a bit of political theater, and we have seen that tactic vividly displayed this morning. Theatrics and voice quivering dramatics is not the stuff of which reasonable debate and a sound budget is reached. They seem to want to deflect attention from the priorities in the Republican budget by setting up a straw man and then knocking that straw man down.

Time and time again in the debate this morning, we Democrats have been accused by the majority, basically walking in lockstep, of wanting to make changes in the Republican-offered budget, that we are trying to be

helpful and reasonable in offering changes as an attempt by the Democrats to spend, spend, spend.

I think that anyone who has followed the debate thus far would have to concede that we on this side of the aisle are not spending, spending, spending, as has been accused in the theatrics that have taken place thus far on the floor of the Senate. What we are trying to do is to be reasonable, to restore some of the cuts on some of the most needy programs, to not allow the budget offered by the Republicans to do terrible harm in certain areas that I think we and, basically, most of the Republicans hold very, very dear.

We are trying to be reasonable, Mr. President. We are not trying to spend money. We are trying to alleviate some of the draconian cuts in certain programs that we think are very vital to the United States of America and the people that dwell happily therein.

Mr. President, I would simply say—and I want to emphasize once again—that we on this side of the aisle have not offered a single amendment on the floor, nor did we as Democrats in the Budget Committee offer a single amendment that basically changed the goal of balancing the budget by the year 2002 and making some necessary and painful cuts that we recognize and realize are vital if we are going to get to that point of balancing the budget in the year 2002.

I noticed in the debate this morning that there was much ado about nothing with regard to the continued reference to the fact that those on this side of the aisle, and at least one on their side of the aisle, prevented the balanced budget constitutional amendment to pass. Well, this is a Senator that rejects that proposal, rejects what I consider lack of reasoning, because as the Chair and everyone else in the Senate knows, this Senator has long sought a constitutional amendment requiring a balanced budget. I, and others on our side of the aisle, supported that when it lost by only one vote on the floor.

But we come back to the matter of what is reasonable, what is possible, what can be done. This confrontation that I see we are running into on that side of the aisle is back to, I think, what can be pointed to as the failure link, if you will, of the budget offered by the Republicans which the Republicans seem to be defending at every turn in the road. You cannot move a comma, you cannot dot an "i," you cannot make a change. I do not believe that that kind of theatrics that we have heard this morning, that kind of rhetoric or that kind of what I consider lack of reasoning is beneficial to getting us to a place where we can balance the budget by the year 2002 and do it in a responsible fashion.

Congress received the administration's budget on February 6. The President, frankly, admitted that he invited Congress to come forward with its alternative, and the Congress has, so that we as a nation could begin our great discussion on the budget.

A lot of things have happened since February 6. For one thing, we had a thorough debate on the amendment to the Constitution that would have required a balanced budget. As I said, I supported that amendment, and so did nearly two-thirds of both Houses in recorded votes. So, of course, the political landscape has changed dramatically since the President submitted his budget on February 6.

As we stated on the floor of the Senate yesterday, there is a broad consensus in favor of balancing the Federal budget by the year 2002. All of the amendments offered on this side of the aisle in the Budget Committee and the debate that was held there, and with regard to what we will be offering later on today and next week, all are deficit neutral, as far as throwing us further into debt, expanding the debt, and all are designed to balance the budget by the year 2002, which is the central theme of the majority budget that has been offered. I said some good things about that yesterday.

I just simply want to point out, Mr. President, and have everyone understand that every single amendment that we offered in the committee and which will be offered on the floor of the U.S. Senate, to my knowledge, would have balanced the budget just as quickly and at the same time as the Republican-offered budget that seems to be sacrosanct in which no change, even one cent, can be made. We do not disagree about the goal of balancing the budget. What we disagree with is the priorities, or lack thereof, that has been set and made part of the budget process that has been offered by the opposition. This is a debate we should be having, and I look forward to our proceeding to that debate.

Because so much water has gone over the dam since then, I cannot support the President's budget as offered, and certainly it is not a starting point, but it was something that the President started and was required to do some months ago. I certainly was not enthusiastic about the President's blueprint when it was first offered.

As I said in my opening remarks, we on this side will offer perfecting amendments to the Republican budget to try to enter into a constructive process to improve the Republican budget. In my view, the President's budget should be handled in the same manner, but we all know the fate of that proposal. So there is no point whatsoever in attempting to amend it.

I have never been a Senator who blindly follows the President, regardless of party. In 1993, I worked hard to make changes in the President's budget. As a result of those efforts, the proposed cut in agriculture was significantly reduced. I would not—I would not—have supported the President's budget then had it not been changed along the manner that I suggested.

I can only hope, Mr. President, that as this debate continues, there will be some on the other side of the aisle who

will choose not to blindly follow their leadership and who will vote against the Republican budget unless the hits, the unfair hits on some key proposals, are reduced. If those on that side of the aisle want to call that irresponsible spending—it is not true—they have to live with their words.

But the important part is that we need to start with the budget that has a chance of getting the votes to pass and then work to improve that document. The sooner we begin that process, the sooner we will start to get something serious and constructive done. The sooner we get to that process, the sooner we will end the political theater.

Mr. President, I yield 20 minutes to my colleague from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 20 minutes.

Mr. DODD. Thank you, Mr. President. Let me at the very outset thank my colleague from Nebraska, the ranking member of the Budget Committee. Let me also express my gratitude to the chairman of the Budget Committee, Senator DOMENICI, for whom I have a high degree of respect and regard. I just want to say at the outset that while I have disagreements with the budget proposal as presented by the Senate Budget Committee, the budget presented by the majority party in this body is substantially better than the budget presented by the majority in the other body. A great deal of attention has been focused on the so-called Republican budget, but I invite all to examine the significant differences that exist between Republicans in the other body and this body. There is a substantial difference.

While I said at the outset that I have my disagreements with this particular product, I want to begin my remarks by at least suggesting that the product that has been produced by the majority on this side of the Congress is a far more honest proposal, with numbers that I think are real.

Having said that, Mr. President, let me also say that I am disappointed that the first amendment to come up, to be offered by my friends on the other side, is to propose the President's budget. This is not a serious effort.

It is unfortunate, with a subject matter as serious as this is, to begin the process by putting forward a proposal that the President made and recommended—and that is what Presidents do, they recommend. Presidents do not sign these resolutions. There is no Presidential participation and no room for a veto pen on a budget resolution. Unlike other matters that will come before us, this is a matter for the Congress. The law requires that we deal with a budget resolution. Certainly the President's voice and his priorities are critically important in any discussion involving the budget. But to

have as the first matter of business a proposal more designed to garner a headline than to deal with the underlying problems does not speak well for the direction in which we begin this discussion.

What will ultimately be critically important is that there be some consensus developed, hopefully, on these matters. That is the only way in this body that you can move the ball forward at all.

So I am disappointed that we are consuming our limited time on an issue that really has very little legislative relevancy at all and, therefore, detracts from what we all should be engaging in, and that is a way to try to come to some consensus on these matters.

Earlier this year, our colleagues on the other side roundly denounced the President's budget as dead on arrival. Apparently, it is not quite dead because we are now considering it here. So it must be a bit like Lazarus. We are going to raise it from the dead only to try to kill it once more so we can achieve again the kind of headlines that will submit it to yet a further death. Maybe we can go through this during the next week or so to kill it and raise it, kill it and raise it, if that is going to advance the public awareness and knowledge of the problems of our budget. Having been denounced dead on arrival, it is apparently alive and will shortly be dead again.

I see my colleague from New Hampshire. Does he want to ask me to yield?

Mr. GREGG. I was just wondering, if I might ask the Senator from Connecticut, if it is the request of the Senator that we offer the President's budget next week as our second amendment?

Mr. DODD. I say to my good friend that I suspect if this keeps up, it may be the second, third, and fourth amendments. Maybe it will be the gift that keeps on giving, as we once described another amendment in the Budget Committee. Nonetheless, it is disappointing to this Member that that is the first matter of business that we have before us.

Let me say for the record—and, again, I say this more in sorrow than anything else—the budget proposal that is before us, the product of the Budget Committee, basically was crafted with one side alone being involved. The minority, our side, got our first look at this budget last week—38 days late, I might point out, by the law. This comes almost 6 months to the day after our friends on the other side have either known they were in power or have assumed power. They announced they would have a budget for us in December, January, February, March, April, and finally in late May, 38 days after the law requires it, the budget was reported by the Budget Committee. The budget was presented to the minority just last week—a day and a half after the Budget Committee began its consideration of the proposal.

Now, the first amendment offered by the majority is an amendment that brings up the President's budget. So this looks more like theater than legislating, and I regret that that is the case.

It is clear that no Members of the majority here have any intention of supporting the very resolution they have asked us to vote on. So by definition this substitute will fail. So why are we wasting our limited time debating it, Mr. President? Why do we not talk about what really matters in this country?

A budget resolution, I point out, is much more than just a compilation of figures. Members of Congress are much more than green-visored number crunchers. A budget should be a road map for the future of this Nation. It plots the course we will follow as a country, and it should be the embodiment of our values and priorities as a people.

The values in the majority budget, the Republican budget plan, in my view, are wrong. It treats our people not as assets to be developed, but as items in a spending cut process. It burns, in my view, the bridges that ordinary Americans use, or hope to use, to cross over to a better life for themselves and their families.

American politics is about change, Mr. President. But it is not about this kind of change. This debate should be about how we build a stronger and a richer America, not just fiscally, as important as that is, but economically and socially and morally, as well. Using this standard, I believe the Republican budget proposal just does not measure up.

I would like to take a few moments, if I could, and provide some historical perspective on balanced and unbalanced budgets. Over the last decade, we have had a tendency to look at our current deficit and debt problems in isolation.

Contrary to popular perception, balanced budgets have not been a natural part of our national experience. There have been wide variations throughout the 200-plus-year history of our country in spending patterns. We have had surpluses, Mr. President, as high as 102 percent of Federal spending in 1835, and deficits as great as 89 percent of Federal spending in 1862, during the height of the Civil War. We have run deficits in half of our last 200 years as a nation.

Our current difficulties, I point out, are small relative to deficits that our Nation has experienced in the past. In 1983, at the height of our current deficit problems, the Federal deficit was 26 percent of overall spending. It is now about 13 percent.

This historical perspective is not designed, I point out, to diminish the severity of our current deficit problems. Quite to the contrary. Everybody agrees that we must reduce our deficits and bring our budgets as close to balance as possible.

Clearly, balanced budgets are desirable. I know of no Member here that

believes otherwise. But they are not and should not be seen as our only goal. Providing economic and military stability, raising living standards, promoting adequate savings and investment, and reacting appropriately to unforeseen events are also critically important objectives. It is unrealistic to expect any great nation to achieve all of these goals in every given year. Yet, all are critically important goals for any great nation.

This economic reality has not been our experience alone. According to commentator Kevin Phillips:

Among the group of seven industrialized nations, the United States has either the lowest or second-lowest annual budget deficit as a percentage of overall gross national product.

Having provided a historical perspective, let us remember for a moment, at least, how we got into this present mess that we now find ourselves in.

If we go back to 1981 when President Reagan was the leader of our country, and there was a Republican Senate, the majority then promised to—and listen to these words—“cut taxes, increase defense spending, and balance the budget by 1984.” I am not making that up, Mr. President. Those were the words and language used more than a decade ago.

The majority is now making a very similar argument for why we ought to accept the budget they have presented us with. It did not work in the 1980's. Instead, as most Americans are aware, since 1984, we saw the national debt quadrupled in this country.

Our fiscal year 1996 budget would be in balance, Mr. President, if we were not paying the interest on the debt accumulated during the Reagan-Bush eras. We would be in surplus next year.

In January 1993 when the Governor of Arkansas, who never served in Congress, never served in the Senate, arrived in town as our newly elected President, what did he inherit? He inherited a \$327 billion deficit for that year alone. He had to, and was committed to, clean up the fiscal train wreck of the 1980's. Just 27 days—not 38 days late under the law, but 27 days—after being sworn in as the President of the United States, President Clinton submitted a detailed budget plan that contained more than \$500 billion in deficit reduction; 27 days after coming into office, this former Governor of Arkansas, who inherited the problem, made difficult and painful choices. The choices, in fact, were so hard that not a single Republican Member of this body supported his deficit reduction initiative. Instead, they attacked it and said, “This is going to create economic havoc in the country and it is going to destroy our ability to have a growing economy.”

Yet, we know the opposite has proved to be the case. The President reversed the trend of the Reagan-Bush era. Then the national debt, as I pointed out a moment ago, was growing faster than the economy of this country. Now our economy, for the first time in a decade

and a half, is growing faster than the debt of this country. That happened without a single Member of today's majority voting for that deficit reduction plan.

The combined rates of unemployment and inflation have reached a 25-year low. Now, do not believe me, do not believe the talk you hear in the body of the U.S. Senate; talk to the people on Main Street and Wall Street in this country. The best evidence that President Clinton's budget plan provided the kind of leadership that he said he would be evidenced by what happened to the economy over the last several years. The marketplace is telling us that he did the right thing—not political rhetoric, but the marketplace.

The deficit is now at its lowest level as a percentage of GDP than at any time in the last 15 years, about 2.7 percent. Again, that is not rhetoric. That is not talk. That is a fact.

In February, the President submitted his 1996 budget and recommended an additional \$81 billion in deficit reduction. The President recommended consolidating Federal programs, devolving Federal functions to the States, privatizing some functions that the private sector can perform at least as well at a lower cost, and terminating many programs that have outlived their usefulness.

The President's budget resolution was not designed as an end point. The President made eminently clear that we cannot succeed in reducing our deficits without reining in rising health care costs.

The identification of a \$200 billion deficit problem as long as the eye can see in the future is right. My colleague from New Mexico has said that. He is correct. That \$200 billion deficit item is sticking out there. But why is it sticking out there? It is sticking out there, we all know the reason, because of rising health care costs.

I say to my friends on the other side that the health care problem is not going to go away by just talking about Medicare. If we read the Contract With America—and again none of my colleagues here signed the so-called contract—we cannot find the words "health care" mentioned. The word Medicare does not show up in the contract. Yet we all know that health care is the 1,000-pound gorilla sitting out there that has to be addressed.

So the President, in his budget, recognized that fact. He said last year we did not get it done, we should try again this year and step up to the plate and deal with the issue.

With all due respect to my colleagues on the other side, the budget plan that has been presented ducks the genuine health care reform issue. Instead, it takes a meat ax to a Federal health care program, cutting more than \$430 billion from Medicare and Medicaid.

The resolution provides no details of how these cuts are to be achieved, but says instead we will appoint a commission, a commission. That, in my view,

is nothing more than an effort to disguise the problem rather than facing up to it ourselves. Our colleagues pin all their hopes on some outside group which will have the miraculous power to turn water into wine and to magically extract \$430 billion from Medicare and Medicaid without causing any pain to anyone. Mr. President, it simply cannot be done.

Let us assume for a moment that this budget becomes law and that its assumptions are carried out. What will the America of 2002 look like? This budget may achieve balance. But, it would also, in my view, inflame our social and economic conditions. We may find the Holy Grail of a balanced budget, but will we have suffered enormous casualties in the crusade to get our hands on it?

Where will senior citizens be in the year 2002? After decades of hard work, many will face retirement years full of anxiety over medical bills. Medicare recipients, who, I might point out, Mr. President, have a median income of \$17,000 a year, will live in constant fear that the next illness will bankrupt them or worse. Seniors will face higher deductibles, copayments, and premiums on the order of \$900 a year as a result.

We can say this is only a cut in growth, but tell that to a person out in the country who is living on \$17,000 a year or less. Let me point out, Mr. President, 95 percent of the 35 million people on Medicare have incomes of \$50,000 or less; 7.7 million of the 35 million have incomes of \$10,000 or less.

Last year, Medicare recipients paid almost \$3,000 in out-of-pocket costs toward their medical expenses. This budget proposal will ask them to pay \$900 more on average; \$900 more in Medicare costs. These people cannot afford that.

We have got to come up with better answers to solve the overall Medicare problem. Do not tell me it will not hurt. Do not tell me it will be painless.

Every Member of this body has a health care plan. If we get sick, we are covered. We have incomes of \$135,000 a year. To a person out there living on \$10,000, \$15,000, \$14,000, \$16,000 or \$20,000 a year, this kind of increase in their out-of-pocket expenses hurts deeply. We have to do a better job.

Medicare is not the cause of the problem, it is the symptom. It is one feature. To put all of our eggs in the Medicare/Medicaid basket and say we have now solved the health care problem is to be totally unmindful of the magnitude of this issue.

Mr. President, when those who say on the other side of the aisle, "Sorry, this is painful"—but we have spread the pain widely, they are not being fair to or honest with the American people. I say to my friend from New Mexico—and I respect him because he does not have the kind of tax cut in his proposal that exists on the other side—but how do we say to someone watching that House budget pass with massive tax

cuts for the affluent on one hand, and massive cuts in Medicare—by far the largest in our history—that this is the least bit equitable. The surveys in this country say that Americans would like to have a tax cut. Everybody would. But we think deficit reduction is more important. And yet we will sacrifice the people on Medicare, people on Medicaid, for a tax cut. What kind of balance is that? What kind of fairness is that? That is not what people asked for in this country when they voted last fall.

Now, Mr. President, let me turn to education, because that is also a critical issue. It is the key to our society's and our economy's success. Ask any person in this country what is the single most important issue in many ways and they will say an educated society.

With income increasingly correlated with educational achievement, it is quite obvious. According to the New York Times, the wage gap between college graduates and high school graduates doubled during the 1980's. College graduates used to earn about 30 percent more than high school graduates. Today they earn 60 percent more than high school graduates.

Labor Secretary Bob Reich reports that every year of post-secondary education or training boosts earning power by 6 to 12 percent. It is not just a question of learning something, it is also economic power. It is the opportunity to climb out of a difficult situation that a family may be in. Education is the key to success. At a time when we should be devoting more resources to the 21st century needs of this Nation, in the year 2002 of this budget, we will be spending a third less than we are today—a third less, Mr. President—on education.

Ask the American public whether or not they think it is wise fiscal policy to slash the education needs of middle-income families. Half of all college students count on Federal financial aid to put themselves through school, but this budget puts them under the gun.

By 2002, interest will start accruing on student loans while students are still in school. These cuts will lift higher education out of the reach of many of American families. A million students, Mr. President, will lose their Pell grants. Other forms of financial aid will become scarce.

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. DODD. Mr. President, I do not see my colleague to ask for time. We are out of time.

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. DOMENICI. Mr. President, on that note, let me just say to the American people, there will not be 1 million Pell grants lost under the Senate proposal. We will prove that in due course, but that is a nice way to end the Senator's remarks, by making this commitment and observation to the people.

I yield to Senator GRAMM 8 minutes.
The PRESIDING OFFICER (Mr. THOMAS). The Senator from Texas.

Mr. GRAMM. Mr. President, I thank our dear colleague from New Mexico for yielding.

I want to make a couple of points about the President and his budget and his lack of leadership. I will only make a few points, because the President has decided to make himself irrelevant to the number one issue in the Congress by submitting a budget that over the next 5 years has the deficit explode up to almost \$300 billion a year. Now, everybody has to understand that represents a total lack of leadership.

Now, let me begin by talking about the President's budget 2 years ago. It was a budget that raised taxes by \$252 billion, taxed Social Security benefits on Social Security families that were earning over \$30,000 a year, taxed gasoline, imposed a massive tax on small business. Yet what happened to the deficit? It went up. The deficit is rising.

If we went back and took away Bill Clinton's tax increase and took away the spending increases that have occurred since he has become President, the deficit would be lower today if there had been no tax increase and no spending increase. So it is true that Republicans voted against the Clinton budget because it raised taxes, and raised spending more than it raised taxes.

I think it is also important, since many people are going to talk about defense—we won the cold war. We tore down the Berlin Wall. We liberated Eastern Europe. We changed the world through the leadership of Ronald Reagan.

But if every penny of defense savings since 1985 had gone to deficit reduction instead of being spent, we would have a balanced budget today. So not only have we spent every penny of massive increases in taxes, but Congress and the President have spent every penny of defense savings since we won the cold war.

Finally, in terms of Medicare, I will tell you one thing about our Democratic colleagues and that is they are willing to take an issue where they have no standing and cloak themselves in righteousness on it. When the President proposed a 1,300 page bill to have the Government take over and run the health care system, to reinvent the greatest health care system in the history of the world in the image of the post office, the one part of the American health care system that he chose to exclude from health care reform was Medicare.

Now the Democrats tell us, look, you cannot possibly do what a bipartisan commission tells you that you have to do to prevent Medicare from going broke without having the Government take over and run the whole health care system. And yet, when they proposed that the Government take over and run the health care system, they exempted Medicare. So I am afraid

their words simply do not have the ring of truth in them.

What has happened to the Federal budget? If we went back to 1950 and we looked at the growth of Government's budget relative to the growth of the budget of the average family in America we see a very, very clear picture. Government's budget at the Federal level has grown 2½ times as fast on average as the budget of the average family in America since 1950. Let me convert that into something I think people will understand. If you went back to 1950 and you had the Federal Government's budget grow at the rate that the family budget has grown in America, our Government today would be one-third its size. If the family budget, beginning in 1950, had grown as fast as the Government budget has grown, the average working family in America would be earning \$128,000 a year today.

Now, I think if you ask most people if they would rather have that America or the one we have now, I think most Americans would prefer to have that America. But what the President is proposing, what our Democratic colleagues are proposing, is more of the same. The President is so committed to preserving the Government he knows and loves, programs which he has a political and emotional attachment to, that it does not matter that in the last 40 years those programs have failed. It does not matter that people on welfare are poorer, more dependent, and less happy today than they were in 1965. The President's answer is more spending on welfare.

It does not matter that Medicare is going broke and a bipartisan commission, appointed by President Clinton, says that by the year 2002, we will not be able to pay the bills because the average retired couple is going to end up having expenses of over \$110,000 more over their lifetime than we have in the system to pay for their benefits. The President says not to worry about it; 2002? I guess President Clinton figures he will be out of office and the roof will fall on somebody else's head. This budget worries about it.

How do we deal with deficits? Basically, what the budget that is being offered on the floor of the Senate does is limit the growth of Government spending to 3.3 percent a year. In fact, if you look at this red line I have on my chart here, that is what Government spending in total looks like under the Domenici budget, the budget that the Democrats are here attacking, saying the world is coming to an end if we adopt this budget. Government spending grows every single day under the Domenici budget. It grows by 3.3 percent a year. And I submit there are a lot of working families in America who are not going to see their incomes grow by 3.3 percent a year. By limiting the growth of Government spending to 3.3

percent a year, we can balance the budget over the next 7 years.

Now, we have some people who say that is enough; that is as hard a job as we can do. I believe we can do better. I believe we should limit the growth of Federal spending to about 3 percent a year so we can do what the House has done, balance the Federal budget and cut spending further so we can let working families keep more of what they earn, and so we can provide incentives for job creation and economic growth.

Our people need less Government and more freedom. They need the opportunity to spend more of their own money on their own children. We need incentives for job creation. We can do that by adopting a budget which balances the budget but which cuts spending further so we can let people make investments.

I hope on Tuesday to give Members an opportunity to both balance the budget and to cut spending further so we can let people keep more of what they earn.

The PRESIDING OFFICER. The time of the Senator has expired.

Under the agreement of 15 minutes on each side before the vote at 10:45, the Senator from Kentucky.

Mr. FORD. Mr. President, I yield myself, on behalf of the ranking member of the Budget Committee, 1 minute.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, those not familiar with the workings of the Senate might find it strange that the first amendment offered by proponents of this budget resolution is one they will vote against.

Let me explain why. Last night, I heard one of the most disrespectful speeches I have ever heard on the Senate floor. I saw one of the most disrespectful charts I have ever seen. What I saw was disrespectful of the President of the United States personally and of the office of the Presidency.

The amendment before us is a further attempt to embarrass the President.

In January 1993, President Bush presented his last budget to Congress as required by law. That budget showed deficits climbing to \$320 billion by fiscal year 1998. I do not intend to offer President Bush's last budget as an amendment, but I do ask unanimous consent to have a summary of that budget printed in the RECORD so the RECORD will show the contrast. Compare the numbers in the last Bush administration budget with the underlying amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINAL BUSH ADMINISTRATION BUDGET SUBMISSION, JANUARY 1993

	1992 actual	Estimate					
		1993	1994	1995	1996	1997	1998
Receipts	1,091.6	1,147.6	1,230.3	1,305.6	1,378.5	1,439.7	1,523.4
Outlays:							
Discretionary	534.3	548.1	537.4	539.1	539.1	539.1	539.1
Mandatory:							
Deposit insurance	2.6	15.5	16.2	-7.1	-14.9	-11.3	-6.9
Medicaid	67.8	80.5	92.9	107.8	122.7	138.8	156.4
Federal retirement	74.9	77.4	81.5	83.9	88.6	94.1	98.2
Means-tested entitlements	75.0	83.4	89.8	95.6	98.5	106.2	112.4
Medicare	116.2	129.9	147.8	166.3	188.5	211.4	235.8
Social Security	285.1	302.2	318.7	336.2	355.1	374.8	395.6
Unemployment compensation	37.0	32.7	24.7	24.4	25.5	26.3	27.4
Undistributed offsetting receipts	-39.3	-37.2	-39.0	-40.3	-41.5	-43.5	-46.0
Other	28.7	39.6	32.7	27.9	20.7	22.9	22.9
Subtotal, mandatory	648.0	724.1	765.2	794.9	843.2	919.6	995.7
Net interest	199.4	202.8	220.1	244.1	262.5	286.0	308.4
Total outlays	1,381.8	1,474.9	1,522.7	1,578.0	1,644.8	1,744.7	1,843.2
Deficit (-) excluding MDA sequester	-290.2	-327.3	-292.4	-272.4	-266.4	-305.0	-319.8
MDA sequester savings (includes PAYGO and debt service savings of \$1.7 billion in 1994 and \$1.8 billion in 1995)	NA	NA	22.4	42.8	NA	NA	NA
Deficit (-) including MDA sequester	-290.2	-327.3	-269.9	-229.6	-266.4	-305.0	-319.8
Memorandum							
Surplus or deficit (-) (excluding MDA sequester savings):							
On-budget	-340.3	-379.9	-354.8	-342.6	-348.5	-395.6	-422.9
Off-budget	50.1	52.6	62.5	70.3	82.1	90.7	103.1

Note: The following estimates exclude an MDA sequester. If existing MDA's are not adjusted, the 1994 deficit would be lower by between \$23.2 billion and \$50.0 billion, and the 1995 deficit would be lower by between \$21.8 billion and \$71.4 billion.

The PRESIDING OFFICER. One minute has expired.

Mr. FORD. Mr. President, I ask 1 additional minute.

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

Mr. FORD. What a difference 2 years has made.

What it means to me is also a loud signal that those on the other side of the aisle have no intention of developing a bipartisan approach to deficit reduction. I think that is regrettable.

I do not intend to vote for either the pending amendment or the underlying budget resolution. It is still my hope that we can find a bipartisan solution at the end of the day. But not by offering amendments like this one, for political purposes.

I think it is unfortunate and I urge its defeat.

Mr. BYRD. Mr. President, I have reluctantly concluded that I cannot support the President's budget as submitted. The major change that should be made to his budget, in my judgment, would be to eliminate his proposed tax cut and, instead, apply the amount that would be required for this purpose toward deficit reduction.

The President deserves great credit for his leadership in proposing a major deficit reduction package shortly after he assumed office in 1993. That deficit reduction package was subsequently enacted into law without one Republican vote in either the House or the Senate. It resulted in deficit reduction over a 5-year period of approximately \$500 billion.

I note that in this year's budget submission, however, the President's budget proposals would result in a continuation of annual deficits in the \$200 billion range for each of the next 5 years. I think that we can, and must, do better. The place to start is to restrain ourselves from making the easy choices like tax cuts and instead make the difficult choices that may be nec-

essary and apply any savings to deficit reduction.

Mr. GRASSLEY. Mr. President, there are two starkly different budgets before us that would move this country in opposite directions. First, there is the Republican budget now before this body. That budget offers a vision for the future. Under that plan the deficit would slowly decline until it would disappear in 2002. It is the only budget with a vision and a future. It would balance present-day needs with long-term needs for seniors, for children, for the needy, and for the taxpayer.

There is another budget before us, Mr. President. It is the President's budget. And his budget moves in the opposite direction. Under his vision of the future, deficits would rise as far as the eye can see. His direction would be devastating to our children and grandchildren, and to America's future. It would saddle future generations with an additional \$1.7 trillion in debt over the next 5 years.

I have not seen a more irresponsible budget proposed by a President since the Rose Garden budget proposed by President Reagan in 1984. That budget did nothing to attack the deficit. This one does even less.

The President's budget submission represents an abdication of leadership by the President. At a time when he could have carried fiscal responsibility across the goal line, he punted. He took a walk. He decided to play Pontius Pilate and wash his hands of the matter.

Mr. President, I hope this budget is soundly defeated. This body has to send the message that the direction taken by this President in his budget is unacceptable. It represents abdication, retreat, and failed leadership. It represents the triumph of business-as-usual over vision. I urge its defeat.

Mr. ROCKEFELLER. Mr. President, just this week my Republican colleagues, belatedly, unveiled their budget priorities to the American people and the U.S. Senate. Their priorities

are expressed in Senator DOMENICI's budget proposal which is now pending on the Senate floor. The loss leaders in this Republican budget are the basic health programs protecting our Nation's senior citizens, poor children, the disabled, and pregnant women, also known as Medicare and Medicaid. Historic levels of cuts in these programs—\$256 billion out of Medicare and \$175 billion out of Medicaid—make the major contribution to the deficit reduction in their proposal. Education gets hit hard, as do other investment priorities I care about, like job training. Our Nation's veterans lose. Working families who depend on the earned income tax credit lose. In my judgment, the people of West Virginia, whom I represent, lose under the Republican budget proposal. Nevertheless, the Republican budget priorities are here. Their budget is finally on the table and the subject of discussion and debate in the U.S. Senate. Is that what Republicans want to debate and talk about? No.

The Republicans' first order of business during the floor action of their budget has been to exercise their parliamentary right to offer the first amendment. Their first amendment, offered by the chairman of the Budget Committee, Senator DOMENICI, is to substitute the President's fiscal year 1996 budget for their long-awaited proposal. It seems rather odd to propose a complete substitute for their much anticipated proposal before there has been any real debate on the Senate floor about what is in their proposal—who wins and who loses under their plan. And it is even more extraordinary that my Republican colleagues would choose to move to adopt the President's budget proposal as a substitute, after purporting to have just outlined their version of a responsible budget before the Senate. Why have they asked the Senate to vote on the President's budget before any meaningful

discussion has ensued about the details of the Republican budget proposal? Why have they changed the subject?

This amendment is nothing more than a political ploy. I suppose it is meant to make the point that the President's budget would not garner a majority of votes in the Senate. But we already know that. They are not going to vote for it and they are the majority of Members of this body. Undoubtedly, their proposed amendment will fail, regardless of how Democratic Senators vote. So they must be using their parliamentary right purely to make a political point. A point which seems obvious to me.

I believe they have chosen to pursue this strategy because they want to distract the American people, the Senate, the media, from what ought to be the focus of our budget debate—the affects of the Republican budget proposal on the budgets of America's working families, seniors, small businesses, students, and on the investments I believe are important to the job creation and job growth.

They do not want to talk about the details of their plan. They want to talk about somebody else's plan. They want to score political points. Well, much as they seem to dislike the fact that they are now being asked to produce the details of their budget and explain what their priorities are, it is their responsibility to do so. They are the new majority. We made tough choices when we were in the majority. We produced consistent deficit reduction. Under Democratic congressional leadership we reduced the deficit by over a trillion dollars in the last 5 years. We have met the challenge. It is their turn to lead.

Their first response is to say let us talk about something else. Well that is just not good enough. They have a duty to explain what is in their proposal and why. They have yet to do that in any meaningful way, despite a slew of opening statements given on the floor today.

For instance, we have heard people suggest the Medicare Program's growth is out of control and that is why it ought to be restricted. That is not the real reason the Republican budget slashes in Medicare. The real reason, I believe, is that they need huge amounts of Medicare cuts to pull off balancing the budget on their arbitrary timetable. The truth is Medicare's growing at the same rate as the health care costs of other Americans, including our health care costs of those of us here in Congress, maybe a percent higher. That is hardly way out of sync with the increases that individual Americans are coping with, and it is to be expected when we have yet to address the country's basic need for fundamental health care reform. So why the need to zero in on Medicare for mammoth cuts—to pay for an irresponsible and unfair tax cut for the rich.

I would be derelict not to note that our failure to deal with the complicated issues of health care reform

last year means that our deficit problem is even greater. Indeed, the major complaint about the President's fiscal year 1996 budget—that it does not produce sufficient deficit reduction—would be moot if we had achieved comprehensive health care reform last year. As Democrats have been warning for years, and as President Clinton insisted throughout his campaign, if we don't deal with our Nation's health care problems which affect our families, our businesses, our children and our seniors, and each of our Federal health programs, we will never get the deficit under control. I would like to believe that the Congress is still willing to step up to the health care challenge, although outside of rhetoric and a forced march to meet a predetermined budget target, I have not seen any evidence that my Republican colleagues are in fact willing to step up to the plate.

I wish that was not the case, but I have to tell you what I believe to be true.

Finally, I want to point out that even without reaching agreement on comprehensive health care reform, if the President's budget proposal had not included an additional tax break for working class families it would produce continued significant deficit reduction. The basic building blocks of the President's budget proposal focus on all the right priorities—it delivers on two promises to West Virginia and the rest of America:

It comes through with funding for what matters most to our State: jobs, health care, fighting crime, and children. It has more money for highways, for education, and for job training.

The President's budget proposal also continues to cut wasteful spending. It mothballs 130 programs that the President thinks should be shelved. It is a tight-fisted budget aimed at continuing the efforts of OBRA93 to cut the Federal deficit.

But I recognize what is going on here. So do my colleagues, and so should the American people. I will not dignify the Republicans' attempt to shift the debate from their budget to an alternative that has no hope of passing with my vote. This important debate is about priorities. And it is their turn to explain theirs. I do not share them, but I have yet to hear an articulate defense of the details of their proposal.

To conclude, I will vote against Senator DOMENICI's amendment to substitute the President's fiscal year 1996 budget for the hard-hearted, extreme proposals in the Republican budget plan—regarding which they seem unwilling to discuss in any careful detail. I will vote no despite the fact that I believe the President's budget, and therefore the amendment, would be a much better basis for a discussion of our national goals and priorities than the underlying Republican budget we have before us today, if only because it does not devastate the Medicare and Med-

icaid programs on which 70 million Americans rely for their health care.

I am interested in hearing the Republican's explanation of how they believe their budget puts the emphasis where it belongs: on our Nation's economic development, jobs, health care, crime, and children—or why it does not. That is the kind of Federal budget that deals with the day to day needs of West Virginia and that is the only kind of Federal budget which I can support.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I yield myself such time as I may consume.

We are about to vote on the first amendment in this budget resolution debate. Let me say, as far as most of us on this side of the aisle are concerned, it is not a serious vote. This is purely political gamesmanship. It is a rite of every budget year. Democrats did it when Presidents Reagan and Bush were in office, and now our Republican colleagues are taking their turn.

This is not a serious vote. This vote has nothing to do with the budget resolution that is on the floor of the Senate. The Budget Committee has reported its resolution. That is the operative document. That is the document that will guide congressional action.

That is the document Senate Democrats find defective, and are seeking to improve with a series of amendments that we will be offering over the course of the next 3 or 4 days.

The budget resolution is a congressional document. It is not presented to the President, and it does not require his signature. It is our internal guideline.

The next stage will involve the President for he must sign or veto the reconciliation bill. The President has already indicated his willingness to work toward a common solution, a bipartisan solution. But he has been very clear about the conditions which must be met.

The Republicans must abandon their tax cut that favors the very rich. If there is to be a tax cut, it must be targeted to the middle class, and it must be paid for.

Second, the Republicans must rescind their tax increase on working Americans. We simply cannot accept a tax increase of \$1,500 per year on those people who are struggling just to stay off welfare.

Third, the Republicans must restore their cuts to education. Asking college students to pay an additional \$3,000 a year is simply wrong.

Fourth, any changes in Medicare must take place in the context of overall health care reform. We have said that over and over again. A \$256 billion cut in Medicare is draconian.

The stock market yesterday went down 82 points, and a lot of us have been convinced that is simply senior citizens selling their stock to pay for Medicare insurance in the next several years.

Those conditions are the reality of the budget. Those issues will be the

ones that define this budget year. Those are the issues that count with all Americans.

But this current vote has nothing to do with reality. It is a meaningless political gesture.

In light of this, I urge my colleagues to vote no on this amendment. I suggest we not dignify this vote by taking it seriously.

I yield the floor.

Mr. DOMENICI. Mr. President, do they have any additional time?

The PRESIDING OFFICER. There are 10 minutes remaining on that side, and 15 minutes remaining on the other side.

Mr. DOMENICI. I understand our 15 is our wrap-up time.

Mr. DASCHLE. I yield such time as he may consume to the distinguished Senator from Connecticut.

Mr. DOMENICI. Might I take 30 seconds of my time and then yield?

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

Mr. DOMENICI. I just wanted to say most of us think the reason the stock market went haywire is the President threatened to veto a rescissions bill which means that he is not going to sign a reconciliation bill which means we are going to continue the deficit spending for as far as the eye can see. I think that is what the stock market saw yesterday.

I yield the floor.

Mr. DODD. Mr. President, first of all, let me thank the distinguished Democratic leader.

Let me say at the very outset, that I want to commend the Democratic leader for his work putting together packages which we will be able to raise in the next few days highlighting our disagreements with the budget proposal as submitted by the majority party. Let me also underscore the points that the minority leader has made; and, that is, that if our colleagues on the other side will drop their tax cut proposals and be willing to deal with comprehensive health care reform, if they will not take a meat ax to education and the working poor, I am confident that we can put together a budget here that would get us to a balance hopefully by the year 2002, and, if not then, shortly thereafter and do it in a meaningful way.

I have already talked briefly on the issue of Medicare, and education. But under the proposal being submitted to us by the Republican majority, 12 million working poor Americans will face increased taxes in the year 2002. These working families who are trying to play by the rules and to provide for themselves and their children near the poverty level will face a tax increase in the form of a reduction in the earned income tax credit. They will pay on average \$350 a year more in additional taxes in the year 2002.

This unfair and shortsighted deficit saver will make welfare look even more attractive compared to low-wage work, and people working full time at

a minimum wage will not be able to lift themselves out of poverty.

I have said for years the best social program anybody came up with is a job. Here we have an awful lot of people who are living on the margins in this country. The earned income tax credit has been one of the most successful programs in providing economic relief to people living on the margins. President Reagan called it the best idea we have for assisting people at the margins.

Our colleague and chairman of the Budget Committee has heralded the success of the EITC in the past. There are problems. I do not disagree. We ought to deal with those problems. But to change this program and to take \$21 billion out of it at a time when we are going to be talking about welfare reform, when we are trying to lift people out—not temporarily, but permanently off public dependency—does not make any sense. Those not benefiting from economic growth are going to find themselves falling further and further behind.

Since 1979 the bottom 20 percent of Americans, by income, have seen their real wages plummet 17 percent. We have expanded the earned income tax credit to address this dangerous trend on a bipartisan basis. I would point out that by gutting the credit the Republican budget will only make matters worse.

Working Americans are going to find themselves increasingly cut off from the American dream in the year 2002 if this budget is approved. Who is going to be better off under this proposal? The well off or the best off in this country are going to do relatively well.

The budget leaves the door wide open to a tax cut along the lines approved by the House. More than half the benefits in that package flow, as we know, to people earning more than \$100,000 a year. Here we are talking about people at the low-income level who are working today, not living on welfare, not getting AFDC, trying to make ends meet, trying to take care of their families. And we are going to hit them with a \$21 billion hit while we are providing relief for many people making \$100,000 or more. I do not fault anybody in that income category. Everybody wants to be in that income category. But to get there you have to make the investments. You have to give them a chance to get going.

Here we have a budget proposal that goes after people right on the fringes, and to pay for that we take people at the upper-income levels and we give them a tax break. What kind of logic is that? What does that say about the direction we are heading in as a country in the year 2002?

Mr. President, almost 60 years ago we heard another American President, Franklin Roosevelt, say:

In every land there are always at work forces that drive men apart and forces that draw men together. In our personal ambitions we are individualists. But in our seek-

ing for economic and political progress as a nation, we all go up, or else we all go down, as one people.

In my view we should heed this wise advice as we prepare to close out this century and begin the 21st century.

This budget resolution gives to the strong at the expense of the weak. It provides relief to those least in need of it at the expense of those with nothing extra to spare. It is not a road map to a place that we as a nation should go. I certainly hope we come to our senses and choose a different course than the one proposed by this budget. It is not just a question of knowing the price of everything but knowing the value of things as well.

A generation of Americans benefited from the GI bill. Today, if we were to pass the GI bill, it would cost \$9,700 for every recipient. That is what those dollars meant in the latter part of the forties and early fifties. How many people in this country benefited? How many families today are better off because that investment was made? Those were hard dollars to vote for. Yet, we grew as a country. We benefited as a country.

VA mortgages—2-percent loans gave people in this country a chance to buy their first home. How many people today are doing better, have good homes because they got a start? How many people got jobs in building those homes? Those were investments we made in people.

Today we have to think along similar lines to make those investments in education, in growth, in opportunity. The best deficit reducer in the long-term is a growing economy.

So we ought to keep that in mind as we go through this process of deciding the kind of investments and cuts to make.

Again, Mr. President, there is no debate about deficit reduction in this body, none that I know. We ought to get there as soon as we can but do so with moderation, intelligence, and sensitivity about what makes a great country stronger. Fiscal responsibility is a critical element. Investing in education, in health, in social progress also contributes significantly to a strong country.

My deep, deep fear is that the budget proposal I am fearful we are going to adopt takes us in the opposite direction. I say that in all due respect to its authors, but I think this is a time to be coming together in seeking some common ground as to how we can put a proposal together that allows us a deficit-neutral society, creating surpluses, but does so in a way that grows America and gives this next generation an opportunity to enjoy the dreams and visions that this Nation ought to be providing.

So with that, Mr. President, I yield the floor and look forward to the debate next week.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time do we have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes 40 seconds.

Mr. DOMENICI. I yield 7 minutes to Senator SNOWE from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. I thank the Chair. I thank the chairman of the Budget Committee, Senator DOMENICI, not only for yielding me this time but, as a member of the Senate Budget Committee, I have certainly appreciated the leadership he has provided on this most serious and critical of issues.

I am a little surprised by what the Senate minority leader mentioned earlier when he said that offering the President's budget which he offered this year for fiscal year 1996 was really empty, meaningless, and not a serious gesture.

What is that saying, that the President was not serious about offering his proposal to the American people to address deficit reduction and, indeed, balancing the budget for future generations?

I think it is a sad commentary to suggest that the President is not serious in engaging in this issue. Is he suggesting that the President does not want to be relevant in balancing the budget and joining Congress in doing what is important for the American people?

I think it is very much a fair comparison because we have heard over and over again about the proposal that came out of the Senate Budget Committee. We worked very hard. We wanted a bipartisan agreement. But the administration's proposal is a monument to status quo. The irony is that the administration has referred to the Republican budget resolution, which achieves a balanced budget through serious deficit reduction by the year 2002—that is what, in fact, many of the minority Members of the Senate have indicated during the debate on the constitutional amendment to balance the budget, that they did want to balance that budget by the year 2002. They just did not want a constitutional amendment to balance the budget. But the administration and administration officials have referred to our budget as “dumb and dumber” and “clear and present danger.”

Frankly, if the administration would like to invoke a film fee, I would be happy to oblige them because, due to the years and years of deficit and red ink that the President extends in his budget into the next century, I certainly would describe the President's budget as the “crimson tide” because that is the legacy the President is leaving future generations. That is in fact his budget. It is a sea of red ink.

Compare that to what we have offered in the Senate Budget Committee—responsible deficit reduction that does achieve a balanced budget by the year 2002. I think it does not take an Einstein to figure out who is doing

something for the future of this country, for the future of children and seniors and the stability of this country. Do we leave a monument of red ink to future generations just beyond the turn of the century that will require them to pay an 82-percent tax rate to finance this red ink that is in President Clinton's budget? Or do we do something now so that they can have a better future and invest in the priorities that everybody wants this Nation to invest in, such as education and health care and our infrastructure?

They cannot do that with the President's budget, because it is a sea of red ink. So I am dismayed that the President offered a budget that was not serious in reaching and achieving a balanced budget by the year 2002. The fact is the President is offering \$2 trillion by the year 2002 in additional debt. Even the Washington Post had this editorial comment a day after the President released his budget, and I quote:

It is troubling that he has now decided to take a holiday from the hard and painful responsibility to keep working the deficit downward. The issue is this country's future standard of living.

Even the distinguished ranking member of the Senate Budget Committee said earlier today that he was not enthusiastic about the President's plan. In fact, he noted a month or two ago “In the administration's failure to chart a new fiscal course for our Nation,” he said, “the President dropped the ball by offering a budget that falls short, way short of the deficit reduction we need.”

This budget tells a tale of two Presidents, one who promises a balanced budget and another who fails to deliver; one President who promises deep cuts in the Nation's deficit and another who oversees a more than doubling of the predicted deficit in the year 2004; and one President who promises middle-class protection and another who saddles the middle class with increased per capita debts, increased taxes on Social Security benefits and increased taxes on those who own family farms and small businesses.

Simply put, there is a nagging fundamental disparity between what this President says and what he does. It reminds me of the Shakespeare quote “action is eloquence.” If that is the case, we better tongue-tie the administration when it comes to budget policy and economics.

President Clinton made a statement on April 15 in which he presented a three-point legislative priority list which included welfare reform and crime, but he also mentioned tax and spending cuts that both reduce the budget deficit and the spending deficit. But you would not know that reducing the deficit was even one of the President's legislative priorities because, again getting back to this chart, he has \$200 to \$300 billion in annual deficits between now and the end of this decade and beyond into the next century.

The President had said in February that his budget plan will by 1997 cut

\$140 billion in that year alone from the deficit.

Well, that being the case, it must have been another President that crafted the budget plan for the next 5 years. According to the reality-based reestimate by the Congressional Budget Office, the 1996 budget deficit will be \$211 billion, not the \$197 billion the administration projected. The 1998 deficit will rise to \$231 billion, not the \$196 billion projected by the administration, and the 1999 deficit will reach an estimated \$256 billion, a far cry from what the administration projected of \$197 billion.

And if that is not bad enough, we have to look at the year 2000. CBO says the deficit will reach \$276 billion rather than the \$194 billion projected by the administration. That is almost a \$100 billion difference in the deficit between what the administration projects and what the Congressional Budget Office estimates.

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

Ms. SNOWE. There is no question as to where we need to go and who is being responsible for the future of this country.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President and fellow Senators, first of all, I offered this amendment after asking if any Democrats would like to offer it, so I would like to make that very clear. I do not like to introduce the President's budget. I am not for it, but I thought it deserved a vote. Normally, we vote on Presidents' budgets whether we agree with them or not. When they did not agree with the Republican Presidents' budgets, obviously, they were offered just for the same reason—to see how many people really supported it.

But equally as important, the press secretary for the President on May 15 said, and I quote:

It would be a good place to begin. It's better than what they're talking about.

So I do this to oblige. Since, speaking for the President, his is better than ours, we would like to have a vote and see.

Now, Mr. President and fellow Senators, there are 2 approaches to the future of our country, not 15 or 20. There are two at this point in history: This one, the President's budget—the President's budget surrenders to the deficit, makes few if any hard choices—and the Republican budget which I was privileged to help craft with many Members and many task forces, this budget.

Now, this budget is a budget for the future.

This budget is a budget of the past.

This budget changes things.

This budget is the status quo.

This budget says the future generations should not be taxed without representation—little children born today should not be taxed without representation.

This budget says we will tax the next generation. We will tax every man,

woman, and child who is working today to pay for programs that we insist on spending their money for even though they are not even around to be consulted, they are not being asked, and they may not even know that they are being taxed without representation. Because, indeed, we just continue to borrow money and say, "You pay for it." This budget says, "We'll keep borrowing money. Kids cannot complain anyway. Children cannot vote anyway. Children are not even going to be heard on this budget. But we are going to keep on taxing them by taking away their standard of living, by making them have to work ever harder and ever longer to pay for this budget and the programs that we refuse to restrain, reform, make relevant, or get rid of duplication."

This budget says the Government of the United States can continue to grow. Our responsibility to millions of Americans will continue. This budget says, make Medicare solvent. This budget says we want Medicare not only for the current seniors but for seniors yet to join and need it for their health care. This budget says we want to help the poor in our States who need health care because we are going to have a program that can be sustained, that we can afford.

This budget says to keep on paying for a Medicaid Program that we cannot afford. Sooner or later, 2, 3, or 4 years from now, we will have to say to the poor people that get Medicaid, "We can't afford it anymore."

This budget says start fixing it right now.

So, fellow Senators, let me suggest that we hear a lot about our senior citizens. And we say to them, "When all of this is over, you will have a Medicare Program. It will be as good or better than the one you have now."

We say to the poor, who are getting health care from Medicaid, "You will have a program and it will be better than the one now." And, yes, we will say in one loud voice, "There is a future with an increased standard of living and opportunity," if you adopt this budget, the Republican budget, and fail to adopt the President's budget which is pending before us today.

Many comments have been made today about various programs. We do not have an opportunity to answer right in the middle of these speeches, but before you pass judgment on education and what reforms we have recommended on Medicare, Medicaid, and on the earned-income tax credit—which, incidentally, will grow at 40 percent while some are talking about it being cut—wait for the details. We will discuss them one by one with the American people.

But, for now, we have an opportunity to reject a status quo budget, a budget of the past, and set in motion the budget of the future.

I yield to Senator STEVENS, who wants to make a unanimous-consent request.

I yield to the majority leader whatever time I might have remaining.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

VISIT TO THE SENATE BY MEMBERS OF THE BRITISH-AMERICAN PARLIAMENTARY GROUP

Mr. STEVENS. Mr. President, I ask unanimous consent that our guests, who are members of the British-American Parliamentary Group, be permitted to remain on the floor during the period of this coming vote.

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

Mr. STEVENS. I want to introduce to the Senate the Right Honorable John MacGregor, who is the chairman of the British group; Derek Conway, a Member of Parliament; the Right Honorable Sir John Cope, a Member of Parliament; the Right Honorable Lord Rees, who is Queen's Counsel; Joe Benton, a Member of Parliament; Judith Church, a Member of Parliament; Roger Godsiff, a Member of Parliament; and Roy Hughes, a Member of Parliament.

All of these people are guests for this weekend for conferences on matters of mutual concern to the British Government and our Government.

Please welcome them.

Thank you.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. DOLE. Mr. President, I ask unanimous consent that I may use 5 minutes of my leader's time.

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

Mr. DOLE. Mr. President, first let me quote from what I consider to be a fairly reliable source.

The budget which came from the President said, "I've given up; that as long as I am President of the United States there will never be a balanced budget." That is an astonishing statement.

That quote came from former Senator Paul Tsongas, Democrat of Massachusetts, cochairman of the bipartisan antideficit Concord Coalition.

Another quote from our former colleague, Senator Tsongas:

Let me say as a Democrat it's very easy for Democrats to poke fun at what these two people [Senator PETE DOMENICI and Representative JOHN KASICH] are doing because, unlike our party, they've decided to really address this issue. And the fact is, they're prepared to put a balanced budget amendment on the table. The balanced budget amendment died because of the Democrats—not because of the Republicans, not because of the vote in the Senate, and we Democrats are equally responsible to our kids.

That was not a statement by BOB DOLE or anybody on this side of the aisle. That was a statement by Senator Paul Tsongas, who used to grace the Senate Chamber. He was seated on the

other side of the aisle. I think he speaks volumes in just these two statements.

Along with Senator DOMENICI, I was on the House floor yesterday for that historic vote when they adopted the resolution that will put us on a path for a balanced budget by the year 2002.

It was a very exciting moment, and we hope to repeat that moment in the Senate sometime in the early afternoon next Wednesday.

We will be here late, late, late Monday night and late, late, late Tuesday night, so we can finish sometime mid-afternoon on Wednesday.

After the vote in the House yesterday, the President issued a statement, saying, "There is a right way and a wrong way" to reduce the deficit, and the House plan was "The wrong way."

Americans have a right to ask, if the House plan was the "wrong way" and if the Senate budget resolution is the "wrong way," then just what does President Clinton define as the "right way" to reduce the deficit?

He would not even let us save \$10 billion in the rescission package. He threatened to veto that because it does not meet his standards of higher spending.

Well, the only evidence we have of what he believes is the right way is what he proposed, and that is the question now before us.

As Senator DOMENICI said, he asked if any Democrats wished to offer the President's budget as an amendment and they declined, so he did it to make a point. The point is the President does not have a plan, a credible plan. And the point is, the Democrats do not have a credible plan.

Their plan is to attack Republicans, attack Republicans, attack Republicans—we are out there cutting Medicare; cutting everything to help the rich. That effort has been tried for years. It is called class warfare. It was tried in 1994—and we liked the results. And maybe it will be tried again in 1996.

I assume the President was serious about his budget plan when he proposed it. We learned a number of things about what the President apparently believes is "right."

The President believes that, as Senator Tsongas said, the status quo is right.

The President believes it is right to take no action and let the deficit continue, \$200 billion a year as far as the eye can see, well into the next century.

The President believes it is right to allow entitlement spending to consume 57 percent of total spending by the year 2000.

The President believes it is right to ignore his own trustees' warning of the impending bankruptcy of the Medicare Trust Fund, and to take absolutely no action to preserve, improve, and protect Medicare.

And, Mr. President, I have a suspicion of something else the President has proven he believes is right. He said