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Senate

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The Senate met at 8:30 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:

Great is the Lord, and greatly to be praised and His greatness is unsearchable. I will meditate on the glorious splendor of Your majesty—Psalm 145: 3, 5.

Almighty God, help us to think magnificently about You: Your glory and grace, Your greatness and goodness, Your peace and power. We acknowledge that our prayer is like dipping water from the ocean with a teaspoon. Whatever we receive of Your infinite wisdom and guidance, it is infinitesimal in comparison to Your limitless resources. So we come humbly and gratefully to receive, to draw from Your divine intelligence what we need for today's deliberations and decisions. We thank You for the women and men of this Senate and their staffs who support their work. Help them humbly to ask for Your perspective on perplexities and then receive Your direction. Give them new vision, innovative solutions, and fresh enthusiasm. We commit this day to love and serve You with our minds. Today, when votes are counted on crucial decisions, help them neither to relish victory nor nurse the discouragement of defeat, but do everything to maintain the bond of unity in the midst of differences and then move forward. This we pray in Your holy name. Amen.

The PRESIDENT pro tempore. The Chair, in his capacity as a Senator from the State of South Carolina, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SANTORUM. I thank the Chair.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business.

BALANCING THE BUDGET

Mr. SANTORUM. Mr. President, I rise this morning to begin the freshman focus. The freshman class, all 11 of us of the 104th Congress, have taken about the role of coming to the floor on a regular basis to focus the Senate on issues of importance really to the next generation of Americans. We believe that as freshmen we have a special role to play in looking toward the future and seeing how we can focus the attention of the Senate on solving the long-term problems that face this country.

Today, under the able leadership of Senator THOMAS from Wyoming, who has been a real champion in organizing this effort and bringing the freshman class in the Chamber on a very regular basis, we are going to talk about the Clinton "budget." When I say Clinton "budget," I use the term "budget" in quotes because we do not really have what I think anyone would seriously consider a detailed budget of how the President is going to solve the deficit problem that faces this country. In fact, we have 6 pages—photocopied on both sides, that is 12 pages total—of budget specifics as to how he is going to reduce the budget deficit to zero over the next 10 years.

Now, it is interesting; if you look at what is going to be required to balance the budget over the next 10 years, it requires about \$1.6 trillion in spending cuts. That is according to the Congressional Budget Office.

Now, you say: How do they figure that out? How does the Congressional Budget Office come up with the assumption that we need to cut spending an aggregate amount of \$1.6 trillion? They make certain basic assumptions, economic assumptions.

The economic assumptions that the Congressional Budget Office makes is a percentage growth in the economy. They say, well, we estimate over the next 10 years that the economy will grow on average a certain percentage per year. The estimates, frankly, if you look at them, are pretty flat. I think about 2.3 percent growth per year over the next 7 years because they were doing a 7-year budget.

Now the President has come up with 10. They extended it up to 10 years. It does not take into account recessions. And most economists will tell you, over the next 10 years we are scheduled to have at least one recession, probably two recessions. Now, they may not be deep recessions, but they will talk about much lower rates of growth and maybe even some negative growth during that period of time.

Now, what happens when we have recessions? Well, when we have recessions, tax revenues go down, expenditures to the Federal Government go up because unemployment claims go up, welfare payments go up, other kinds of Government supports, safety net programs, are much more in use.

The Congressional Budget Office, I think, was sort of averaging out the high and low periods of growth above 2 or 3 percent and periods of growth below and saying, on average, it is roughly 2.3 percent or maybe a little higher, 2.4 percent in the future.

They also make an assumption on interest rates. Why are interest rates important? Well, when you have nearly \$5 trillion of debt that you have to finance, interest rates are important. The higher the interest rates, the higher the interest costs, the higher the

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



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deficit. So interest rate projections also affect what the bottom line deficit will be. So they have projected out interest rates, again on a conservative basis, because again interest rates fluctuate. If you look at the last 10 years of the history of this country, the interest rates went from double digits to 3 to 4 percent. So you may see a wide variation in the next 10 years. In the next 10 years, you will see a wide variation. They try to work it out, act conservatively. You want to have realistic numbers here. And they came out with some interest rate projections.

Now, they use the combination of growth projections and interest rate projections to determine their basic economic assumptions of what the deficit will be. And then they say, "Now, to meet zero, you have to cut so much money out of Government programs or raise taxes to get to zero."

How does the President accomplish his 10-year balanced budget? Well, he does not do it by looking at what the Congressional Budget Office has done and then making the spending cuts or tax increases necessary to get to a balanced budget. In fact, in his plan he has, instead of \$1.6 trillion over 10 years which is needed to balance the budget according to the Congressional Budget Office, he has \$1 trillion in cuts, substantially less than what is necessary. Yet he gets the balance.

You say, How does he do that? How does he cut less money than is required to get the balance and still get there? Here is how he does it. He does it by changing the assumptions. He assumes a higher rate of growth in the economy. He assumes lower interest rates. Sort of wishes it away. Just decides, "Well, we know we will have higher growth and lower interest rates, and as a result we will have less financing costs. Because interest rates are lower, we will have higher rates of growth, which means more tax revenues and less Government expenditures. So we will reduce the debt through economic assumptions."

Well, that is nice. It is an easy way to do it. I guess if he wanted to, he could go back and just estimate even higher growth rates and lower interest rates and not have to do anything. But that is not real.

What is the actual effect on the numbers? It is interesting. Look at Medicare. Under the President's budget, if you look at the President's Medicare number, not what he says he is going to have to reduce spending by in Medicare, but the actual amount of money he spends on Medicare every year over the next 10 years, in the first 3 years the President spends less on Medicare than we do, but it is not as big a cut as we have. Now, you say, "Wait a minute. How can that be? If he spends less on Medicare next year than we do under the Republican budget, less on Medicare in year two than we do on Medicare and less on Medicare in year three, how can his cuts be less?"

Well, he assumes a lower rate of growth in Medicare and then cuts from

that. So what he has done is—we have growth of 10 percent per year programmed in because that is what Medicare is doing. It is growing at about 10 percent a year. We have that programmed in for the next 10 years. What the President has done is he assumes, first, that Medicare growth is not going to continue at 10 percent, it will only continue at 7 percent and then cuts from that. So, as a result, the cut is not as much, but the number is actually lower than the number that we are using. So he sort of cuts in part by assuming it away and cuts the other part by actually doing it.

So, to suggest that the President is going to cut Medicare less than we are or change Medicare less than we are is just ridiculous. His numbers actually are lower than our numbers.

So, I would just suggest, if you look at the specifics of what the President has done, he has assumed away this budget deficit. He has suggested that we can get rid of the budget deficit by having rosy economic projections, rosy projections on growth and interest rates and not do the hard work of actually having to make decisions on how we are going to pare back the size of Government.

As a result of that, as a result of his unwillingness to face the music, to use the Congressional Budget Office projections, which he said in the State of the Union, just down at the other end of this hallway, right down here. Walk out the middle door here and just keep walking and you will come to the House of Representatives. And you walk through that door and keep walking, you will walk right into the podium of the House of Representatives. Right there, right at the other end of the hall, the President got up and said, "We will use the Congressional Budget Office scoring because they have been the best at doing it. We all have to use the same numbers." He said that.

Now, I know it is going to come as a shock to many that he has not lived up to his promise, but he did not. He is not using their numbers anymore. Why? Well, the same reason every President has not used their numbers. Because their numbers are tougher. It is harder to balance the budget when you use real numbers. It is easier when you get your friends at the Department of the Treasury to sort of wish this stuff away. Well, unfortunately we cannot wish it away.

Mr. THOMAS. Will the Senator yield?

Mr. SANTORUM. If the Senator will suspend for 1 second. I want to make sure that we end with day 34 of the President's unwillingness to come to the American people with a serious budget proposal to balance the budget. We are now in day 34, as I said before. We only have 101 days to go before the next fiscal year. As I said before, I will probably put a little thing over here for the "1." Hopefully I will not have to. Hopefully I will not have to come back. But until the President gets seri-

ous about this and is honest with the American public about how they are going to balance the budget, I am going to be back.

I will be happy to yield.

Mr. THOMAS. If the Senator would yield. Let me first say how much I appreciate and congratulate the Senator on his continuing efforts to get some real understanding. I think some time ago the freshman class, those elected to the body in November, came here more dedicated to more serious work to balance the budget than about any other issue. One of the most difficult things for all of us, particularly people listening and voters, is what are the real facts? I mean, we start out and everybody wants to balance the budget. "Well, we do not need an amendment," they say. "We will do it." Then we come down to do it. But we cannot do it on the backs of these. You cannot do it here.

I guess my question is: It is sort of interesting that most of the President's budget is backloaded, and it happens after the year 2000. Now, that is 6 years from now. That is the rest of this Presidential term and one other term. Is there any significance to the fact that most of the pain comes after the year 2000?

Mr. SANTORUM. As a matter of fact, if you look at the percentage of the cuts the President makes in discretionary and mandatory programs, all the cuts he has to make, 20 percent of them—we have 10 years in the President's budget. You would think that the responsible thing to do would be to cut the budget—if you are going to do 100 percent of his cuts, if you take all the cuts he is going to make, you do it equally over the period of years, a straight line, 10 percent a year; 10 years, 100 percent of the cuts.

What the President does is cut very little the first year, cuts virtually nothing. In fact, of all the cuts he suggests, only 2 percent occur in the first year. If you look at the second year, only 3 percent occur in the second year. After the first 2 years, when you should have cut 20 percent to get on your line of 100 percent, he has cut 5 percent. You go to the third year, he cuts 5 percent. So over the first 3 years he has cut 10 percent of the amount needed to cut over the 10 years.

Where are the big cuts? Where is the big lifting, the heavy burden the last 2 years, the last 3 years? Twenty percent in the last year; 18 percent the year before that; 15 percent the year before that.

I mean, well over—well, about 50 percent of the cuts occur in the last 3 years. So he back-end loads this thing. He does not do heavy lifting early on. It is left to the next generation, not surprisingly, and next Presidents to deal with this.

Again, that is another form of wishing it away. I am sure every President has presented budgets at one point in

time that suggest they will balance the budget, but they never suggest we do it starting now, they always suggest we do it down the road sometime. That is not the responsible way to do it.

Mr. ASHCROFT assumed the Chair.

Mr. THOMAS. It is interesting that Mark Phillips from the Concord Coalition says:

Funny thing about these elusive outyears, they never seem to arrive.

Is it not also true that the tax reductions, the tax cuts the President has go into effect much earlier than do the spending cuts?

Mr. SANTORUM. That is always the way it is with taxes. For example, you can look at the Clinton budget in 1993. We had tax increases and spending cuts. Tax increases went into effect right away. We felt all those tax increases immediately. What we have not felt yet from the first budget in 1993 of the President is the spending cuts. They do not come around. They have not occurred. So now we are back and having to make the tough decisions on actually reducing spending.

Again, the Senator is right with the tax cuts. The President wants to get the tax cuts in now because it is election time; you want to help people out, give back a little of their taxes. Now he wants to cut them right before the election. It is clear, the spending cuts do not come.

Mr. THOMAS. One question. This is sort of unclear. We had the President, of course, and his advisers saying it was not prudent to set a time. That is when we had 7 years and he had no budget. Now he has a time and Mrs. Tyson says that is exactly what we should do, even though she decried it before.

Mr. SANTORUM. Decried it, she was outraged that someone would do this. This was going to be the fatal blow to our economy. She went at great length to say that setting a time certain to bring the budget into balance would be disastrous for the economy, and now that the President has been convinced to do it, it is now a good idea.

It amazes me, it absolutely amazes me how they just—as Representative OBEY from Wisconsin said about the President of his party—President Clinton's decision is like the weather, if you do not like it, wait and it will change. I think that is pretty much the way his advisers see it, that he has no responsibility to tell the country what they believe; their responsibility is to tell the President a line on what they believe.

Mr. THOMAS. The Senator is right. Mrs. Tyson, on February 6, said that their deficit path is a sound deficit path, both for the economy in the near term and forecasting the economy, something she said they were dealing with, that they have it under control.

This was in February, and then this body rejected that budget 99 to zip. She said more recently that we have to balance the budget, we want to get a balanced budget and to do it in a time certain that makes some sense.

My question is, though, under the best analysis—it is confusing—will this 10-year budget that has been sent down by the President balance in 10 years?

Mr. SANTORUM. This is hard. It is very hard for Members of the Senate and I know the general public to look and say, How does this all work, because you are looking 10 years down the road, in the case of the Republican budget 7 years down the road.

How do they know what they are going to do is actually going to accomplish a balanced budget? Like anybody else who has to deal with projections in the future, whether you are a businessman making projections or a family trying to save for a college education, whatever the case may be, if you are looking into the future and trying to plan things, everyone will tell you, every financial adviser, everybody else will say,

Be conservative in your projection; don't assume that things are going to be great, and everything. Let's try to take a realistic, not worst case—because you don't want to always assume worst case—but take a realistic underestimation of what you think will happen and plan on that. That is sort of a good conservative way to look at it. Don't give it up, don't give the store all away by wishing rosy projections.

That is what the Congressional Budget Office has done. What the President has done has really not been the prudent thing to do. What he has done is just assume everything is going to be great, that we will not have a recession.

Think about this, that we will not have a recession in the next 10 years; that we will not have high interest rates over the next 10 years, that everything is going to continue to grow at a very steady and healthy pace over 10 years. Never has that occurred in a post-World War II economy. Never has that occurred. But yet the President estimates that to be able to achieve his goals.

So as a result, I think most economists who have looked at this have said this is unrealistic, this is not going to happen and what the President has done is simply not belly up to the bar and tell us how he is going to really do this. As a result, we are going to see deficits. If we go the Clinton route, we are going to see deficits well into triple figures, well into the billions.

Mr. THOMAS. I thank the Senator. I have to say, again, I cannot think of anything more important to this country and more important to all of us than having a legitimate debate about facts with regard to balancing the budget, and the idea that somehow we can politically balance the budget and the pain comes in 10 years and we doctor the figures so that it looks good simply does not deal with the problem that is a real national problem to you and to me and to our kids and our grandkids.

So I appreciate very much the efforts that the Senator has made to seek to get these facts out.

Mr. SANTORUM. I say to the Senator that the view he just expressed is a view that is shared by folks across the political spectrum. The Washington Post yesterday, or the day before, I do not remember which, editorialized—one of the great staunch defenders of this President—editorialized against the President and his budget and his assumptions and how he went about coming to his balanced budget and said that the President hurt himself and his credibility, which is difficult to do, but it hurt his credibility by proposing a budget that simply is a smoke-and-mirrors, wishing-the-problem-away kind of budget.

So I think objective sources have looked at what the President has done and rejected it out of hand as a political document, going up on national television, with a 5-minute address trying to, again, through speeches, convince the American public he is on their side. But when you see the actions, the actions do not match the words. Whether it was on his health care speeches or whether it is on his welfare reform speeches or whether it is on the budget deficit, the President will give a great speech. He will give a great speech. He always does. He is a good communicator, and he will get up and give a great speech about what he believes in. But do not listen to the speech, watch what he does. Look at the documents. Look at the plans. Look at what he actually is proposing. Ignore the speech and watch the actions, and you will find that the speech does not match the actions and the actions come well short of what is needed to solve these problems.

Mr. INHOFE. Will the Senator yield on that point for a moment?

Mr. SANTORUM. Yes, I yield.

Mr. INHOFE. I had an experience I will share with the Senator. As I do every Thursday morning, I did a talk radio show back in my State of Oklahoma. I am sensing something that I did not sense in the last few years and that is an awareness—and I think maybe this came with the election of November 1994—the people are finally aware of what is really going on in this country.

They brought this up and I went back and looked it up. They said they have added up the figures—maybe you already talked about this—but in this revised budget he sent down, the figures come up, according to CBO, to over \$1 trillion added to our debt.

Keep in mind, this is from a talk radio show, listeners calling in from Oklahoma today stating that they are actually aware of how much this is being added to the debt. For so many years, the average person in America did not really stop and think about the difference between deficit and debt. So they listened to the President come in and talk about, as President Clinton did during his campaign, that he had a program that was going to eliminate the deficit and had great deficit reductions.

I have often recommended to people to read an article that was in December's Reader's Digest called "Budget Baloney" where they describe how politicians try to deceive the people back home as Clinton is trying to do today by making them think that they have a program that is going to eliminate or cut the debt in some way. They describe it this way: Suppose you want a \$10,000 car but only have \$5,000; you tell everybody you really want a \$15,000, so you settle for a \$10,000 car, so you have cut the deficit by \$5,000. That is essentially what he is trying to do.

The American people are awake now and the people know the difference. They are better informed. And if any message came from the election of November 8, it is that we are tired of the smoke and mirrors, as the Senator from Pennsylvania describes it so accurately, and we want action for a change.

I remember in 1993, in his budget message, the President stood in the House Chamber and said that the CBO is the most reliable operation here—not OMB, not any of the rest, but CBO. Yet, CBO says that his deficits are going to average, over the next 10 years, about \$200 billion. So we are talking about a \$2 trillion increase in our national debt. The people are not going to tolerate that.

Mr. THOMAS. If the Senator will yield, it seems to me there are a couple of reasons why we are becoming more aware—tangible reasons. We have had a debt and deficit for a long time and we all kind of brushed it off and put it on the credit card. But now we are going to have to raise the debt limit \$5 trillion this year and probably another one before this administration is out.

Second, interest payments become probably the largest single line item in the budget next year—probably more than defense. So that becomes real. It takes money out of people's pockets and from other things. Finally, there is the example, it seems to me, of Medicare. It is not a question of whether you do something; it is a question of whether you have reform, or you will be into reserves in 2 years and broke in 7 years. So we have played with this as an abstract thing over the years, I believe, and now all of us are beginning to believe it is not abstract. It is very real and it is there. I just think it is so important that we deal with facts. There is some pain involved. But to try and act as if there is none, that just will not handle the problem.

Mr. INHOFE. I agree with the Senator. But when you say there is pain involved, look at the pain that is associated with continuing on the road we are on right now. The Senator from Pennsylvania just had a young child, and I congratulate him. I hope people realize this young man just had a brand-new baby boy. During that baby boy's lifetime, if we do not change the pattern that we are on right now, according to all of those who are prognosticators of the future, he will have to

pay 82 percent of his lifetime income just to support Government.

I remember the other day during our national prayer breakfast we had somebody from one of the Communist countries prior to the time they got their freedom. He bragged and said they only have to give the Government—he said, "We get to keep 20 percent." I said, "What do you mean?" He said, "Every month or so, we have to give the Government 80 percent of everything we make." And he is celebrating that. I thought about that. Senator SANTORUM's newborn baby is going to have to pay 2 percent more than that to support Government if we do not make a change. He is too young to be able to come in and lobby and say do not do that to us.

So we hear from all these people saying they are going to cut these social programs. Here we are with a defense system right now that is going to be down below what it was in 1980 when we could not afford spare parts. Those things we really need Government for are being neglected by this administration, and I think the people have awakened.

Mr. SANTORUM. I want to say that the Joint Economic Committee is going to have a hearing on the President's budget. I am a member of that committee. I am looking forward to hearing the President's people on his budget and these economic assumptions.

It is, in my opinion, a very cruel hoax on future generations, and on the current electorate, to suggest that we can balance the budget without doing the things that are necessary in reducing spending and changing Government, and that are required by any sound economic view of the future. We are going to talk about that today. Senator MACK has stepped up and said we are going to look at the Clinton budget, examine it and give him an opportunity to convince us that he is right. I am looking forward to that. I am willing to give the President and his people their day, but I am very distressed at this continuing pattern of this President, just trying to pull the wool over the eyes of the American public.

The fact of the matter is that the folks, like my son, Daniel, who was born on Father's Day, are the people that are going to have to pay the price and consequences of the actions we have today. Somebody has to come to the floor of the Senate and defend those children's future. The Senator from Oklahoma is right. They do not have a chance to talk for themselves, so someone has to stand up and do it for them.

My father is an immigrant to this country, and I remember talking to my grandfather on many occasions about why he came to this country and brought my father over as a relatively young person. He said, "Well, the biggest reason he came to America is because he wanted a better life for his children."

Now, have we gone so far in this country, where this generation of Americans cares more about themselves than about their families and their futures? If we have, what does that say about the likely prospects for the future of this country?

What we have is a bunch of people, including the President, who come before the American people and try to scare them into believing that somehow we are going to hurt them and that we, the Republicans, do not care about them, and scare them into keeping the status quo in place, which they know hurts future generations, but, frankly, future generations do not vote now.

Mr. INHOFE. I suggest to the Senator from Pennsylvania, your father sounds like he was a student of history and he looked at what this country is all about. It reminds me that if we remember in our history, when de Tocqueville came here, he came over to study our business system. He was so impressed with the great wealth this Nation had accumulated that he wrote a book. The last paragraph says that once the people of this country find out they can vote themselves money out of the public trust, this system will fail.

We are so close to that point, and yet, this great discovery that was reflected in the election of November shows me that people are saying that we are almost there and we cannot afford to let it continue.

The one thing that the three of us have in common is we are all freshmen, we are new here. I think maybe that is why we are a little bit more exercised on this. We remember the mandate very well. That is all I heard during not just the election, but I have had 77 town meetings since the election. The first thing coming out of the chute is the budget. "I do not care what you do, do something to stop the deficit." That is what we are committed to doing.

Mr. THOMAS. The Senator mentioned something about de Tocqueville. Earlier in his book he said, as he looked at the new democracy and he looked at the new system of people governing themselves, which at that time was a new experiment, he said that the strength of this country was people doing for themselves and helping each other on a local community basis. That is very true. Now we move more and more—and the budget has to do with the direction we take in Government, certainly. When we decide to have less Government which is less costly, we do that as a philosophy, and most everybody subscribes to that. This is the labor that goes with it to cause that to happen. You know, it is all tied together, and we cannot be responsible morally and fiscally, unless we do something about this imbalance that has gone on for 25 years.

Mr. INHOFE. We also have to realize—I do not want to take us off the track of the budget, but de Tocqueville

was also concerned about some of the social problems he saw forecast in this country. He said,

America is great because America is good. When America ceases to be good, America will cease to be great.

So a lot of people in our history, going all the way back to Washington, talked about and addressed public debt, and Jefferson was also outspoken on this. I think we are here in a political revolution in this country, and I think it is an exciting thing. The President will have to be very persuasive.

Mr. THOMAS. Does Senator SANTORUM have a de Tocqueville quote, also?

Mr. SANTORUM. No, I do not, but I do have an editorial from one of my papers, in the Lancaster Intelligencer, which said that the difference between the Republican budget and the President's budget, and they were very supportive of the President's budget, is that the President's budget is compassionate. The President's budget is compassionate because it does not tear apart all these programs that are here in place in Washington.

I would suggest to them that compassion—if compassion is measured by a group of people in Washington willing to take people's hard-earned money and give it to people that they see fit to give it to, if that is the measure of compassion I can tell you it is very easy for me. It is no skin off my back to vote money from somebody else and give it to somebody else.

Some people say that is compassion. If I go to someone who is working 16-hour days, 6 days a week, and I tax him more money and give it to somebody else who may not be working as hard or may have a problem, whatever the case may be—I am sort of removed from this. It is not hurting me. I am not taking any money from me here. I am taking it from somebody else and giving it to somebody else. Where is that compassion?

The word compassion, if you look at the derivation of the word compassion, it means "with suffering." I am not suffering with anybody. I am not suffering with anybody. I am telling you to give money. And I am taking it from you and giving it to him. Where am I involved in the suffering here? There is no suffering.

It makes you look nice. It is great to be able to go into a community where you are handing out money. Look, I love to present checks. Oh, it is great to take other people's money, who worked hard for it, and have me give it to people. It is a wonderful feeling. You feel great. But are you really compassionate? Is that action truly compassionate? Is there any "suffering with," that is going on here? No, no, it is not compassion at all. It is politics. And it is easy and it is fun. Oh, I know it is fun to just take that money away from those people who are making too much money and give it to folks who are not making enough. It is sort of the modern day Robin Hood. But there is no suffering here.

What the Senator from Wyoming said is absolutely right. This country is a great country because we have people who cared about people, who did "suffer with," who did care about their neighbor, who did know who their neighbors were and went out and did something about it. And because Government has gotten so big and is starting to do so much for people, we stop doing so much for each other because it is not our job anymore. It is not our job to help take care of our fellow neighbor. There is a Government program that does that and just call this office, toll free.

That is not what made America great. Toll-free numbers for calling a Government bureaucrat is not what made America great. What made America great, what the Senator from Oklahoma said, is the goodness of America. I can tell you there is nothing good about taking money away from people who work hard for it and giving it to people who we want to for whatever reason we want to. That is not good. That may be necessary in some cases. There are people in this country who do need help and there are Government programs that do it. But do not come here and say that is good, or that is compassionate. It may be necessary sometimes.

What is good is if you participate individually, if you get out there and help your neighbor and become part of the fabric of community, which is what de Tocqueville wrote about over 100 years ago. That is what makes America great. That is what we are trying to get back to—understanding that families and communities and neighborhoods are important to the fabric of our society. And if we continue to lose them we will lose America.

So, the Lancaster Intelligencer is dead wrong. There is nothing compassionate about keeping the Federal Government in control of people's lives. It is anything but compassionate because there is no suffering here. There is only more suffering out there.

Mr. THOMAS. The Senator has made a great point. One of the exciting things, it seems to me, about this Congress is that we have for the first time in many years an opportunity to take a look at Government programs that have been in place for 30 or 40 years, such as the War on Poverty—which has failed. There are more people in poverty now than when it began.

So we are not talking about taking away the safety net. We are not talking about doing away with the assistance to people who need assistance. In welfare we want to help those, but help them back into the workplace. And that is exciting, to have for the first time a chance to say, Is there a better way to provide this assistance? Is there a more efficient way to do something, rather than just continuing to fund failed programs? I think that is the exciting thing we are doing.

Mr. INHOFE. I think it is inherent in the bureaucracy. We have to address it that way.

I can remember a very famous speech that was made, back in 1965. My colleague and I, we may be freshmen here but we are the two oldest Members of the freshman class. We can remember this well. The speech was called "A Rendezvous With Destiny" by Ronald Reagan. It was his first political speech. It was back during the Gold-water campaign.

In this speech he said something very profound. He said, "There is nothing closer to immortality on the face of this Earth than a Government program once started."

I learned this lesson when I was mayor of the city of Tulsa. This is kind of an interesting story and tells you what is happening here today.

I went in and made a decision that over a 5-year period I would keep the level of government, city government, the same size yet increase the delivery of services. I did this because at that time the average large city doubled in size every 5 years. I thought, let us try to stop that. So I started firing people for inefficiency. And when I saw them later and said, "I thought I fired you," and they said, "Well I have been reinstated," I found out in government you cannot fire people for inefficiency. I found the way to do it. You defund departments and get them all.

There are some bureaucracies that were at one time performing a function that was needed; the problem went away, but the bureaucracy continues. This is what we are talking about, going through, having sunset provisions where we can say, Is this thing really needed? Is this in the public interest anymore, as it was 40 years ago when that particular agency was started?

It is not a lack of compassion, as the Senator from Pennsylvania has said in such an articulate way, because we are compassionate. But when I have town-hall meetings, I talk to senior citizens. Sometimes when I have them during the day, 90 percent of them are senior citizens or retired people. They come up. Of course when you tell them what is going to happen if we continue on this road, what is going to happen to their grandchildren and great grandchildren and generations to come, I find these people are not selfish. They just do not want to be cut unless others are cut.

The Senator might remember when the Heritage Foundation did a study here a few years ago where they said if you put on a growth cap of 2 percent for just a matter of 5 years on all Government spending, you will balance the budget in that period of time and will not have to cut or eliminate one Federal program. Just stop the increase, the accelerated growth. That is, I think, what we are trying to do.

Mr. THOMAS. That is the interesting and not well understood point. Two years ago—when the President talks

about deficit reduction, the fact is there was no cut in spending. The fact is the spending still continues at 5 percent and the cuts, the deficit reductions were bookkeeping things and raising taxes. We still continued. So we are talking not about cutting overall spending. We are talking about reducing the growth. I thank the Senator.

Mr. INHOFE. The Senator might remember, he and I were both in the House of Representatives back when President Bush—I criticized him publicly because of some of the assumptions he came up with in his budget resolution as to growth assumptions. A lot of people do not realize for each 1 percent growth in economic activity, there is a generation of new revenue of about \$24 billion. He was a little overly optimistic on some of the projections his people put forward for him also on gas tax revenues and some of the other things.

I think we want to be realistic. We want to get to where we are going and that is to eliminate the deficit by the year 2002. I would like to do it by the year 2000 instead of 2002. I think most of us would. But we are on the road to doing something realistic. Let us stay with it.

Mr. THOMAS. We are. I thank the Senator for his comments.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

SMALL RURAL HOSPITALS

Mr. GRASSLEY. Mr. President, I will join Senator BAUCUS and Senator ROCKEFELLER in introducing the Rural Health Improvement Act of 1995.

The purpose of this legislation is to establish within Medicare a rural hospital flexibility program.

Such a program is badly needed. Many smaller rural communities, and their hospitals, are unable to sustain the full range of hospital services necessary to qualify for participation in the Medicare Program. There are several reasons for this. Among the most important is that the Medicare rules and requirements for full service hospitals are burdensome and inflexible. Compliance with them is difficult for smaller rural facilities. Furthermore, Medicare reimbursement is inadequate. This latter problem is compounded by the fact that these hospitals are likely to be dependent on the program—most of their patients in any given year are likely to be Medicare beneficiaries. Thus, most of their reimbursement comes from the Medicare Program.

As a consequence, under the current Medicare rules and reimbursement levels, many of these small, rural hospitals across the country could go out of business. If they do, their communities would lose their current access to emergency medical services.

This legislation could make the difference between survival and closure for these hospitals. In Iowa, there are at least 10 hospitals, perhaps more,

which could qualify for participation in the program this legislation would establish.

This legislation would help those hospitals to continue offering essential hospital services in at least four ways: It would provide more appropriate and flexible staffing and licensure standards. It would reimburse both inpatient and outpatient services on a reasonable cost basis. It would promote integration of these hospitals in broader networks by requiring participating States to develop at least one rural health network in which the rural critical access hospital would participate. And it would require the Secretary of Health and Human Services to recommend to the Congress an appropriate reimbursement methodology under Medicare for telemedicine services.

Hospitals which participate in this program could thus continue to provide an essential point of access to hospital level services in their rural communities. Essentially, these hospitals could pare back the services they offer to emergency care services and to 24-hour nursing services, while continuing to participate in the Medicare Program on a reasonable cost basis. In this way, they would continue to be the major point of access to emergency medical care in their communities.

Again, I am pleased to join my colleagues, Senator BAUCUS and Senator ROCKEFELLER, and I commend their leadership on this problem.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I ask unanimous consent to speak as if in morning business for 6 minutes.

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

THE PRESIDENT'S BUDGET

Mr. FRIST. Mr. President, I wish to continue the discussion begun this morning by my fellow freshman Senators on the President's budget proposal introduced last week.

Mr. President, I am pleased to see that President Clinton has joined Republicans in at last recognizing the need—the critical need—to balance the Federal budget.

But while the President's new position is a dramatic policy reversal from his previously stated view, and his new budget proposal is an improvement over his last one which did nothing to reign in the growth of government, the President's budget does not go nearly far enough.

Mr. President, the President's logic that slowing the path of deficit reduction would ease the pain on the elderly, on students, on the disabled, and the economy just does not hold up. In fact, the reverse is true. Delaying balancing the budget is more costly in the long run, as we run up more and more debt and higher and higher interest payments. And according to CBO, expected

reductions in interest rates that would result under the Republican balanced budget plan are not certain to materialize under the President's plan. This means that under the President's plan, home mortgages, business loans, credit card interest, and virtually everything that is affected by interest rates in this country would be more expensive. And finally, delaying balance for 10 years runs the risk that we may never get there if we do not put our country on a strict diet of spending discipline beginning now.

President Clinton has recognized that there must be spending restraint on entitlement programs, such as Medicare and Medicaid, if we are to achieve balance, and I commend him for at least talking the talk of entitlement reform. But the President's specific proposals are troublesome. The Clinton June budget actually spends \$1 billion more in nondefense discretionary spending than did his February budget. And it relies on overly optimistic estimates relating to economic growth and the cost of increases in Medicare and Medicaid. These rosy estimates, while appearing to be only slightly different from congressional estimates in the early years, are greatly magnified over a 10-year period. As a result, deficits will be much higher if analyzed using Congressional Budget Office figures.

According to the Congressional Budget Office—who Mr. Clinton once exalted and now deplores—Mr. Clinton's latest budget will fall far short of its goals, and like the last budget Mr. Clinton sent to Capitol Hill, will still leave the Nation in debt by as much as \$234 billion by the year 2002.

It is clear to me what the President wants to do. He very much wants to balance the budget. He knows that balancing the budget is the right thing to do. But he really does not want to make the hard choices that must be made if we are going to truly put America back on the road to fiscal health.

The President's budget proposals relating to health care are indicative of the President's split-personality budget. He first takes a lower baseline for Medicare and Medicaid, which in plain terms means how much these programs are projected to cost over the next 10 years. This averts some pain by saying, "It's really not as bad as we thought." Then the President's budget proposal reduces spending for Medicare—only by cutting payments to providers. In effect, the President is saying, "Let's reduce spending for Medicare, but only if it doesn't hurt anyone." There are no proposed changes for payments to beneficiaries or real reform of the system.

Mr. President, this approach does not make any sense in 1995. We must reform Medicare to save Medicare, to improve it, to preserve it. We have to change the program so that it is preserved for generations to come. We will never ensure long-term solvency of the Medicare program by just continuing