

very thoughtful and indepth statement on the job training programs and how they should be adjusted to better deal with the issue of actually training people versus just creating bureaucracy. I think his proposals are excellent and I hope this Senate will take heed of what he has said and follow them closely. As a member of the Labor Committee, I have certainly tried to do that relative to his recommendations.

Mr. President, I ask unanimous consent to proceed as in morning business.

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

THE BUDGET CONFERENCE AGREEMENT

Mr. GREGG. Mr. President, I want to talk a little bit here today, however, about the budget conference agreement which has just been reached, because I do think there has been some information presented in the community at large that is inaccurate and misleading. This budget conference, which I had the opportunity to serve on, has reached agreement between the House and the Senate as announced last night by Leader DOLE and Speaker GINGRICH. It is a very positive event for America. It is the first balanced budget in 25 years, something we are in dire need of if we are as a nation to put our fiscal house in order and to pass on to our children a country which is prosperous rather than a country which is bankrupt.

Those of us who have been working hard in the effort of trying to bring fiscal responsibility to this Government, to make sure we have a nation that does not continually spend away the legacy of our children, are proud that we have been successful in developing this budget. I think there are some points about the balanced budget that need to be noted. As we go into the debate next week, I am sure there will be a lot of discussion and a lot of hyperbole. But I hope we begin from a basis of fact.

Some of the facts that are important are these. First, if we continue on our present course of spending, the Medicare trustees have told us—and four of the Medicare trustees happen to be members of the administration, including the Secretary of HHS and the Secretary of the Treasury—have told us that the Medicare trust fund will go bankrupt in the year 2002. Under the law, once the Medicare trust fund goes bankrupt it cannot spend any money. There will, therefore, be no health insurance program for our seniors. This needs to be addressed. The conference agreement which we have reached addresses that issue and reverses that insolvency situation.

Second, we know that if the Federal Government continues to spend in the pattern which is presented in the original budget of the President and in the President's budget as recalculated, the President's most recent budget as recalculated by CBO, that we would

add over \$1 trillion of new debt to our children's shoulders over the next 7 years. That would be a burden that would be unfair to load on them and which we cannot afford to do. I am glad to report that this budget conference does not do that.

This conference leads us to a balanced budget and, as a result of leading us to a balanced budget, it takes out of the debt stream almost \$1 trillion. That is debt our children will not have to pay. That is interest on that debt that we and our children will not have to pay. That is very important.

Of course there are a lot of side effects that are very positive to reaching a balanced budget and to passing this resolution. They include the fact that for the first time in 25 years, the world community will be able to look at this country and say we have our fiscal house in order. As a result, interest rates will come down for Americans and that will benefit us as a Government, but more important, it will benefit our citizens for, in borrowing to buy a home or improve on their home or to buy a car or to educate themselves or their children, they will pay significantly less because interest rates will have come down as a result of us passing this conference report, which is a balanced budget. So that is some of the good news that comes from this proposal.

I heard reported on the news—and this is what I wanted to specifically address this morning—as I was coming in, by a national organization funded by the Federal Government, that this budget proposal cuts Medicare by \$270 billion and increases defense spending by \$33 billion. If you wish to compare apples to oranges, and you wish to take great leave with the English language, maybe you could say something like that. But if you wish to be at all accurate or fair, you would have trouble defending that statement.

The fact is, Medicare spending goes up significantly under this budget. Under the present projected spending patterns, Medicare will increase at 10 percent annually for as far as the eye could see. We cannot afford that rate of growth. That is three times the rate of inflation. It happens to be 10 times the rate of inflation in the private sector's premium costs on health care. And if it continued to grow at that rate, as I mentioned earlier, the trustees of the Medicare trust fund have told us that the Medicare system would go bankrupt.

But there is no proposal to cut Medicare. There is no proposal at all to cut Medicare. There is a proposal to slow that rate of growth, to slow that rate of growth to 6.4 percent, which happens to be twice the rate of inflation. What does that mean in real dollars? It means over the next 7 years we will be adding in spending to Medicare, \$349 billion over what would be a freeze baseline. In other words, if you froze spending today, you would pull that straight line out, and this is what we

spend on Medicare today. How much will we spend over the next 7 years? We will be increasing spending by \$349 billion. In fact, over the next 7 years, we will spend more on Medicare than was spent over the last 7 years. What will the average recipient see as a result of this increased spending? They will see that instead of getting \$4,300 today in benefit support payments, they will be getting \$6,300 by the year 2000. And in the year 2002 alone, the increase in Medicare spending will be \$96 billion.

How some national news media say we are cutting Medicare is beyond me, but they say it. Unfortunately, they are supported in that frame of reference by folks who are activists here in Washington. But it is inaccurate. It is inappropriate.

What we are doing in this proposal is proposing to slow the rate of growth in Medicare. That is accurate. We are proposing it because, if we do not do that, the Medicare trustees have told us that the system will go bankrupt. The way we are proposing to slow that rate of growth is, I think, constructive. We are going to say to senior citizens in this country, you can have more choices for health care. Instead of using fee-for-service, which is the most expensive system, we are going to give you the choice of also using fixed-cost health care such as HMO's, PPO's, things like that. It will allow you to purchase a health care system at the beginning of the year for a fixed cost and get all of the health care provided to you by one group. It will not say that you have to do that. You can still stay with fee-for-service, if you want. But if you decide to go to an HMO, we will encourage you to do that. As a result, we will slow the rate of growth.

There will also be some other action taken but it will be directed at making the system more efficient, more cost responsive, and continue to deliver first-class quality care. But under no circumstances will there be any cut in Medicare.

The same is true of Medicaid. There is no proposal to cut Medicaid. Yet, if we are to listen to some of the media descriptions of this budget conference, you would assume there was, because they say there is. Actually, Medicaid spending will go up \$149 billion over the next 7 years. Yes, we are going to slow the rate of growth in Medicaid spending again. We have to. Otherwise, we end up bankrupting our children's future. But there is no proposal here to cut it; it is to slow the rate of growth. And we will continue to deliver first-class service and, in fact, I think we will end up with better services because hopefully we will send these dollars back to the States with fewer strings attached. As a result of doing that, I am sure the State governments—as the Presiding Officer, who was Lieutenant Governor from the great State of Ohio, knows—will deliver those services much more efficiently and better once they are freed from this huge bureaucracy which is

the Federal Government. More people get more dollars in support of their needs, rather than more bureaucrats getting more dollars in support of their needs.

So the statement that we are cutting Medicare is inaccurate on its face. We are increasing Medicare spending by almost \$349 billion over what would be a freeze level of 6.4 percent annually, a huge increase. Probably most healthy, it will still be the fastest growing function of the Federal Government.

Yet, if you were to listen to this news report, you would presume that we were slashing Medicare in order to increase defense. Well, Medicare will be the largest and fastest growing function of the Federal Government as result of this conference report.

And what will happen to defense? It goes down. It does not go up, it goes down. The representation that we are increasing defense spending is once again on its face wrong. If you were to take today's defense number and freeze it for 7 years, of that number defense spending will go down by \$15 billion over next 7 years. Essentially, it is flat funding. That would be the best way to describe it. But in real terms, it goes down \$15 billion.

So the Defense Department accounts go down, and the Medicare accounts go up dramatically, which is the policy that is correct, by the way. That is exactly what we should be doing. We should be trying to get the Medicare system into a position where we can afford it, and into a position where the trust fund will be solvent. We must face the fact that we are going to have to downsize the military in the face of the post-cold-war period, and as a result of downsizing the military, less military spending will occur.

This is what this conference accomplishes. Overall, what the conference accomplishes is something that no other Congress has been able to do for 25 years. It balances the Federal budget. It slows the rate of growth of the Federal Government. It does not actually cut spending over that period, overall Federal outlays. In fact, overall Federal outlays will go from \$1.5 trillion in 1995 up to \$1.875 trillion in the year 2002. There will be an annual rate of growth of the Federal Government of 3 percent. But, as I stated earlier, in getting to a balanced budget, it eliminates almost \$1 trillion of what would have been deficit spending had we stayed on the glidepath presented by the President. Well, there was no glidepath presented by the President. It was sort of a take-off path by the President in the deficit area; or if we just let things be as they are.

The reason we have done this is very simple. If we continue to run these deficits, if we do not address this issue now, as I said earlier, we will pass on to our children a nation which is bankrupt. That is not fair, and it is not right. It has been said many times on this floor by many members of our party that our reason, our purpose, in

seeking this position here in the Senate is to put the fiscal house of the Federal Government in order—to downsize the Federal Government, and to return authority and the dollars to the States. This budget is the first step in accomplishing that goal.

I certainly congratulate Senator DOMENICI, who is the driving force behind developing this budget on the Senate side; Chairman KASICH, on the House side; and, obviously, Speaker GINGRICH and Leader DOLE, for having the foresight, the vision, and the courage to put together this most extraordinary budget which will pass to our children a very critical gift, which is the gift of a Government that is fiscally sound.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DEWINE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MESSAGES FROM THE HOUSE

At 12:27 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1854. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1996, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 1854. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1996, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1115. A communication from the Principal Deputy Under Secretary of Defense (Comptroller), transmitting, pursuant to law, a report of a violation of the Antideficiency Act, case No. 94-10; to the Committee on Appropriations.

EC-1116. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to revise the manner in which the Army will participate in the establishment and operation of the National Science Center for Communications and Electronics; to the Committee on Armed Services.

EC-1117. A communication from the Acting Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, a report; to the Committee on Banking, Housing, and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 961. An original bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize reduced levels of appropriations for foreign assistance programs for fiscal years 1996 and 1997, and for other purposes (Rept. No. 104-99).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SANTORUM:

S. 960. A bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns, and for other purposes; to the Committee on the Judiciary.

By Mr. HELMS:

S. 961. An original bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize reduced levels of appropriations for foreign assistance programs for fiscal years 1996 and 1997, and for other purposes; from the Committee on Foreign Relations; placed on the calendar.

S. 962. A bill to extend authorities under the Middle East Peace Facilitation Act of 1994 until August 15, 1995; considered and passed.

By Mr. BAUCUS (for himself, Mr. GRASSLEY, and Mr. ROCKEFELLER):

S. 963. A bill to amend the medicare program under title XVIII of the Social Security Act to improve rural health services, and for other purposes; to the Committee on Finance.

By Mr. JOHNSTON:

S. 964. A bill to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System and for other purposes; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself and Mr. DASCHLE):

S. Res. 141. A resolution to authorize representation by Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SANTORUM:

S. 960. A bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns, and for other purposes; to the Committee on the Judiciary.

THE 1995 COMMUNITY PROTECTION INITIATIVE ACT

• Mr. SANTORUM. Mr. President, today I am introducing the 1995 Community Protection Initiative Act, a bill