



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 104<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 142

WASHINGTON, THURSDAY, JUNE 13, 1996

No. 87

## Senate

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

### PRAYER

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

Almighty God, make us maximum by Your Spirit for the demanding responsibilities and relationships of this day. We say with the psalmist, "Blessed be the Lord, who daily loads us with benefits, the God of our salvation!"—Psalm 68:19.

We praise You that it is Your will to give good things to those who ask You. You give strength and power to Your people when we seek You above anything else. You guide the humble and teach them Your way. You know what we need before we ask You, and yet, encourage us to seek, knock, and ask in our prayers. When we truly seek You and really desire Your will, You do guide us in what to ask. Our day is filled with challenges and decisions beyond our own knowledge and experience. We dare not press ahead on our own resources. In the quiet of this magnificent moment of conversation with You we commit this day and ask for the wisdom of Your Holy Spirit. Thank You in advance for a great day lived for Your glory. Amen.

### RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Good morning, Mr. President. Thank you very much.

### SCHEDULE

Mr. LOTT. This morning, the Senate will begin consideration of the budget conference report, and will continue the discussion. Under the consent

agreement reached yesterday, there will be 2 hours for debate on the conference report, with the time equally divided between Senators DOMENICI and EXON. All Senators should be aware that a vote will occur on the adoption of the budget at 12 noon today.

The House did act last night—it must have been close to 10 o'clock or so—but they did pass the budget resolution. We will have the papers, and we will be prepared to vote at 12 noon. Following that vote, there will be a period for morning business to accommodate a number of requests on both sides of the aisle. I emphasize that morning business will be after the 12 o'clock vote, not in the morning as we begin, as is quite often the case.

It is also possible later today the Senate will consider other legislative-executive items. Therefore, Senators should be aware that additional rollcall votes are possible during today's session. We are very hopeful that some agreement, perhaps, could be worked out on how we would handle the Federal Reserve Board appointees. We will have further information on that when we have the vote at 12 o'clock.

I yield the floor.

### CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, the Senate will now move to consideration of the conference report, House Report 104-612, accompanying House Concurrent Resolution 178, which the clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment to the bill (H. Con. Res. 178), a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years

1998, 1999, 2000, 2001, and 2002, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 7, 1996.)

The PRESIDING OFFICER. There will now be 2 hours of debate equally divided between the Senator from New Mexico, Senator DOMENICI, and the Senator from Nebraska, Mr. EXON.

Mr. BYRD. Mr. President, on behalf of Mr. EXON, who controls the time on this side, I yield myself such time as I may consume. It will not be 30 minutes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I am convinced that if this budget resolution conference agreement is fully implemented over the next 6 years, it will lead the Nation into far more serious fiscal difficulty than we are in today. It follows the familiar supply-side policies of the Reagan administration, which, as we all recall, promised to balance the Federal budget while at the same time enacting massive tax cuts, it calls for increases in defense spending even when the Pentagon says it does not need the money, and cuts in entitlements—which never came to pass under the Reagan administration. President Reagan's policies did not result in the economy growing itself out of deficits or in balancing the budget. I voted with the President, Mr. Reagan, in support of his massive tax cuts and I also supported his buildup of a bloated defense budget. Instead, what did we see? We saw a massive increase in the national debt, which rose from under \$1 trillion in the previous 200 years of the Nation to over \$2.6 trillion on January

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



Printed on recycled paper.

S6167

20, 1989, the day President Reagan left office.

Astoundingly to me, the fiscal blueprint contained in this budget resolution conference agreement is remarkably similar to those failed Reagan policies which nearly bankrupted the Nation, and from which we are still suffering, and which are still placing us in desperate straits with respect to our fiscal situation. For example, unlike the Senate-passed budget resolution, which allowed a tax cut to occur in a third reconciliation measure only after enactment into law of the first two reconciliation measures which contained deficit reduction, this conference agreement moves the tax cuts forward to the first reconciliation bill. The instructions for that first reconciliation bill call for the relevant Senate committees to report their proposals by June 21. Those instructions go to those committees with jurisdiction over welfare, Medicaid, and tax breaks.

So what we see then is that this first reconciliation bill will presumably cut Medicaid spending, cut welfare spending, and use those savings to finance a massive tax cut. That first reconciliation bill, I am advised, will reduce the deficit by a mere \$2 billion over the entire 6 years, because the savings from welfare reform and Medicaid will be used to finance a huge tax cut.

I think it is utter folly to be talking about a tax cut at this time in our fiscal history. I say that with respect not only to the Republican tax cut, but also to the tax cut that is proposed by the Clinton administration. I was the one Democrat who voted against the President's budget, so I think I come into court here with fairly clean hands. I voted against that budget for two reasons: One, it cut taxes; and, two, it cut discretionary funding a great deal.

So if that were not enough, this conference agreement also allows for further tax breaks in the third reconciliation bill. Presumably, the purpose for this process is to allow the majority in the Congress to have another bite at the apple, should the President veto the first tax-break bill, or, if the majority finds that they did not do enough tax cutting in the first measure, even if the President signs it, they will have the opportunity to provide more tax cuts in the third reconciliation bill.

I do not try to second-guess the leadership or the other party in this matter. I have tremendous respect for Senator DOMENICI and Senator EXON. They provide a great service to the people of this country and to the Senate, and the Senate is in their debt. I respect them for their sincere judgments. But to those of us—I am one—who participated in the river boat gamble. So I come into court with unclean hands. I voted for the massive tax cuts over a 3-year period. I voted for them, although I did offer an amendment to provide that the tax cut for the third year, I believe, would not go into effect until such time as we could see what the im-

pact of the tax cuts in the first 2 years would be on our budgetary and fiscal situation. But I voted for those. So I participated in that river boat gamble of tax cuts and a defense buildup first. I supported those two things as strongly as did the Republicans in this body. So I am not a Johnny-come-lately after the fact complaining about what the Republicans did on that occasion. I voted with them. I have been sorry for it.

To those of us who participated in the river boat gamble of tax cuts and spending cuts later as proposed by President Reagan, this conference agreement's proposed tax cuts now and spending cuts later is all too familiar to us. Have we not learned our lesson? It is all too easy to enact tax cuts and save the pain for later. I have voted for a good many tax cuts in my 50 years of politics, and I have voted against them. I said to the administration people that it is folly to talk about cutting taxes now with the colossal deficits that we have and the colossal debt that we have; the colossal payments of interest that we have to make on that colossal debt. If we follow the policies proposed in this budget resolution, we are about to do it again. What will keep the results from being the same at the end of this 7-year period as they were when we followed the policies proposed by the Reagan administration?

This budget resolution calls for \$11 billion more in defense spending just in fiscal year 1997 alone than has been proposed by the President. It proposes tax cuts ranging from \$100 to \$200 billion or more. It proposes terrible devastation on the domestic discretionary part of the budget. I have been a member of the Appropriations Committee longer than anybody else in this body. I have been chairman of the Appropriations Committee for 6 years, and I have been a member of the Defense Appropriations Subcommittee for quite a long time. So I view these reductions in discretionary funding of exceedingly important programs to our people and to our country with a great deal of regret. It proposes, as I say, a terrible devastation on the domestic discretionary part of the budget—that portion which funds our investment in our Nation's education, environmental cleanup, clean air and water, highways, bridges and airports, flood prevention, crime control, war against drugs, plus the operations of the entire Federal budget. For that portion of the budget, this agreement, according to the Congressional Budget Office in a table provided to me just last evening, proposes real cuts in domestic discretionary budget authority of \$254.9 billion below inflation over the period of fiscal years 1997–2002—\$254.9 billion below inflation for domestic discretionary budget authority.

The people of this country are going to wake up one day, and they are going to say, "We are tired of having our domestic discretionary programs cut to the bone." It is already into the mar-

row of the bone, and discretionary spending has taken it on the nose for several years. Discretionary funding of domestic programs has borne the brunt of the budget cuts and will continue to bear the brunt of those cuts under this measure that is before us. One day the American people will say, "Where have you been? What is happening to our infrastructure—our highways, our sewage and water projects?" We need more money in West Virginia and in other rural areas to update our sewerage and water systems, and in some instances to install systems for the first time.

I am sure West Virginia is not alone in this. Why cannot we help our people? That is pretty important business—having clean water to drink. I offered an amendment twice here just in the last few days to provide for additional funding for States and for communities that need help with respect to their water and sewerage problems. Those amendments were defeated. Everything is being sacrificed here on the altar of a balanced budget. I do not decry the need to work toward our balancing the budget. But the way we are doing it, the way we are going about it, I object to.

Under this budget resolution, we will be able to purchase nearly \$255 billion less in the year 2002 for domestic discretionary investments than we can today. The needs will be greater. The funding will be less than today.

I would point out that this budget resolution conference agreement cuts domestic discretionary budget authority below a freeze by \$33 billion. That is a real cut. That is a cut from which the American people suffer, and they are going to be asking some questions down the road. They will be shaken out of their lethargy when they wake up one day and see that we are continuing to cut funding for domestic programs that mean so much for the health and well-being of the American people themselves. It is an outrage. It is a disgrace for American communities in this day and time not to have modern water systems. They need them in those rural areas to have pure water. Not to have clean water to drink—what is more important than that? In other words, under this budget resolution, \$33 billion less will be available than would be required to fund the investments contained in the domestic discretionary portion of the budget at a hard freeze level over the next 6 years.

For fiscal year 1997 alone, Dr. Rivlin, the Director of OMB, points out in her letter to the chairman of the Budget Committee dated June 11, 1996, non-defense discretionary spending is cut by more than \$15 billion below the President's request. The President's request was not anything to boast about. I can tell you that. The President's request was too low. The President's budget over the 6 years is \$230 billion below inflation. So that is why I voted against them. It was not anything to beat one's chest over when it came to discretionary programs by President Clinton.

Furthermore, there is a peculiar section in this agreement as it relates to discretionary outlays for fiscal year 1997. According to page 28 of this conference report, section 307 is entitled "Government Shutdown Prevention Allowance." That section will hold in reserve \$1,337,000,000 in nondefense discretionary outlays which will only be made available in the Senate pursuant to section 307(b). That paragraph reads as follows:

(b) REVISED ALLOCATIONS.—In the Senate, upon the consideration of a motion to proceed or an agreement to proceed to a resolution making continuing appropriations for fiscal year 1997, or in the House of Representatives, upon the filing of a conference report thereon, that complies with the fiscal year 1997 discretionary limit on nondefense budget authority, the Chairman of the Committee on the Budget of the appropriate House may submit a revised outlay allocation for such committee and appropriately revised aggregates and limits to carry out this section.

In other words, if I understand it correctly, this section will allow the chairman of the Budget Committee to provide additional nondefense outlays of up to \$1,337,000,000 to the Appropriations Committee "upon the consideration of a motion to proceed or an agreement to proceed to a resolution making continuing appropriations for fiscal year 1997."

This is getting curiouser and curiouser. Section 307 virtually ensures that there will be at least one continuing resolution for 1997. How else can the Appropriations Committee receive the \$1.3 billion in outlays? What is this? This is an attempt by the majority to bludgeon the President into signing appropriation bills which will contain \$15 billion less than he has requested for public investments in education, environmental cleanup, clean air and water, crime fighting, and a host of other programs. We faced this same problem in fiscal year 1996 and the President refused to accept cuts of this magnitude, and we ended up with total gridlock, Government shutdowns, and a record-setting 13 continuing resolutions to keep the Government functioning.

What we have in this agreement, it appears to me, is a blatant attempt to bypass the regular appropriations process even before it begins. Anyone can see that the President will not agree to sign regular 1997 appropriation bills when he is assured of getting \$1.337 billion more in outlays if he waits for a continuing resolution. So the Republican majority has thrown up its hands and given up before it even begins to fight for the enactment of the 13 regular appropriation bills. They have tried to save themselves by creating a "Government Shutdown Prevention Allowance."

This just will not wash. Does the majority think that the President will just roll over and play dead on his budget priorities this year—with cuts of \$15 billion as this resolution requires? Do they think that I and others

who oppose such devastation in domestic investments will be satisfied with such cuts simply because we have a new Government shutdown prevention allowance? Well, let the majority proceed with their proposals and we will meet them one at a time and see how it turns out.

I can tell every Senator with complete confidence that this Nation cannot sustain the levels of cuts to the domestic discretionary portion of the budget over this 6-year period that are contained in this budget resolution without destroying the hopes of the American people for the betterment of their children and grandchildren. The money will not be there for increased investments in education. The money will not be there for an adequate transportation system to move our goods to market and our people to and from work in an efficient manner. The money will not be there for the safety and increased capacity of our national airport system, for improvement in flood prevention, cleaning up the environment, better water and sewage treatment for communities throughout the Nation. These will not be possible. There will be no improvement to these infrastructure systems, which are already in a state of serious deterioration.

Mr. President, like other budget resolutions before this which claimed to balance the Federal budget, several of which were put before the Senate by the present chairman of the Budget Committee, Mr. DOMENICI, this conference agreement contains no enforcement mechanism for any area of the budget except discretionary spending. We have operated under enforceable caps with across-the-board sequester mechanisms for a number of years. So that Senators can be sure that the devastation proposed by the cuts proposed in this budget resolution to the domestic discretionary portion of the budget will occur. Enforcement mechanisms make that a virtual certainty.

But, like all of its predecessors, this budget resolution conference agreement contains no such enforcement mechanisms for entitlement spending or for revenues. In other words, there is no assurance that the spending cuts proposed in any reconciliation measure that may be enacted into law pursuant to this budget resolution will actually result in the savings claimed. Traditionally, those savings have been far less than predicted. Similarly, any revenue increase measures that may occur in any of these reconciliation bills may not achieve the levels projected and the tax cuts may actually cost more than is being projected. If so, there is no method in this resolution to make certain that the revenue projections are, in fact, achieved or that the entitlement savings are, in fact, achieved.

There is no sequester mechanism or automatic tax-surcharge mechanism so that we may be certain that the entitlement spending cuts or any revenue increases will be achieved, or that any

tax cuts will cost no more than is projected. So to all Senators who support this budget resolution today, I ask where will you be when the numbers go south in the future years as they did in the Reagan budgets? Where will you be? There is nothing here to ensure that these deficit projections will be reached. The only sure achievements will be the devastation in discretionary spending—that is a sure achievement—because of the caps for each of the next 6 years.

Finally, Mr. President, in closing let me point out that, despite all the rhetoric to the contrary, this budget resolution conference agreement does not result in a balanced budget in the year 2002. To confirm this fact one simply needs to turn to pages 3 and 4 of the conference report. At the bottom of page 3 one will see under Section 101(4) a heading entitled, deficits.

For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

fiscal year 1997:	\$227,283,000,000.
fiscal year 1998:	\$224,399,000,000.
fiscal year 1999:	\$206,405,000,000.
fiscal year 2000:	\$185,315,000,000.
fiscal year 2001:	\$141,762,000,000.
fiscal year 2002:	\$103,854,000,000.

So, apparently, there will still be a deficit of over \$100 billion in fiscal year 2002 under this conference agreement.

No matter how hard this thing tries to impress by sticking out its chest and spreading its tail feathers, it is still a turkey and it will not fly.

I say this again to emphasize, with great respect to all of the Senators who have had a part in developing this conference agreement. We sometimes do the best we can, and then we are not able to do enough. I was not entitled to sit in on the conference. I do not know what arguments were made and what arguments were made and lost. I am simply looking at the agreement as I find it here today and making my own personal judgment concerning it.

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator has used 29 minutes.

Mr. BYRD. I thank the Chair. I kept my word.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to Senator BYRD, I purposely came to the floor so I could hear his remarks, and I was here for all of them. I cannot respond right now, because the call of duty has me going somewhere else. But four or five of the points the Senator makes, I will state our versions of them, which I think are different than your assumptions.

I share some concerns. It is clear that if I were producing a budget and I were the king and all I had to do was do it myself, while I might come and confer with you, it would not be this budget. But we have to get a majority of the Senators to vote to reduce this deficit.

Frankly, I believe it is a pretty good plan. I think your analysis of the

taxes, the tax cuts—I think we have an explanation that is slightly different, maybe in some respects greatly different, than you assume.

I would say one thing with reference to the appropriated accounts—well, let me say two things. It is most interesting, you have properly stated how much the President cuts discretionary programs. You would then, I am sure, agree that if we took the triggered part of his budget, it even cuts it more. That is the one that is on par—or did you use the triggered numbers? It would be more.

Mr. BYRD. I already took that into account in my numbers.

Mr. DOMENICI. There are two budgets, one which uses the Congressional Budget Office assumptions and one which uses the President's own assumptions. In each instance, the amount of the cuts are different.

But I would say one answer to your concern might be that you might adopt some of the President's Cabinet's approach to out-year appropriated accounts, for they come around and testify they are meaningless; it goes 1 year at a time, and not to worry about it. Frankly, we have not done that because we figure we need some of the savings. But when you put a budget down, you have to stand by it. You cannot find excuses and say it really is not real.

The second point is, we are fully aware that it would be grossly unfair, and probably not good for the country, to not get the entitlement cuts and insist on all of the discretionary. You would have some things out of proportion, and you probably would not get a balance. If you read the report and the resolution, it says if, in 1998, the entitlement savings have not occurred, then the caps are off discretionary accounts. That is not of great help, but it does at least make the point that we are fully aware that to get the balance, you have to have the entitlement savings; you cannot just do the discretionary accounts.

I will return and have a few additional comments. I yield the floor at this point.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, while the distinguished Senator from New Mexico, the chairman of the Budget Committee, is on the floor, I would like to ask him a question.

The PRESIDING OFFICER. The Senator from New Mexico has yielded the floor.

Mr. BYRD. Mr. President, do I have the floor?

The PRESIDING OFFICER. Yes, sir.

Mr. BYRD. Mr. President, I ask unanimous consent that notwithstanding I have the floor, I may ask a question of another Senator without losing my right to the floor.

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

Mr. DOMENICI. I am really going to be in a meeting. I will come back and

answer any questions the Senator has within the next 30 or 40 minutes. I am supposed to be in Representative ARMEY's office at this moment, but I will come back, if the Senator has some questions.

Mr. BYRD. I thank the Senator.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged to both sides equally.

Mr. GORTON. Mr. President, I suggest the absence of a quorum and ask unanimous consent the time be charged equally against both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, I have noted with interest over the last several weeks that our colleagues on the other side of the aisle have repeatedly spoken of the need for a balanced budget amendment to the Constitution. They have talked repeatedly about the need for deficit reduction.

I believe we do need to balance the budget. I believe we do need significant deficit reduction, because we face a demographic time bomb in this country. That demographic time bomb is the baby boom generation. When they begin to retire, they will double, in very short order, the number of people eligible for Social Security and Medicare, and that is going to put severe pressure on the finances of the United States. So it is critically important that we get our fiscal house in order.

Mr. President, given all the rhetoric that has come from the Republican side of the aisle about the need to balance the budget, about the need for deficit reduction, I looked with anticipation at their budget proposal that is, after all, the work that they now control. They control the House of Representatives. They control the U.S. Senate. As everyone in this Chamber knows, and everyone knows in the other House, the President is not involved with the budget resolution. He cannot veto it. He plays no role in it. This is completely a creature of the two Chambers, the House and the Senate, controlled by the Republican Party.

So I think, given the rhetoric, one would anticipate that if you look at the budget proposal, the Republicans would be reducing the deficit. What a shock it is to look at the budget proposal before us and find out that our Republican friends, instead of reducing the deficit, are increasing the deficit.

Let me repeat that, because I am certain a lot of people will find that hard to believe. After all of the rhetoric, after all of the discussion that said we are going to reduce the deficit, that

that is the priority, if you look at the plan before us, it does not reduce the deficit, it increases the deficit.

Mr. President, this year the deficit is going to come in at \$130 to \$140 billion. Next year under this plan, the deficit will not go down, will not be decreased, will not be cut, the deficit will go up. The deficit will go up to \$153 billion. The next year it will be \$147 billion, both higher than the deficit we have now.

Sometimes I think the popular image is the Democrats are less in favor of deficit reduction than our friends on the other side of the aisle, but if one looks at the record, one finds quite a different result.

When President Clinton came into office, he inherited a deficit of \$290 billion. That was the deficit in 1992. In 1993, we passed a plan that not a single Republican supported, and that plan led to a reduction in the deficit the next year of \$255 billion. The next year it was further reduced to \$203 billion. The next year it was reduced to \$164 billion, and now this year, \$130 to \$140 billion—4 years of deficit reduction, the first time since the administration of Benjamin Harrison.

I think in fairness, one has to say the Democratic record of deficit reduction in the Clinton administration has been a good one. And I must say, I am disappointed our friends on the other side of the aisle, when they have a chance to exercise control over the budget, come in with a proposal that, instead of reducing the deficit, raises the deficit. That is not the direction we ought to be going.

I am still hopeful that we will go back to an approach of a bipartisan attempt to do what we all know must be done, which is to put this country on a path to fiscal responsibility. Not just rhetoric, but the reality.

I must say, I read in the paper this morning that some House Republicans were in revolt, because they did not come here to raise the deficit, but that is precisely what their plan does. Mr. President, I intend to vote against that plan. I hope other of my colleagues will vote against that plan as well, because not only does it raise the deficit, but it contains a set of priorities that are virtually the same set of priorities that we were confronted with last year which the American people soundly rejected—soundly rejected.

We should not go on that path again this year, and we certainly should not be voting for a plan that raises the deficit.

I thank the Chair and yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, if my colleague will stay just for a moment, I would like to engage in a colloquy with him about a point the Senator from West Virginia made.

I have been listening to part of the debate and participating in part of the debate. I found the representation both

on the floor of the Senate and even in the newspaper this morning very interesting. It says "House Narrowly Passes Balanced Budget Plan," which is the plan we are talking about here. This is the plan the House narrowly passed yesterday, described as a "balanced budget plan."

This piece of paper is on every Senate desk. It is laying here on mine, but every Senate desk has it, and this is the actual conference report. On page 4 of the actual conference report, it says, "Deficits," and then in the year 2002, it says, "\$103 billion in deficits."

The Senator from North Dakota, Senator CONRAD, has spoken on this before as well, but it seems to me what this does is technically comply with the law, because the law says that you cannot use Social Security trust funds to portray in a piece of legislation like this that you have balanced the budget. But with the exception of this notation on page 4 that the deficit is going to be \$103 billion in 2002, with the exception of that one notation, every other piece of information given on the floor of the Senate, every speech given by the majority that brings this to the floor alleges this is a balanced budget.

Is it just out of step, I guess, with common practice to be able to ignore what you put in the legislation and claim something different? Can Senator CONRAD answer that question? I guess the question I would ask is, what is the circumstance that allows this kind of hoax to continue?

Mr. CONRAD. In answer, Mr. President, I might just say it is perhaps one of the most perplexing stories in this town, because this is not a balanced budget plan. I mean, honestly stated, to take the retirement funds of the people of the United States and throw those into the pot and call it a balanced budget, frankly, borders on laughable. There is a \$103 billion deficit by the year 2002 under this plan.

Sometimes I think the media just do not get it. They are reporting on what we call the unified budget. The unified budget is when you put everything into the same pot and then you see whether you have balance or not. The problem with that, of course, is that includes Social Security, all of the receipts and all of the expenditures. Social Security is not contributing to the deficit, as the Senator from North Dakota knows, Social Security is in surplus, substantial surplus. And that is going to continue. In fact, those surpluses are going to grow, and the reason we put a plan in place to have Social Security surpluses grow is because we are getting ready for when the baby boom generation retires.

But, of course, we are not getting ready; we are spending every dime. As a result, to call these balanced budgets is not accurate. It is misleading.

Mr. DORGAN. If the Senator will yield further, on the same page it says, "Social Security revenues," and they are anticipating how much in revenues will come in to the Social Security Program during the next 6 years.

During the 6 years, the revenues from Social Security, which is the payroll tax everyone pays from their paycheck while they are working, will increase by \$100 billion over the 6 years. It will go from \$385 to \$487 billion. In other words, this contemplates that from the payroll taxes, which are regressive taxes, will rise by \$100 billion. People talk about flat taxes. These are the flat taxes. This is totally flat. Every worker, no matter what their income is, pays the identical percentage of payroll tax. That payroll tax will increase the proceeds to the Federal Government by \$100 billion in the 6 years.

The solemn promise that has been made in law is that increase in the regressive payroll tax is designed to be put in a trust fund to be saved for when it is needed when the Social Security System will exhibit some strains when the war babies retire. It is interesting to me that the \$100 billion increase in the regressive payroll tax is clearly not going to be saved, if you listen to the other side claim they now have balanced the budget, because they clearly are taking that \$100 billion on the bottom of page 4 and saying, "Well, we don't care what the promise is with respect to taking that from workers and putting it in the trust fund, we intend to use it to balance the budget."

At the same time they want to construct a budget they say needs balancing, they want to reduce taxes. Yes, they want to cut the alternative minimum tax for corporations, they want to make it easier to move your plant overseas by giving a tax break, they want to enact a whole series of tax cuts. Most of those tax cuts will benefit upper income people.

They want to bring, next, to the floor of the Senate a proposal to build up to a \$60 billion star wars program. There is an unending appetite to spend money on the part of even those who claim they are balancing the budget, but are not balancing the budget in this proposal.

I ask Senator CONRAD about the \$100 billion increase in Social Security revenues that are anticipated in this budget. Does it not appear as if those are the revenues that they would then use to claim they have balanced the budget, when in fact they have not?

Mr. CONRAD. In fact, if you take the amount of money over the 6 years, it is \$525 billion of Social Security surpluses that are going to be used to say that the budget has been balanced. So \$525 billion of Social Security surpluses are going to be looted or raided, or whatever terminology one wants to apply in order to claim a balanced budget.

This is not a balanced budget. In fairness, I think one ought to say the President's plan is also not a balanced budget. Even the plan that I was part of, part of the centrist coalition, was not truly a balanced budget. None of these plans are truly balanced budgets.

In fact, the only plan that we have had a chance to vote on in the last 2 years that was truly a balanced budget

was the one I offered last year, and the Senator from North Dakota supported it, the fair share balanced budget plan. That did balance without counting Social Security surpluses. It is the only budget that has been voted on on the floor on the Senate that was a true balanced budget plan. That got 39 votes here in the U.S. Senate. Obviously, 39 votes does not prevail.

I just say, the media, when they report, ought to tell the people accurately and honestly what has happened. Because to take retirement funds and throw those into the pot and call it a balanced budget, if we were doing that in the private sector, if in any company you took the retirement funds of employees, threw those into the pot, and said you were balancing the budget, you would be headed for a Federal institution. It would not be the U.S. Congress. It would be a Federal facility, a law enforcement facility. You would be headed for Federal prison because that is a violation of Federal law.

Mr. DORGAN. Let me make one additional comment.

Mr. President, I know the Senator from Nebraska wishes to contribute on these subjects. But the Senator from North Dakota says something I said yesterday. The President's budget also is not in balance, nor was the bipartisan budget in balance. I have never claimed they were. But those who bring this to the floor who claim they are in balance are wrong. This is not a balanced budget.

I only make the point that the Senator from Nebraska has been on the floor talking about this budget issue. I read his statement yesterday. I did not hear his statement when he made it, but I read it in the CONGRESSIONAL RECORD. He makes the point that I think is very important.

We ought not be talking about tax cuts. I know that might be popular. We ought to set the issue of tax cuts aside, talk seriously about how do you honestly and really balance the budget, do that job, finish that job, then come back to the question of how do you construct a tax system that eliminates or reduces some of the burden on middle-income people? That is what we ought to do.

But instead of that, we have a bunch of folks out here who wave their arms and flail around on the floor of the Senate and claim they have a balanced budget, which is not in balance; and then in the next breath say, "We not only have a balanced budget"—that is not in balance—"but we want to cut taxes and increase spending."

What on Earth kind of priorities are those? That does not make any sense. I could understand if there was a consistent approach, even if it was wrong. I can understand consistency. But to be consistently inappropriate in the way you approach this issue just makes no sense.

How can you be for a balanced budget and then come to the floor with this

and be consistent about wanting to do the things that reach a balanced budget? This is not advertising. I mean, this is not some marketing game we are playing. The issue is, are we going to solve this problem?

This document is a remarkable document, not only for what it says, but for what it does not say. What it says is, "There they go again." That is what it says. That is what the Senator from Nebraska said. It is the same tired, old set of priorities. "Let's take money from the health care for the elderly and give it for tax breaks for upper income folks." There they go again; the same set of priorities.

But even more important than that, the inconsistency here is stark, the inconsistency of saying we want a balanced budget, then proposing one that is not in balance and then in the same breath saying let us reduce revenue by giving tax cuts to those, especially those at the upper end, who do not need it. And then let us spend more money especially on things like star wars and other defense boondoggles that cost tens and tens of billions of dollars. The inconsistency is incomprehensible. Senator CONRAD made that point and Senator EXON has made the point as well.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Nebraska has 13 minutes remaining.

Mr. EXON. How much?

The PRESIDING OFFICER. Thirteen minutes.

Mr. EXON. Mr. President, I have three other speakers who wanted 5 minutes each, including the leader.

At this point, Mr. President, I thank the senior Senator from West Virginia for the kind remarks that he made about this individual with regard to the budget. He is a real stalwart. I have enjoyed working very much with Senator BYRD over the years.

Mr. President, I ask unanimous consent that an analysis of the Republican budget, prepared by the Democratic staff of the Senate Budget Committee, be printed in the RECORD.

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

ANALYSIS OF THE REPUBLICAN CONFERENCE REPORT ON THE FISCAL YEAR 1997 BUDGET RESOLUTION PREPARED BY THE DEMOCRATIC STAFF OF THE SENATE BUDGET COMMITTEE

#### INTRODUCTION

With the filing of this conference report, all of the efforts of the Republican majority to portray their budget as moderate are in vain. The Republican majority have done a superb job to airbrush their budget, but the American people can see the real thing—warts and all.

It retains the same unflattering profile as its predecessor: unnecessary reductions in Medicare and Medicaid paying for tax breaks for the wealthy. This is in fact the Newt

Gingrich Budget. And as Senator DOLE leaves Capitol Hill for the campaign trail, he leaves whatever is left of his budget to the tender mercies of the extreme right. They will give it their full attention.

This reshaped budget is part and parcel of the Republican strategy of no-work and all-political-play. They wanted to ram through their failed and stale political agenda and confront the President at every turn of this crooked legislative road. Worst of all, two of the three baby reconciliation bills the conference report creates will be devoted largely to cutting taxes—an act that will worsen the deficit.

The House is already working its voodoo in this conference report. At least the Senate language required that all the entitlement spending reductions be enacted into law before we considered the tax breaks. The House shamelessly tossed that requirement out the window and the Senate concurred.

The first reconciliation bill contains Medicaid, welfare, and tax breaks. So much for performing deficit reduction before doling out the tax breaks. So much for fiscal conservatism. The first reconciliation bill will reduce the deficit by just \$2 billion, if it reduces the deficit at all. This is as plain as the light of day. The majority now want to eliminate the Medicaid guarantee of meaningful health care benefits for 18 million children, 6 million disabled Americans, millions of nursing home residents, 36 million people in all, to fund their tax breaks.

The conferees assume a net tax cut of \$122 billion, yet Chairman Kasich maintains that the cuts will be as large as \$180 billion. There is not a single specific mention of closing tax loopholes or of ending corporate tax giveaways. The same budget that eagerly reduces funding for our Medicare and Medicaid programs cannot find the courage to call upon the special interests to assume any of the burden of balancing the budget.

The Republicans cling to the tax breaks—the tax breaks that fuel the reductions in Medicare and Medicaid and divide our great Nation. That is why they and this budget will ultimately fail. And that is not only a tragedy for the departing Majority Leader but for the American people as well.

#### MEDICARE

The reduction in projected spending for Medicare is still too large. The Republican budget reduces Medicare spending by \$168 billion and proposes \$10 billion in new spending for a graduate medical education trust fund. Under these assumptions, Medicare spending per beneficiary falls dramatically below comparable private sector growth rates, reducing quality and access to health care for millions of middle-class Americans. Private health care costs are expected to increase by 7.1 percent per beneficiary compared to a 4.7 percent per-person rate in the Republican plan—a 34 percent difference. The GOP plan will dramatically cut the purchasing power that seniors have for health care.

The plan also includes a premium increase for high-income beneficiaries and a \$123 billion reduction in Part A. Details on the premium increase are not available. The American Academy of Physicians, the American Hospital Association, and the American Association of Retired Persons concur, however, that the proposal contains deep cuts in payments to hospitals, which could result in cost-shifting, undermine quality, and threaten the financial viability of many rural and urban hospitals.

Damaging structural changes proposed by the Republicans will risk turning Medicare into a second-class system for seniors who cannot afford to opt out of traditional Medicare through Medical Savings Accounts.

These changes would segregate the sickest and least affluent beneficiaries into in a severely weakened fee-for-service program.

The President proved you can balance the budget with far less Medicare savings while keeping Medicare solvent and protecting seniors from new costs. The President's budget cuts Medicare by \$50 billion less than the Republican plan but maintains solvency for 10 years. The President's budget shows that premium hikes, deep reductions, and damaging structural changes are not necessary to balance the budget and guarantee the life of the Medicare trust fund. By preserving cuts in corporate subsidies for tax cuts for the rich, the Republicans are forced to reduce the growth of programs for middle-class Americans far deeper than the President's plan.

#### REDUCTIONS FROM LOW-INCOME PROGRAMS

Although the Republican budget does not identify all of the assumptions behind cuts in mandatory programs, more than 42 percent of these savings come from programs that help low-income Americans.

#### MEDICAID

The Republican budget includes \$72 billion in Medicaid cuts. This could translate into total cuts of more than \$250 billion if states spend only the minimum required to receive their full allocations. If this occurs, spending growth per person would be reduced to a level below the general rate of inflation.

Recently introduced Republican legislation shows that they have not backed down from their proposal to block grant Medicaid and to eliminate health care guarantees for the elderly, disabled, and pregnant women and children. The Republican bill distributes more than 96 percent of the funding in exactly the same way as last year's Medigap proposal.

As the Democratic Governors have pointed out, these Medicaid provisions do not reflect the bipartisan National Governors' Association proposal, because the NGA agreed that States must be protected from unanticipated program costs resulting from economic fluctuations in the business cycle, changing demographics, and natural disasters. The umbrella fund included in the new Republican proposal is not sufficient to achieve that goal.

Under this proposal, 36 million people will lose their guaranteed access to health care. Those who do receive coverage will no longer be guaranteed a basic level of benefits. States could be forced to deny coverage to millions of children and people with disabilities, and to older Americans who rely on Medicaid to pay for nursing home and long-term care.

#### Welfare

The Republicans claim to adopt the National Governors' Association's welfare reform recommendations. The Republican budget cuts \$53 billion from welfare programs, however, significantly more than the \$43 billion in savings attributed to the bipartisan NGA proposal. Recently introduced Republican welfare reform legislation does include several provisions requested by the Governors. But, as the Democratic Governors have pointed out, the Republican plan cuts food stamps more than the NGA proposal, rejects the NGA's work requirements, and includes a 20-percent cut in the Social Services Block Grant, which will undermine states' efforts to make sure that adequate child care will be available. The Republican bill also eliminates the provision supported by the NGA that States maintain their current level of effort in order to receive Federal foster care funding.

The Republican Medicaid and welfare bill was crafted with no Democratic input. It

would appear that the Republicans would rather play election-year politics than work toward real, bipartisan reforms that could be signed into law.

#### *Earned Income Tax Credit*

The Republican plan includes \$18.5 billion in cuts to the Earned Income Tax Credit (EITC). The EITC helps low-income working families stay off welfare and out of poverty. The conference report does indicate that the tax credit would end for 4 million childless workers, and states that the EITC would be "coordinated" with the \$500-per-child tax credit. Most families who receive the EITC, however, would be ineligible for much, if not all, of the child tax credit. The same claims were made last year, but analysis of the final proposal indicated that more than 7 million working households would have had their taxes increased under the EITC provisions in the vetoed reconciliation conference report.

#### EDUCATION

##### *No Real Investment in Education and Training*

The \$1.3 billion by which the Republicans increase education funding from 1996 to 1997 is wholly insufficient to maintain the levels agreed to in the 1996 omnibus appropriations bill. In fact, over 6 years, the conference report is below a CBO 1996 freeze by \$11 billion for Function 500 (Education, Training, Employment, and Social Services) discretionary spending. It is clear that the Republicans have still not learned that the American people, a majority of Congress, and the President believe that adequate funding for education programs is essential.

The trivial increase included in the conference report of \$2.6 billion over 6 years over the Republicans baseline for Function 500 discretionary spending is shameful given how important education and training is to our Nation. The President's budget, by contrast, invests \$59.4 billion more than the Republican budget. In real terms, the conference report reduces education and training spending by \$25 billion over 6 years.

##### *Capping the Direct Student Loan Program*

The conference report proposes capping the Federal direct student loan program, crippling this successful program. (The conference report does not provide a volume amount at which this cap would be set. The House-passed budget resolution eliminated the program, while the Senate capped it at 20 percent.) Since schools participating in the direct loan program currently handle nearly 40 percent of loan volume, hundreds of schools will be forced out of the program. This will lead to disruptions and disarray for colleges and universities and considerable headache and uncertainty for students. The Republican majority does not believe that competition and choice belong in the student loan market; they want to assure banks and guarantee agencies continued access to Federal subsidies.

Even though the Republicans claim outlays savings of \$3.7 billion over 6 years from their cap on direct lending, their proposal would cost, not save billions, if it were scored under the existing rules of the Credit Reform Act. The Republicans add \$5.8 billion in outlays to the deficit through a "baseline adjustment" directing the Congressional Budget Office to override the Credit Reform Act in its scoring of student loan programs.

#### THE ENVIRONMENT

Over the next 6 years, the Republican budget cuts \$3.8 billion from essential environmental and natural resources programs, a 17 percent cut below the President's level by the year 2002, including a 23 percent reduction for the EPA's enforcement and operations activities and a 36 percent reduction for the energy conservation programs. The

Republican plan uses these reductions to let polluters off the hook, to the tune of \$5.4 billion, by financing taxpayer spending for Superfund cleanups rather than requiring responsible parties to pay the cost.

The Republican budget plan also assumes a \$1 billion of savings will be achieved from the opening of the Arctic National Wildlife Refuge (ANWR) to oil and gas development, putting at risk one of our national treasures. The Republican plan would weaken EPA's ability to protect public health and the environment and lead to further deterioration of the National Parks. The Republican plan jeopardizes administration priorities such as the environmental cops on the beat program, the Partnership for a new Generation of Vehicles, and the Climate Change Action plan.

#### CRIME AND JUSTICE

The Republican budget, as approved by the conferees, actually decreases the funding level from both the House and Senate budgets for the Administration of Justice function (Function 750). The proposed funding level is \$20.9 billion, and is well below the House level of \$22.1 billion and the Senate resolution of \$21.7 billion, and considerably below the \$23.5 billion requested by the President.

The Violent Crime Reduction Fund (VCRF) would be funded at only \$4.7 billion, which is \$300 million below the \$5 billion authorized level. The President requested that the Trust Fund be funded at the full \$5 billion level. In addition, funding for the VCRF is not included for the years 2000 and 2001. The President's budget assumes continued funding for the Trust Fund in those years. It is unlikely that our need to commit adequate resources to fighting crime will end after the year 2000.

At a time when Americans continue to express concerns about the level of violent crime and the need to continue an aggressive war on drugs, this Republican budget would actually spend less money (\$20.924 billion) in 1997 than was allocated in 1996 (\$20.969 billion).

The Republicans continually depict the President as soft on crime and not aggressively pursuing the drug war. This Republican budget at \$2.6 billion below the President's request, however, clearly demonstrates that Congress, not the President, is placing a low priority on fighting crime and achieving justice in America.

#### TAX BREAKS

No one should be fooled into believing that the Republicans intend to limit their tax breaks to \$122.4 billion, as claimed by the conferees. The Republicans try to hide the size of their tax breaks by not including in their baseline the extension of three expired excise taxes dedicated to trust funds and by counting the cuts over 6 years as opposed to last year's 7 years. The Republicans are not backing off of their huge tax breaks; they are merely disguising them with clever gimmicks. Simply extending the excise taxes will raise the tax cut to \$155 billion. House Budget Committee Chairman Kasich claims that the tax breaks will be in the range of \$180 billion.

On its face, this budget does not even pay for the one tax cut it endorses, as the child tax credit costs about \$137 billion. Unlike the cost of the child tax credit that grows incrementally each year, the Republican tax cut in 2002 is reduced to \$16.6 billion from a 2001 level of \$22.6 billion. If the child tax credit is indeed the only assumed tax cut, then it must be sunsetted or triggered-off in some way in 2002, perhaps by lowering the size of the credit.

The Republican budget does not call upon special interests to assume any of the burden of balancing our budget. While President

Clinton has proposed that \$40 billion be raised from corporate reforms and loophole closing legislation, the Republican budget lists no savings from those categories.

The Republican budget allows for a "deficit neutral" tax relief bill that will most likely include capital gains tax breaks and other tax cuts. Chairman Domenici has repeatedly asserted that tax increases can be used by the Finance Committee to offset additional tax decreases. If the past is any guide, the Republicans will soon be proposing to raid pension funds for working families as a way to pay for tax cuts that benefit primarily our wealthiest citizens. As many of the other corporate reform provisions in the Balanced Budget Act have already been promised to pay for other legislation before the Senate, it remains unclear what will be used to offset the costs of any additional tax breaks.

Experience tells us to be very wary of Republican promises of who will benefit from their tax breaks. Last year's vetoed Republican reconciliation bill devoted 47 percent of its tax cuts to people making more than \$100,000. Chairman Kasich has already promised that this year's tax breaks will likely be more of the same.

#### NATIONAL DEFENSE AND INTERNATIONAL AFFAIRS

For 1997, the Republican conferees adopt the Senate position and increased defense spending over the Pentagon's 1997 request by \$11.3 billion. In 1998-2002, the conferees more or less split the difference between the House and the Senate resolutions. This \$11.3 billion increase in 1997 tops last year's Republican budget, which increased spending over the Pentagon's request by \$6.9 billion. As demonstrated by recent action in the House and Senate authorizing committees, much of this increase will go toward wasteful programs that the Defense Department does not want and did not request. In 1998-2002, the conferees allow the defense budget to grow at a rate slower than inflation, yielding spending levels that are well below the President's request for 2001 and 2002. In comparison to last year's budget resolution, this year's effort provides defense with \$7.7 billion more in real purchasing power.

For International Affairs, the conference report provides \$18.2 billion for 1997, which exceeds what was recommended in both the House and Senate resolutions. Despite this relative increase in funding, this allocation is still \$1.0 billion less than the President requested and \$260 million less than appropriated last year. For the period 1997 through 2002, the Republican budget provides over \$18 billion less than the President requested for International Affairs. These reductions will undermine our global leadership responsibilities and compromise our ability to advance core national interests. Republicans once again talk the talk of being a global superpower, but then refuse to walk the walk by allocating the funds necessary to act like one.

#### PROCESS IN THE BUDGET RESOLUTION

The Republican budget contains instructions for three different reconciliation bills to try to maximize Republican exposure during this election year.

The first reconciliation bill addresses welfare, Medicaid, and tax breaks. The resolution moves the tax breaks up into the first bill, which will barely reduce the deficit, if it does at all. The House committee reporting date is this coming Thursday, June 13, and the Senate committee reporting date is June 21. The Senate committees instructed are Agriculture and Finance (both direct spending and revenue reductions).

The second reconciliation bill is devoted solely to Medicare. The House committee reporting date is July 18, and the Senate committee reporting date is July 24. The only Senate committee instructed is the Finance Committee, and for only direct spending.

The third reconciliation bill addresses miscellaneous direct spending and, once again, tax breaks. This way, if the President vetoes the first tax break bill, Congress can send him another. The House committee reporting date is September 6, and the Senate committee reporting date is September 18, not even a month and a half before the election! Senate committees instructed for this bill include Agriculture, Armed Services, Banking, Commerce, Energy, Environment, Finance (both direct spending and revenue reductions), Governmental Affairs, Judiciary, Labor, Veterans. Reporting is no longer contingent on passage of the prior two reconciliation bills, as it was in the Senate-passed reconciliation bill.

You can bet that there will be a continuing resolution—a C.R.—this year. That's because section 307 of the budget resolution—officially named the "Government Shutdown Prevention Allowance"—provides that the Budget Committee Chairman can boost the allocations to the appropriators and lift the appropriations caps by \$1.3 billion in outlays (enough to get to a CBO freeze) if and only if the appropriators report out a C.R. The only question now is, will the FIRST appropriations bill be a C.R.?

The Republican budget contains a tax reserve fund that allows tax cut legislation to be offset by spending cuts. The types of tax breaks allowable show the Republican priorities: family tax relief, fuel tax relief, and incentives to stimulate savings, investment, job creation, and economic growth—read capital gains—so long as the legislation does not increase the deficit.

The Republican budget contains a reserve fund to reauthorize superfund. This will allow discretionary spending to be moved off budget to pay for cleanup without holding original polluters responsible.

The Republican budget contains a provision requiring that asset sales be counted, rejecting the compromise present-value language agreed to on the Senate floor.

The Republican majority has given us another extreme budget, and the Senate should reject it.

Mr. EXON. Mr. President, in view of the fact that we have roughly 10 minutes left—as I understand it, we are planning to vote at noon, I ask the Senator from Washington.

Mr. GORTON. The Senator from Nebraska is correct.

Mr. EXON. Mr. President, in order to expedite the proceedings, I ask unanimous consent that the final 10 to 12 minutes, whatever time is left on the Democratic side, be reserved for use between 11:40 and 11:55 this morning.

Mr. GORTON. Reserving the right to object, would the Senator from Nebraska make that period of time end at 11:50 so that the Senator from New Mexico, as the proponent, may have the last 10 minutes? Can the Senator move it forward a little and end at 11:50?

Mr. EXON. Yes, if the Senator wants that. I agree to amend the unanimous consent request as suggested by the Senator from Washington.

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

Mr. EXON. Mr. President, I suggest the absence of a quorum.

Mr. GORTON. Would the Senator withhold?

Mr. EXON. I withhold.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I regret the absence from the floor of the two Senators from North Dakota who just engaged in a discussion of this and of other budget proposals. But even in their absence, their statements should not go without response.

At one level, the so-called Social Security argument, the proposition that these budgets are not balanced, we are dealing with mere debating points, and relatively outrageous debating points at that.

At a second level, the concerns of the Senator from North Dakota, Mr. CONRAD, who was a part of the same bipartisan group attempting to reach a common ground on that issue, as I was, I wish my remarks to be more serious. I think his were more pointed and more thoughtful. I will try to do the same.

More than a year ago, at the time at which this argument about whether or not payroll taxes and Social Security benefits should be counted when we determine whether or not the budget was balanced, Charles Krauthammer, in his column in the Washington Post, wrote:

In my 17 years in Washington, this is the single most fraudulent argument I have heard. I do not mean politically fraudulent, which is routine in Washington, in a judgment call anyway; I mean logically, demonstrably, mathematically fraudulent, a condition rare even in Washington, and a judgment call not at all.

Why did Mr. Krauthammer, an outside observer, write about this argument in this fashion? For one simple reason, Mr. President. The budget deficit of the United States of America, however many billions of dollars we are speaking of, is an exceedingly simple concept, readily understood by any citizen of this country. It is the difference between the amount of money the Government of the United States spends every year and the amount of money the United States takes in every year.

Unfortunately, for various and sundry purposes, some good, some not so good, we have frequently passed laws that put some of these receipts into a particular fund, spend out of that particular fund, and then we have gone beyond that process to pretend they are not a part of the budget or of the budget deficit. But they are.

The payroll tax is a tax which the Presiding Officer pays and I pay and every other working American pays, just to exactly the same extent that the income tax is a tax or an excise tax is a tax. The money spent by the Federal Government is a Federal expenditure, however worthy or unworthy its purpose, whether it is wasted or spent highly constructively.

When we speak of a balanced budget in the year 2002, we speak of it in the sense of how much money we are spending and how much money we are

taking in. When President Clinton says that he has a balanced budget in the year 2002, he speaks of it in the sense of how much money we spend and how much money we take in. When the bipartisan group, of which the Senator from North Dakota was a part, speaks of a balanced budget, it uses exactly that same concept.

My gosh, Mr. President, by the argument that we received over here, we can balance the budget this year. All we have to say is that \$150 billion of money we spend is not on the budget. Let us pass a law. Just pass a law. Let us say all the money that we spend on national defense is not counted on the budget. Presto, we would have a surplus, and we could all go home, and the budget would not be unbalanced.

Mr. President, obviously, it is not as easy as that. The money we spend on national defense does count. The money we spend on Social Security does count. The money that comes in our payroll taxes does count. When we count everything, the budget is passed.

Even worse, Mr. President, some Members voted against a constitutional amendment to balance the budget unless we included in it this fiction that payroll taxes for Social Security purposes and payments to Social Security recipients did not count. Mr. President, that is especially outrageous because by the time the constitutional amendment was ratified and became fully effective in this country, it would have exactly the opposite effect that the proposal has today.

Today, the proposal outlined by the two Members from North Dakota would say we cannot count as balanced a budget that is, in fact, balanced. We have to state there is a \$100 billion deficit because in that particular year, the Social Security taxes are taking in \$100 billion more than is being paid out in benefits.

We all know, we have been told, we know inevitably that sometime relatively early in the next century, exactly the opposite will be the case: The Social Security trust fund will be paying out more money than it is taking in.

So if these Senators have their way, in 10 or 15 years we will be able to claim a budget is balanced while the Social Security trust fund is going bankrupt and while the country is, in fact, obligated to spend hundreds of billions of dollars every year that it does not have. The books will say the budget is balanced in exactly the same way that it would say that they were balanced today if we just decided to take national defense off budget and claim the money we were spending on it did not count, for some reason or another.

It is for that reason, Mr. President, that Charles Krauthammer, a year and a half ago, said this was the most fraudulent argument he had ever heard in 17 years in Washington, DC. That is not the real issue before the Senate, in our judgment, as to whether or not to

pass this budget resolution. That judgment really rests solely on the question, is it time to begin to move honestly toward a balanced budget? Is it time to arrest the growth rate of a handful of entitlements which each year take a larger percentage of our budget and each year contribute more to our budget deficit? Is it time to assure that we are going to have enough money for the very appropriated accounts about which the Senator from West Virginia was so eloquent, or are we going to allow them to be eaten up completely by these entitlements to the point which we will have no money for any of those purposes—for education, for the environment, for a park system, for the Department of Justice, because we are simply unwilling to deal with these entitlements?

In fact, Mr. President, it is true under this budget resolution, the deficit in 1997 will be larger, by a small margin, than the deficit in 1996. The deficit in 1998 will begin to go down, it will be about the same as the 1996 deficit, and then it will go down more rapidly thereafter.

Mr. President, if we were to adopt President Clinton's budget, the increase in the deficit in 1997 would be even greater, and in every single year it would be significantly more than it is under the proposal before the Senate now. Why? Because he does not arrest the growth of entitlements in the way we do. In the early years, at least, he proposes to spend much more in discretionary spending.

Mr. President, this is what I principally regret about the argument of the Senator from North Dakota. The bipartisan budget, which the two of us supported, also has a higher deficit using these figures in 1997 than in 1996. It has a higher one in 1998 than in 1997. Yet, the Senator from North Dakota and I both supported it. Why? Because, in my opinion, it does a better job in the long-term control of entitlement programs. Thereafter, it allows for at least as much in tax relief to working Americans as does ours, and allows for more in the way of discretionary spending on education, law enforcement and the like. I felt it preferable to the one we have before the Senate now, but we did not win. This one is infinitely preferable to the proposal of the President, and it is infinitely preferable to doing nothing and allowing the status quo to continue and engaging in fruitless debate-point kinds of arguments.

Mr. President, the job would have been easier had we started a year ago. The President's veto of a balanced budget then frustrated that goal. It would have been easier still if we had started 2 years before that, at the beginning of the Clinton administration, or 2 years before that in the Bush administration. For one reason or another, we did not. Now we have a series of excuses as to why we should not start now or, more precisely, why we should do it differently.

Everyone is for a balanced budget. Everyone is for a balanced budget, Mr. President. It is always a different one. It is never the one they have before them. That, accumulated over 30 years, is the reason we find ourselves in our present position.

I believe this resolution is going to pass. I think that will be a good thing. I believe the President of the United States is almost certain to veto the enforcement mechanisms which would make it a reality. That will be a bad thing.

We are likely to be back here next year, whoever is President, faced with the same challenge, but a more difficult challenge. We will be further in debt, it will be more difficult to bring these spending programs under control, but we will have the same debate once again as we do now. It will not be won by debating points. It will only be won by a support of something that is actually before the Senate and something that will actually work, that this present resolution most certainly is.

I suggest the absence of a quorum, and I ask unanimous consent it be charged equally against both sides.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Parliamentary inquiry, how much time does the minority have remaining?

The PRESIDING OFFICER. The minority has 10 minutes.

Mr. DOMENICI. On this side we have how much?

The PRESIDING OFFICER. The majority has 39 minutes.

Mr. DOMENICI. I ask unanimous consent that any time charged to the minority in the immediate past quorum call be charged to the majority, because they are very short of time.

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

Mr. KERRY. Mr. President, I voted against the Republican budget resolution when it came before the Senate. I told this body my reason which distills to one simple truth: It does not reflect the priorities of the American people. Sadly, as soon as Members of the House of Representatives had their say in the budget, as soon as the influence of the Speaker of the House was brought to bear in the conference committee, a bad budget was rendered even worse.

Mr. President, the bill which lies before us is in fact the Newt Gingrich budget. After the drubbing the Republican Party took last year for holding hostage the Government and those its services help as those Republicans sought their scorched Earth budget at all costs, some of the rougher edges

have been slightly rounded, some of the more severe slashes have been moderated. But this is unmistakably a budget without a heart, a budget that has no concept of investment for the future of our country and its people.

When we first considered the budget for the next fiscal year, I tried to improve the bill by restoring funds for environmental protection and conservation efforts, for education—the Gingrich budget marks the largest education cut in history—and I tried to trim unnecessary defense spending to the level requested by the President.

But then as now, the Republican Party has moved in lockstep to prevent us from providing services that the American people urgently need.

As an alternative, the President's budget continues the sound economic and fiscal policy put in place in 1993 which has halved the deficit, kept interest rates and inflation low and created more than 8 million jobs. His budget is the right way to balance the budget.

But this resolution is shameful. The Gingrich budget continues the smoke-and-mirror gimmicks vetoed by the President and rejected by the American people. It slashes Medicare, cripples education programs, and opens tax loopholes for big corporations. This is the wrong way.

Despite continuous and strong economic news, American workers feel insecure. Working families worry about their economic security; they worry about their retirement security. As I travel across Massachusetts, people tell me they are worried about their physical safety and their ability to afford health care.

This Republican budget will only exacerbate this pervasive sense of insecurity. At a time when we are fearful about the level of violent crime and the need to conduct a real war on drugs, the Gingrich budget would spend less in 1997 than was allocated in 1996 for crime prevention. At a time when Americans believe that their only chance to realize the American dream is through education, the Republican budget gives education and training funding short shrift—\$56 billion less than the President's balanced budget. At a time when Americans look toward their senior years and see an uncertain future, the Republican conference report slashes Medicare spending by \$168 billion.

That is the wrong set of priorities for our Nation, for our economy, and for hard-working American families, Mr. President. I reject this conference report as I, the President and the American people rejected the Republican plan last year, and as I rejected only 2 weeks ago this year's Republican plan.

I hope my colleagues oppose the Republican conference report. We can do better for the country and we ought to. I yield the floor.

WRONG BUDGET PRIORITIES

Mr. PELL. Mr. President, the budget resolution conference report now before us once again reflects the impact

of what I fear is an extreme conservative agenda that I believe is not shared by the majority of my constituents, or indeed of the Nation. I cannot support it.

I note at the outset that I was happy to support the bipartisan centrist alternative budget that was offered last month by Senators CHAFEE and BREAUX. In my view, the alternative plan took a more moderate approach based on a far more reasonable ranking of priorities.

I should also note that the budget resolution which passed the Senate on May 23 was somewhat better than the pending conference report. Although I did not vote for the bill, I was pleased that the distinguished chairman of the Budget Committee, Mr. DOMENICI, added \$5 billion to discretionary spending, of which \$1.7 billion was earmarked for education.

Unfortunately, that enlightened step was quickly undone by the conferees, and the budget now before us resembles all too clearly last year's ill-conceived and misguided reconciliation bill that resulted in 2 Government shutdowns and 13 continuing resolutions. It is dismaying to contemplate a repetition.

The budget before us is all wrong, in my view. It continues the preposterous inconsistency of scheduling tax cuts and continuing tax breaks while at the very same time purporting to move toward a balanced budget. It pads the defense budget by more than \$11 billion. And to offset these costly steps, it depends on excessive and unwise cuts in Medicare and Medicaid as well as in welfare and education.

I am, of course, most particularly distressed by the cavalier and to my mind dangerous treatment of the Federal investment in education, which this budget would cut by 20 percent across the board by 2002. The impact would be felt at all levels of education, at a time when enrollments particularly at the secondary levels are climbing to historic highs.

At the college level, the Republican budget would cut the Pell grant program by \$6.2 billion over 6 years. An estimated 1.3 million students would lose Pell grants, and the value of the maximum grant would decline by \$400 per student.

College work study opportunities would be lost by 800,000 students by 2002. The Direct Student Loan Program would be capped, forcing colleges and students out of the program. And national service would be cut, denying opportunity to some 40,000 over the 6-year period.

At the secondary level, in fiscal year 1997 alone, the pending budget will have a very harmful effect on several programs of proven merit:

Cuts in education for disadvantaged children would deny funding for math and reading skills for some 344,000 children.

Safe and drug free school antidrug and antiviolence programs would be cut by \$30 million next year.

Cuts in Head Start would deny preschool education to at least 12,500 children next year.

Funding under Goals 2000 would be cut for 500 schools helping 250,000 students meet higher education standards.

Reduction in funding for bilingual education would eliminate services for some 38,000 students with limited proficiency in English.

Cuts in summer jobs for youth and dislocated workers assistance will result in lost opportunities for skill enhancement for some 81,000 young people.

Mr. President, these reductions might have been justified if every last dollar had been shaved from programs less essential than education, or if national defense was seriously at risk or if every taxpayer in the country was being taxed to the limit of his ability to pay.

But the fact is that none of these conditions obtain. On the contrary, this budget provides tax cuts and tax breaks that may reach \$180 billion for the wealthiest individuals in the Nation while at the same time cutting education programs by \$25 billion.

This is an unconscionable inversion of reasonable priorities and it ought to be rejected out of hand. I can only hope that our successors will bring a more enlightened and responsible attitude to the task.

Ms. SNOWE. Mr. President, I rise this morning in strong support of the conference budget resolution. I believe it provides us yet another opportunity in the 104th Congress to put our Nation's budget on a path toward balance, and does so in the spirit of compromise.

Mr. President, as if we needed any further proof of the difficulty we face in balancing the budget after 27 consecutive years of fiscally irresponsible behavior, the last year and a half has further highlighted the challenges we face in achieving this goal. Even with an overwhelming majority in this Congress expressing strong support for a balanced budget—indeed, 64 Members of this body even voted for the balanced budget amendment just this past week—and a President expressing the same support, we have still not enacted the legislation necessary to put us on a path to balance.

If there is anything that we have learned during these past 17 months, it is that some measure of compromise will be needed by all of us in order to get to what we claim to be a shared goal. The Democratic Party may control the White House, but they do not control the Congress. By the same token, the Republican Party controls the Congress, but not with a margin sufficient to unilaterally override a Presidential veto. Therefore, with neither side having control sufficient to simply make happen whatever they would like, we are forced to exercise give-and-take if we truly wish to move forward at all.

Mr. President, I believe that the budget conference report that has been

crafted demonstrates give-and-take, and is a sincere effort to forge a compromise before the 104th Congress adjourns sine die. By doing so, this resolution gives us a chance to move the process forward. And through continued compromise in reconciliation, legislation could then be enacted that would put us on a path toward balance in 2002.

Therefore, I would like to commend the chairman of the Senate Budget Committee, Mr. DOMENICI, and all of the members of the House-Senate conference committee for their efforts in crafting this conference budget resolution. Their willingness and ability to put together a budget that strikes a compromise between the positions taken by the President and congressional leaders during months of often acrimonious negotiations is a testament to their commitment to balancing the budget sooner rather than later.

Mr. President, during the debate on the Senate budget resolution just this past month, I was part of a bipartisan group of Senators that offered an alternative budget resolution that split the differences on contentious issues such as Medicare, Medicaid, and tax cuts. Although that resolution was ultimately defeated by a narrow margin, it proved that compromise was possible and that Republicans and Democrats could work together and find common ground.

After the defeat of that bipartisan resolution, I voted in favor of the budget resolution crafted by Senator DOMENICI because I felt it offered a sound and reasoned approach to balancing the budget—and could also warrant bipartisan support. I regret that none of my Democratic colleagues voted in favor of that resolution because I believed that it not only offered a fiscally responsible and realistic path to achieving balance in 6 years, but it also demonstrated the ongoing commitment to compromise by the chairman of the Senate Budget Committee, Senator DOMENICI.

In an effort to gain support from Democrats as well as Republicans, Chairman DOMENICI incorporated a variety of the bipartisan budget group's 7-year savings targets in his 6-year Senate budget resolution. Now, following negotiations with the House, the Chairman is again presenting us with a plan that contains many of these similar savings targets. I therefore give this conference report my support—and am hopeful that my Democratic colleagues will reconsider their prior opposition to the Senate budget resolution.

To reach balance, the total level of savings derived in the most contentious categories of the 1997 conference report are very similar to those contained in the bipartisan budget proposal. Specifically, the bipartisan budget assumed \$154 billion of savings in Medicare, \$62 billion in Medicaid, \$58 billion in welfare and the EITC, and

cut taxes by \$130 billion. In comparison, the conference report would slow the growth of Medicare by \$158 billion over 6 years, slow Medicaid growth by \$72 billion, derive savings of \$70 billion from reforms to the welfare and the EITC programs, and cut taxes by a net total of \$122 billion.

Mr. President, despite these similarities, I am sure that there are those who will criticize this conference budget resolution on the grounds that the policies that back the numbers are wrong. I would simply remind my colleagues that a budget resolution is a blueprint and not a final package of policies for balancing the budget. The policies that embrace these targets will be crafted during the reconciliation process. We will have ample time to debate the specific policies that achieve these targets in the coming months.

Still others will argue that the savings targets contained in the 1997 conference report are unrealistic or hurtful. To those I would ask: Is it hurtful to save the Nation's Medicare Program from bankruptcy? Is it unrealistic to believe that Medicaid and welfare can be reformed in a manner that improves the delivery of services to those in need—especially the poor and elderly?

The answer to all of these questions is the same: "Of course not."

One striking example of the unjustified vilifying of this budget resolution is in the Medicare program. As we all learned from the Medicare trustees this past week, the Medicare trust fund is now expected to go insolvent in 5 short years—which is 1 year less than we were told just over 12 months ago—and perhaps in as quickly as 4 years. We have a responsibility and an obligation to make the changes necessary to ensure that this program—which provides essential health care for millions of our Nation's senior citizens—be preserved for 10 years.

Rather than embrace a broad budget goal for Medicare that would allow us to craft a package of reforms to preserve this program for 10 years, opponents contend that the President's plan—which contained real reforms that would only extend solvency of this trust fund for 1 additional year—should be embraced. We owe it to our senior citizens of today—and to those of tomorrow—that this vital program will not be imperiled simply because it appeared to be a good "wedge issue" for an upcoming election.

By the same token, Mr. President, the entire balanced budget debate is not only about today, but also about tomorrow. We must never forget that balancing the budget is not merely an exercise in national accounting, rather it is about improving the lives of every American both now and in the future. Today, a balanced budget would mean improved financial conditions for our Nation's workers and families by providing for higher growth and lower interest rates. We would effectively be putting money in the bank accounts of

working Americans because they would be paying less interest on their mortgages, less on their student loans, and less on their car loans.

At the same time, balancing the budget is about preserving the future by ensuring that our children and grandchildren would not be subjected to an 82-percent tax rate or a 50-percent cut in benefits to pay for our profligate spending today. Every generation of Americans has sought to provide a brighter economic future for the next—but our unwillingness to exercise self control today is imperiling this goal for the generation of tomorrow.

I believe John F. Kennedy said it most succinctly: "It is the task of every generation to build a road for the next generation." I do not believe that building this road for the next generation can be put off any longer. I do not believe that we can stand idly by while our children's inheritance is squandered.

This budget resolution provides us with an opportunity. An opportunity to forge a compromise now—not after the next election. We should not allow the forces of politics to overcome the force of responsibility.

Mr. President, I support this budget agreement.

Mr. FEINGOLD. Mr. President, the finishing touches have been applied to the leadership's Presidential election year budget, and as many of us on both sides of the aisle feared, the cornerstone of that election year budget is not balancing the books but cutting taxes.

Even the few fig leaves that were carefully placed on last year's budget resolution have been removed. The special reserve fund from which tax cuts were to be funded only after CBO certified that we were on a glidepath to a balanced budget has been removed.

Instead we have a Rube Goldberg construction of reconciliation bills, leading to a massive tax cut which, we are told, totals \$122 billion, but which might actually be closer to \$180 billion if one believes the Chairman of the other body's Budget Committee.

If anything, the conference version of the budget resolution provides even more opportunities for enacting a tax cut before the budget is balanced. As I understand the conference report, Congress can now consider tax cuts as part of the welfare-Medicaid reconciliation bill, or as part of a separate tax cut reconciliation bill. It is readily apparent that the goal of this year's budget resolution is not to balance the budget in 7 years, in 6 years, or even sooner.

The goal is to pass an election year tax cut.

Mr. President, the goal, and thus the budget as a whole, is entirely political—a defect that is not unique to this budget resolution. The tax cut bidding war that has been heating up for the past 2½ years is now white hot. The President is proposing tax cuts. The Republican congressional leadership are proposing tax cuts. The GOP can-

didate for President is about to propose tax cuts. Even the bipartisan coalition of Senators proposed a significant tax cut as part of their own budget plan, though I think many in that coalition would have preferred no tax cuts at all until we balanced the budget.

Mr. President, every time you turn around you bump into somebody about to propose a tax cut. Last week, the President proposed a \$1,500 education tax credit, and there are reports that he may propose a tax break for first-time homebuyers. The Republican congressional leadership is pushing a gas tax cut, and has also proposed an adoption tax credit and a series of business tax cuts. And the Republican Presidential nominee is expected to propose a significant tax cut, reportedly as much as a 15-percent across-the-board cut in income taxes, a cut that would cost about \$90 billion a year according to one report.

Mr. President, we may need an environmental impact statement reviewing the loss of all those trees that will be used to make the paper for this blizzard of tax cut bills. The Washington Post took both Presidential candidates to task for their election year tax cut proposals. That June 4 editorial noted that "both men know better," and went on to say that "the candidates are moving, both of them, against what we persist in regarding as their own better instincts toward a bidding war on taxes."

Mr. President, I think that is a fair characterization.

I respect both President Clinton and Senator Dole, and I think they both know better than to engage in this bidding war on taxes. It is driven purely by political winds. With continuing budget deficits facing the Nation, our focus must remain on balancing the budget, not on cutting taxes.

This is true not only for the Federal budget as a whole, but also within the budget in areas such as Medicare. The recent report of the Medicare trustees came as no surprise. We have known for some time that the Medicare trust fund would be insolvent in a few years, a projection that has been all too common over the past 25 years.

We need to devote our economic resources toward stabilizing that trust fund in the short term, and ensuring its solvency in the long term. I regret that the path of this budget resolution is instead to further undermine that trust fund by putting tax cuts ahead of both balancing the Federal budget and the long-term solvency of Medicare.

Mr. President, the bipartisan budget plan that was debated here last month also had this fatal flaw. That plan, which held much promise in so many areas, was fatally flawed by having to provide funding for a tax cut that was neither politically necessary nor fiscally responsible. That it used as its funding source an across-the-board cut in Social Security COLA's not only frustrated the rest of the plan, it also may have jeopardized efforts to reform

the Consumer Price Index which so many respected authorities maintain overstates the cost of living. Making a case that the CPI needs to be modified will only suffer if the savings realized from reform are used to cut taxes rather than to secure the fiscal stability of Social Security.

Mr. President, there was absolutely no need for that bipartisan plan to include a tax cut, and I very much hope that any future bipartisan actions which may flow from that important effort begin by dumping those tax cuts and focusing every last dime of savings on balancing the budget.

Mr. President, I regret that so many have been infected by this tax cut fever. Its symptoms seem to cloud the mind. Even those who persist in believing the thoroughly disproven voo doo economics of the early 1980's can find little on which to launch their arguments for a so-called pro-growth tax cut.

As some have noted, whether or not the "pro-growth" set believe in those discredited policies, there is little doubt that the Federal Reserve and the financial markets do not, and the effects of any tax cut that might be enacted would be countered in short order with an offsetting rise in interest rates.

Mr. President, we can barely cut taxes and balance the budget on paper, let alone actually putting such a plan into effect. Maintaining the fiscal discipline needed to eliminate the deficit is hard enough for Congress. Adding a tax cut on top of that goal is fiscally irresponsible.

Mr. President, this budget resolution invites mischief. It provides multiple opportunities to stray from what must be our most important economic goal, namely a balanced budget. And by opening up these new fronts, it further escalates a tax cut bidding war that is already getting out of control.

Mr. President, we can expect a long, hot summer of tax cut proposals flying back and forth.

Mr. President, it may have appeal in some quarters, but the great bulk of the American people would much rather be dealt with honestly and responsibly. They know that you cannot balance the budget and cut taxes at the same time. You have to choose one road or the other.

Mr. President, let us choose the road to a balanced budget.

Mr. DODD. Mr. President, as I come to the floor today to speak on this budget conference report I am reminded of the immortal words of Yogi Berra: "It feels like deja vu all over again."

Because, contrary to my colleagues' protestations of moderation, this conference report repeats the same mistakes of last year's failed budget process, which twice shut the Government down. Last year's plan gutted Medicare, Medicaid, education, and the environment and was soundly rejected by the American people and this conference report seems to be no different.

Frankly, I'm amazed that after the lessons of last year the Republicans would try to hoodwink the American people into thinking that they have changed their stripes. But this budget does just that by presenting the thin veneer of compromise and moderation, while at the same time maintaining draconian spending cuts in America's priorities and tax cuts for Americans who don't need them.

But the American people will not be fooled. They learned long ago that when it comes to the Republican's budget-cutting efforts, "All that glitters is not gold."

Unfortunately, the only thing that shines in this budget is the repetition of the same mistakes that gave us 13 continuing resolutions and 2 Government shutdowns last year.

For example, on Medicare this conference report calls for cuts of up to \$168 billion. These reductions would leave seniors with an increasingly second-class health care system. The enactment of the accompanying profound policy changes would leave the sickest and poorest Americans in a weakend and toothless Medicare program.

This conference report also represents a \$123 billion reduction in part A. These cuts would limit beneficiary access to hospital health services and limit payments to hospitals. These reductions could result in cost-shifting, affect quality and leave in serious jeopardy the continuing viability of many rural and urban hospitals.

But, Republicans don't stop with Medicare. Medicaid, too, would be gutted by \$72 billion in cuts and block grants that would threaten this Nation's guarantee to provide health care for children and the poor. In fact, under the Republicans' block grant approach, these Medicaid reductions could total \$250 billion if States spend only the minimum required.

If this conference report were enacted, more than 36 million Medicaid beneficiaries, including 18 million children, more than 6 million people with disabilities and millions of older Americans who rely on Medicaid, would lose their guarantee of adequate health care.

But these Medicaid costs are an integral part of a conference report that finds more than 42 percent of its savings by cutting priorities that affect low-income Americans. Is this any way to balance the budget—on the backs of America's poorest citizens while at the same time including sizable tax cuts for wealthy Americans?

Additionally, I hear a lot of rhetoric from across the aisle about moving Americans from welfare to work and making the opportunity of the American Dream available to millions of Americans. Maybe one of my Republican colleagues could explain to me how we are supposed to do that when we're taking away the tools to make those dreams a reality?

In my opinion, there is no better example of the Republicans' insensitive

attitude to the working poor than their proposed cuts in the earned income tax credit. [EITC].

Here we have a program that benefits millions of America's working poor that in the past has had sweeping bipartisan support and that provides an essential lifeline for those Americans trying to escape poverty.

But, while most Americans would look at the earned income tax credit and say "Here's a Government program that works," my Republican colleagues look at the EITC and say, "Here's a place to save money." This is akin to raising taxes on the working poor.

At a time when growing wage inequalities threaten to segregate Americans by economics, it is beyond my ability to understand how my Republican colleagues could pass a conference report that raises taxes on the working poor while cutting taxes for wealthy Americans. But, it seems those kind of skewed priorities have become the norm in this body.

Additionally, this budget continues the Republican assault on education and job training. The overwhelming desire of the American people to see Congress maintain our national commitment to education has led my Republican colleagues to increase funding. But, Americans won't be fooled by these hollow increases.

In real terms, this conference report would mean \$25 billion less in education and training spending over the next 6 years. On the other hand, President Clinton understands the need for maintaining our commitment to education and job training. That's why his budget includes nearly \$60 billion, more than the GOP budget, in new investments in priorities such as Head Start, Goals 2000, Pell grants, school-to-work, summer jobs, and dislocated worker training.

The President's budget also maintains our national commitments to the environment and to crime fighting, which suffer serious blows under the GOP conference report.

For example, the Republican budget cuts nearly \$4 billion, from the President's request for environmental priorities such as energy conservation and EPA enforcement and maintains the GOP commitment to open up one of America's last great environmental treasures, the Arctic National Wildlife Refuge, to oil and gas drilling.

On the crime front, while Republicans like to portray this President as soft on crime, it is Republicans who are actually cutting money that helps keep our streets safe from the scourge of drugs and violent crime. For example, the Violent Crime Reduction fund would see serious cutbacks and the total funding for the Administration of Justice function would be cut by more than \$2.5 billion than the President requested.

Yet, at the same time they're cutting money for crime, education, the environment and job training, this conference report still finds enough money

to provide \$11.3 billion more in defense funding than the Pentagon even requested.

This additional, unrequested funding, along with another \$60 billion boondoggle for a Star Wars missile system serves as a vivid reminder of where the priorities of my colleagues across the aisle lie. And to be honest with this much in additional spending it's hard to take seriously Republican assertions that they truly want to balance the budget.

There's an inherent hypocrisy in suggesting that on one hand we need to balance the budget—even amending the Constitution if need be—while on the other hand calling for additional, unrequested defense spending and a repeal of the gas tax, which will only drive up the deficit.

What's more, these spending increases come on the heels of Republicans' continued insistence that this Congress pass tax cuts for wealthy Americans who don't need them. Last year's budget devoted 47 percent of its tax cuts to people making more than \$100,000 and there is little reason to believe that this year is any different.

Stop me if this agenda sounds familiar. As one of the 11 Senators to vote against the 1991 Reagan budget plan that cut taxes, raised defense spending and plunged this Nation into deeper and deeper debt the similarities are all too familiar.

It was that plan that brought this Nation to the point we're at today. If we hadn't exploded the deficit during the 1980s this debate would not necessarily. But, it seems some people never learn.

If my Republican colleagues were truly intent on balancing the budget in a fair and equitable manner they might want to look down Pennsylvania Avenue to the White House.

President Clinton has presented a budget that puts our fiscal house in order while protecting our values and priorities as a Nation. But, it seems Republicans are more intent on playing politics with this issue, rather than taking up the President's offer to continue the negotiations.

This conference report puts us in the wrong direction toward compromise, but more importantly it puts us on the wrong path toward making a better future for our children. It is my intention to vote against this conference report and I urge all my colleagues, Democrats and Republicans, to reject it as well.

Mr. ROTH. Mr. President, I rise today to express my disappointment that the fiscal year 1997 budget resolution alters my sense-of-the-Senate amendment in a way that completely changes the intent of the amendment agreed to by 57 Senators.

In February I introduced legislation that would create a dedicated trust fund for Amtrak. As chairman of the Finance Committee, I reported out this legislation with the support of my colleagues on both sides of the aisle. On the

budget resolution I offered a sense-of-the-Senate amendment that expressed support for this legislation—for direct funding for Amtrak—and it was overwhelmingly approved by the Senate.

While my sense-of-the-Senate amendment received strong support in the Senate, my amendment was drastically changed while in conference with the House. My amendment was supported by 57 Senators who voted for direct funding for capital improvements to Amtrak. My legislation would have been offset according to the budget rules, therefore, it would not have had an affect on the deficit. It would fund Amtrak without raising taxes, without increasing the deficit, and without cutting funding for other forms of transportation.

Unfortunately, my amendment was modified in conference. The modified version of my amendment would only create an authorization, with no direct spending for Amtrak. These are two different amendments with two different meanings. However, only my amendment was voted on by the full Senate and only my amendment received overwhelming support from this body.

Mr. President, the 57 Senators that voted in favor of direct spending knew what they were voting on. These Members know that if Amtrak is to survive, it will need direct spending to make the needed capital improvements and upgrades to equipment and shops. They also know that another authorization will not help Amtrak secure the money needed for long term capital investments.

What Amtrak needs and what the Senate voted on is direct funding for capital improvements. I conclude by expressing my profound disappointment that the conference report for the fiscal year 1997 budget resolution does not reflect the will of the Senate on this issue.

Let me also point out that my preference for the overall budget resolution would have been the lower discretionary levels as contained in the House-passed version of the budget resolution.

Thank you Mr. President and I yield the floor.

Mr. INHOFE. Mr. President, I know there is a lot of redundancy in what we all say around here, and certainly I have tried to make these points before, but we had quite a discussion this morning debating the budget resolution. During that time, I guess one of the most eloquent Senators in the history of this body, Senator BYRD from West Virginia, had some comments that I want to respond to.

One was he commented on the mistake that he made when he voted for tax cuts back in the 1980's. I suggest that there is a basic difference in philosophy. I hope it came out. I think people have to weigh this on their own.

I can remember, in 1992, a quote I attribute to Laura Tyson, the chief economic adviser to President Clinton,

who said, "There is no relationship between the level of taxation that a nation pays and its productivity." I think that is the crux of where we are now in our debate, whether it is about the balanced budget amendment or just a balanced budget. If you really believe that, then I can understand why people would not want to have tax cuts and why they would vote the way they do.

But I have to remind the distinguished Senator that there is no period of time in history when we had greater tax cuts than there was in the 1980's. That is when we had our marginal rates coming down so dramatically. In 1980, the total revenues for Government were \$517 billion. In 1990, it was \$1.03 trillion. It doubled in that period of time. During that period of time, we had the greatest tax decreases of any 10-year period in America's history. The revenues from marginal rates went, in 1980, from \$244 to \$466 billion.

That is where the basic difference of opinion is. People want to have more of their money to invest. For each 1 percent increase in the economy, it develops an additional \$26 billion of new funds.

The distinguished Senator from West Virginia said—and this is a quote, I wrote it down—he said, "The people of America are going to wake up and say we are tired of cutting domestic discretionary programs." I think that is a basic difference of opinion among many of us here. I think perhaps the majority of us do not believe that. We think the people of America are not tired of cutting domestic programs. They are tired of tax increases. They are tired of deficit increases. They are tired of having their children and their grandchildren born into an environment where they immediately inherit a \$19,000 debt, and if we do not do something to change it, they will end up having to pay 82 percent of their entire lifetime income just to support Government.

Another thing that was said was said by the distinguished Senator from North Dakota, who again used the "S" word, I call it, star wars. I have to say, and I firmly believe it—I am on the Senate Armed Services Committee and the Intelligence Committee and I was on the same committees over in the House of Representatives—I believe there is a greater threat facing America today than there has been, certainly, since World War II, maybe since the Revolutionary War: the proliferation of nuclear weapons, weapons of mass destruction, and the lack of defense against delivery of those weapons. As the distinguished Presiding Officer knows, because he is on the same committees I am, we are in an environment where we have had slashes in the military budget for 12 consecutive years. So now we are essentially where we were in buying power in 1980 when we could not afford spare parts.

So I think it is doing a disservice to the American people to use such terms as star wars. When you realize it is not

\$70 or \$80 or \$90 billion, we are talking about an investment that the American people have made in national missile defense today of about \$50 billion. Just take the Aegis ships, 22 Aegis ships, already paid for, already floating, that have launching capability, all we have to do is spend about \$4 billion more to give them the capability of getting into the upper tier to give us the defense system that we have to have.

We have rogue nations, as James Woolsey said, some 25 to 30 rogue nations, nations that have weapons of mass destruction, not the obvious ones of Russia and China and North Korea, but Iran, Iraq, and all the other nations, Syria, Libya. I think about the war that took place, the Persian Gulf war, where Saddam Hussein said, "If we could have waited for 5 more years before we invaded Kuwait, we would have been able to have the missile capability of delivering a weapon of mass destruction at the United States of America." This is coming from a guy who murdered his own grandchildren, so we are not talking about normal people who think like we do.

So I would say I wanted to respond to those two statements made by those two very distinguished Senators from West Virginia and from North Dakota.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HOLLINGS. I thank the distinguished chairman of our committee.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article in the Wall Street Journal of June 6 entitled, "A Tax Cut Trap," by the distinguished journalist Albert R. Hunt.

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

[From the Wall Street Journal, June 6, 1996]

THE TAX CUT TRAP

(By Albert R. Hunt)

[No matter how many consultants told him to make his message more upbeat . . . no one could ever convince Dole that deficits would simply "grow away." Bobby Joe Dole grew up in Russell, Kansas. He saw people die from debt.—From "Bob Dole," a 1992 biography by Richard Ben Cramer.]

Bobby Joe Dole is on the verge of an epiphany on huge tax cuts aimed at helping the federal budget deficit simply grow away, according to Republican bigwigs who are prodding him in that direction. Running 16 points behind President Clinton, they want their nominee to return to those salad days when the GOP won elections by promising to cut taxes for everybody.

If a tax exists, Sen. Dole is being urged to cut it, ranging from lower capital gains rates to bigger write-offs for personal savings and donating to charities that help the poor.

Overlaying this would be the big ticket: either an across-the-board 15% reduction in income taxes or a flatter income tax with only a few politically necessary exemptions.

The total tab over seven years could reach three-quarters of a trillion dollars, or three times as much as the huge GOP-drafted tax cut that played such a pivotal role in unraveling the Republican's budget plans this Congress.

Sen. Dole, who undoubtedly will propose a major tax reduction plan, probably in July, is more cautious than those giving him advice. And for good reason; skeptical voters may spot the fallacies in this supposed free lunch:

(1) It would be *sayonara* both to the centerpiece of the Republican revolution, a balanced budget, and to deficit cutting, a hallmark of Sen. Dole's 36-year congressional career (which is slated to end next Tuesday).

The Kansas Republican's contempt for supply-side tax cutters in the 1980s was legendary. In 1992 he assailed a proposed Bush tax cut as "bad medicine," and last year he was quoted as saying that in the 1980s the tax cutters said, "Everything's going to be fine." Well . . . it wasn't. You see how the debt went up during those years."

Dole advisers insist he'll accompany tax reductions with spending cutbacks, likely to include tax loophole closings too, and they note there'll be some stimulus effect of the massive tax cuts. But a quick glance at last year's budget battle shows just how tough this is. To finance a \$245 billion tax cut the Republicans had to propose politically unpopular cutbacks in Medicare and slash so many social service programs that cumulatively their plan amounted to an assault on the poor. The conservative House Democrats, the so-called Blue Dogs, have proposed a federal budget that would balance in six years with no tax cut.

(2) The economic rationale for these cuts is full of snake oil. Proponents contend that the 1981 Reagan tax cuts produced a surge in revenues—rising, in real terms, an average of 3.8% a year from 1982 to 1989—and that the 1993 Clinton-engineered tax increase was a disaster.

Tax revenues did rise in the 1980s for one primary reason: Payroll taxes were boosted six times during that period, and rose an average of 4.8% from 1982 to 1989. Individual income tax revenues rose only an average of 2.2% and most of that was after passage of the 1986 tax reform act.

Since the 1993 act, tax revenues have risen 4.8% a year. Back in 1993 Republicans warned of the dire consequences of that deficit reduction/tax hike legislation. Newt Gingrich said it would "lead to a recession . . . and will actually increase the deficit." Rep. Dick Armye (R., Texas) called it a "job killer." Sen. Phil Gramm (R., Texas) was even more apocalyptic.

Here are the facts: The unemployment rate today is 5.4%; three years ago it was 7.1%. Since August 1993, seven million new jobs have been created, and the budget deficit has been more than cut in half to \$130 billion. The Dow Jones Industrial Average has soared more than 2000 points, with relatively low inflation and interest rates.

(3) Under the proposed tax plans, the GOP can forget about emphasizing income inequality or the lagging middle class, issues that featured so prominently in the early primary contests.

When Sen. Spencer Abraham (R., Mich.) and others complain that individual taxes have risen 25% under the Clinton administration, they omit some pertinent particulars. The 1993 tax increase raised tax rates for only the wealthiest 1.2% of Americans. That legislation also included a tax cut for 15 million poor workers and their families. The av-

erage federal income tax rate for the typical family of four today is lower than it was four years ago, and lower than during much of the Reagan administration.

The Republican tax proposals being urged on Bob Dole—despite some window dressing—would amount to a considerable redistribution of income to the more affluent. If the Republican nominee opts for a flatter, two-tier tax, remember he already has vowed to retain the home mortgage deduction, charitable write-offs and deductions for state and local taxes. Thus he is left with three choices: (a) adopt rates so high that his plan loses any political appeal; (b) bust the budget; or (c) sock it to the middle class. More than 47% of the benefits of a 15% across-the-board cut would go to individuals making over \$100,000 a year; less than 8% would go to people making less than \$30,000.

Yeah, some Republicans counter, but the Republican nominee is so far behind he needs to try something audacious: Moreover, they relish the idea of switching the political terrain to a fight with President Clinton over tax cuts. One example: Privately, Treasury Secretary Bob Rubin—once a towering figure on Wall Street—is telling the president the evidence is that a capital gains tax cut would do little to stimulate the economy. Political strategist Dick Morris—with no experience in either tax policy or economics—is whispering it could undercut the Republicans and appeal to contributors. The Republicans figure the president will side with the politics and then they can outbid him.

But the GOP confidence that the tax issue always works to their advantage may be outdated. It may be more like generals who are always fighting the last war, even in the face of changing circumstances. Few voters love paying taxes, but polls suggest taxes are not a high priority for the vast majority of Americans.

Bob Dole hopes to capitalize on the character issue. Yet he's about to present a whopping tax cut that would be antithetical to much of what he has championed for years. This may gain Mr. Dole some previously skeptical converts, but he risks losing something far more valuable in this contest: his credibility.

Mr. HOLLINGS. Mr. President, I have been so frustrated in trying to get the truth out. I am not amazed that colleagues on the floor differ with my views on a tax cut, but my frustration has been with the media's coverage of this issue. When I find the truth I want to include it in the RECORD, and this is not only a very, very good analysis of the false promise of a tax cut, but also outstanding advice for our distinguished friend, Senator Dole.

I yield the floor.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator HOLLINGS' time be charged to the majority.

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

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes of our time.

I am not sure I am going to have a chance, just before the vote, to thank people, but I want to thank Senator EXON. His last budget resolution and conference agreement is this one. Members of the Budget Committee come and go, but he has been a member since the 96th Congress, January 1979, when it was then chaired by Senator Muskie.

I want to recognize other departing members of the Budget Committee:

Senator BENNETT JOHNSTON, who has been a member of the committee since January 1975, the 95th Congress, when it was under the chairmanship of Senator Muskie—19 years on the committee; Senator SIMON of Illinois, a member of the Budget Committee since the 100th Congress, January 1987, when Senator Chiles was chairman, and a member on the House Budget Committee, also, when he served there; and, finally, Senator BROWN from Colorado, a dedicated member of the committee who has been on this committee for a short period of time, comparatively speaking, during all his tenure with us in the Senate. His tenure began in the 102d Congress, in January 1991.

I thank each of the Senators for his distinguished service and hard efforts with reference to the budget.

Senator EXON, in your absence I had extended my congratulations and appreciation to you and including other members who are leaving the Budget Committee in my congratulations.

I understand, Senator EXON, that you have 10 minutes remaining. We have essentially 20 minutes at this point. I am trying to find out if Republicans are meeting, in which event I will leave for a while, but we will try to arrange the last 20 minutes in some kind of sequence. I have not had a chance to talk to our leader, but I am hopeful since you would have 10 of that 20, we would at that point presumably have 10, that we might divide it up in some kind of equal proportions, with the majority obviously being entitled to the last 5 minutes of any such arrangement. I am unable to do that for a while, but I hope you understand that is my intention.

Mr. EXON. Will the Senator yield for a question? We certainly want to accommodate all parties as best we can. We had earlier assumed that we would have a vote at 12. Is that still the intention?

Mr. DOMENICI. Absolutely. I think that is the unanimous consent agreement.

Mr. EXON. Therefore, as I understand it, we have 10 minutes left and we are to use that 10 minutes under the unanimous consent from 11:40 to 11:50, and then you, the majority, would have the last 10 minutes, is that the understanding?

Mr. DOMENICI. I do not know if that is the consent agreement. We can ask the Presiding Officer. What does the consent agreement says in terms of the allocation of the last 20 minutes?

The PRESIDING OFFICER. Senator EXON will have from 11:40 to 11:50, under the previous unanimous consent.

Mr. DOMENICI. What we are trying to do is do you a little better than that. When I get hold of Senator LOTT, if there are four speakers who want to wrap up, I am hoping to have them speak for 5 minutes each, not the full 10 first, but 5 from you and 5 from us.

Mr. EXON. We have no objection to that whatever. I thank my colleague from New Mexico. All these years we

have worked on the committee together we have had an exceptionally fine relationship. He has always been kind and understanding before he was in the leadership position, and he has been even more kind and more understanding since he has been my chairman of the Budget Committee. I thank him for his fine remarks.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask the time be charged to the majority.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I propose the following unanimous consent request. I ask unanimous-consent that at 11:40, Senator EXON be recognized for up to 5 minutes, to be followed by Senator DOMENICI from New Mexico for up to 5 minutes, to be followed by the Democratic leader for up to 5 minutes, with the majority leader recognized for the final 5 minutes prior to the vote on the adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. We have no objection.

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

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBB. Mr. President, I also ask unanimous consent that I be allowed to speak as in morning business for up to 3 minutes.

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

Mr. ROBB. Mr. President, I rise today to oppose the budget resolution conference report advanced by our Republican colleagues. I do so, not because I object to implementing plans for a balanced Federal budget. My commitment to that objective remains unshakeable. I oppose this plan because it is tied to a political agenda, not a substantive one, and because it opens the door to huge tax cuts even before we make and lock in the tough principled choices necessary to actually balance the budget. The sad truth about this plan is that its proponents know it will be vetoed by the President, and budget gridlock will continue. This whole exercise is not about balancing the budget, which I have done everything I can to advance on a bipartisan basis. It's about political positioning for this fall's election. I know of no precedent under either party's

control of Congress for the present course we are following.

This budget proposal has split up the reconciliation process into three different bills. The first bill will encompass both Medicaid and welfare reform. While the President has indicated his willingness to enact a welfare reform bill this year, this budget resolution calls for the attachment of a Medicaid reform plan that our Republican colleagues know the President will veto. By combining these elements into the same package, the Republican majority precludes any chance for positive action on welfare reform this year.

The second reconciliation bill is directed at reform of the Medicare Program. Given the recent report of the trustees, action is clearly needed to address the finances of the program. While the Republicans deserve credit for tackling this issue head on, the fact of the matter is that the actions they have proposed for shoring up Medicare's finances threaten the effective delivery of the very health care services to our seniors that they say they want to preserve.

Mr. President, the bottom line is that the proposed reductions in Medicare, Medicaid, and welfare wouldn't have to be as large if they weren't needed to finance a large tax cut at a time we're trying to balance the budget, and their refusal to consider an adjustment to the consumer price index in order to spread the burden of deficit reduction more equitably across the entire Federal budget may be good politics but it's not good policy.

Not only are the reductions in Medicare, Medicaid, and welfare programs unnecessarily large in this budget proposal, we are going to have to vote on discretionary spending levels in this resolution which are both unwise as a matter of policy, and unattainable politically. While the conference committee has attempted to provide a sufficient amount for fiscal year 1997, not a single appropriator, from either side of the aisle, can tell you how those out-year numbers can be achieved which means that the pressure of future Congresses to ignore the proposed restraints will be overpowering—and most of the savings a sham.

Mr. President, the events of the past year have confirmed that the only way to solve our major fiscal problems, both short term and long term, is on a bipartisan basis. The difficulty is that enacting a credible, fair, and bipartisan budget proposal will require tough medicine for both sides. Republicans will have to come down on their demands for tax cuts, and Democrats will have to be more willing to confront entitlement reform, including Social Security.

Mr. President, I have been fortunate this past year to work with a group of bipartisan Senators, dubbed the centrist coalition, to produce a credible balanced budget proposal—a proposal with a realistic discretionary spending

pattern, one with significant entitlement reform which continues to protect our most vulnerable citizens, and one which makes a justified modification of the consumer price index. This plan, offered as a substitute during the consideration of the current budget resolution, was the only proposal to receive significant bipartisan support this year, garnering 24 Democratic votes and 22 Republican votes.

While I certainly understand the inability to move this proposal this year given election year politics, I am hopeful that it will provide the seeds for an effective compromise early in the next Congress since the budget resolution before us does not move us any closer toward long-term balanced budgets than we are today.

Mr. President, I am very frustrated by the process that we are engaged in at the moment. We have an opportunity, if we can work on a bipartisan basis, to advance the cause of a balanced budget and fiscal responsibility, and we are missing that opportunity.

I, for one, am prepared to make substantial reductions in spending in the entitlement areas—in Medicaid, in Medicare and in Social Security. I am also prepared to address the very politically sensitive area of adjustments to the Consumer Price Index to more accurately reflect inflation. But at this point, we are not going to do that.

The current resolution is designed to split the reconciliation process into three different pieces. The most objectionable part, from my point of view, is we put tax cuts right up at the front so that we undermine any public confidence that we are really serious about deficit reduction.

We are making bigger reductions in the projected spending in some of the entitlements than we need to because we are planning to put that money into a tax cut before we have actually locked in the tough, principled choices that are going to be necessary if we are going to achieve the stated objective of a balanced budget.

This resolution also substantially reduces the chance of ever getting any meaningful welfare reform in this Congress by linking Welfare reform with a Medicaid reform package that the President is committed to vetoing.

It seems to me that we ought to be able to get together; indeed, 24 Democrats and 22 Republicans found common cause with respect to a budget resolution that was submitted earlier. If we are serious about solving this particular problem, the Resolution before us is not the way to do it.

So, Mr. President, I regret very much that I am going to have to vote against the pending measure, notwithstanding my long-term commitment to deficit reduction and a balanced budget.

For the opportunity to express my views, I thank the Presiding Officer and I thank the ranking member of the Budget Committee for suggesting this approach for getting my views on the record.

With that, Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The time is controlled by the Senator from Nebraska, and under the previous unanimous consent agreement, he is to be recognized now for 5 minutes.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I ask unanimous consent that I may be allowed to speak as in morning business for 6 minutes.

I make a unanimous-consent request I be allowed to speak as in morning business for 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mrs. BOXER. Thank you very much, Mr. President. I spoke yesterday on the budget, and I will not reiterate that. I wanted to make a very brief statement about two issues.

#### BURNING OF CHURCHES

Mrs. BOXER. Mr. President, we have seen in recent weeks a series of attacks on black churches in the south. At least 33 churches have been set ablaze in a campaign of terror.

Mr. President, every one of us has to make his or her voice heard in opposition to this wave of terror. These churches have been sources of stability, of kindness, of moral and spiritual guidance for their congregations.

These fires are a chilling reminder of a period that we all thought had passed. A period marked by some of the most shameful, hateful acts ever perpetrated by Americans against Americans. A period in which bombings, fires, beatings, and shootings were tools to prevent African-Americans from realizing equal status in our society. A "dark era in our Nation's history," the President recently called it.

I want to praise President Clinton for his leadership in mobilizing Federal investigators while at the same time offering solace to the people whose churches have been burned. It is the business of the president to offer moral leadership, to console the victims of racists attacks, to call the cowards out for what they have done.

I also praise Ross Perot for his leadership in calling on his Reform Party members to guard the churches.

I also wish to praise Senator MOSELEY-BRAUN for offering a resolution, of which I am a cosponsor, condemning the church fires and urging the administration to mobilize all appropriate resources to put the people who set these fires behind bars.

Finally, Mr. President, I want to state that this is a problem not just for African-Americans, but for all Americans. We should speak with one voice and pass the Moseley-Braun resolution unanimously, so that our message is clear.

Mrs. BOXER. I thank the Chair.

(The remarks of Mrs. BOXER pertaining to the introduction of S. Res. 262 are located in today's RECORD under "Submissions of Concurrent and Senate Resolutions.")

#### CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, as I understand the situation now, under the previous unanimous-consent request, we have 10 minutes equally divided on each side remaining before the vote. We have about 16 minutes, 17 minutes before noon, according to my clock. I ask unanimous consent that the scheduled vote at noon be extended to 3 minutes past noon so that the previous unanimous consent request can be abided with regard to time allotted by each side.

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

Mr. EXON. Mr. President, I ask unanimous consent that a table showing how the deficit in this budget increases because of its tax breaks be printed in the RECORD.

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

	1996	1997	1998	1999	2001	2002	1996
CBO Baseline Deficits (April) <sup>1</sup> .....	130	165	175	182	192	194	210
Republican deficits with tax cut .....	130	153	147	117	89	42	5
Republican deficits w/o tax cut .....	130	135	129	97	63	11	-39
Addendum:							
Republican tax cut .....	0	18	16	18	23	26	28
Interest on tax cut .....	0	1	1	2	3	5	6
Total .....	0	19	17	20	26	31	34

<sup>1</sup> The 1996 deficit estimate is a preliminary revision from CBO based on current Treasury data. The 1996 estimate included in their official April forecast was \$144 billion.

Mr. EXON. Mr. President, as we wrap up the debate on the budget conference report, I would like to make a few final observations, if I might.

If last year was the Republicans' winter of discontent, this is their spring of missed opportunities. I know the Republicans wanted to hit one out of the ballpark with this budget, but what they did reminds me more of the Red Sox's Bill Buckner in the infamous 6th game of the 1986 World Series. That is when he let Mookie Wilson's grounder roll through his legs. The Mets rallied and eventually won the series. That was a missed opportunity on a grand scale; so is this budget.

There was a chance—granted a small one—to craft a compromise on a balanced budget this year. To his credit, the President has repeatedly offered to come back to the bargaining table. As he has pointed out, at the very least, we could have agreed on the common