Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
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Hoyer
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Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
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Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
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Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
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Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
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Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wise
Wolf
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—19

Ackerman
Barr
Barton
Bilbray
Brown (FL)
Burton
Frank (MA)
Granger
Hastert
Hinchey
Jefferson
Sanders
Schiff
Spratt
Waters
Waxman
White
Wicker
Woolsey

□ 1543

Mr. WISE changed his vote from ‘‘nay’’ to ‘‘yea.’’

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate concurrent resolution was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING PRESIDENT TO AWARD CONGRESSIONAL GOLD MEDAL TO MOTHER TERESA

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1650.

The clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Delaware [Mr. CASTLE] that the House suspend the rules and pass the bill, H.R. 1650, on which the yeas and nays are ordered.

This is a 5-minute vote.

□ 1545

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. (Mr. KINGSTON). Members will be advised that voting machines are not working and that voting will proceed with Members casting their vote in writing in the well.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members will be advised that the machines apparently are working now. Vote cautiously. The machines are now working.

Members are encouraged to vote by machine rather than in the well.

□ 1600

VACATING ORDERING OF YEAS AND NAYS ON H.R. 1650, AUTHORIZING PRESIDENT TO AWARD CONGRESSIONAL GOLD MEDAL TO MOTHER TERESA

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent to vacate the proceedings whereby the yeas and nays were ordered on H.R. 1650 and the electronic vote begun.

The SPEAKER pro tempore (Mr. KINGSTON). Is there objection to the request of the gentleman from New York?

Mr. FAZIO of California. Mr. Speaker, reserving the right to object, I would inquire of the gentleman from New York [Mr. SOLOMON] exactly what vote it is that we will not be taking, and will there be another vote that we will not take after this one.

The SPEAKER pro tempore. The unanimous-consent request covers the pending record vote on H.R. 1650, the motion of the gentleman from Delaware [Mr. CASTLE].

Mr. SOLOMON. Mr. Speaker, to answer the gentleman's question, it is for the Gold Medal for Mother Teresa.

Mr. FAZIO of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. On the voice vote taken earlier, which was not objected to for lack of a quorum, on the motion offered by the gentleman from Delaware [Mr. CASTLE] that the House suspend the rules and pass the bill, H.R. 1650, the Chair announced that two-thirds had voted in favor thereof, and so the rules are suspended and the bill is passed.

A motion to reconsider was laid on the table.

VACATING ORDERING OF YEAS AND NAYS ON HOUSE RESOLUTION 147, SENSE OF THE HOUSE THAT HOUSE OF REPRESENTATIVES SHOULD PARTICIPATE IN AND SUPPORT ACTIVITIES TO PROVIDE DECENT HOMES FOR PEOPLE OF THE UNITED STATES

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent to vacate the ordering of the yeas and nays on House Resolution 147.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. On the voice vote taken earlier today on the motion offered by the gentleman from New York [Mr. LAZIO] that the House suspend the rules and agree to the resolution, House Resolution 147, as amended, which was not objected to for lack of a quorum, the Chair announced that two-thirds had voted in favor thereof, and so the rules are suspended and the resolution is agreed to.

The title of the resolution was amended so as to read: ‘‘A resolution expressing the sense of the House of Representatives that the House of Representatives should participate in and support activities to provide safe, clean, and healthy homes for the people of the United States, and for other purposes.’’.

A motion to reconsider was laid on the table.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1998

The SPEAKER pro tempore. Pursuant to House Resolution 152 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 84.

□ 1610

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 84) establishing the Congressional budget for the U.S. Government for the fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002, with Mr. BOEHNER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered read the first time.

General debate shall be confined to the congressional budget and shall not exceed 5 hours and 20 minutes, including 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from South Carolina [Mr. SPRATT], and 20 minutes controlled by the gentleman from Minnesota [Mr. MINGE].

PARLIAMENTARY INQUIRY

Mr. MINGE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MINGE. Mr. Chairman, there is 20 minutes that has been allocated to my portion of this general debate. Is it correct to understand that it will be 20 minutes at the end of the general debate?

The CHAIRMAN. The Chair will consult with the gentleman from Minnesota [Mr. MINGE], and the chairman of the committee to determine at what point that debate would occur.

Mr. MINGE. Mr. Chairman, when will we have such consultation?

The CHAIRMAN. As soon as the gentleman and the chairman of the committee can approach the Chair and have that discussion.

Mr. SPRATT. Mr. Chairman, I ask unanimous consent that, out of the time allocated to me, the gentleman from Washington [Mr. MCDERMOTT] be yielded 25 minutes and that he be allowed to control that time; that the gentleman from California [Mr. STARK] on behalf of the Joint Economic Committee be yielded 10 minutes and that he be allowed to control that time; that the gentleman from Minnesota [Mr. MINGE] be yielded 20 minutes and that he be allowed to control that time; that the gentlewoman from California [Ms. WATERS] be yielded 30 minutes and that she be allowed to control that time; and finally, that I would reserve the remaining 35 minutes to myself.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

□ 1615

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a moment that many of us have been waiting for for a long time. The fact is, several years ago I suggested that the time would arrive when Republicans and Democrats could come together; that we could, in fact, put the good of the country and the good of our children ahead of our own basic desires, to pass a bill that would balance the budget, would give tax relief to the American people, would strengthen the American family, and would be a giant first step towards solving many of the problems that have confounded us for many years.

The President came to this Chamber about at the beginning of the year and he declared the era of big Government at an end. The Republicans and the Democrats have worked together, and frankly, that rhetoric now is going to be underlaid by a budget program that in fact does declare the end to the era of big Government.

This agreement is predicated and founded on very conservative economics, predicting a 2.1-percent growth in this economy, the economy growing far in excess of 5 percent. For those that did not know this, it may come as a surprise for some, but we really believe that a 2.1-percent growth rate over the life of this document, which means at some point the economy will grow faster and at other points in time the economy will grow slower, is an excellent conclusion to draw. And in fact, a 2.1 percent growth rate that underlies this agreement is far more conservative than all the blue chip economic estimates that we have heard across this country.

Second, in the area of savings, over the course of the next decade under this agreement, in the programs of entitlements that have eroded our ability to control our wage growth, in order to give us faster wage growth, our inability to be able to give our children a chance, it is not the end-all, but boy, is it a giant first step, with $600 billion in entitlement savings over the course of the next decade, including extending the life of Medicare for up to 10 years and being able to accomplish what the Republicans set out to accomplish in 1995.

It is not just about numbers. There in fact are structural reforms to this Medicare Program, including prospective payments for skilled nursing facilities and home health care, the fastest growing items in the Medicare budget; the creation of physician networks, so physicians can compete with the insurance companies to offer people more opportunity, more choice, more benefits; the fact that we are going to have an adjustment in the reimbursements to the managed care operations by letting rural America have more incentives to offer more choice to people in rural America; the fact that we moved the home health care and made sure that part of those costs were going to be included in the premium, and phased in over a period of time. As Members will see, there are structural changes in this Medicare Program.

Are there going to be more changes needed in the future? There is no question that as the baby boomers begin to retire we have a huge challenge. That is precisely why I authored a provision that calls for the creation of a baby boomer study program to figure out how to deal with the major problems of Social Security and Medicare and Medicaid.

There will be a big challenge, but let us not let that challenge take away from what we have been able to accomplish in this agreement today. Make no mistake about it, never before in the history of the U.S. Congress have we saved more money in entitlements than in this agreement.

In the area of the programs that run the Government of the United States, some people say we have not saved enough. As far as I am concerned, when it comes to the taxpayers' money we always have to be working at saving more. But let me just put it in perspective.

Nondefense discretionary, the programs that operate the government of the United States, will grow over the next 5 years at an average of one-half percent a year. Do Members get that? They will grow at one-half percent a year. Over the last 10 years they have grown at 10 percent. So to take the growth in those programs from 10 percent over the last 10 years to a half a percent over the next 5 years is a very, very significant accomplishment.

Will we come back at some point and try to do more to defang the Government, to defang those parts of the Government that have harassed people? Not suggesting that all of it does, but in those areas where Government has put a burden on the shoulders of the people as they have tried to heal their communities and heal their families, of course that should be our role, to set the people free in this country. So what we have in this budget is good fiscal restraint, $600 billion in entitlement savings and only one-half percent a year growth in the programs that run the Government.

Coupled with that, of course, is the first balanced budget in over 30 years, which will result in the year 2002 in only the second balanced budget over the course of the last 40 years. Also included in this document, and we should all be aware of this, is something that many people said could not be done. That is to give the people power by letting them keep more of what they earn. Included in this document is $135 billion in tax cuts over 5 years, and at least $350 billion in tax cuts over the next 10 years.

That will be enough. It will be enough to give the American people something we have been promising for many years now. It will give them a capital gains tax cut, so that in America we will reward risk-taking, and we will give the American people the tools with which to compete and win in the international job market.

Let me just suggest to the Members that to improve the reasons to risk take and the incentives to risk take, and to give people a reason to invest in America, will mean that the infrastructure of America will be able to accommodate faster economic growth without inflation.

There are many other things we need to do to improve the infrastructure of America so our country can grow faster and reward more people from one end of this country to the other, but we believe that the capital gains tax cut is one of those elements, coupled with a balanced budget, that results in lower interest rates and more investment and more productivity and more wealth for every single American.

Included in here is the family tax credit, because we believe the best Department of Health, Education and Welfare in the United States is the American family. Is it not going to be great, I say to the gentleman from Tennessee, when this Sunday he goes to church and he sees a man and his wife leave the church with three young kids, and they get into that old Chevrolet and you can actually see the car kind of go down and up as they get in, and maybe on the back of the bumper is an old Billy Graham bumper sticker left over from a rally 3 years ago, and he knows in his soul that under a child tax credit the American family is going to have more, some money for their college, some money for new clothes, some money to help the family.

Of course, there will be estate relief in here, too, so when you die and you have worked a lifetime to build something, to pass it on to your family, the Government is not going to take it all away. Let me just suggest, whether it is a small business or the family farm, we do not want the people to not just have death but death and taxes to the max. We do not solve the whole problem of the estate, this overtaxation of estates in this, but we are making a good first step.

The President got one of his priorities in the area of education. Let me just suggest, for those mothers and fathers who have had to take that second job to help their kid get a college education, this program has some help for them. They need help.

But let me ask my colleagues on both sides of the aisle to start aggressively asking the higher education officials in this country why their costs are racing out of control. Let me ask the moms and dads and the students to start asking the same question. But in the meantime, we are going to help.

What do we get here at the end of the day? First, the first balanced budget in over 30 years; real tax relief that we think will improve the lives of America's workers; real tax relief that we believe will improve the lives of the American family; real tax relief that will give a reward to people for working hard for a lifetime; help for people to realize the American dream through education; and at the same time, the most significant savings in entitlements in the history of this country, and controlling the growth to a half a percent a year of those programs that run the Federal Government, and a giant first step toward moving into the next century by stabilizing the fiscal policies of the United States of America.

It has been a long road. It has been very difficult. I want to compliment the gentleman from Minnesota [Mr. MARTIN SABO], maybe the most forgotten man today in the Chamber, but not by me, because MARTIN worked hard in 1995, in 1993, and in 1994 and in 1995 and in 1996; a total class gentleman. Over the course of the last 2 years we have worked closely together to try to figure out how we could narrow most of our differences.

It is a tremendous pleasure to have worked with the gentleman from South Carolina [Mr. JOHN SPRATT]. He has had a very difficult time trying to make sure that he could keep his caucus together and listen to his leader who at times he had to represent, and other parts of the caucus who he had to represent. Hats off to JOHN SPRATT; and to John Hilley, my great friend down at the White House, to Franklin Raines and Gene Sperling, it was the best, to be able to put aside the partisan bickering and reach an agreement; and to the President, to the President who did not have to really do this. He decided that he wanted to move forward and reach agreement. He sent his trusted aide, Erskine Bowles, to the Hill. With PETE DOMINICI and the gentleman from Georgia. [Mr. NEWT GINGRICH] and TRENT LOTT and this big team, we were able to put it together.

No one should think for a second that this is the end of the game. Frankly, Mr. Chairman, this is just the beginning, but a very great beginning and a very big step toward providing a more prosperous, toward providing a more confident, toward providing a more secure America, and convincing the American people that when we put the politics aside and we listen to them and their calls for so many years for this body to get control of the spending of this country and to return some of their power, when we listen to them, at the end of the day Republicans and Democrats came together to reach agreement on something that I believe the American people will look at and say, for once you have done well. For once you have put the politics aside and you have agreed to work together and serve America.

Let us support this great budget resolution today.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. GEPHARDT], the minority leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise reluctantly this afternoon to state that I will not vote for this budget, but before giving Members the reasons for that, I want to commend the Members on both sides of the aisle. I especially want to commend the gentleman from South Carolina, [Mr. JOHN SPRATT], and I want to commend the President for working so hard to bring about this agreement, which is an important achievement for our country. Having done this in 1990 and again in 1993, I know how hard it is.

☐ 1630

I know how many compromises have to be made and how many decisions have to be made to make something like this come together. But at the end of it, it is a decision on this budget that each of us must make for what is best for our constituents, the 500,000 people that each of us represents and what in our hearts and minds is best for them and best for the country.

I would like to start with a little history of why we are where we are. This all started, in my view, back in 1981. Congress then, in a bipartisan way, made a decision on a budget that had certain increases in spending and tax cuts, which many of us said at the time would create large deficits out in the future. The prediction was that there would be deficits of $100 and $200 and $300 billion. And unfortunately those predictions came true. It has taken us 17 years from that basic decision in 1981 to get on the threshold of being able to balance the budget.

In 1990, we entered into a bipartisan budget agreement, much like has been done now, and at the time we raised taxes and we cut spending in a bipartisan way, and we made a big step, about a $500 billion deficit reduction. We did that again in 1993; I might add, at that time, with all Democratic votes, not one vote from the other side of the aisle. At the time many Republican leaders said they believed that budget we passed in 1993 would wreck the economy and would cause higher unemployment and higher deficits.

I want to point out that because of the interaction of what we do on the deficit and what it does with the economy, that indeed those forecasts were wrong, that even with tax increases and spending cuts, we have had a remarkable economic performance in the last 4 or 5 years.

In fact, in 1993, the prediction was the deficit for this year would be $300 billion. A year ago the prediction was the deficit would be $169 billion. In January of this year, we thought the deficit for this year would be $124 billion. Just last week CBO said it is down to $67 billion.

There is an interaction, there is an inextricable link between the deficit and what we do and how we get rid of the deficit and what happens in the economy. And I believe that the investments we made in education and in capital investment and in health care that we made in the deficit reduction act of 1993 were an integral part of helping the private sector economy grow over the last 5 years so that we have had real economic growth and more revenue coming into the government.

So the question then and now is not whether to do this, it is how we do it. It is how we do it. What are the myriad of decisions, what are the texture of the decisions we put together to try to get the budget into order.

In my view, this budget agreement is a budget of many deficits: a deficit of principle, a deficit of fairness, a deficit of tax justice, and worst of all, a deficit of dollars.

First, I think it is unfair. I think that when we have done these budgets, we have always tried to have shared sacrifice. We have said to the American people in the highest sense of patriotism that everybody has to sacrifice in order to get the budget straightened out. That is what we did in 1990. That is what we did in 1993. That is not what this budget does.

Recently I was going door to door in my district. I met a young couple who had just bought a house. They were happy because the wife had just gotten pregnant and they were expecting this new family. I asked them what their concerns were. They said their concern was that between them they have 5 jobs, 5 jobs. That is kind of the way the economy is working for ordinary Americans today. In order to make ends meet, people have to work more jobs and more hours.

And the woman said to me, ''You know, our concern is that when the baby comes, I would like to stay home and raise the child for 2 or 3 years, but with 5 jobs, I have got to quit two of those jobs to do it. And if we do that, we cannot make our house payment.''

That is reality 1997.

On another door-to-door trip in my district I met a woman who was on Social Security and Medicare. She said, ''You know, I do not want to be a whiner, and I do not want to complain, but I only get $450 a month. And I have got to buy a lot of prescription drugs to stay going. I just want you to know, I cannot pay my water bill now, and I do not have hot water. And if I have cuts along the way in Medicare or Social Security, I may lose the apartment I am staying in''. That is reality 1997.

This budget could have done better by either of those people I have talked about. We could have done more in this budget on Head Start, on after school programs for that family I am talking about. We could have done better for that senior citizen so she could get by better. But in this budget there is structured a tax cut. And if I am reading the agreement between the parties correctly, that tax cut will necessarily result in the top 1 percent of taxpayers in this country getting a tax reduction of about $6,000. And when I talk about the top 1 percent, I am talking about folks making an average of $650,000 a year.

Is it shared sacrifice to say to them, you get a huge tax cut every year, $6,000, but the young family who is trying to make ends meet, we cannot help them enough? We cannot give them a larger tax cut. We cannot give them the kind of help that they need getting through their life every day.

It is not fair. I wish it were fairer.

Second, I think it fails to invest in the future. What do I mean by that?

We are in a tough global competition. We have got our work cut out for us. We have to really be good. I agree, we need tax cuts, but they ought to go to the people who need them, desperately need them. And they ought to go to the people who are working hard every day to compete in that global economy. But we also need investments in this budget. Let me just name three to take examples.

First, education. Everybody knows we have got to have better educated people to compete in the global economy, to get productivity increases, to get growth increases. Early on in the budget talks we talked about repairing school buildings and putting money into the structures in which our children learn. That was thrown out of the budget. We did not have enough money to do that.

We talked endlessly in this Chamber about Head Start, about investing in the smallest, youngest children. We talked about Head Start zero to three. We just had a conference in the White House where we find that late mental research proves that the more you can do with young, young, young children, the better the result will be. But this budget does not fully fund Head Start and does not even make a beginning on Head Start zero to three.

Let us talk about children's health, a very good part of this budget, $15 billion, to try to get half the children who do not have health care to have health care. But in the very same budget there is about an equal cut in Medicaid in what is called disproportionate share, a fancy name for trying to give money to hospitals that have a disproportionate share of poverty folks coming there to get help. Guess which hospitals get the lion's share of disproportionate share? The children's hospitals.

We give with one hand; we take away with another. It is not good enough.

Third, investment in the capital investments. We hear about capital gains. What about capital structures? Billions of dollars come into this budget every year from the gasoline tax to the Federal highway trust fund and every year we spend moneys for these needed structures, but we never spend what comes in. And this budget does not either.

In my district of St. Louis, our city fathers and mothers got together and said, what does this region need? They came up with $20 billion worth of needs in St. Louis for capital investment alone. They have no idea where it is going to come from. We can do better in investing in our future.

Third, this budget does not come into balance. I believe with all my heart that the people who worked on it want it to come into balance. And I hope it does, but let me say something. If we have exploding tax cuts that are put into law and they are not met with spending cuts that will be designed to reach them, then the numbers are not going to work.

Remember 1981 and what happened. The last thing we need to do is to advertise this as a deficit reduction plan that will reduce the deficit and then we do not get there. The coalition members wanted to go to the floor this afternoon and have an amendment that had an enforcement process that said, if the numbers do not work for any reason, because the economy does not work or something else, that we will start cutting across the board both spending programs and tax programs in order to see that we really get the balance that we want and that we have advertised. That is not going to be allowed to even be voted on.

In conclusion, I do not believe this budget is fair. I do not believe it invests properly in the future of our country and our economy and our people. I do not believe the numbers will work, and I do not think there is a system in place to make sure that they do.

Let me say this final word. This is a decision and it is a hard decision that all of us have to make. For me, as I cast this vote, I have one thing in my mind and one thing only, and that is the people that I represent in the third District of Missouri. I have in my mind that young family who is working hard, real hard every day and wants to make ends meet and wants to have a future. I have in my mind that senior citizen who wants to stay out of the nursing home and stay in her home and live the life of independence that she wants. I have in mind the children, the children who are the future and the strength and the greatest resource of this country.

Each of us in our own way, as we go through this debate and vote tonight, has to ask ourselves, what is the right thing for my constituents and for my country? Nothing else is asked. That is the question we have to answer.

This is not politics. This is not some election. This is about the future of the country and what in our conscience, our heart and our mind is the best and right thing to do. I will vote against this budget. I think we can do better.

Mr. KASICH. Mr. Chairman, I yield myself 30 seconds.

I do want to commend the minority leader on his speech and would like to say to him that I can respect a vision of government that is entirely different than mine and entirely different than the majority in the House. But he should know that in the addendum, point 9 in the reconciliation process, if it is determined that the target of a balanced budget cannot be achieved, all parties to the agreement commit to seek additional savings necessary to achieve balance.

Furthermore, of course, we believe that the tax cuts in fact will provide us with higher economic growth but, beyond that, having an economic plan underlaid by a 2.1 percent growth rate over the course of this agreement is about as conservative an estimate as we can find among any of the groups.

I would not only challenge the gentleman's vision of what builds America, which is not more government spending and more government programs, but in addition, though, severely challenge the fact that somehow we have exploding deficits that will not allow us or exploding tax cuts that will not allow us to get in balance. That is simply not true and will not occur.

Mr. Chairman, I yield 8 minutes to the very distinguished gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Chairman, I commend the chairman of this committee and also the ranking minority member from the other side of the aisle, this is great work. It is great for the future of this country. I would agree with the comments of the gentleman from Missouri [Mr. GEPHARDT] that this is really about the future of America. We just have a very different vision of who it is that can best spend money in this country, we here in Washington or the people themselves.

I have a presentation but I want to start talking about a family in my district. It is a middle income family. It is a family with three kids. They are about to start college. It is a family whose parents both get up and go to work every single day of the week.

☐ 1645

I talked to this family about this budget plan, too, and, frankly, they did not understand billions and trillions very well, and they did not understand CBO and OMB and all that stuff, but what they did understand is how this budget plan was going to impact them directly out in Janesville, WI. Because this middle income family that gets up every morning to go to work understood perfectly well what it meant when we said for every child that is still at home they will receive a $500 credit. They understood perfectly well on their $40,000-a-year income what $1,000 meant coming into their house.

Not only that, they understood, when they talked about their oldest son going off to college, they understood what a $1,500 tax credit meant to them for a total of, maybe we will not get all $2,500 to them, but over $2,000 coming back to this family. That is what it means to the hard-working families, the middle income families who get up every morning to go to work.

And it does have a real impact on them. I guess the difference of opinion here is who it is who can best spend the money, the family out in Janesville keeping the money in their own house, or the people in Washington investing it in the future. My opinion is those families out in Janesville, WI can do a pretty good job of taking care of their own money.

I do have a presentation I want to give, because I strongly support this agreement. This agreement balances the budget for the first time in a generation. We have our families who pay $500 every month to do nothing but to pay the interest on the Federal debt, and certainly it is time we allow those families to keep more of their own money.

It does balance. Starting with 1998 forward, the deficit goes down every year. It restores Medicaid for at least a decade and probably longer as the tax cuts take effect and the economy booms.

The tax cuts. Letting the American people keep more of their own money. It is in here, $500 per child. We are looking at a reduction of capital gains tax, reforming the death tax, and a college tax tuition credit of some sort.

There is no congressionally mandated CPI adjustment. That is to say to our senior citizens, there is nothing in this plan that would adjust their cost-of-living adjustments in Social Security next year. It has been taken out. It was talked about briefly but is not in the plan. It was taken out. We heard the seniors and we heard their concerns.

The plan also includes in the language, at the end of it, a sense of Congress that would allow us to not only balance the budget by 2002 but also pay off the Federal debt between now and the year 2023, so that we can pass this Nation on to our children debt free.

Think of that dream in America: a Nation that we pass on to our children not burdened with debt but debt free. So instead of paying $500 a month in interest into Washington to do nothing but pay the interest on the debt, families can keep that $500 a month and do as they see fit with the money.

As we pay off the Federal debt, another very important thing happens: The money that has been taken out of the Social Security trust fund is put back. And that is very, very significant as we look at the solvency of the Social Security system.

To understand how good this budget is, I think we have to look at where we have come from. I brought a chart from way back in 1991, when I first started running for office. This chart shows the Gramm-Rudman-Hollings plan of 1985, and it shows the green line here is their plan to get to a balanced budget. The red line shows what actually happened, and we can notice they never got to a balanced budget. They never even hit their targets.

In 1987 they revised Gramm-Rudman-Hollings and, again, the green line shows their plan to get to a balanced budget, and the red line shows what actually happened. They never hit their targets, period.

What is happening out here since 1995? This is somewhat staggering. When I went back to put this together I was somewhat shocked to see what was actually happening out here since 1995. The picture is so different than 1985 and 1987 that we almost have to see it to understand how real this thing is.

In 1995, we promised the American people that we would have deficits, as in the red columns on here, $154 billion in 1996. The blue on this thing, the blue columns, those are what is actually happening. And we can notice we not only hit our projection, but we are ahead of schedule.

Think how far we have come since 1985 and 1987. We not only hit the target, we are ahead of schedule in 1996. We are over $100 billion ahead of schedule in 1997. And each year, under this plan, we stay ahead of that promise to the American people that we made in 1995. Our promise is being fulfilled.

The reason that this is happening is because we are curtailing the growth of spending in this great Nation we live in. Spending that was going up rapidly, as we see in the red column, is not going up as fast anymore. It is still going up faster than I would like to see but not as fast as it was. Nondefense discretionary spending was going up.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Ohio.

Mr. KASICH. And, Mr. Chairman, I will give the gentleman a little more time to put that chart back up there.

Let us take a look at what the fiscal year 1996 to 2002 plan is.

Mr. NEUMANN. It was going up by 5.2 percent a year in the 7 years before we got here. Under this plan, and the first 2 years since 1995, it is now going up by 3.2 percent.

Let us put that in inflation-adjusted dollars. It was going up 1.8; it is now going up 0.6. The growth of Government has been reduced by two-thirds.

Mr. KASICH. Mr. Chairman, if the gentleman will continue to yield, let me just say that under this plan that is currently on the table, those increases will drop to 0.5 percent. This will be the lowest increase in the programs that run the Government of the United States in history.

Someone has told me, and we are still trying to check these numbers, less than half of the growth in spending in nondefense discretionary under President Ronald Reagan. So I think it was a significant accomplishment to be able to slow it to that degree, and I appreciate the gentleman yielding.

Mr. NEUMANN. Well, Mr. Chairman, I also think we should talk about nondefense discretionary spending. That is the part of the budget we have the most control over. That was rising by 6.7 percent annually before we took over, in the 7 years before we got here. It is now going up less than 1 percent a year. And in inflation-adjusted dollars, it was going up by 3.2. It is now actually shrinking by 1.5 percent.

I will say that again. In inflation-adjusted dollars, the nondefense discretionary spending, the part of the budget we have the most control over, is actually shrinking.

I will wrap up my part of this presentation with something that is pretty special here. This chart shows what would have happened in 1995 if there had been no changes in the law. This line shows where the deficit was headed in 1995. This yellow line in the chart shows what happened in the first 12 months, how much progress was made during the year of 1995.

Then we put this plan into place, as to what we hoped could happen. That is the green line. And I brought a marker with me today, because a year ago we produced this chart and we said we were ahead of schedule. Notice that our deficit is actually below the green line. And people said, yeah, yeah, yeah, that is 1 year.

I want to conclude my part of this presentation by drawing in where we are now in our second year on this plan to reach a balanced budget. We are way down here. And we can notice that we are not only ahead of schedule for the first year, we are ahead of schedule for the second year. And when we pass this plan, we will stay ahead of schedule for each and every year from now through the year 2002.

What that means for our children in this country is that we will have a balanced budget, we can start paying down the debt, and our children can once again look forward to the opportunity to have a chance at living the American dream in this great Nation that we live in.

Mr. SPRATT. Mr. Chairman, I yield myself 6 minutes.

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Chairman, for the first time in 15 years, in the 15 years I have served in this House, we are within reach of a balanced budget.

Last September 30, 1996, when we closed the books on fiscal 1996, the deficit stood at $107.8 billion. And now that we have gotten the revenues on April 15 from this year's tax payments, CBO and OMB both believe that the deficit this year will drop to $70 billion or below—$70 billion or less. We can finish the job. We can balance the budget. But only if we have a plan, for without one the deficit will start drifting back upward again.

We have before us today a hard wrought compromise of a plan. When I say hard wrought, I mean it. It was produced through nearly 4 months of negotiations. Hard fought negotiations. But throughout they were civil and cordial, and I commend my good friend and colleague, the gentleman from Ohio [Mr. JOHN KASICH] who worked with us in complete cooperation and good faith throughout the negotiations to bring it to this end, which is a genuine compromise.

Before turning to that plan, I would like to just pause a minute and talk about what brings us to this point. I want to go back to a particular date, January 13, 1993, 1 week before George Bush left office. He sent us that day his economic report of the President, and in it Michael Boskin, his chairman of the Council of Economic Advisers, predicted that the deficit for that year, fiscal 1993, would be $332 billion. This was the deficit that President Clinton found on the doorstep awaiting him when we arrived at the White House 1 week later.

On February 17, the President laid on the doorstep of the Congress a plan for cutting that deficit roughly by half over the next 5 years. It was not a popular plan. It was certainly not a painless plan. It cost my party dearly for supporting it. It passed the Congress only by the skin of its teeth.

The critics claimed this budget would cut off the economy at its knees. But the financial markets were impressed, so much so that long bond rates came down by 100 to 120 basis points. And when the books were closed on fiscal 1993, that first fiscal year, the deficit was not $332 billion as Boskin predicted, it was $255 billion.

A year later, the first full year under that budget plan, the deficit was $203 billion. At year end 1995, it was down again to $164 billion. And as I said, last September it was $107.8 billion.

The deficit has been cut now for 5 years in a row. That is not smoke and mirrors, that is not sleight of hand, that is a matter of record. As Yogi Berra liked to say, "You can look it up." The deficit has been cut by 65 percent. And at 1.4 percent of our GDP, it is at its lowest level since the early 1970's. That is progress by anybody's yardstick.

That is why we are within reach, credibly, of a balanced budget. That is why we are here today, to finish a job, because it would be a shame not to try. And that is why it is important that we do it right and not blow this opportunity.

Mr. Chairman, if it were left to me alone, I would do a budget along the lines my good friends, the gentleman from Minnesota [Mr. SABO] and the gentleman from Texas [Mr. STENHOLM] and the Blue Dogs laid out last year, for which I voted, which had no net tax cuts at all, none at least until we had our goal firmly in grasp. That would not mean no tax cuts, just no net tax cuts.

But this is a divided government, and to do a deal, none of us gets to do it alone. We have a choice between gridlock and compromise. And what we have before us is just that, it is a compromise. It is not a perfect solution. It is the art of the possible. But if we let the perfect be the enemy of the good, we will not get anything good done on the deficit this year.

This compromise differs from most compromises by design, by conscious design, because what we sought in negotiating it was to let each party claim some clear victory. Rather than come out with just gray results, compromise to the point that they lost their identity and pleased nobody, this package allows the Republicans a clear victory. It allows them the chance to do significant tax cuts. It allows Democrats, my party, the chance to do initiatives in children's health care, the chance to do initiatives in education that we could not do if we tried to do it alone.

That is why I say this budget is balanced in two senses. If the economy stays stable, this budget should take us to a balanced budget by the year 2002. But in the meantime, this resolution is not so fixated on the deficit that it forgets this country has other problems too that need to be addressed.

Hard-working families are worried about how they are going to pay for the cost of their children's education. Tuition is soaring. This resolution promises more help than anything that has been passed in this Congress in the past 25 years.

There are 10 million children, mostly in working families, who have no health insurance. This resolution sets aside $16 billion to come up with ways to cover at least half of those children within the next 5 years.

To those in my party, my fellow Democrats, who are still summing up the pluses and the minuses in this budget resolution, I urge them to keep initiatives like these in mind and ask themselves if we could have achieved this, if we could have done this if we went it alone as a minority, by ourselves. I ask them to look at NDD, nondefense discretionary spending. It goes from $548 to $562 billion. We should ask ourselves, measured against last year's budget resolution, if we could have done this well if we did it alone.

Look at what we have done with Medicare and preventive care, with Medicaid and moderating the reductions. Throughout this budget the Democratic stamp is firmly and clearly in place. I do not think we could have done this well by going it alone, and that is why I say we should support it. That is why this resolution is a good deal for us but, more importantly, it is a good deal for this country.

It is a balanced plan to balance the budget. I say let us finish what we started in 1993. Let us adopt this House Concurrent Resolution 84. Let us balance the budget by the year 2002, and let us take the credit we deserve as Democrats for this accomplishment.

□ 1700

The CHAIRMAN. The Chair would like to clarify for the Members the unanimous-consent request from the gentleman from South Carolina [Mr. SPRATT] who broke up his time throughout the remainder of the evening.

The gentleman from South Carolina [Mr. SPRATT] has 25 minutes remaining on his time. The gentleman from Washington [Mr. MCDERMOTT] will have 25 minutes. Joint Economic Committee members will have 10 minutes. The gentleman from Minnesota [Mr. MINGE] will have 40 minutes, 20 minutes under the rule and 20 minutes of additional time as requested by the gentleman from South Carolina [Mr. SPRATT]. The Congressional Black Caucus will have 30 minutes. And then the gentleman from South Carolina [Mr. SPRATT] will have 30 minutes and have the right to close on his side of the aisle.

The Chair would encourage Members controlling time under this consent arrangement to use their time in the blocks that have been allocated, if at all possible.

The chair recognizes the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, would the Chair just explain how much time has been consumed? I understand that when the majority leader was yielded 5 minutes, he spoke for 13; and that is our process, but he was allocated 5 minutes against the time. How much time has been consumed by both sides?

The CHAIRMAN. The gentleman from South Carolina [Mr. SPRATT] has 24 minutes remaining of the 30 minutes in his block under his unanimous-consent arrangement. The gentleman from Connecticut [Mr. SHAYS] has 2 hours and 11 minutes remaining.

Mr. SHAYS. That is not all that helpful, Mr. Chairman. Of the total amount of time on each side, how much has been allocated?

The CHAIRMAN. The Chair does not understand the gentleman's inquiry.

Mr. SHAYS. Mr. Chairman, I just want to know how much time has been consumed on both sides. That is the question. I did not ask how much is remaining. How much is consumed?

The CHAIRMAN. The gentleman from South Carolina [Mr. SPRATT] has used 11 minutes.

Mr. SHAYS. Mr. Chairman, how much time have we used on this side?

The CHAIRMAN. On the other side of the aisle, 19 minutes have been consumed.

Mr. SHAYS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. PARKER].

Mr. PARKER. Mr. Chairman, I strongly support the bipartisan budget agreement before us today. This budget resolution has particular significance for me. I am the only Member of this body who has worked with the chairman, the gentleman from Ohio [Mr. KASICH], from both sides of the aisle.

For 5 years, I served on the Committee on the Budget as the Democratic member, struggling to produce such a document. While we never succeeded, I think it is appropriate at this time to remember the commitment of colleagues, some of whom are no longer in this body, who worked for such an agreement.

Specifically, I want to express appreciation to Tim Penny, whose work I believe laid the foundation for the success that our chairman has brought to fruition. Also, both Leon Panetta and the gentleman from Minnesota, Mr. MARTIN SABO, in my opinion, worked to produce the most fiscally conservative resolutions possible in their eras. I hope each realizes his contribution to this long process.

My last year as a Democratic member of the committee was spent working on the other side of the aisle to demonstrate that bipartisanship was possible but, more importantly, necessary to success. Unfortunately, it was not viable at the time.

Now, in my first year as a Republican member of this committee, it is with great pleasure that I endorse a truly bipartisan agreement. The fiscal year 1998 budget resolution was reported by the Committee on the Budget on a 31 to 7 vote. It was supported by 11 Democrats on the committee. The ranking member of the committee, who deserves a tremendous amount of credit, was a major player in its development. This document is bipartisan and it is a culminating moment in my service in the House.

I know that some of my fellow conservatives may be disappointed in this agreement. It does not go as far as we would like for it to go in reforming the role of government in our lives. But you must realize that we have colleagues on the opposite end of the political spectrum who are perhaps even more distressed with some of the contents of this resolution.

Some will call this resolution compromise, as if it were something foul or distasteful. Others will call this capitulation and will revel in debating who recapitulated, the President or the Congress. But I do not refer to this budget by either of those terms. To me it is a realistic achievement. It is what is doable. It is the product of something known as the Democratic process. It is called governing.

Unless any of us forget, let me remind you that less than 3 years ago we did not even debate budget resolutions that reached balance at any point in the future. Today, we are debating a budget that reaches balance in 2002, provides real savings in entitlement programs, creates no new entitlements and provides for a permanent reduction in taxes. We are doing this in a bipartisan fashion which greatly enhances the chances of making these efforts actual law.

This debate today is not nearly the final word on the issue. We must now move forward in the legislative process. Every committee in this body will make a significant contribution on producing at least one, hopefully two, reconciliation bills which we will debate later in the summer. We must also produce and pass 13 appropriation bills, none of which will be easy.

We will have this and other debates many times over as we proceed. We will each see victories and we will each see defeats. That is the nature of American-style democracy. It is not particularly pretty to watch, but it will work.

But today what is crucially important to recognize is that for the first time in a very long time, we are considering a bipartisan balanced budget proposal. This is historical. This is a victory for all Americans. More importantly, it is a celebration of our system of government and of our future generations.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. SABO], the former chairman and ranking member of the Committee on the Budget.

Mr. SABO. Mr. Chairman, I thank the ranking member for yielding. Let me say a special word of gratitude and thanks to the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Ohio [Mr. KASICH] for their great job in bringing this compromise budget proposal to us today. It is not easy, but it is a job well done and the country is well served by your efforts.

By passing this budget agreement today, we will be entering the final stages of a 7-year effort to get this country's fiscal house in order. The effort began in 1990 with the budget agreement between President Bush and congressional Democrats. It took another giant step forward in 1993, when President Clinton and congressional Democrats passed the largest deficit reduction package in history. And today, by passing this budget resolution, we will move toward finishing the job of balancing the budget.

When all is said and done, the record will show that the only people to have voted for all three of these budgets will be congressional Democrats. And, in fact, most of the people who will have voted for two out of three will be congressional Democrats.

Before the 1993 deficit reduction package was passed, the deficit stood at $290 billion. But congressional Democrats acted to change that and the country has reaped the benefits ever since. Thanks to that 5-year plan, the deficit is now expected to fall for a fifth straight year to its lowest level since 1979. By the end of 1997, the 1993 plan will have cut almost $700 billion in projected deficits. Indeed, without that success, we would not be in a position to consider balancing the budget by the year 2002.

The economy has also responded to the 1993 plan by creating more than 12 million new jobs, raising wages, lowering unemployment, and keeping inflation in check. Most of us cannot remember a time when our economy was stronger and more likely to provide a better future for our citizens. I firmly believe this would not have happened if we had not acted to reduce the deficit significantly.

The budget before us continues the fiscal discipline of the last 7 years. At the same time, it gives us the opportunity to correct some of the excesses of last year's welfare bill. It will help restore fairness for legal immigrants who had benefits taken away from them unfairly. It will provide the opportunity to restore food stamps for people unable to find jobs. This is a good resolution. Let us pass it.

Mr. SHAYS. Mr. Chairman, I am happy to yield 5 minutes to the gentleman from Kentucky [Mr. BUNNING].

(Mr. BUNNING asked and was given permission to revise and extend his remarks.)

Mr. BUNNING. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise today in strong support of House Concurrent Resolution 84, the balanced budget agreement of 1997. When Babe Ruth retired in 1935, a lot of folks thought no one would ever break his record of 714 home runs. But in 1974, Hank Aaron hit number 715. And a lot of folks thought no one would ever break Lou Gehrig's consecutive game streak of 2,130 games. But in 1995, Cal Ripken broke that record, and he is still going strong.

A lot of folks were beginning to think that Congress would never break its record of deficit spending year after year, and for 27 years they were right. But today, we have a chance to break that dismal record. Today, we have a chance to end our 27-year losing streak of deficit spending.

This alone is enough reason to merit support for this budget agreement. But this agreement does much more than just break the deficit streak. It helps preserve Medicare and keep it solvent for the next 10 years, it provides tax relief for the American family by providing a $500 child tax credit and educational tax credits, it helps small businesses and farmers by providing relief from the death tax, which causes so many family farms and family businesses to be sold instead of being handed down to the next generation, it provides more incentives for savings by allowing us to expand the individual retirement account, and it will help create jobs by providing much needed capital gains tax relief.

Mr. Chairman, I urge all of my colleagues from both sides of the aisle to take advantage of this historical moment, this bipartisan agreement, and break this dismal record of deficit spending that started in 1969. Vote ''yes'' on this historical document. This is a record breaking day for the U.S. Congress.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], the vice chair of the Democratic Caucus.

Mrs. KENNELLY of Connecticut. Mr. Chairman, as a supporter of the controversial 1990 Bush budget and a supporter of the budget resolution of the equally controversial budget of 1993, I rise tonight to support this budget resolution, hoping it has the same end.

CBO recently announced that, in fact, the deficit for this year would be below $70 billion, the lowest in 16 years, a 77-percent reduction in deficit since President Clinton became President. This is tremendous progress.

□ 1715

This is tremendous progress. But it would not have happened if it was not for the decisions made by those in 1990 and 1993.

I support this resolution because I want to see the job finished. I want to see the budget balanced. But we must say tonight again and again, the hard work has just begun. We must draft implementing legislation that keeps the promise of a balanced budget in the years following 2002. We must insist that the Committee on Ways and Means craft a package that provides needed tax relief to American families. This will be no easy task. In particular, the tax package needs to be crafted in a way that makes it possible to provide the promised tax cuts while at the same time actually measuring in the correct way the cost of these tax cuts. It would be tragic indeed if after years of work the tax cuts were drafted in such a manner that the revenue losses drive up the deficit after 2008. I think we should agree in a bipartisan fashion that such an outcome is not in the interest of the Nation.

I stand here tonight and the rancor is not the same as it was in 1990, and it certainly is not the same as it was in 1993. I do not miss the rancor, but, Mr. Chairman, I will say I would rather have the rancor and the commitment to reduce the deficit. I certainly hope tonight that in this budget resolution I am going to vote for, that promises are kept, please, Mr. Chairman.

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Texas [Mr. DELAY], the majority whip and a member of the Committee on Appropriations.

Mr. DELAY. Mr. Chairman, I rise in support of this resolution, and I commend everyone on both sides of the aisle for their hard work in putting it together.

Today we are faced with another historic decision. We can move forward by passing this resolution or we can stumble backwards by defeating it. This budget resolution accomplishes two very important things: First, it balances the budget; second, it cuts taxes for working families in America. Together these two priorities comprise the cornerstone of the Republican agenda. To characterize this as anything less than a victory for commonsense conservatism, I think, is an exercise in fantasy. I would remind my colleagues that this is not the end of the beginning nor is it the beginning of the end. Instead it is the first step in a very long process to preserve and protect the future fiscal health of this Nation. Like the 12-step program of Alcoholics Anonymous, the first step is the most important step, but each step on the way is equally important. We have a long way to go until we swear off wasteful Washington spending for good.

Critics have found much to criticize in this budget. They have picked it apart with complaints as diverse as the people who make up this country. Some have said that spending is too high. Others have said that spending is too low. Some complain that our tax cuts are too generous. Others condemn them as inefficient. In a perfect world, if I were king, this would be a different budget. I am certain that if the minority whip, the gentleman from Michigan, were king, he could construct a budget far different from mine. But this is not a monarchy. Neither the gentleman from Michigan [Mr. BONIOR] nor I are kings. This agreement is the best we can get with the situation that we find ourselves in. It cuts taxes, it saves Medicare, it slows spending, and it balances the budget.

In my view this budget resolution is kind of like Tiger Woods and his tee shot. It is not too far to the right nor is it too far to the left and it takes us a lot further than we previously thought we could go before.

A cynic, Oscar Wilde once said, is a man who knows the price of everything and the value of nothing. Cynics who condemn this budget miss its true value. For the first time in modern memory, the President of one party and a Congress controlled by the other party have agreed to balance the budget and to cut taxes in a very specific budget resolution. I call that a victory for the American people.

To those Democrats who support this resolution, let me just simply say, welcome to the fight and we greatly appreciate your support. And to those few Republicans who may oppose this budget, let me just say, do not grasp defeat from the jaws of victory. To those Americans who have lost faith in the political process, let me just say, every once in a while the process works. This is one of those times.

Vote for this resolution and together let us move on to the next step of balancing the budget and cutting taxes for the American people.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Chairman, I would first of all like to commend the gentleman from Ohio [Mr. KASICH] and certainly the gentleman from South Carolina [Mr. SPRATT] and certainly the President and his staff for putting together this agreement. I would call it a historic agreement, and it is. If, in fact, it is implemented as it is agreed to, then it will be a very good budget because it will carry out the priorities of both sides. It will have a modest tax cut and at the same time it will provide relief for legal immigrants that was taken away in 1996, it will provide new initiatives for children's health care, and certainly it will provide more resources for education in the form of Pell grants and increases of 25 percent in many of the areas of education.

On the other hand, I must point out that I thank the gentleman from Texas [Mr. DELAY] for saying that many Democrats will be joining him, but for the last 7 years, in 1990, and 1993, it was the Democrats that basically carried deficit reduction. In 1990, as my colleagues recall when President Bush was President we reduced the deficit by some $600 billion. In 1993, with President Clinton, we reduced it by some $490 billion. That is why we are here today with a $67 billion deficit and on our way to balance. But I will say I am a little concerned, and I want to make one caveat. This is just a piece of paper. It has no force of law. The President does not even have to sign it. The real test will be the 13 appropriations bills and the reconciliation bill and also the reconciliation bills on the tax cut.

Bear in mind, 1981, when Ronald Reagan said, ''We're going to balance the budget, we're going to cut taxes and we're going to increase defense.'' He said he was going to balance the budget by 1984. My colleagues know that did not happen.

I just heard some of my friends on the other side of the aisle talking about the tax cuts, the capital gains tax cuts, the cuts in the estate tax, the child credit of $500, and also the IRA's. If we add all those up as introduced in the Contract With America, we are talking about 600 billion dollars' worth of tax cuts over the next 10 years. We will find ourselves in the same mess we did in the 1980's unless we are willing to implement this agreement as it was agreed upon by all the parties.

I reserve the right, I think with my colleagues, that on the individual appropriations and individual reconciliation, we certainly will be in a position to examine those very closely.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Mr. Chairman, I thank the gentleman from South Carolina [Mr. SPRATT] for yielding me this time and congratulate the gentleman on a job very well done.

Mr. Chairman, I rise in support of this budget resolution as the next step to balancing the Federal budget. Considered in light of the CBO deficit projections just 4 years ago, this accomplishment is nothing short of miraculous. Four years ago, the deficit was actually $290 billion. The projection for 1997 that year was that the deficit would be $319 billion. But for the courageous action of President Clinton and the Members of this House and Senate, the other body, we were able to pass a bill that, in fact, brought the deficit in much, much lower than that. We have now a controllable deficit thanks to the action that we took in 1993.

I would like to speak for a moment about the tax and revenue portions of the agreement. The concern has been raised that we must not repeat the mistakes that we made in 1981. I was not a Member of this House in 1981, but I reviewed the action of that year. The tax cuts proposed by President Reagan and approved by the Congress were estimated at that time to reduce Federal revenues by $863 billion over 5 years. Let me say that again. The tax cut of 1981 totaled $863 billion over 5 years. That was with 1981 dollars. The tax cuts provided under the agreement embodied in this resolution are limited to $85 billion over 5 years, which is less than 10 percent of the size of the 1981 tax cuts. It is a far more cautious and responsible tax package than the 1981 legislation.

Another key provision of this agreement is the treatment of Medicare. The budget resolution we consider today provides for real Medicare reform that will lower the cost to our seniors and provide quality care for our Nation's seniors. Chief among the improvements is a preventive health care package that will help our seniors with their health care needs. We also solve other real problems in providing health benefits for children. We provide needs for students. This is a good budget agreement that puts together ways of improving our economy. I hope my colleagues will support the agreement.

Mr. Chairman, I rise in support of this budget resolution as a next important step along the way to balancing the Federal Government's books for the first time in a third of a century. I share the view of those, including the President, who have said that this budget balances the budget while also balancing our priorities and our values.

The budget we have before us today is truly a bipartisan work product. With a Democratic President and a Republican-controlled Congress, only a bipartisan budget plan could succeed. Both parties had to be willing to work through their strong disagreements and find compromise, without abandoning principle. Because they were, we have a chance today to take another step forward on the road to a balanced budget.

Mr. Chairman, just as today's action by this House will not mark the end of the work needed to balance the budget, neither does it mark the beginning. The Congressional Budget Office has recently indicated that it now estimates the budget deficit for the current fiscal year will be less than $70 billion. Considered in the light of CBO deficit projections of just 4 years ago, this accomplishment is nothing short of miraculous.

Four years ago, prior to the passage of the 1993 deficit reduction act, the Federal budget deficit was $290 billion. At that time, CBO projected that the deficit for this year, fiscal year 1997, would be $319 billion. By its courageous action in following President Clinton's leadership and passing the 1993 legislation, the 103d Congress brought uncontrollable deficits down to controllable levels. Without that action, we would not today be in a position to finish the job and balance the budget.

After a decade and a half in which the United States was the most fiscally irresponsible member of the G–7, today we are again the healthiest and most vibrant economy in the world. Our fiscal health is also the strongest of our major trading allies.

Today it is up to us to take the next step by approving this balanced budget agreement. As we do so, a few words of caution are in order.

Passage of this budget resolution will not, of course, balance the budget. We must still do the hard work of cutting spending and enforcing the terms of the agreement.

I would like to speak for a moment about the tax and revenue portions of this agreement. Some critics of the agreement, concerned about the tax cuts, have compared this agreement to the early 1980's. At that time, the 97th Congress approved the largest tax cuts in our country's history, which created the nightmare deficits that have plagued us since.

The concern has been raised that we must not repeat the mistakes of 1981. I was not a Member of this House in 1981. But I have reviewed the actions of that year. The tax cuts proposed by President Reagan approved by Congress that year were estimated at the time to reduce Federal revenues by $863 billion over 5 years. Let me say that again. The tax cuts of 1981 totaled $863 billion over 5 years. Let me point out that figure is in 1981 dollars.

The tax cuts provided under the agreement embodied in this resolution are limited to $85 billion over 5 years, which is less than 10 percent of the size of the 1981 tax cuts. It is a far more cautious and responsible tax package than the 1981 legislation.

No aspect of this agreement is more important than constraining the size of the tax cuts. We must be especially careful that revenue losses associated with the tax cuts do not exceed the tight limits that all parties have agreed to. Those of us on the taxwriting committee must work to prevent tax cuts from driving the deficit back up after 2002. Once we have balanced the budget, we must keep it balanced.

Another key to this agreement is the treatment of Medicare. Unlike 2 years ago, when the preservation of health benefits for seniors divided the parties, this year we are together on Medicare.

In the last Congress, so-called Medicare reform was all about slashing spending and forcing seniors into managed care plans where they would face higher costs and decreased choice. This year, the Medicare debate has turned around. The budget resolution that we are considering today is real Medicare reform. It makes programmatic changes that will lower costs and improve quality of care in the long run for our Nation's seniors.

Chief among these improvements is the addition of new preventive benefits in Medicare. On the first day of this session of Congress, I joined with my colleagues Chairman BILL THOMAS of the Ways and Means Health Subcommittee and Chairman MIKE BILIRAKIS of the Commerce Health Subcommittee to introduce H.R. 15, the Medicare Preventive Benefits Improvement Act. The budget resolution Includes these new benefits: Yearly mammographies for women over 50, with the deductible waived; colon cancer screening; prostate cancer screening; diabetes self-management and training services and payment for blood glucose monitoring strips; yearly pap smear screening and pelvic exams for women of childbearing age or with high risk of developing cervical cancer, with the deductible waived.

These Medicare modernizations will go far toward improving the quality of life for our Nation's seniors. And, as prevention becomes the norm of care for seniors, the Medicare Program will realize substantial savings as well.

Medicare is also thee source of funding for our Nation's graduate medical education system. This budget resolution includes provisions that make some improvements to that system. During the budget reconciliation process, I plan to build on this commitment to ensure that our graduate medical education system remains No. 1 in the world.

Despite the strengths of this agreement, there are parts of this budget resolution that I do not agree with and that I believe take our country in the wrong direction.

I strongly oppose a provision in the budget resolution that calls for the repeal of the Boren amendment. The Boren amendment is a protection in the Medicaid Program that simply states that payment rates for hospitals and nursing facilities must be ''reasonable and adequate to meet the costs of efficiently and economically operated facilities.'' This provision is a vitally important Medicaid component because it helps assure access to quality health care for our Nation's poor mothers, children, and seniors.

We created the Boren amendment in 1981 at the request of our Nation's Governors who were concerned that they would no longer be able to provide quality health care to their nursing home residents and poor mothers and children because of the downward spiral of Medicaid reimbursements. What was a problem in 1981 would become a problem again today if we repeal the Boren amendment. The proposed repeal of the Boren amendment creates a problem where none now exists.

Fortunately, there are other provisions of this agreement that solve real problems. The agreement contains important changes in last year's welfare reform legislation, easing some of the excesses of that initiative. The bill commits us to addressing the health care needs to the millions of American children who have no health care coverage. It provides the largest increase ever in Pell grants, making postsecondary education more affordable for millions of American young people.

Mr. Chairman, since 1969, the promise of a balanced budget has eluded this country. Now, with the adoption of this budget resolution, we have the chance to bring that promise closer to reality. Over all, the pluses in this package far outweigh the minuses. It will allow us to finish the job we began in 1993 and balance the Federal budget, and it does so in a way that is consistent with the values and priorities of the American people.

Mr. SHAYS. Mr. Chairman, I yield 20 seconds to the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Chairman, I just wanted to correct an impression left by the previous speaker that even though the estimates in 1981 were that we would lose revenues, real life happened after those estimates. The estimates turned out to be wrong and revenues doubled during the 1980's as a result of the economic growth package enacted in 1981.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. PASCRELL].

Mr. PASCRELL. Mr. Chairman, I rise today in support of this great budget agreement. I think we have come a long way and it has taken us a long time. This budget proposal is real. For the first time in 28 years, we have the opportunity to pass a truly balanced budget. I hope the Members of this House will consider later on this evening the Shuster-Oberstar amendment in terms of transportation and investment into our infrastructure. I think it is important. This is a balanced budget that protects our commitments to working families, the elderly and children and one that puts our economy on the right path as we enter the next century.

The interest payment on the debt is currently the third largest portion of the Federal budget. That is money that could otherwise be invested in education, in job training, and infrastructure, or could simply be given back to the taxpayers to spend as they see fit.

This budget proposal allows for tax credits for our young people and allows for expanded Pell grants. It is the right vote tonight, later on this evening, that we support this budget agreement. I commend both sides for a job well done.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise to support this budget agreement. The agreement before us represents at least procedurally the hardest thing this body ever tries to do, compromise differences, accept less than what each party wants, and tolerate aspects of the agreement each party would not include if it were simply a matter of writing its own package.

Throughout the history of this place, this Chamber is mostly a matter of winner-take-all, the party of the majority passes the bills they want, and that is the end of it. In times of divided government, that often means a Presidential veto and the legislative initiative dies in the partisan standoff. Such was the fate of the balanced budget drive in the last Congress and it very well could have happened to the balanced budget effort this Congress, but the American people deserve better and the President and the leaders of Congress, both House and Senate, both majority and minority, have worked to give them better. This budget agreement accomplishes that difficult task.

Back where I come from and across the country, Americans wanted the parties to work together to iron out the most difficult problems facing this country. They wanted a balanced budget. They have to do it as individual families. Collectively they wanted to do it on behalf of the country. But they also wanted our values reflected. Those values include protecting the health care that our seniors depend upon, committing to a bright educational opportunity for our young people, and the opportunity for people at a midcareer track to go back and get the skills training they need to compete in the work force today. It also means working and middle-income families find it just a little easier to make ends meet.

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Now I believe the agreement before us accomplishes all of this in a reasonable but not perfect fashion. Most importantly, it reaches a balanced budget and does so in a way that I think fairly reflects those values.

Mr. Chairman, as a 5-year member of the Committee on the Budget, I am extremely pleased to say I am supporting this agreement, and I urge my colleagues to do likewise.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. SHERMAN].

Mr. SHERMAN. Mr. Chairman, I rise in support of the budget agreement. It is just that, an agreement, a compromise. As my colleague from North Carolina pointed out, it is not what our party would have wanted, but it is better than deadlock, division and a Government shutdown a few months from now.

My colleague from California argued that we did a better job in 1981 and told us that revenues went up. They did only because we had such massive inflation as a result of the 1981 tax bill that everything cost more and everything involved more dollars. This, I hope, will be a much better agreement. That agreement in 1981 caused income taxes to decline sharply as a percentage of gross domestic product. This agreement will lead us to a balanced budget.

Just a few years ago we were headed toward a hundred trillion dollar deficit. Now, after tough votes in 1993 and the tough votes that we will make here today, we will be headed toward a balanced budget, a budget that I think will do more to encourage business than any 10 Republican business incentive programs or tax cuts and a balanced budget that will do more to help the poor than any 10 Great Society programs, because a balanced budget means a decline in interest rates, an increase in business activity, an increase in jobs.

On the Committee on the Budget my focus has been to focus on the environment and our need to buy more environmentally sensitive lands. I want to thank the gentleman from Ohio [Mr. KASICH] for working with me on an amendment that we adopted last Friday, an amendment that clarifies the agreement reached in the White House and indicates that we will have $700 million to spend next year on acquiring environmentally important lands. I think that it is important when we talk about taking care of our children to give them not only a healthy economy but to preserve this land for them, and that is an excellent aspect of this budget agreement.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, balancing the budget is important for this country and for its people, but balancing our national priorities and being fair to our citizens is equally important. This budget deal, some say, gives us the best opportunity to balance the budget in the next 5 years, but who are the winners and who are the losers?

This budget is indeed good for education, a national priority: $35 billion of investment in education, $300 in Pell grant increase, the largest expansion in Head Start; all of this leads toward our national priority.

But this budget is not fair to poor people. It fails to correct the very harsh provisions that allows hundreds of people access to food stamps only 3 months out of 3 years.

This budget does provide for a few more work slots and makes a feeble attempt to provide some assistance to States of 15 percent, but it does nothing about shelter caps or nothing about a reasonable value of vehicles.

This budget will help to develop healthy children, and indeed that is important. It expands health coverage for 5 million uncovered children while again, on the other side, it does not expand health coverage for another 5 million children.

Additionally, it finds that it is additional hardship of those rural hospitals because of the disproportionate share.

This budget is charitable for working families. It gives a $500 child tax credit, the welfare-to-work credit and the establishment of additional empowerment zones, enterprise communities. It will help local economies. But this budget is bad for those who want to work and cannot find a job.

This budget treats some legal immigrants fairly and, Mr. Chairman, that is a move in the right direction. It restores the civility and health benefits for legal immigrants as well as Medicaid coverage for poor legal immigrants' children. But it does not restore food stamps for legal immigrants, and when one comes to this country, whether they are legal or not, one knows indeed the benefits were not provided.

Mr. Chairman, we must, those of us who are considering to vote for this budget deal, must be honest with ourselves. There are winners and losers, and we must be fair to all of our citizens.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Chairman, today is a historic moment for America. We have the opportunity to vote on a budget that will be in balance by the year 2002 to begin the process of returning the Federal Government to a policy of fiscal responsibility.

Last week the Committee on the Budget had a chance to look at this budget agreement, and I am proud to say that we reported it out of committee by a wide bipartisan margin, 31 to 7.

This budget stands for commonsense values. It means permanent tax relief for hard-working families, genuine entitlement reform that preserves Medicare, and smaller, less intrusive Washington bureaucracy that lives within its means. This is something American families have been doing all along. It is about time we reward them for it with a balanced budget of our own.

With this budget American families will receive a much needed break from excessive taxes that have reached an unprecedented level of unfairness. This means that middle-class Americans like David Witt of Fresno, CA, and Kelley Gentry of Three Rivers, CA, both in the great Central Valley, will get capital gains tax cuts. Others will receive relief from the death tax, which destroys the hope of passing on the fruits of one's labor to their children, and they will also receive tax relief if they send their child to college. These tax reductions will allow workers to keep more of what they earn and gives them the freedom to live their lives as they choose, not as Washington dictates.

Mr. Chairman, we have the chance today to reduce taxes by $135 billion over 5 years, save Medicare for the next 10 years and provide 600 to 700 dollars' worth of entitlement savings over a 10-year period.

I urge my colleagues to support final passage of House Concurrent Resolution 84, a Balanced Budget Act that is good for America.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DAVIS].

Mr. DAVIS of Florida. Mr. Chairman, I believe that like the rest of the country we do some of our best work when we come together and try to look very carefully at what we have in common and how we can work together towards the common goal, and such is the strength of the budget resolution today that has as its primary emphasis balancing the Federal budget. This in my mind is the glue that has put this agreement together and the glue that will hold this agreement together, including between Democrats and Republicans.

Let us not forget that the amount of interest that we are paying annually on the Federal debt more than exceeds the annual amount of income tax paid by every individual living west of the Mississippi in the United States, an average of about $3,000 a taxpayer. This is a compelling debt we cannot allow our children and grandchildren to inherit.

What further gives this budget resolution integrity is it strikes the appropriate balance between preserving our priorities, Medicare, Medicaid and, in particular, education while balancing the budget. This is a major distinction between the budget of the Congress passed last year that the President thankfully vetoed that would have devastated States like Florida, where I come from, in terms of the impact of a very sudden and massive reduction in Medicaid. The proper balance has been struck here.

And with respect to the tax cuts let me say this: I think one of the best tax cuts that we can provide to the public is to reduce the incredible deficit that this country faces, to minimize its huge interest payment, to enjoy the favorable impact that would tend to have on interest rates, and, as we begin this process and as we debate these tax cuts, let us be open and honest with the American public as to how much these tax cuts are going to cost, where the money is going to come from to pay for it, and to make absolutely certain that the tax cuts that we do enact here are paid for and do not in any way undermine what should be our principal goal, which should be to balance our Federal debt.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I want to thank the ranking member on the Committee Budget for, one, letting me speak this afternoon; and, two, for all the work he has done to make this balance and possible for many of us to vote for.

Mr. Chairman, I voted for this budget resolution in committee, and I will vote for it here on the House floor, not because it is perfect, but because it takes important strides to invest in our kids, our families, and balances at the same time our budget in 5 years.

But voting for a good budget resolution is just the first step. Next we must take steps to implement the promises contained in this budget. In particular, I will be watching to make sure that we enact the President's education initiatives and that we fully fund WIC.

The only way we can move this Nation forward is by giving every single American access to quality education and training. That is why Congress must fund the President's education initiatives and make higher education more accessible and more affordable. Americans who are educated can get jobs that pay a livable wage. When we make education more accessible, we prevent families from going on welfare. We reduce crime, and we reduce violence, and we increase respect, respect for our health, respect for our environment and respect for each other and our differences.

Scientific research proves what every mother already knows. Babies who are born healthy and babies who are nurtured in the early years have the best chance of growing into productive adults. That is why Congress must fully fund WIC, so that every eligible pregnant woman has access to prenatal care and proper nutrition for herself during her pregnancy and while she is nursing and for her baby following birth.

Mr. Chairman, I will be voting for this budget resolution, but I will be watching closely to make sure that the promises made to our kids and families are within this budget act.

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Pennsylvania [Mr. PITTS].

(Mr. PITTS asked and was given permission to revise and extend his remarks.)

Mr. PITTS. Mr. Chairman, I rise today in support of the balanced budget agreement of 1997. This is a bipartisan compromise which is necessary in this day of divided government which demonstrates an ability to govern even with the President of one party and Congress of the other. The passage of the balanced budget resolution will be a solid first step toward the goals of balancing our budget, providing permanent tax relief for American families and reducing the size and scope of the Federal Government while improving the fiscal health of this Nation.

Mr. Chairman, after months of negotiations, the Republican leadership and President Clinton have found enough common ground to draft a budget which will come to real balance by no later than 2002.

Mr. Chairman, I believe that American families deserve a break, a tax break, and this bipartisan plan will give American families the tax relief they deserve. This plan will give Americans $135 billion in tax relief over the next 5 years, and for the next 10 years the Americans will get a tax break of $250 billion. The tax relief package in this budget insures that every American wins. It is a permanent win. It is not a temporary tax cut. With it we can provide relief for families with children with a per child tax credit, the opportunity for people to keep their family farms and businesses with death tax relief, incentives for job creation and economic growth with capital gains tax relief, incentives for savings and investment with IRA expansion, relief for families who send their kids to college with the education tax credit.

Mr. Chairman, with our bipartisan plan we save Medicare, we increase Medicare spending, provide seniors with better choices. While liberals hold onto bureaucracy, we have chosen ways to preserve, protect, and strengthen Medicare for the sake of our seniors.

And finally this budget will decrease the size and scope of our Federal Government. In current dollars Washington will spend less over the next 5 years in nondefense discretionary spending than it has since 1969.

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That is the last time Washington balanced its books.

This bipartisan plan will save the taxpayers $961 billion over the next 10 years in spending. Without this agreement, we would be spending almost $1 trillion in higher spending; and guess who foots the bill for this extra $1 trillion? American families.

Mr. Chairman, compromise is essential with a divided government. There are components of this budget which are not perfect. There are even some components which some of us would change, if we could. However, the President has veto power. The Republicans have a slim majority of 10 seats, and we cannot override a Presidential veto. If we send the President the spending reduction and tax relief we did in the last Congress, the President would veto again, and the deficit will continue to grow indefinitely.

So, Mr. Chairman, we agree that this is a bipartisan agreement. If my colleagues would take a look at this chart, this is what the average American family spends on taxes today: $21,883. It is more than what they spend on food, shelter, clothing, and transportation combined, and this is the level of taxation that families will continue to endure if we do not pass this bipartisan plan.

The American family needs this bipartisan plan. It will mean lower taxes, lower interest rates, economic, domestic expansion and a healthy economy. Mr. Chairman, for the first time in 40 years we have this bipartisan agreement. I urge my colleagues to vote for this bipartisan balanced budget resolution.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, on balance, this is a good plan. Certainly it is much better than this House passed in 1995 and 1996, and fortunately the President vetoed those plans. If it works and the economy stays strong, it will balance the budget for the first time since 1969, which was the year that I was 10 years old.

Increasing education and environmental funding is what this budget does and it is a good thing. It begins to address the national disgrace of the 10 million uninsured children in this country, including more than 2.5 million in Texas, and it increases access to college by increasing Pell grants and making tuition deductible.

There are some points that I think the committees need to look at. With respect to Medicare and Medicaid, the Committee on Ways and Means and the Committee on Commerce need to make sure that we have stable funding for medical education in the context of the Medicare changes that are made, ensuring that low-income seniors are protected from premium increases due to the shift of home health care, ensuring that there is Medigap protection so that we give seniors a real choice between fee-for-service and managed care, and ensuring that the disproportionate share that is used by the States continues to have the flexibility, so that it covers not just high Medicaid populations, but also unreimbursed charity care as well.

Let me speak with respect to the tax cuts. Many are appealing, and I support many of them. However, I do have some real concerns as to how they are being paid for.

A large part of this budget is predicated upon very, very optimistic economic assumptions. If we look at the numbers, we assume that inflation will be 2-percent less than historical average, that interest rates will be 3-percent less than historical average and that unemployment will be 1-percent less than recent historical average, spectrum sales will bring in more than they have in the past.

This is a great risk, a risk that we can manage, but I urge my colleagues that we need to be cautious as we go forward with this plan, not get us back into the trap we saw after the 1981 budget and 1982 and 1983, where we had resulting deficits from tax reductions and then put pressure on mandatory spending such as Medicare and Medicaid.

In balance, as I said, this is a good deal, I will support it, but it will take a lot of work over the next 5 years to ensure that we do in fact get in balance.

Mr. Chairman, I rise in support of this budget resolution as a good start toward the first balanced budget since 1969. It is by no means a perfect agreement; few are. But it is a bipartisan agreement that sets us on a path to balance and, if properly implemented, will help restore the confidence of the American people that their elected leaders can work together to confront the challenges facing our Nation.

I am especially pleased that this agreement places such a high priority on the education and health of our children. We must expand access to college because more and better education is needed to succeed in the information age economy. This agreement does include the largest increase in education investment in 30 years. It will help low- and middle-income families afford college tuition by expanding Pell grants and providing tax deductions for college costs.

This agreement will also help end the national shame that 10 million children lack health insurance and access to basic health services such as immunizations and regular checkups. My State of Texas leads the Nation in the number of uninsured children—2.6 million Texas children have lacked health insurance for at least a month over the past 2 years. This agreement will go a long way toward helping these children and their families. These are the right investments to make even as we move toward a balanced budget.

However, this resolution, as we all know, is only a roadmap to a balanced budget. Now it will be up to the various authorizing committees and the Appropriations Committee to fill in the details, and I reserve judgment on the final product until we see those details. I want to outline my concerns about this agreement, especially with regard to the changes in Medicare and Medicaid and the potential cost of the tax cuts that could lead either to new deficits or deep cuts in mandatory spending such as Medicare, Medicaid, and education.

The Medicare changes should be fair to senior citizens and maintain our investment in graduate medical education at the Nation's teaching hospitals. The Ways and Means and Commerce Committees should consider four issues in preparing their reconciliation bills.

First, we must ensure stable, guaranteed funding for teaching hospitals, which are linchpins of our entire health care system. They train future physicians and other health care professionals; they conduct clinical research that helps keep America first in the world in medical research and technological development; and they often bear the responsibility of treating patients who lack health insurance and cannot find care anywhere else. Through traditional Medicare plans, the Federal Government provides a subsidy to these institutions based upon the number of traditional Medicare patients they treat. However, as the number of Medicare patients enrolled in managed care has grown steadily and these patients have been sent to other locations, there has been a steady erosion in this Federal subsidy.

I believe that the Medicare reforms enacted as part of the reconciliation bill should address this problem and establish stable, mandatory funding for graduate medical education. This legislation could include the option recommended by the administration's fiscal year 1997 budget, which is similar to legislation I have introduced, H.R. 106, to establish a trust fund by recapturing a portion of the per capita costs paid to Medicare managed care plans. This approach would not increase Federal spending; rather it would recapture funds from the current Medicare managed care reimbursement formula so that all Medicare plans help pay for the cost of graduate medical education.

The Medicare reforms also need to include sufficient protections for senior citizens. We must ensure that senior citizens have a real choice of doctors and health plans by reforming Medigap regulations. Seniors who transfer into a managed care plan should be guaranteed the right to buy Medigap if they decide to return to traditional Medicare. Seniors currently lack this right, and this is a tremendous obstacle to real choice in Medicare. We must also ensure that, as we move home health care from Medicare part A to Medicare part B and phase these costs into the premium calculations, we protect low-income seniors from the premium increases. This agreement includes $1.5 billion under Medicaid to help low-income seniors pay these premiums. That is the minimum that should be included in the implementing legislation. The reconciliation bill should be clear in authorizing an increase in Specified Low-income Medicare Beneficiary [SLMB] coverage.

This budget agreement also recommends $13.6 billion in net savings for the Medicaid Program. Most of these savings would come from reducing Medicaid's payments to hospitals serving a disproportionate share of Medicaid and low-income families. I will work to ensure that these reforms to the Disproportionate Share Hospital [SDH] Program are fair and reasonable. Texas has a high number of SDH-eligible facilities because it has the highest percentage of uninsured patients in the Nation and serves a large number of Medicaid patients as well. Any reforms to the DSH Program must protect these patients and those facilities which serve them. In particular, we should ensure that States retain flexibility to include both Medicaid and non-Medicaid charity care in determining DSH eligibility.

I am also concerned that this agreement meet the goal of balancing the budget. It is assumed that the tax cuts will be contained and not result in excessive revenue losses in the future. It is also assumed that the net tax cuts are being paid for by revenue offsets, spectrum sales, and positive economic assumptions of the Congressional Budget Office. Should such assumptions change, revenue losses due to tax cuts would increase the deficit and create pressure for further cuts in mandatory spending such as Medicare and Medicaid. That is why I offered an amendment in the Budget Committee to ensure that any excess losses from the tax bill be offset not by additional cuts in mandatory spending, but rather from the revenue side of the ledger. I believe this is within the scope of the original agreement, but unfortunately the committee failed to accept this enforcement mechanism.

We must remember the lesson of the early 1980's when tax cuts did explode in cost and resulted in the huge deficits we are still dealing with today. I believe there is a possibility that history will repeat itself. There are two temptations that we must avoid—the first is to use overly optimistic economic assumptions and the second is to structure the tax cuts so that they initially appear to be limited in cost, but then explode in the out years. There is a very real risk that this resolution is making both mistakes. That is not to say we cannot manage risk. We can and we should.

First, let me discuss the economic estimates. Yes, our economy has demonstrated remarkable resiliency and strength. But we have not repealed the business cycle and a downturn is inevitable. However, the economic assumptions in this resolution do not leave much room for the inevitable. It assumes $225 billion in new revenue that the Congressional Budget Office suddenly found at the last minute. It assumes $15 billion from a reduction in the Consumer Price Index that may or may not happen. It projects $26 billion in revenues from spectrum auctions despite the fact recent auctions have fallen well short of expectations. And it forecasts $77 billion in savings from stronger economic growth. For example, these estimates are premised on unemployment averaging a full percentage point lower than it has since 1980; a CPI almost 2 percentage points lower than the 15-year average; and interest rates on 3-month Treasury bills more than 3 percent lower than that average. While a far cry from the rosy scenarios of the early 1980's, these estimates nevertheless appear somewhat optimistic.

So on the one hand, there is this temptation to overestimate projected revenue during the period of this agreement. On the other hand, there is a tremendous temptation to underestimate the revenue loss from the tax cuts. This agreement calls for net tax cuts of $85 billion over 5 years and $250 billion over 10 years. However, the Joint Tax Committee estimates that the full cost of all the tax cuts still on the table—both the President's tuition tax deductions and the various Republican leadership proposals—would be $221 billion over 5 years and $560 billion over 10 years. Fitting all these proposals into the constraints of this agreement will require very difficult choices. I am concerned that some backloading of tax cuts has already crept into this budget resolution. The revenue flow from the tax cuts shows a bubble of $2 billion more in revenue in 2002. What policy assumptions generate this extra revenue, and what will be the consequences later?

This, is on balance, a good agreement. Like all transactions, there are many moving parts which must be worked out. We are benefiting from strong and stable economic growth and previous deficit reduction measures. Nonetheless, there is a risk that economic conditions will change or that revenue loss assumptions will prove incorrect. We should manage such risk if we are to make this deal work.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I want to thank the gentleman from South Carolina [Mr. SPRATT] for leading the fight to protect Democratic priorities in the deliberations of the Committee on the Budget.

I intend to vote for the balanced budget resolution today, but the final product of our deliberations must reflect the Democrats' families first priorities in order to gain my support further down the road. Those priorities include significant investment in education, a children's health care initiative to provide coverage to as many of the 10 million uninsured children as possible, and strong environmental protection and enforcement.

Mr. Chairman, it is my fear that the Republican right will highjack the budget process as it continues towards reconciliation and the details begin to be worked out. The Democrats will not support tax cuts that primarily benefit the wealthy at the expense of the average American family.

Concerning the children's health care initiative, the Democratic health care task force has worked hard over the last year to develop a proposal that will cover the greatest number of uninsured children. Our families first plan includes enhanced outreach to those 3 million children already eligible, but not enrolled in Medicaid, increase Federal help to expand Medicaid, State flexibility which allows children to remain eligible for Medicaid for a full year after eligibility is determined, and grants to States to assist with providing public or private health insurance.

Mr. Chairman, I just want to say, I believe that this family first kids' health initiative can be contained within this balanced budget resolution. I know that the gentleman from Massachusetts [Mr. KENNEDY] has assumed the specifics of our Democrats' Family First health care initiative within his substitute and he calls for spending $32 billion for the proposal. I would say, whether it is $32 billion or $16 billion, as in the Committee on the Budget's proposal, it is important to recognize that Democrats will fight to ensure that the sum set aside for children's health care truly benefits most, if not all, of the 10 million uninsured children.

I feel very strongly that this is the beginning of the process. We should support it at this point, but we have to make sure as we move along that we contain and we include as many of the 10 million uninsured children as possible.

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Chairman, I want to thank the gentleman for yielding me this time.

I wanted to start by giving credit where credit is due for the reason why we are here today. Mr. Chairman, the big shots get to sit in the room and negotiate and get everything done, but there is a reason why we are here. Here comes one of the big shots now. I congratulate the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget, but the real big shots and the reason why we are here today is the American people. They demanded it, they said we want real entitlement reform, we want to save Medicare, we want to stop all of these increases in taxes, we want to balance the budget and we want to do it now, we do not want any phoney gimmicks, we do not want a phoney plan, we want our Representatives to get in there, work together.

We know there are differences, we know there are people who are going to disagree and find all sorts of reasons to vote against it, but we want you to get the job done. So because of the American people, because they did not fall asleep at the switch, we are here today, and this is what we have:

We have a budget that balances by the year 2002, and we begin at that point to begin paying off the national debt. It provides $250 billion in tax relief to small business, to farmers, to families, for job creation, for education costs, and getting, starting to get rid of that awful death tax. It ensures Medicare solvency for 10 years. My two grandmothers, in their 90's, thankfully now do not have to worry as much as they had to when the Medicare trust fund report came out just last month. It does not touch Social Security benefits, and reduces total government spending to 18.9 percent of gross domestic product in 2002. That is the first time since the first year I started high school that Federal spending will be less than 20 percent of gross domestic product.

Now let me tell my colleagues, for those people who are skeptics, why this is real and why it is important. For the first time, and part of the reason why I ran for Congress was because I was so sick and tired of all of these Gramm–Rudmans this and Gramm–Rudmans that, did not know who they were; they are gentlemen, of course, but their plans did not work, and the reason why their plans did not work is an historical fact that has been argued here today many times and I am not going to go over it, except to say there are a lot of people who would flunk history if they were to take a test here today.

The point is that the plans were never real. I think the way we base our decision on whether a plan is real, the same way we go in and we talk to a banker, the banker wants to see progress if one is trying to get out of debt. If one is a farmer, that is what they have got to prove, or if one is a small businessman.

So let us look at the progress. In 1996 we said we were going to have a deficit of $154 billion. Where were we? $107 billion. That is progress. In 1997 we were going to have a deficit of $174 billion. Where are we? We are at $67 billion. That is progress. In the 1980's, in the 1990's, before all of this came to be, we saw the blue line way above the red line. It had never worked. We are finally showing progress and we are finally ahead of plan with regard to getting our deficit in balance.

Let me just say that if I was a farmer and I came into a banker with this kind of a plan, chances are the banker would say, it is time to let you get back out there and keep doing what you are doing. But the only way, the only way this stays on track is if the American people do not fall asleep. Because this is just a plan. It is just a guidepost. We have done some of the work, yes, we are agreeing here today, and I think the plan is going to work. But the only way it is going to stay on track is if the American people do not fall asleep. I say to the American people, keep an eye on this, keep an eye on this, and this will get done.

The CHAIRMAN. Under the previous unanimous-consent agreement, the gentleman from Washington [Mr. MCDERMOTT] is recognized for 25 minutes.

Mr. McDERMOTT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I think those of us who are going to vote for this budget resolution, and I am not, are going to have to accept two assumptions. One is that we are going to have 10 years of the economy going up. Now, I have not heard that they have repealed the law of gravity in economics. The fact that this budget is based on 10 years of unending going up at $45 billion a year is simply unbelievable.

Second, we have to believe that the Committee on Ways and Means is going to restrain itself in tax giveaways and cutting entitlements.

Now, in this budget agreement there is about $16 billion cut from a program called DISH. That is a disproportionate share. It goes to hospitals that take care of people who cannot pay for it. Many of those hospitals are children's hospitals.

I say to my colleagues to ask themselves about their children's hospital. They get 40 to 70 percent of their money from this DISH money, and when we cut that out of this budget, how can we say to ourselves, well, are we not wonderful? We are giving health care to another 5 million kids when we are taking the guts out of the budget of our local children's hospital.

Let us talk about the fact that there is no protection against the Committee on Ways and Means on the issue of the earned income tax credit, on low-income housing tax credits. I called Seattle today because I wanted to know what the facts are today. If one is low income in this country in Seattle, and it is a good city, there is a 3-year waiting list to get in. If one is a senior citizen in the citizen program that has 1,300 houses, there are 1,000 names on the list. That means everybody who is in senior citizen housing has to die if one is going to get into the program if one registered today. How long will that take? And we say this is the budget that we can begin giving great tax breaks to people when we have enormous problems.

The minority leader was right. We can do better. None of us, there is not anybody on this floor who does not want to balance the budget. It is an argument about how it is balanced.

This is an unfair balancing, and it takes our belief in the tooth fairy to believe it.

☐ 1800

Members have to believe that we are not going to do again in 1997 what we did in 1991. It took us 16 years to get back. If we put in exploding tax cuts, and I really think this budget will balance for about 20 minutes in 2002, it will be like one of those touch-and-go landings with a 747, where they hit the runway and go right back up in the air.

When this comes we are going to have real problems. I urge Members to vote against this.

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Mr. Chairman, I rise today to support the budget resolution that is before us this evening. This is truly a historic occasion to be able to vote for our budget, something that will go to balance in 5 short years. We have voted for budgets that will balance, but this one will actually balance because the President will sign the appropriate appropriation bills and reconciliation bills that will get us to that point.

When I first ran for Congress in 1992 I had never been in politics before. I ran as a fiscal conservative, one who felt there was fiscal irresponsibility here in Washington, who believed we needed to reduce the size and scope of the Government, that Government was too big and spent too much money. I was fortunate to be able to be on the Committee on the Budget in my first term in 1993, and worked with the gentleman from Ohio, Mr. JOHN KASICH, a great committee chairman.

I was proud to be able to participate in that first budget that the Republicans developed because it was called ''cut spending first,'' because we realized that to balance the budget we cannot just raise taxes and talk about it, we have to control spending. That is exactly what the budget that Republicans proposed in 1993 did.

The budget that was passed by the Democratic Party, without a Republican vote, raised taxes and increased spending. But after the 1994 election things changed around here. The rhetoric changed dramatically, because now everyone is for a balanced budget. Even my colleague who just spoke a few minutes earlier said, ''I am for a balanced budget.''

Now we have a chance to do a real balanced budget. In the last session of Congress we made some great strides forward. We reformed welfare, and for the first time we ended an entitlement. We started to get control of discretionary spending. That is very important to get to a balanced budget. But the most important thing that this budget does that we did not do last time is start controlling entitlement spending. This budget will have $600 billion in savings on entitlements over the next 10 years.

Let me talk about one entitlement specifically. That is Medicare. Medicare is a very, very important program to me. My congressional district in

Florida has more senior citizens than any other congressional district, so it is important to the seniors in my district. But it is the biggest jobs program in my district, taking care of the health care of senior citizens for the working people in my district. I have an 87-year-old mother who is on Medicare, so it is personally important.

We need to do something about Medicare, because we all know it is going bankrupt. In 4 short years it is going to be bankrupt. This is stated by the trustees, and there is no dispute about the fact that Medicare is bankrupt in the year 2001, so we need to do something about it. We need to do it in a bipartisan fashion. Fortunately, that is the positive thing about this bill today, it is bipartisan, and we are going to be able to address the Medicare situation.

I have to congratulate the President on this. The President has come forward. After the Democrats and the President demagogued Republicans on their Medicare proposal last year, they are coming forward to accept, in effect, the same proposal that we had last year. What did we do last year?

Mr. Chairman, last year what we proposed was to increase spending every year, just slow the rate of growth in spending. What is happening with the spending in Medicare, it is going to be from $5,480 to $6,911 per person on Medicare over the next 5 years. That is the same number almost that we were at last time and it was vetoed.

So I commend the President for saying we are going to save Medicare and agreeing to this proposal that raises the spending at the same approximate rate that was proposed last year. I am excited about getting to a balanced budget and saving Medicare at the same time.

Mr. McDERMOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. WEYGAND].

(Mr. WEYGAND asked and was given permission to revise and extend his remarks.)

Mr. WEYGAND. Mr. Chairman, I thank the ranking Member, the gentleman from South Carolina [Mr. SPRATT], who I think did an excellent job in trying to bring to this Congress and to the people of America a balanced budget that reflected truly well-intended views. Unfortunately, I think this budget is very much like that TV program, ''Rich Man, Poor Man.'' It gives to the rich, takes away from the working poor families of America.

I represent Rhode Island, a very modest-income State. We represent working families, children, senior citizens, and small businesses. They are not helped by this budget. They are in fact hurt by this budget. Average Americans are being ignored. Let me tell the Members, that is what we should be working toward is improving the life, the quality of life, of average Americans.

If we take a look at this budget, it is totally void of providing monies for early childhood development, an issue that everyone says if we are going to change our educational system we must address. We do not. We do not support small businesses in this budget; we in fact provide a number of enhancements for big businesses. We do not protect our senior citizens. In fact, we add more costs to their Medicare. We add price and pain to part B. For our senior citizens, we make sure that they are going to pay more money in part B of their Medicare than ever before.

Mr. Chairman, just on the line a little while ago on the Internet there was a poll that was just finished and conducted. It asked, do you believe more in the balanced budget deal or in Santa Claus? Thirty-two percent of the people believed in the budget deal as being balanced, and 52 percent believe in Santa Claus.

I can tell the Members, I know Santa Claus told me that he lives right in Rhode Island, and he does not believe in this budget deal. This deal in fact is bad for average Americans, average families, average citizens, average children, average seniors. I implore our colleagues to vote against this. We can do better. We must do better.

Mr. McDERMOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. KENNEDY].

Mr. KENNEDY of Rhode Island. Mr. Chairman, I would like to thank my friend, the gentleman from Washington State, for yielding me this time. I am pleased to be able to be able to follow my colleague, the gentleman from Rhode Island [Mr. WEYGAND], in his approach to this budget resolution and how unfair this budget resolution really is.

Mr. Chairman, everyone should just stop for a moment and think about how we arrived at this budget resolution. Remember, there was a breakdown because we did not agree on the Consumer Price Index, because it was going to affect working families and it was going to gouge the cost of living adjustment for our senior citizens? Remember when we were talking about even severer cuts to Medicare, and emasculating programs of veterans' benefits, all the while because we knew the majority party had to preserve their big tax cuts for the rich?

Then, miraculously, $250 billion found. It was on the front page of the Washington Post. Remember, oh, my God, all of our problems are solved. Capitol Hill negotiators see a quick resolution to the budget impasse, and $45 billion a year in estimated revenues have now been disclosed by the Congressional Budget Office as new revenues. Thank God. Just in time.

What the gentleman from Rhode Island [Mr. WEYGAND] was talking about, what the minority leader, the gentleman from Missouri [Mr. GEPHARDT] was talking about, what the gentleman from Washington [Mr. MCDERMOTT] is talking about, is that when the train crashes, guess who is going to get hurt? It is going to be the veterans, it is going to be the senior citizens, it is going to be the immigrants.

Members can tell us all they want how this budget is fair, how it restores money to legal immigrants, how it helps early education, but we know this is blue smoke and mirrors. Because when it comes down to making the cuts that need to be made, and that CBO estimate that the majority party has cooked up with added revenues does not come true, guess who it is not going to come true for? The people who are going to get hurt are the people that always get hurt. That is the poor working people that I represent in my State and that all of my colleagues represent around this country.

Reject this budget resolution. It is not fair to the American people.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HOBSON].

(Mr. HOBSON asked and was given permission to revise and extend his remarks.)

Mr. HOBSON. Mr. Chairman, in a town famous for saying one thing and doing another, Congress is finally doing what it promised. The balanced budget amendment that Congress reached with the President delivers on the promises that we have made to the American people. The resolution puts that agreement into action. It balances the budget, saves Medicare, lets American families keep more of what they earn, and reforms entitlement programs. Certainly that is different than previous Congresses have done under previous controls.

Under the balanced budget resolution deficits will be a thing of the past, and like every American family and American business, the Government will live within its means for the first time since 1969.

If the budget resolution did nothing else but eliminate the deficit, it would still be a huge victory for the American people. But frankly, it does more. The balanced budget resolution saves Medicare from bankruptcy and gives seniors new health care choices. By changing the Medicare structure, it will protect its solvency for another decade while expanding benefits to cover mammography, diabetes self-management, immunizations, and special cancer screening.

If this resolution just balanced the budget and saved Medicare, yes, that would be historic, but it goes even further than that. Over the next 10 years this budget will reduce tax burdens on American families by $250 billion, including reductions in capital gains, death taxes, a tax credit for families with children, an expanded IRA to encourage savings for retirement, and tax relief to help families send their children to college.

To help make sure that the tax burden stays lower, we are going to change the entitlement programs that have put the real pressure on our budget year after year. Let us think about it: a balanced budget, a sound Medicare program, tax relief for families, entitlement reform, and I frankly am very proud of this budget resolution. I am proud of the people in the House and Senate who helped forge it.

Special thanks go to the chairman of the Committee on the Budget, the gentleman from Ohio Mr. JOHN KASICH, and the ranking member, the gentleman from South Carolina Mr. JOHN SPRATT, for helping move this bill through committee, and the committee staff under Rick May deserves our thanks for all their hard work over the years, and especially this year.

We are doing something real and permanent here with this budget resolution. We are being responsible and we are heading off a fiscal crisis before it happens. This commonsense approach helped win strong bipartisan support for the budget in committee, where it passed 31 to 7.

I encourage my colleagues to support the resolution, get involved in the process of enacting it into law. As an indication of the support the budget is already winning back home, I am submitting for the RECORD an editorial from my hometown paper that praises the bipartisan spirit in which the budget agreement was reached. Let us move on. Let us move on for the American people.

Mr. Chairman, I include for the RECORD the editorial previously referred to.

The editorial referred to is as follows:

[From the Springfield, OH, News-Sun, May 12, 1997]

BUDGET A RESULT OF SERIOUS WORK

Considering the bad blood between the Clinton White House and congressional Republicans, their agreement to balance the federal budget in 2002 is extremely gratifying. The work negotiators from both sides put into this accord is precisely the serious, public-spirited give-and-take Americans expect of their national leadership.

On many substantive questions, negotiators kept their partisan instincts in check. They reached surprisingly easy compromises to curb domestic spending, to achieve Medicare savings at modest cost to beneficiaries and to check Social Security cost-of-living increases. They also restored benefits to legal immigrants—benefits which should never have been taken away.

But what got this budget deal moving was the dynamism of an economy now whirring along at a phenomenal 5.6 percent annual growth rate and producing bulging tax revenues for Uncle Sam.

In fact, budget negotiators were told at the last minute the Treasury was likely to take in $200 billion to $225 billion more than previously expected over the next five years. And this good news came during the same week that the Treasury announced it would be able to make a $65 billion payment against America's $5 trillion national debt, the first such payoff in 16 years.

The budget deal does have its flaws—such as the increase in defense spending—but the major disappointment is the $135 billion in tax reductions. With the next few budgets still projected to be in the red, it is not time to start rewarding taxpayers for their sacrifices.

Only one of these tax breaks can be defended as wise social policy: Clinton's tuition tax credits. No public investment is so vital to maintain this country's edge in technology and the world economy as educating Americans, both our youth and adults, for tomorrow's jobs.

How much better for all of America it would have been if the billions of dollars in tax relief had been added instead to that $65 billion payoff on the national debt.

Mr. McDERMOTT. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the gentleman from Ohio, like the chairman, have both said that they are restructuring Medicare. The chairman said in the committee, ''The ultimate answer is moving toward a voucher program.'' Senior citizens, beware of what they have in mind for you.

Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Pennsylvania [Mr. KANJORSKI].

(Mr. KANJORSKI asked and was given permission to revise and extend his remarks.)

Mr. KANJORSKI. Mr. Chairman, I do not take the floor very often, but I wanted to get these 2 minutes. I have listened to the minority leader, and I have thought about this proposal over the last several weeks as the negotiations unfolded.

I have to say that one of the prior Members who spoke on the Republican side talked about the reason he came to Congress. It was to straighten out the fiscal responsibility of the United States. That is the reason I came here, and I think probably the reason most of us came here.

When I came to Congress in the 1980's the Congress was suffering from delusion: magicians, smoke and mirrors. We were saying that you could raise defense spending and you could balance the budget at the same time, after you cut taxes. That was 1981.

We went through 1981 to 1986, and finally Bill Bradley in the Senate and Dan Rostenkowski in the House put together a tax bill that went to real supply and demand, instead of tax credits for tax credits' sake. In 1986 we took away false choices. We went to a closer economic picture.

Then in 1991 some of us sweat blood here on two or three occasions after we had a special summit over there in Virginia. We stopped and forced the President of the United States to reverse his speech promises of ''read my lips, no new taxes.'' He adopted taxes, we passed it, and we started a trend to contain deficits in the United States.

In 1993, William Jefferson Clinton began his service as President and had the guts to increase taxes and to deal with necessities in the administration, while all my friends on the Republican side said that the sky had now fallen. It was no longer illusion. It was that we on our side were suffering from delusion.

Now we come to 1997, and truly know what delusion is. We found that $225 billion in the attic that the majority party in 1996, in 1995, closed this Government down twice not to accept those figures of OMB, but did accept them in the wee hours of the night to arrive at this agreement.

The American people should not be fooled by illusion or delusion. The American people ought to sit back tonight and listen to these great speeches. If all of this is true, I ask why in 1993 not one of our friends on the other side put their seat on the line to raise taxes and to cut the deficit that has put us in the economic picture.

Let me tell the Members what they have to believe. After 74 months of economic prosperity, the second longest in the history of the United States, the longest being 106 months, we have only 32 months possibly to go to be the longest recovery period in the history of the United States. That means in 2½ years this budget agreement will fail miserably as a result of the recession that will occur. Vote ''no'' on this agreement.

☐ 1815

Mr. SHAYS. Mr. Chairman, I yield myself 30 seconds, just to point out to the gentleman the reason why Republicans did not support the 1993 agreement. It contained tax increases and very little spending cuts. The reason why we have seen continued growth in the reduction of the deficit in the last 2 years has been because we have made only spending cuts.

Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in support of this great budget plan. I had the opportunity a few minutes ago to listen to the distinguished minority leader express his opposition to this plan. In the course of his discussion, he exhorted us to look out for the future of our children and to think about our children. And that, Mr. Chairman, is exactly why we need to adopt this plan, because this plan will get us on track to balancing the budget and reducing the debt that we are passing onto our children and our grandchildren.

I came here 3 years ago to change the culture of Washington. As a new member of the Committee on the Budget, I was greeted with an administration plan, a 5-year plan that contained $150 billion deficits for all 5 years.

If we add up the deficits for all of the 5 years of the plan we have before us tonight, it does not equal the deficit that we had in one fiscal year in 1992. Indeed we have before us a plan that will reduce overall spending by over almost a trillion dollars over the next decade, save Medicare, which we have been talking about now for 2 years, save this program for the next generation and implement permanent tax relief for working families and small business people, the folks I represent in the Second Congressional District.

What appeared to be all but hopeless just a few years ago is now within our grasp, thanks to the undaunted efforts of the gentleman from Ohio [Mr. KASICH], our chairman, and others who have been here longer than myself. We faced $250 billion tax increases and deficits in excess of $300 billion a year, and now we are well on the way to solving that problem.

Not only will the plan we have today restore fiscal discipline for our Federal budget but it will do so using conservative economic principles: 2.1 percent rate of growth each year by the Congressional Budget Office is a tenth of a percent lower than the forecast of our budget plan a year ago.

Mr. Chairman, this budget plan is the type of plan that all responsible Members of this body should support. It puts us on a track to a balanced budget by the year 2002. That is why I came to Washington in 1994.

Mr. MCDERMOTT. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I have rarely heard Members lavish on themselves more undeserved credit.

The budget deficit has gone from $292 billion a year in 1992 to $67 billion. That is a reduction of about $225 billion in 5 years. Those were the 5 terrible years.

Now, over the next 5 years, we are going to go from 67 billion to zero. And Members who have denigrated a reduction from $292 to $67 billion in 5 years are endangering their own chest bones by beating them so hard in praise of getting it down that last $67 billion over 5 years.

How are they doing this small part of the job? By making America less fair. If Members vote for this budget, they vote to say an old woman or an old man, an 80-year-old living on $12,000 or $13,000 a year will contribute to deficit reduction by getting a reduction in his or her Social Security through the Consumer Price Index from what otherwise would be the case, but do not worry because while your Social Security Consumer Price Index will go down, your Medicare will go up. So maybe that is some kind of equality. If you are making $13,000 a year, the CPI will be reduced and the Medicare will go up.

We began, in 1993, to bring some fairness to the Tax Code. This reverses it. We are being told we must give a degree of tax relief and some of the tax relief is, it seems to me, relevant for people who need to send their kids to school. But a lot of it will go on capital gains to wealthier people.

Why must we give the wealthy tax relief when we are going to be cutting lower income fuel assistance from what the law now requires, cutting community development block grants, cutting things that help people coping with economic difficulty? To stimulate the economy. But it is an economy which the Federal Reserve has acted as if it was already too stimulated.

We have got significant economic growth and, unlike growth during the Reagan years, we have seen growth while the deficit was going down.

Finally, we continue the pattern of being very generous to western Europe and Japan. This military budget will include for 5 years, it is locked in, if we believe this budget, a level of subsidy to Western European and Japanese allies that will be paid for by severe caps on important domestic programs. We will probably, under this budget, not be able to continue the funds we have sent to local communities so they can pay to keep the cops on the street. We gave them money for 3 years to keep cops on the street. They may not get Federal money to keep those cops on the street, but do not worry, we will lavish some more money on Eastern Europe. And those Americans who were afraid that Belgium might be invaded can take comfort in this budget because we have continued the practice of protecting Belgium and the Netherlands from their nonexistent enemies.

But if you live in an American city and you are worried about police not being there when you need them, this budget goes in the opposite direction.

To summarize, and I thank the gentleman for his continued leadership here, to summarize, we got the budget deficit from $292 to $67 billion. We should get it the rest of the way. But let us not accept the argument that we need to reverse a trend towards fairness, that we need to say, if you are making $12,000 or $13,000 a year and you are elderly, that your Medicare will go up while your CPI will go down.

And finally, let me talk about one of the silliest things in this agreement. If you are a legal immigrant and you are 82-years-old, we cut you off last year. The Republicans are very proud of that bill that cut people off. They have finally admitted they made a mistake. So what do they say in this bill? If you are 82-years-old and disabled, we will restore your money. But if you are 82-years-old and able-bodied, we will not.

Do the Republicans contemplate and the others who support this deal, because we are not restoring the money, as I understand it, for elderly legal immigrants, only for disabled legal immigrants, do we really contemplate a flood of legal immigrants in their 70's and 80's joining the work force?

This budget removes fairness to the extent that we have had it and cloaks itself inaccurately in an argument that you need to do it to reduce the deficit, when it will do less deficit reduction over the next 5 years than we have done over the past 5 years.

Mr. SHAYS. Mr. Chairman, I yield myself 10 seconds, to point out that while some are contemplating a legislative change in the CPI, there is no change in the CPI in this budget.

Mr. MCDERMOTT. Mr. Chairman, I yield 15 seconds to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, this does not legislate a cut in the CPI, but it assumes one. The Bureau of Labor Statistics has been under a lot of pressure, and this budget assumes that the CPI will be downgraded by the Bureau of Labor Statistics so that elderly people will get less of a cost of living as a result of what they assume the CPI will have happen to them.

Mr. SHAYS. Mr. Chairman, I yield myself 10 seconds.

This budget does not make any legislative change in the CPI. The Bureau of Labor Statistics is totally independent.

Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I thank the gentleman for yielding me the time.

In listening to the dialog, this budget does not do everything that we would like it to do, but it is an important next step in the process. It moves us forward. It moves us towards fiscal responsibility and it does so in a very positive framework.

It keeps us moving not towards balance, I do not think we will ever have a balanced budget. What it does is it moves us to surplus. We will actually have a surplus, hopefully, before the year 2002 but probably no later than the year 2002. It begins reform of entitlements. It slows the growth of Federal spending. Yes, it does return some tax dollars back to the American taxpayers.

That is a solid framework for which this Congress can be proud, and it is a bipartisan step forward. We now need to build on this agreement. In the next 45 days, we need to pass the legislation that puts in place the actual entitlement reforms, and we need to put in place the legislation that actually reduces the tax burden on the American taxpayers.

I think in another way this agreement is a very positive agreement, because now for a period of time there will no longer be a debate about the size of the Washington bureaucracy and the size of Washington government. We now can do and go back and perform a very important congressional responsibility, which is oversight.

We have talked about public housing. I am not sure that pouring more money into the same public housing framework is the best way to spend our dollars. We can probably get more bang for our dollar.

I wanted to talk a little bit about the work that we have been doing in education. There are some that are saying, and this agreement allows for more spending on education, but before we put more money into the current education framework, Congress needs to step back and say, what are we getting for the current dollars that we are spending? How does Washington define education? Washington defines education in a framework like this. It is a fairly complicated chart because the education system in Washington is fairly complex.

We have the red boxes signifying the number of different Federal agencies that are involved in education. We have over 40 different agencies that are concerned about education in America. They operate over 7,820 different programs, and they spend over $100 billion per year to educate and train people in America. Rather than pouring more money in this, in debating whether it should get bigger or smaller, we have now agreed on what the education spending will be for the next few years.

We can now step back and say, is this the best way to educate our children, to train America's workers. Let us step back, let us take a look at what is working and let us reform the education process in a bipartisan way. We need to do the same thing with improving the work force climate in America. How do we increase our international competitiveness? How do we improve the quality of life for America's working people?

How do we ensure that they are the highest quality, the best trained and the most productive so that they are the highest paid workers in America? That is now what this budget framework will allow us to do, to step back from arguing about the size of government to take a look at increasing its effectiveness and efficiency.

Let us use this budget agreement to move forward. We agree with the President on education. The President said in March 27, 1996, we cannot ask the American people to spend more on education until we do a better job with the money we have got now.

Let us have that debate now that we have put the debate about the size of government behind us for a period of time.

Mr. MCDERMOTT. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. NADLER].

(Mr. NADLER asked and was given permission to revise and extend his remarks.)

Mr. NADLER. Mr. Chairman, I rise today in strong opposition to this budget resolution. Although Democratic negotiators have succeeded in improving this budget over some previous proposals, I believe it is still bad policy for the Nation. The centerpiece of this budget is that in order to pay for tax cuts, the lion's share of which will go to the very wealthiest of Americans, we will constrain government spending on the things government should and must be doing.

This budget calls for a 10-percent real reduction in nondefense discretionary spending. We will be investing less in housing. We have a zero budget for new affordable housing units. Zero. And apparently, according to this, we should have a zero budget for affordable housing units, for new affordable housing units for the next 10 years.

We should cut spending in education, infrastructure, health care, Medicare by $115 billion, and on and on, all in the interest of a tax cut, mostly for the very wealthiest people in our country.

When President Clinton ran for election in 1992, he said we had to deal with four deficits. He said we had to get the budget deficit under control. And we have gotten it under control, reducing it from almost $300 to $67 billion.

He said we have to get the infrastructure investment deficit under control. We are investing in public infrastructure at the rate of one-twelfth of our competitors in Germany and Europe and Japan. And this does not do that. And if we do not solve that problem, we will not have a competitive economy.

We have to invest in research and development. We have cut research and development investment in the private and public sector. If we want to have a competitive economy in products we can sell abroad and at home a dozen years from now, we had better deal with that deficit.

And we have to invest in human capital so we have an educated work force and so our people are healthy and educated and can hold down decent jobs.

But in the name of balancing the budget and giving a tax cut to the wealthiest people in our country, we are abandoning these goals. And we have no assurance that the permanent tax cuts enacted with this proposal will not explode after 2002 or 2008.

In 2008 there will be $400 and $500 billion a year in less revenue just at the time that the baby boom is retiring, and we are told we are going to need huge amounts of extra money for Social Security and for Medicare. Sure, the Republicans have assured us this will not happen. But Ronald Reagan assured us that the 1981 tax cut would not lead to the biggest deficits in history and, of course, they did.

What this budget really says to America is for the next 10 years we are going to abandon investment in our Nation and in our people and, instead, we will devote our valuable resources to pay for unnecessary tax cuts skewed to the richest in our country.

Government, Mr. Chairman, should be guided by policy and not symbolism and shortsightedness. We should not constrain investment in our future. And I hope, I hope, we have the courage, the intelligence and the farsightedness to vote against this resolution.

Mr. MCDERMOTT. Mr. Chairman, would you tell us how much time we have left?

The CHAIRMAN. The gentleman from Washington [Mr. MCDERMOTT] has 7¾ minutes remaining under his unanimous-consent agreement.

Mr. MCDERMOTT. And the other side?

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] has 1 hour, 37 minutes, and 30 seconds.

Mr. MCDERMOTT. Mr. Chairman, I yield 2 minutes and 45 seconds to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding me this time and for leading this effort to say no to this budget.

With the greatest respect for all those who have worked so hard to bring this budget to the floor, on balance I think the appropriate vote for me, representing my constituents, is no.

I frankly can understand why my Republican colleagues would support a budget that gives a tax break to the highest end individuals while putting the burden of this budget on the less fortunate in our country. I am concerned why it is appealing to my Democratic colleagues. However, I respect their decision .

I do not think either vote is a good or bad vote on this. I do think, though, that we should make a statement about who wins and who losses in this budget bill.

First, let me say that I believe we are here today because of actions taken on two previous occasions by this Congress. One was in 1993, when the Democrats and only the Democrats voted to support President Clinton's bill that year for deficit reduction and balancing the budget. That took us down a path of deficit reduction, stimulated our economy, and took us down a path toward success, and that puts us in position to have a balanced budget in the very near future.

We do not have a balanced budget now, though, because of a vote that was taken many years ago, in 1981, the Reagan tax cut bill. Because of that tax cut bill, which produced huge deficits and increased our national debt enormously, we have to pay so much of our national budget for service on that debt. In fact, absent the service on that debt, the interest that we have to pay on our national debt, we would have a Federal budget and a Federal Government that would be operating in surplus, Mr. Chairman. In surplus.

In think it is a real tribute to the Clinton administration that ever since the President has been in office he has had an operating surplus, except for the interest on the debt, which came to us courtesy of the Reagan tax bill of 1981.

So, Mr. Chairman, in my remaining seconds I wish to say I oppose this budget because I believe that a budget should be a statement of our national values. I do not see that here.

I see, when we talk about providing health care for poor children in America, that we are paying for it out of Medicaid, cuts in Medicaid, and yet, and yet, without any pain, this package will give a tax break to the wealthiest people in our country without any cost to them.

So I see the losers being the usual, the people who need more opportunity in our society, and the winners being the usual, the wealthiest people in our society with the loudest and the largest voices to impact the actions of Congress.

Mr. Chairman, I want to yield back the balance of my time because of the small amount of time given to the ''no'' side, and I urge my colleagues to vote ''no'' and I again thank the gentleman for his leadership on this issue.

Mr. SHAYS. Mr. Chairman, I yield 5½ minutes to the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Chairman, I thank the gentleman for yielding me this time.

Today marks a singular turning point in how the U.S. Congress carries out the will of the American people. For too many years our Government has failed to heed the word of those who sent us here. For too many years taxes went up, spending went up, and the size and power of Government went up. It seemed that the bigger Washington got, the further removed Congress became from the wishes and needs of the people it served.

Since I came to Congress in 1971, 11 major tax increases have been enacted into law. That is almost one major tax hike for every 2 years that I have been here. Some were even agreed to by Republican Presidents. Until recently, it seemed that the answer to every problem was to raise someone's taxes. We would not have been wrong if we said that until now the Congress never met a tax it did not hike. That is why this agreement marks an important turning point. For the first time in 16 years the American people will get a tax cut.

And I have listened to previous speakers here today. They cannot get away from the wornout rhetoric that they used before to adjust it to changing conditions. They have not even seen the tax bill, but already it will be tax relief only for the very, very rich. That is certainly not true and that will not be what is part of this tax bill. But they will keep saying it because it is locked into their mind. They do not know anything else.

This budget agreement may not be the best, it may not be the end-all, but it shows that we can balance the budget without raising taxes. It makes clear that Washington should tax less so that the American people can do more. It reaffirms our central premise that the hopes and dreams of a free people are handled best at home and in America's communities, not left to an externally expanding Federal Government located many, many miles away.

For some, today's agreement may seem to open the way to big government with a balanced budget. I pray we do not come to that. For balancing the budget is not just a matter of accounting, it is about the role that we expect the central government to play in our lives. It is about downsizing the power and the scope of the Federal Government and upsizing the power, the responsibilities, and the opportunities of individual Americans, free to achieve the fruits of their labor in the world's freest and most successful Nation.

That is why I will never, ever yield in my desire to reduce taxes on the American people, even after this agreement is completed. The secret of American success always has been and always will be our willingness to invest unparalleled trust and freedom in the hands of our voters. By letting them keep more of the money they make, they in turn will do more, do more for themselves, do more for the needy and more for the fibers of the individual communities that bind us together as one great Nation. By letting businesses grow, make money and succeed, we empower capitalism to be a force for good in this world, a force that has made our citizens the freest and richest people on Earth.

We are the economic envy of the world and we should be proud of that. It is these ideas that make us great. It is these ideas that separate us from the redistributionist societies that mean well always but fail always.

It is these principles that drive the upward mobility, that has proudly been the hallmark of American life. It is these principles that let individual Americans express their compassion and their willingness to help their fellow countrymen in need rather than ask a government to do it for them.

We all know that Washington's big government solutions exploded the deficit and failed to live up to the noble and high minded expectations that were previously set. Governments can do some things well, and we must put the appropriate powers of the Federal Government to good use, but Washington governs best when it has governed wisely, and it has governed wisely when it lives within its means.

That is what makes today's agreement a turning point and that is why I am for it. This agreement does not do everything and much work remains ahead. I would have liked to cut spending more. I would have liked to lower taxes more. But this agreement marks a departure from the old Washington ways and ushers in a new way, a new way based on lower taxes, less spending, and more freedom.

Mr. Chairman, I have every confidence that today's agreement will come to be seen as a crucial turning point in America's experiment with democracy. It will usher in an era of balanced budgets, less spending, and increased responsibilities and opportunities for the American people, and it will bring about a total overhaul of our unfair, complicated Tax Code, which will follow.

Mr. Chairman, I urge all of the Members to vote for this budget agreement. Let us get started. Watch us go.

Mr. MCDERMOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, this budget deal is based on a series of assumptions that would make a house of cards look like a sturdy fortress. In their economic assumptions, my colleagues, they project that this year's economy will grow at a rate of 2.1 percent. Unfortunately, the first quarter was 3.9 percent and the second quarter was 5.6 percent. So we will have to have negative growth for the last two quarters in order for this particular projection to be accurate.

In fact, what has happened with the Republicans is that they have grown so cautious since they were so wrong in 1993, that is projecting that that deficit reduction was going to be a failure, that since the deficit has gone from $300 down to $60 billion, in other words, from the end zone all the way to the other 20-yard line, there is only 20 yards left to go. Now they check in at $65 billion left to go in balancing the budget.

My own personal belief is that if we did nothing, the budget would balance itself over the next year. It has gone down steadily for 5 years. It will continue to go down steadily. The economy is roaring.

But what the Republicans do is, instead of taking this 5.6-percent growth that is in the economy, the sigh of relief that Alan Greenspan and the Fed is not going to increase interest rates, they translate it into a slowdown of the economy: 2.1 to 2.2 percent over the next 5 years they project. Even this year. That is just wrong.

As a consequence of that, they are forced to ask for deep cuts in programs that should not be touched, and tax breaks that, in fact, are going to fuel economic growth and perhaps cause the Fed to increase interest rates to slow down the economy that could be fueled by their tax policies.

☐ 1845

Moreover, what they have in here is something which is called a chain weights measure correction, meaning that they believe that the economy is going to go much slower under this chain weights analysis. It reminds me a lot of Marley's ghost that was forced to bear the chain weights dragged around throughout the entire story of Scrooge. Here the chain weights must be borne by those that will have to have their programs cut even as we cut taxes for the wealthiest in our society.

Other assumptions in this which are crazy, that the spectrum auctions will bring in $26 billion over the next 5 years. A fantasy, ladies and gentlemen. Perhaps we should tie this assumption to the ability to give capital gains tax breaks, if they are so confident about it. We will link the two provisions together. Usually the budgeters know the price of everything and the value of nothing. In this budget, the budget folks know neither price nor value of the airwaves or this budget proposal.

SPECTRUM ISSUES IN THE BUDGET

BACKGROUND

The Budget Resolution contains assumptions that $26.3 Billion can be raised over five years through various auctions of frequency spectrum.

Here is the breakdown of where the $$$ comes from:

[In billions of dollars]

Auction of returned ''analog'' TV broadcast spectrum	$5.4
Auction of spectrum currently allocated to channels 60–69	2.5
Auction of ''vanity'' toll free 888 numbers	0.7
Broaden & Extend FCC auction authority	15.7
Spectrum Flexibility fees	2.0

There are multiple problems with what the ''budgeteers'' have concocted.

First, the recent FCC decision on Digital TV sets a target date for the return of the analog TV spectrum in 2006. The budget proposal would take this target date and make it a mandated return date for the purposes of auctioning the returned spectrum. TV stations, however, that are not within the top 30 markets have up to 5 years to build out their digital TV facilities. Consumers in such markets, therefore, may only have 3 years to purchase new sets or digital converter boxes before their old ones become obsolete and these stations go dark.

Second, the proposal to ''broaden and extend'' the FCC auction authority ($15.7 Billion) requires the Commission to sell an additional 120 Megahertz (20 of which will come from NTIA). It is unclear where the rest will come from. The Commission had an extremely difficult time identifying 25 MHz to auction as mandated in last year's Appropriations Act. When they finally did, it raised only $13 million instead of the $1.8 Billion it was expected to.

Third, the proposal to auction 888 toll free vanity numbers ($700 million) runs into a number (no pun intended) of problems. First, does American Express, user of ''1–800–The-Card'', have a right to first refusal for ''1–888–The-Card'' in order to limit customer confusion? What do citizens of Canada do who use our same numbering system—pay the American FCC for use of a telephone number in Toronto?

It is clear that the budget wonks are trying to balance the budget by creating money out of thin air.

Telecommunications issues should be looked at through the prism of telecommunications policy, not budget policy. I used to say that the budgeteers are people who knew the price of everything and the value of nothing. But since this proposal won't raise the money that they score it to raise, my opinion now is that the budget folks don't know either the price or the value of what they plan to sell.

These spectrum issues are anti-consumer: the broadcast industry will not be ready in each and every market, in all states, in rural hamlets, to turn off their TV signals because consumers will not have made the switch to the new equipment.

Mr. McDERMOTT. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Chairman, while there are many important policy matters addressed in the budget agreement before us today, I would like to take this opportunity to comment on the provisions concerning natural resources, native Americans and the environment.

I am encouraged that the resolution includes several vital functions of the Department of the Interior in the category of protected domestic discretionary priorities. Specifically, the National Park Service, operations of national park system, land acquisition, and State assistance, Everglades restoration, Bureau of Indian Affairs, and tribal priority allocations are funded at levels proposed in the President's fiscal year 1998 budget.

In addition, I am pleased that the resolution provides for $143 million in fiscal year 1998 to implement the California Bay-Delta Environmental Enhancement Act and $700 million for priority Federal land acquisitions, such as the Headwaters Redwoods Forest in California and the New World Mine Property bordering Yellowstone National Park.

These are highly justifiable and appropriate uses of public funds. In fact, these priorities adopted in the budget agreement were also identified in the budget views and estimates of Resource Committee Democrats.

Let me briefly address the priority items.

Of critical importance to California is the commitment to provide $143 million in funds requested by the President for the California Bay-Delta ecosystem restoration initiative. Federal financial support for bay-delta restoration was authorized by Congress in 1996. By voter initiative, California has set aside nearly $1 billion for bay-delta water restoration programs, guaranteeing that the State will pay its fair share of the costs. There is widespread, bipartisan support for the bay-delta ecosystem restoration effort and it deserves full support from Congress.

Mr. Chairman, if there was any doubt whatsoever about the importance of our national parks, the public outcry and harm to local economies during the Government shutdown last Congress made it clear that national parks are among this country's most value assets. Unfortunately, while we in Congress have created a system of national parks on par with any in the world, we have not been very good stewards of that public trust.

The Park Service would be the first to admit that the June 1997 edition of Consumer Reports is right on target: Visitor facilities in many national parks are in terrible shape and getting worse. There is an estimated $5.6 billion backlog in maintenance and repair needs.

Although the budget agreement incorporates the President's request for a 6-percent increase in fiscal year 1998 park funding, more needs to be done. Congress should continue to seek sources of funding, from park fees, concessions reform, and other initiatives, in order to deal with the repair and maintenance backlog and to continue to provide for the use and enjoyment of these vital national assets.

Mr. Chairman, we also have a special trust responsibility for American Indians and the budget resolution seeks to meet that responsibility by including the Bureau of Indian Affairs and tribal priority allocations as protected domestic discretionary priorities.

The $1.73 billion requested for BIA programs in the President's fiscal year 1998 budget is equal to the amount appropriated in fiscal year 1995. But considering that the funding for Indian programs has been cut significantly by Congress in each of the last 2 fiscal years, the budget agreement at least stops the backsliding. The needs for these funds are great: Economic, medical, educational, and social conditions on most Indian reservations are bleak. Of the 1.8 million native Americans in the U.S., 603,000 live below the poverty line and unemployment exceeds 40 percent.

Mr. Chairman, no other area more visibly demonstrates the progress in this budget agreement than does the funding provided for land acquisition for conservation purposes. The budget provides funding at the levels requested by the President in fiscal year 1998 for land and water conservation fund acquisition and the Everglades restoration initiative. Moreover, the resolution makes an additional $700 million available over the President's request, for priority land acquisition. This is in stark contrast to the budget resolution adopted last Congress which eliminated all funds for land acquisition. Land and water fund appropriations for the last 2 fiscal years which have fallen below fiscal year 1995 levels, despite efforts by myself and Representative FARR in offering amendments to restore funding.

The Land and Water Conservation Fund Act dedicates revenues from the leasing of offshore oil and gas resources to a trust for the permanent protection of conservation lands. The act intends that these funds are to be used to purchase lands from willing sellers as additions to national parks, national wildlife refuges, national forests, and Bureau of Land Management Lands. The annual income to the land and water trust fund has been steady at $900 million, resulting in an unexpected balance in the trust of over $12 billion in fiscal year 1998.

The price of not using the land and water conservation fund for its intended purposes is paid by increasing threats and in diminishing opportunities to protect and enhance our parks, refuges, forests, and public lands. Using the land and water conservation trust for deficit reduction, rather than for its intended acquisition purposes, is not only committing a fraud on the American people, it is short-sighted because it will increase the long-run costs to the taxpayers for protecting the environment and providing recreational opportunities.

Let me cite one example to illustrate the point: The City of New York is faced with the choice of spending $600 million to protect its watershed by purchasing forested land in the Catskills which is threatened by development or alternatively spending $4 billion on a water treatment system to provide clean drinking water.

In large part because of the difficulty in getting Congress to appropriate land and water conservation funds, the administration has resorted to proposing exchanges of Federal assets in an attempt to acquire the Headwaters Forest in California and the New World Mine outside Yellowstone Park.

But the $700 million provided in the budget agreement for acquisitions provides much better alternative to asset swaps which raise environmental and complicated valuation problems. This is an important step forward in using the assets of land and water conservation fund as the act intends.

I commend Chairman KASICH, Ranking Member SPRATT and others involved in the budget negotiations for their leadership on these critical issues.

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Minnesota, Mr. GIL GUTKNECHT.

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding me the time.

Mr. Chairman, in his immortal poem, ''The People, Yes,'' Carl Sandberg said essentially, ''The will of the people will prevail.'' For many years, and I remember when I was in the State legislature, we would send petitions to the Congress asking them to balance the budget. Finally, we are reaching a point where it is within our grasp, and I think it is a historic and important night.

I was interested, in listening to this debate, some of our more liberal friends on this side continue to talk about winners and losers. But I am intrigued because there was a President from Massachusetts a few years ago, and he said that a rising tide lifts all boats. That is what this budget is about. It is not about winners and losers. It is about everybody winning.

Under a balanced budget, we will see lower interest rates, we will see stronger economic growth. It is about rising tides for all boats.

We talked about projections earlier, and the CBO was wrong. Frankly, they have been wrong more often than they have been right. But the most important thing is, we are ahead of our goal, we are under budget, we are moving in the right direction, and the American people are happy about it. Why? Because they are the biggest winners. The American people understand that. They understand who the winners are; they are, because the size and scope of the Federal Government is going to shrink.

I do not know why some of my colleagues on the right, and I have got some more friends over here who say, well, they do not know if they can support it because it does not do enough. Well, ladies and gentlemen, it does a lot. Maybe it is not perfect. This is not a perfect solution. I know some of my colleagues think we should not do this or we should not do that. But this is a compromise, and that is what makes this place work. That is the other reason the American people are happy, because for the first time in a long time we have the Congress and the President working together to balance the budget, to give them permanent tax relief.

And they understand this, and our chairman talked about that earlier, that family with three kids that is going to church and they have got the Billy Graham bumper sticker on the back of their car, they are going to be better off under this, and they can figure that out. That family that has got two kids in college or one in college and one about ready to go to college, they are big winners under this.

Real entitlement reform. Anyone who has studied the budget for the last 5 years understands that you cannot balance the Federal budget unless you get control of entitlements like welfare and Medicare and Medicaid. With the passage of this budget, we are well down that road.

Finally and most importantly, and I think this is a generational equity budget, we save Medicare from bankruptcy for at least 10 years.

So, is this budget perfect? No. Is it a giant step in the right direction? Absolutely yes. And the big winners are the American people, American families, but most importantly, American children. Because we begin to lay the foundations in this budget of not only balancing the budget, in my opinion, before the year 2002, but absolutely beginning to pay down the national debt as we go into the next generation.

The real winners are the American people, because Government spending as a percentage of the gross domestic product drops from 22½ percent to 18.9 percent. What does that mean? It means there is going to be more money in the private economy, it means a stronger economy, it means a rising tide.

If the American people continue to apply pressure to this Congress, we will stay the course, we will balance the budget, we will allow families to keep more of their money, and most important, we will lay the foundations for actually paying off the national debt.

No, this is not the end of the great debate about balancing the budget. It is, however, a historic and very important beginning.

Mr. McDERMOTT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I went to Wheaton College, where Billy Graham went to school, so I am glad that having a Billy Graham bumper strip on my car is going to get me tax relief. It sounds like that is what is being promised out here, that all those folks who go to the Billy Graham revivals will get a tax cut.

What about the rest of the folks? As I look at the two proposals we have on the table, and the reason we keep talking about tax cuts is because all we know that is what the Republicans put on the table last year and what Senator ROTH, the Member of the other body, put on this year, and three-quarters of the money that comes in tax breaks in both those proposals went to people making more than $100,000. I am glad that all those people going to Billy Graham's revivals are making $100,000 or more, because if they are not, they are not going to get anything out of this tax break.

The estate taxes. Now, we are all going to die. That is pretty sure. Taxes and death we know. And when you die, if you are in the 1.6 percent at the very top of the economy, you are going to take advantage of that little old tax break. Nobody else is. That estate tax business is simply for the people at the very top of the economy.

Now, we could have crafted a very careful use of the estate tax, if it is family farms you want to keep together or small businesses. But nobody will talk specifics. What this budget agreement does is say, buy a pig in a poke, send this tax break over to the Committee on Ways and Means and trust Chairman ARCHER and the members to do a very skilled, very careful, very fiscally conservative proposal.

Now, if you believe that, go back and look and see what happened in 1981 and 1986. They got in a bidding war. It was us. It was not Republicans, it was Democrats. I was not here, but I know who did it. There is no clean side here. It is not good or bad on either side of the aisle. But the fact was, the committee ran away. And it will happen again, you watch.

The CHAIRMAN pro tempore. Under the previous unanimous-consent agreement, the Joint Economic Committee on the Democrat side will control the next 10 minutes of time.

The gentleman from California [Mr. STARK] will control that 10 minutes.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentleman from California [Mr. STARK] for yielding me the time.

Mr. Chairman, when President Clinton took office, the deficit was out of control and the economy was reeling. In 1993, we took bold steps to restore fiscal responsibility by cutting the deficit from $290 billion to less than $100 billion today, and from close to 5 percent of the GDP to just 1½ percent. As a result, unemployment is at a 24-year low and inflation has stayed below 3 percent a year.

Economic growth has been expanding. Today, the Federal Reserve appears to have voted in support of this budget by not raising interest rates. This is a good beginning based on a strong economy. As we fill in the details, we must make sure that this budget invests in education according to the President's plan, expands child health care, protects Medicare and Medicaid, and provides tax relief for all working Americans.

I am especially pleased that this budget includes my bipartisan bill to allow for annual mammograms for women over 65 in Medicare. Who would have thought in 1992 that today we would be on a trend toward a balanced budget in 2002? This is about raising living standards for American workers. This is a victory for President Clinton, a victory for bipartisanship, and, most importantly, a victory for the American people.

Mr. STARK. Mr. Chairman, I yield myself such time as I may consume, and to congratulate the chairman and the ranking member of the Committee on the Budget for completing their work in a timely fashion and doing it with a minimum amount of rancor and a lot of hard work. They are to be congratulated for achieving balance.

But I would like to suggest that balancing a budget is not an end to itself, as is being suggested by so many speakers tonight. There is too much left undone. While we can celebrate the economy, it is very difficult to celebrate when literally hundreds of millions of Americans are not going to participate. They just do not have a boat to get on as the tide rises.

The key question before us tonight is, Does this budget represent our priorities? Does it contribute to raising the standard of living for American workers and their families? Does it educate our children and train them to participate in all this wondrous economic success that is planned for the years ahead? Does it maintain our technological lead over our competitors? And, most of all, who will benefit from these tax cuts?

The chairman of the Committee on Ways and Means is wrong. These tax cuts go to the richest American families in our country, and he knows it, and I am sure that most of the people hearing this debate know it. That may not be bad if you are rich, but it does not do much for you if you are below

$40,000 a year in income and trying to support a family.

I cannot support this budget resolution because of the priorities it funds and those that it fails to fund. It calls for over $5 billion a year in manned space flight, for instance, yet it leaves 5 million children without health insurance. That is not a choice I can make. It ignores the health needs of asthmatic children who are not covered. It ignores the health needs of children with hearing loss. Those 5 million children do not get health care. And you are turning your back on them as you gaze at some missile in space which may or may not be as important to you. You have to make that decision when you vote.

This budget wastes half a billion dollars a year on star wars and lets our NATO allies off the hook for true burden sharing. This money could be spent to provide day care. It could be spent to help working families in need of long-term care assistance for their seniors, in need of job training, community resources to cut crime, and it is not.

It is a great budget resolution for those who favor increasing defense spending and tax cuts for the wealthy while ignoring working families and their children, while ignoring middle and low-income seniors and the less fortunate members of our society.

☐ 1900

Without the star wars spending that is in this budget, we would have the resources to fund health coverage for all our children. Is that a decision my colleagues want to make? If you want to fund star wars and cut 5 million kids out of health insurance, vote for the budget, my Republican friends. You will get your wish.

Without the tax cuts, we would have the ability to extend the life of Medicare 4 or 5 years more. Do you need those tax cuts or would you like to extend Medicare for a longer time?

There are a lot of things this budget does not do. We know from listening to our Republican friends that it gives huge tax cuts to the rich and somehow strangles Government services, not for the rich but for the middle- and low-income families.

They are gloating over the fact that they cut the President's proposal to increase welfare benefits in half. The rich do not care about that. They got their tax cut. The people who are sleeping under bridges, let them stay there.

They rejected the President's entitlement for school construction. Let the schools fall down, that with the earthquake problems put your children at risk. They do not care about the children, they care about tax cuts for the rich.

They rejected the President's program for intervention in health insurance for workers. They really do not care about that.

They cut food stamp spending in half again, a life support system for the low-income families on whom the Republicans have turned their back in favor of tax cuts for the very rich.

They say that it makes the President face up to the realities, by cutting another $35 billion out of Medicare. Are they not proud? They cut back expansions on Medicare benefits to help those with family members with Alzheimer's. It cuts back on helping stop the outrageous overcharge on outpatient copayments by many of the greedy hospitals in this country. They are proud of it. They are bragging about it. Because they need the money to give the tax cuts to the rich.

They rejected the President's program to fund Superfund to help clean up the environment. Why? Because if you are rich enough, you can clean up your own backyard and you do not have to rely on Superfund. Energy conservation, the weatherization program is gone. The rich can afford to insulate their houses. National Endowment for the Arts, National Endowment for the Humanities. I know that they can buy their box at the opera if you are a rich Republican and they rather think that somehow the arts and humanities are for left-leaning liberals. They are smart. They know how to make money. They may not be able to spell or understand art and history and they do not care if their children do, so they want to cut out the Endowment for the Arts and Humanities.

WIC program for women, infants, and children. That has been denied its preservation. What do they care about helping poor women and children get decent nutrition? Student financial assistance has been denied its survival. The National Institute of Health has been denied its survival. The Center for Disease Control, substance abuse and mental health services, the administration drug treatment, all of them, denied their protection.

Here is one. The Bureau of Reclamation, California Bay Delta area, where we come from, help the rich farmers in central California who farm cotton with billion-dollar subsidies for free water from the Federal Government but do not clean up the Bay Delta. Cut out OSHA. Who cares if the workers who work for the rich are protected as long as the rich get their tax cuts? The National Science Foundation, the Commission on Civil Rights, mass transit, all go by the boards under the rubric of saying, we will be a better country if the rich get a big tax cut and the poor fend for themselves as best they can and we, by the way, will have balanced the budget. They balanced it on the backs of the poor, on the backs of children who do not have health insurance. They have ignored over 40 million Americans who do not have health insurance. Not one word has come out of the Republican camp about what are we going to do to provide health insurance for 40 million Americans who do not have it? I have not heard a peep. They do not care. I suppose they do not understand that if an adult does not have health insurance, they do not get medical care.

I urge my colleagues to oppose the budget unless you want to help the rich and continue to turn your back on the poor and needy in our country.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. I thank the gentleman for yielding me this time.

Mr. Chairman, I reject the class warfare comments of my colleague from California.

Mr. Chairman, I hate to splash cold water on this budget because I know how hard the gentleman from Ohio [Mr. KASICH], the chairman, and others have worked for it. Mr. Chairman, I just want my colleagues to think about this. Let us imagine that I owe $80 billion on this Visa credit card and I pay for that by transferring the $80 billion to this Mastercard. Do I still owe $80 billion, Mr. Chairman? The answer, of course, is yes.

My point of this is that in this budget agreement, we are transferring $80 billion from part A of Medicare home health care to part B. That is very creative accounting.

Let me explain it in just a little different way, Mr. Chairman. Let us assume that we have part A represented by this cup and we have home health care by this ball. The table represents the Federal budget. I am going to put home health care in part A. Now because it is growing so fast, what I am going to do is I am going to take the ball and I am going to put it into part B. Mr. Chairman, are they still not on the Federal budget table? What this does is it just transfers $80 billion into the general account. That is smoke and mirrors, that is creative budgeting, that is a shell game, Mr. Chairman.

Mr. Chairman, I ask my colleagues to search their hearts and their computers. When President Clinton first proposed this budget, many of my colleagues criticized the home health care switch as a gimmick. I urge them to remember their comments and vote against this shell game.

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute, to point out that the insurance fund is losing approximately $12 billion this year, a $35 million daily loss. Next year if we do not save the trust fund, it will lose $55 million each day; the year after that, $78 million and $103 million each day the year after that. In 2001, when the fund will go totally bankrupt, the trust fund will lose $133.9 billion each day.

Our plan saves the trust fund to the year 2007. Instead of having a debt of $612 billion, there will still be $75 billion in the fund. It is true that one service, home health care, is taken out of the part A trust fund and put into part B. But it is not smoke and mirrors because the taxpayers will be paying 75 percent of the cost and the premium holders 25 percent of the cost.

Mr. Chairman, I yield 3 minutes and 20 seconds to the gentleman from New Hampshire [Mr. SUNUNU].

Mr. SUNUNU. I thank the gentleman very much for yielding me this time.

Mr. Chairman, I rise in strong support of this resolution, not for any Washington Beltway reasons, not for reasons of scoring or even specific numbers or whether it does or it does not change a particular accounting measure, but for two very fundamental reasons. First, because it enables us to meet some broad commitments that many of us in this House made to our constituents during our election cycle. Second, because of the fundamental difference it is going to make in moving power away from Washington and back into the pocketbooks of American people in cities and towns all across this country.

Like many who were elected to this Chamber, I campaigned on the themes of balancing our Federal budget by the year 2000, providing substantive and meaningful tax relief to working families, and preserving and protecting Medicare.

Only 3 years ago, many people, our own President included, thought that balancing the budget in this way by the year 2002 was simply impossible. He said maybe we could do it in 10 years and then maybe 9 years. It was looked at as a radical concept. But the American people stood by us as we said time and again, we can do it, we do have the discipline and we do have the will to balance our budget by the year 2002 in a meaningful way.

With this budget proposal, we have the opportunity to meet that commitment on balancing the budget, meet that commitment on tax relief, and on preserving and protecting Medicare.

I see three fundamental areas where this is going to make a difference to the pocketbook and to the livelihood of working families that I want to take a moment to emphasize. First with the tax relief measure, a $500-per-child tax credit. That makes a difference to every working man and woman in this country that has a young dependent child. Certainly the educational tax support is going to put more money back in the pocketbook of a typical working family.

The second area that this is going to make a big difference for American families is in the economic growth and the job opportunities that will be created as we reduce the tax burden on capital gains or on estate tax, create that working opportunity, create incentives for savings and investment, and the following economic growth.

It is not a tax cut for any wealthy individual. When we cut the tax burden on a small business or a family business, we help everyone that works for that business across the board, and when 60 percent of American people work for a small business we are doing them a favor, not just today but for the rest of their lives, and for their children as well.

Finally, by balancing the budget, we reduce interest cost, 1 to 2 percent, across the board. For everyone that has a home mortgage or a student loan or an automobile loan, we are talking about $100 or $500. In the case of a home mortgage, an average-price home, $20,000 to $30,000 over the life of that mortgage. That is money in their pocket, enabling them to invest it in a way that they see fit, to improve their standard of living, save for their children's education and make a difference for their families. Meeting our commitments and making a difference by taking power away from Washington, meeting our commitments that we have made as individuals, and by taking money and with it power away from Washington and putting it back in local cities and towns across America, we make Washington less important, we make the individual more important. That is where this country needs to go.

Mr. SHAYS. Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr. SAXTON], the chairman of the Joint Economic Committee, and ask unanimous consent that he be allowed to allocate that time.

Mr. Chairman, I would just point out that the Joint Economic Committee looks at spending, taxing, and regulatory policy as well as the policy of the Federal Reserve and determines its effect on the economy.

The CHAIRMAN pro tempore (Mr. KINGSTON). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. SAXTON. Mr. Chairman, may I just ask a point of parliamentary inquiry?

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. SAXTON. Mr. Chairman, I am not clear at this point on whether we will alternate time with the other side of the aisle or whether this is a straight half hour. I do not care one way or the other. I would just like a clarification.

The CHAIRMAN pro tempore. The gentleman is correct. We will continue to alternate.

Mr. SAXTON. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, first I would like to compliment the negotiators both from the House and from the administration for arriving at a bipartisan agreement that will bring the budget into balance by the year 2002. I think it is extremely important for the American taxpayer and I think it is equally important for the continued economic expansion that we have seen since the second quarter of 1991, making it an extremely long and productive period of time for the American worker, due in no small part to what has gone on here in this House and in the other House as well as in the administration for the last decade or more.

Mr. Chairman, I would like to put this in perspective, however, in that the current business cycle expansion is entering, as I said, this long period of time, entering actually its seventh year. The upswing got under way in the second quarter of 1991 and has brought sustained economic and employment growth throughout that period of time. In the last two quarters, the rate of growth has picked up, pushing the unemployment rate down to 4.9 percent. The positive economic climate makes fiscal restraint more palatable and clearly facilitated the achievement of the balanced budget agreement.

However, Mr. Chairman, while some in Washington would like to lay claim and take political credit for the business cycle expansion, the credit really belongs to the many millions of American workers and entrepreneurs and savers and investors whose activities made the economy grow.

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Fortunately, they were afforded that opportunity by our system, and the current business cycle expansion is the result.

To the extent that Washington policy is relevant to this expansion, the Fed's; the Federal Reserve that is, anti-inflation policies have lowered interest rates, improved the operation of the economy and sustained the expansion. The Federal Reserve's decision today to refrain from raising interest rates is certainly a welcome decision which I wholeheartedly endorse. The only suggestion I would make is that if the Fed could explain its policy decisions more fully, now and in the future, so that people who are taking part in our free enterprise system can understand why decisions are made from time to time.

In fact, today's decision was announced in two words; that is right, two words: No increase.

One of the benefits that this expansion brings is an improvement in the budget situation. As the economy continues to grow, the Federal revenues increase while Federal spending is restrained. The surge of revenue supplied from the business cycle has sharply lowered budget deficits, and as I pointed out some time ago, it now appears that this revenue surge from economic growth will reduce the 1997 deficit to below $70 billion.

Although the economy has performed well, improvement in the economy is still possible. The bias in our current tax system against savings and investment undermines economic growth. Reduction in capital gains tax rates and death taxes and expansion of individual retirement accounts will add to growth in the years ahead. I endorse each of those features.

Once the budget agreement is implemented, Congress can turn its consideration to ways to limit the many counterproductive features of the current income tax system.

Just to complete, let me finish this thought, that aggressive further expansion of IRA's should be high on our list of future tax improvements.

Mr. Chairman, I reserve the balance of my time.

Mr. MINGE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have labored long and hard in this body to find a solution to the deficit problems that confront our Nation. The Committee on the Budget last Friday adopted a resolution by a bipartisan vote. It was historic. It has been years since we have had a bipartisan vote in support of a budget resolution that is now headed to the floor, is on the floor and is expected to pass by a wide margin. Many of us have focused on what we feel are the critical parts of a successful effort to balance the budget. We have established standards. We would like to see a glidepath; that is, we would like to see the deficit reduced steadily rather than having the task of the heavy lifting backloaded in the last year or two and have such an amount that it is unrealistic to expect that we would actually be able to balance that budget in the last year or two.

Mr. Chairman, we have talked about having realistic projections, conservative projections as to how the economy will perform, realistic projections as to what it will cost to run government, to support the programs that we have established: Social Security, Medicare, Medicaid, environmental programs, conservation programs, agriculture, consumer protection and hundreds of others. We do not think it is realistic to expect to balance the budget by dramatically cutting programs in the outyears that we know are popular, where there will not be the political will to actually impose or implement those cuts.

We have also said that we cannot use smoke and mirrors, we cannot be looking for some sort of a magic solution in numbers where we have unrealistic projections and where we have so-called triggers where things will be implemented based upon some unrealistic forecast in the future or where programs will be sunsetted. Certainly we recognize if we have popular programs, new programs that millions of Americans immediately identify as being critical, that to think that we will eliminate those programs in the outyears is politically unrealistic.

We also think it is unrealistic to expect to eliminate programs when we have a different administration or a different Congress. We are not going to make decisions that bind that administration or bind that Congress. So that is another standard that we look for in whether or not we actually have a deficit reduction program that will work.

By the same token, we are looking for real cuts. We are looking for a slowing in the rate of growth in programs. We are looking for scaling back existing operations to make government operations not only leaner, but also more efficient and more effective in delivering the services that are so important.

We think it is important to maintain an investment in priorities, maintain an investment in education, our Nation's future, in the infrastructure that is so important, and transportation. We will hear a great deal about transportation as the evening goes on. These are priority areas that it is unrealistic to expect us to simply zero out.

We also recognize that we will not be able to balance this budget unless we recognize the problems that we face with entitlement programs. Entitlement programs are becoming increasingly a major portion, or the major portion of this Nation's budget, and if we do not find a way to constrain our spending in that area or limit our spending, we will not be successful in the long run in balancing this Nation's budget and keeping it in balance.

And probably no program presents a greater challenge then Social Security. All of us know that we pay into Social Security, we expect certain benefits back. It is virtually a contract arrangement. But we also know that we do not have a Social Security trust fund that is actuarially sound, that will be there in the long term for our children and our grandchildren at the current rates at which it is being drawn down and the current rates of contribution. Changes need to be made.

There has been a great deal of discussion of the Consumer Price Index and its accuracy, and we feel that one of the characteristics of trying to come up with a balanced budget is to recognize any inaccuracies that exist in the Consumer Price Index and to forthrightly correct those inaccuracies, and it is possible to make dramatic improvements in the prospects for the Social Security trust fund if, indeed, we do correct those inaccuracies, and there are a couple of ways that this can be implemented.

First, if we adjust the Consumer Price Index as reported from the Bureau of Labor Statistics to make it more accurate, we will reduce incrementally the payouts from the Social Security trust fund, and that reduction becomes billions and hundreds of billions of dollars over the years. This can extend the life of the Social Security trust fund for between 5 and 15 years, depending on what the correction might be that we would make to the Consumer Price Index. At the same time, by slowing the rate of growth of other programs we reduce the need to borrow from the Consumer Price Index.

This is positive, and I think that we need to recognize that taking the Social Security trust fund off budget is the goal that many of us share and ought to be a goal of this Congress. We recognize that if we make adjustments in entitlement programs like Social Security, that there are certain individuals that depend upon Social Security for virtually all of their income, and they may have a modest level of benefits, and we have advocated a flat cost of living adjustment for that reason.

So whether one is the person that does the cleaning or the person that is the president of the company, whether they work in the mailroom or they are the chief financial officer, their Social Security increase is the same flat dollar amount from year to year. That is what we mean by a flat cost of living adjustment or a flat COLA. And in a combination of an adjustment for accuracy and a flat COLA we will find that the folks that are at the low-income level will not be disadvantaged, but in fact would see their Social Security benefits increase modestly over what they would be with no cost of living adjustment.

Mr. Chairman, these are all characteristics that I believe are important if we are going to actually balance our budget and keep it balanced.

Now I have used the term ''we'' at several points here, and when I say ''we,'' I have been talking about an approach that has been taken by the coalition or group that has been known generally as the blue dog coalition. We have developed a budget that we hope is credible, and the commentators, the critics and other Members of Congress have recognized it as probably the most credible budget that has been presented to this institution this year. But we also recognize that a budget that was adopted by the Committee on the Budget is not the same as our budget, and we wish to lend support to a budget that we think will ultimately pass and, as a consequence, we are not here in an attempt to defeat the budget resolution that has been reported out, but instead to draw some contrasts and to point out some areas where we need to improve, perhaps next year or the year after, so that we can constantly make progress in our efforts to eliminate the deficit in this country.

One of the areas where we feel that dramatic improvement is needed is enforcement, because we cannot expect to in the long term have a balanced budget unless we have credible, strong, effective enforcement mechanisms in that budget.

So this evening what we will be doing with the time that has been allotted to us is emphasizing some of the enforcement features that we think are important to include in a budget and certainly in the reconciliation bills and also emphasizing some of these features that we feel are important if we are going to be successful in the long term in keeping our deficit at bay. This is a bipartisan effort, and I will be recognizing and yielding to individuals on both sides of the aisle.

Mr. Chairman, I reserve the balance of my time.

Mr. MINGE. Mr. Chairman, I reserve the balance of my time and will then subsequently yield more of my time to others in the Chamber.

Mr. SAXTON. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would just like to point out that the gentleman who just spoke who spoke on the Consumer Price Index adjustment was either speaking for himself or some other budget. The CPI adjustment is not mandated or contained in any way in the committee budget.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, I want to focus my time on a part of the budget that is not all that big in terms of its relative size, but it is very big in terms of what we believe in and what we stand for and what we want to encourage in this country.

The budget agreement with the President and this budget includes some relief on death taxes, otherwise known as inheritance, or estate taxes. Benjamin Franklin said that nothing is certain but death and taxes, and as tough as each of these things are when they come, to have them to come together at the same time is virtually unbearable. Farmers, ranchers, small business folks of all varieties in my area have felt the sting and effects of this tax, but the truth is the consequences affect all of us.

I want to make three key points on why it is so important to do something in this area of death taxes.

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No. 1 is that of all of the money coming to the Federal Government, only about 1 percent comes in the form of estate or death taxes. It is about $15 billion a year. Yet Congress has received testimony that administration and litigation costs eat up more than half of that amount, so that it is a very expensive and very cumbersome tax for the Government to administer.

However, one member of President Clinton's Council of Economic Advisors has found that it costs taxpayers as much to comply with this tax as all of the money that they pay in in the form of tax. Now, if we have a tax that it costs as much to comply with as the tax itself, something needs to be reevaluated.

Second, this tax is a drag on the economy. Professor Wagner's study has found that, if we abolish the inheritance tax altogether, that within 8 years we will have created 250,000 new jobs; we will have added $80 billion to the gross domestic product, and we will have increased the amount of capital by about $640 billion. That is money that can go to create jobs and expand the economy and improve the standard of living for everyone.

There have been other studies that have reached other conclusions. But the bottom line is our society is spending a tremendous amount of money just trying to avoid these taxes, and if people did not have to play these games, it would be good for everybody.

In other countries they have already reached this conclusion. Mexico, Canada, and Australia have no death taxes. As a matter of fact, only Japan has a higher rate of taxes once you die than the United States.

I think it is as important as anything, however, in looking at this part of the budget agreement, that it goes against the American dream. What we want to encourage people to do is to work hard, to save, to build up something so that we can have something to pass along to our children and hopefully they can have a better quality of life to pass along to their children.

It is human nature for us to work and build and create something and to leave it to our children for a better future, and we should want to encourage that. But instead, this tax works to discourage savings. What it encourages is immediate gratification. That is not in the long-term best interests of this country, and it is not what we want to encourage as a government.

If we look at the numbers, 60 percent of family-owned businesses already do not make it to the second generation; 87 percent do not make it to the third generation. If we look at the numbers for minority-owned small businesses, it affects them particularly hard.

So the bottom line is that, rather than encourage more opportunities, which is what we want to do to have a better standard of living for all of our people, this tax punishes those things that create those opportunities to begin with. It goes in exactly the wrong direction, and all of us are affected by it in one way or another.

This budget agreement is not the complete answer. It does not go as far as I would like it to go. When the tax bill comes up from Ways and Means, it will not go as far as I would hope we could go; but it is a small step in the right direction. And it is a small step in the right direction that has big consequences for all of us and says a lot about where we want to go as a society and what we want to encourage in this country.

So among the many positive things in this budget agreement, it will do something for the first time in a long time on death taxes, and I think that is a significant factor that we should all be encouraged by.

Mr. MINGE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, many Members have called this a historic day. I slightly disagree. Today has the potential to be a historic day but only if we are willing to do much more heavy lifting than we have been willing to do thus far.

I am disappointed that the agreement missed the opportunity to make real reforms in long-term costs of entitlements. The failure of this budget to deal with the long-term problems with the growth of entitlement spending guarantees that this budget agreement will not end our budget problems. Sooner or later, we will have to come back and deal with entitlements.

The gentleman from New Jersey was exactly right. Nothing in this budget agreement that I will support tonight deals with the CPI. That is a mistake. That is a weakness, not a strength. It is irresponsible for us to continue to place an unnecessary drain on the Social Security system by providing COLA's that virtually everyone acknowledges are inaccurate. A small adjustment to provide accurate COLA's would be a major step in strengthening the Social Security system. A 0.8-percent adjustment would extend the trust fund by 13 years and allow us to take it off budget honestly by 2005.

I am disappointed that symbolic political arguments succeeded in blocking an agreement in the provision from the Coalition budget to require upper-income Medicare beneficiaries to contribute more for their Medicare coverage.

Reaching an agreement to balance the budget by 2002 does not guarantee that the budget will actually be balanced in 2002. The 1981 budget projected balance by 1984. Gramm–Rudman–Hollings I promised a balanced budget by 1991. Gramm–Rudman–Hollings II promised a balanced budget by 1993. The 1990 budget agreement projected a balanced budget by 2002. Only the 1993 balanced budget agreement met and exceeded the promises on this floor.

All six of these plans, though, failed to reach the promised land of a balanced budget because we did not follow through to make sure the plan succeeded, and today the Coalition was denied the opportunity to even vote for a meaningful enforcement mechanism for this budget.

In order to avoid a repeat of the failures of past budget agreements, legislation implementing this resolution must include a strong enforcement mechanism to force Congress and the President to take action if the budget falls off of the path.

The Coalition budget proposed strong budget enforcement to lock in the deficit reduction through hard deficit targets enforced by sequestration. If the deficit fell off the glidepath toward balance and exceeded the deficit target for any year, Congress and the President would be required to take action to put the deficit back on the glidepath toward balance. If Congress and the President failed to take corrective action, there would be sequestration targeted to the part of the budget that caused the problem. The enforcement provisions that we have proposed to avoid the problems in past enforcement efforts were denied an opportunity to be voted on today.

Two lessons from Gramm–Rudman–Hollings: One, exempting any area of the budget from enforcement will encourage certain groups to sit on the sidelines while balanced budget plans unravel. It is critical that an enforcement mechanism include all portions of the budget, spending and revenues, without exception, to ensure that everyone has a stake in keeping the deficit on a declining path. Enforcement cannot be a substitute, though, for making tough choices. Our proposal is designed to complement the reforms that are in this plan to make sure they achieve the savings they were intended to achieve.

The 1990 agreement demonstrated that enforcement provisions can control new spending in taxes, but failed because it did not control existing programs or taxes. An enforcement mechanism must require Congress to control existing programs and taxes. Our proposal would set targets for the total deficit, all spending and all revenues.

This resolution is simply the beginning of the process. The real test will come with reconciliation and appropriation bills implementing this resolution.

I look forward to working with the gentleman from Ohio [Mr. KASICH], with the gentleman from South Carolina [Mr. SPRATT], the administration, and others in improving this blueprint or plan or laying of the foundation tonight.

I would like to see us improve the glidepath. I do not like to see the deficit going up temporarily for any reason. I think we should build on the success of the last 5 years, 5 consecutive years of a declining deficit. We should have built on that to, say, 6, 7 and 8. Instead, currently this plan suggests that the deficit go back up again for 2 or 3 years to get a running start on getting it balanced by 2002.

I will support this resolution today to keep the process moving forward. However, I will find it extremely difficult to support reconciliation legislation that does not improve the credibility of this budget. This budget agreement—and I believe that many of my colleagues who share my concern for serious deficit reduction share this concern; but for tonight, this is the best we could do in a bipartisan way, working with a divided House, a divided Senate, and a divided Congress, and administration. I encourage my colleagues to support it but look forward to improving it as we build on this foundation.

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me take this opportunity to address a point which I think is very, very important, and that is the matter involving the consumer price index and the fact that it is not contained in the Committee on the Budget's proposal that we will vote on later tonight.

It is true that a recent commission known as the Boskin commission reported that the CPI overestimates inflation by better than 1 percentage point. While that is true, I would like to say to all of the gentlemen and gentlewoman who are here in this Chamber that neither they nor I have the ability, objective as we might try to be, to arrive at an accurate figure through the legislative process.

It is extremely difficult to be accurate with regard to the CPI, and inasmuch as family taxes to a large degree are impacted by CPI adjustments, and on the other hand, Social Security benefits are impacted by CPI adjustments, it seems to me that those people who have the expertise to bring together the facts about our economy that relate to price stability and increases or decreases in inflation, should be the people to make those judgments. Therefore, I worked extremely hard over the last month or 6 weeks to convey to the members of the Committee on the Budget and the leadership on both sides of the aisle how difficult it is to arrive at this CPI in any accurate measure.

As a matter of fact, as long ago as 1928, a very famous economist by the name of Ludwig Vaughn Mises, who may be familiar to some of my colleagues, was a very important guy back in the 1920's, when he predicted the collapse of the Soviet Union as an economy. He did that because he had great insight. One of the minor things that he did, which today is rather important, is that he predicted and said that it would always be extremely difficult, if not impossible, to arrive at a truly accurate measure of price stability. That is true, and that is why this House, in my humble opinion and why I have worked so hard for the last 6 weeks to avoid that measure being adjusted in this budget document, that is why it is extremely difficult to arrive at an accurate measure.

So I wanted to be sure that everyone who is here who will be voting tonight understands that CPI is simply not part of this budget, and that is why.

Let me turn to another part of the subject here and talk a little bit about why I think this is a good budget. Another reason that I think we should all vote for this budget is that it obviously, over time, provides that our government will consume a smaller and smaller part of our gross domestic product. Now, this is extremely important because, if government consumes more and more of GDP, government becomes less and less efficient. And as government becomes less and less efficient, operating with more and more of the money in our economy, it tends to dampen economic growth.

We did several major studies of this. If I may just refer to this little chart, this, I must admit, is a rather strange looking chart, but it tells a great story. The great story that it tells is that as the economy grows and consumes a larger and larger part of GDP, this is how the economy grows. As the economy grows, and it reaches an optimum point of producing economic activity, my colleagues have all heard, we have all heard the suggestion that the economy can be stimulated by government. Well, that is true, to a certain point. We believe that through our studies on the Joint Economic Committee that, once we reach about 17 percent, that we have maxed out the effect on the economy of government spending. And once we move beyond 17 percent into all of the other kinds of activities that government involves itself in as it gets large, we get a dampening effect on the economy. So we get good growth during the time that we spend the first 17 percent of GDP; and today, I say to my colleagues, Mr. Chairman, we are at 21 percent of GDP, expenditures through the Federal Government.

Now, this has all kinds of consequences. It means bigger government, it means more regulation. The gentleman from Texas [Mr. BARTON], who has fought so hard to reform the regulatory process, is here with us. And all of those activities have negative effects which we all want to avoid.

So congratulations to the budgeteers who have recognized that, as spending increases and government gets bigger, it represents a more difficult time for our economy to expand.

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Let me just show one or two other examples.

This is something that our Speaker, who just entered the room, spoke about not long ago in a press conference which I saw on C-Span. It is something called Tax Freedom Day. The size of government has a direct effect on this.

Today Tax Freedom Day is the latest it has ever been. Americans pay taxes to support some level of government until May 9. Imagine that, January, February, March, April, and 9 days in May that we send money to Washington, our government, our State Capitol, and our local government to support government activities. That is a direct result of growing government.

Again, congratulations to the budgeteers, who have recognized this fact and have provided us with an opportunity here tonight to vote for a budget that reduces the growth in government, and will begin to shrink the period of time that we Americans have to work each year to support government. This year it is May 9. Hopefully next year it will be back toward May 1, and hopefully the year after that it will be back into April. That should be our goal.

Mr. Chairman, I reserve the balance of my time.

Mr. MINGE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, we are here this evening not on an historic occasion, but on an important occasion. I had hoped that I would be a part of the affirmative process to try to improve the agreement that was reached with the President and the leadership of the House and Senate. I have worked in a bipartisan fashion since that agreement was announced in principle to come up with some mechanisms to actually make the goal of a balanced budget a reality.

With the gentleman from Minnesota [Mr. MINGE] and the gentleman from Texas [Mr. STENHOLM] and others of the Blue Dog Coalition, I helped put together a group of conservative Congressmen who wanted to actually put some enforcement mechanisms into this agreement.

What we did was come up with the radical idea that we would take the budget agreement that came out of the Committee on the Budget and add to that some structural reforms like entitlement caps. The discretionary spending caps that were part of the 1991 agreement have actually worked. Since entitlements are 53 percent of this year's budget and are growing to be approximately 60 percent of the budget in the year 2002, we thought, let us extend that principle of capping not just to discretionary spending but to entitlement spending.

We looked at the sequestration process that was used in GRAMM–Rudman and decided to modify it so we had sequestration by program. The programs that were within their caps would not be sequestered but those that were growing more rapidly than the caps would be. To make sure it was a bipartisan solution, we decided to make the tax cuts, the $85 billion net tax cuts over 5 years, contingent on meeting the revenue targets.

In sum, what we did was take $85 billion worth of tax cuts and say that we are going to make those subject to meeting the revenue estimates in this budget; take $5 trillion, $5 trillion of entitlement spending and cap it within the existing agreement; and say, now, let us use these enforcement mechanisms to make sure we get the budget balanced in the year 2002.

Because that idea is so powerful, of having some spending restraint on entitlements with some contingency on tax cuts, that there was a possibility that a bipartisan coalition might actually come together on the floor this evening and improve the budget agreement, for whatever reason our amendment was not made in order. It was made in order to have an increase in spending through the Black Caucus, an increase in tax cuts through the Conservative Action Team on the Republican side, but the one truly bipartisan effort to improve this agreement was not made in order.

So I will not be voting for the budget agreement later this evening, Mr. Chairman, but luckily, this is not the end of the process. It is the beginning of the process. The real heavy lifting is going to come later this summer when we do what is called reconciliation. At that point in time this bipartisan coalition that has come together to demand some structural reform through the enforcement mechanisms I think will be heard and will be successful.

I want to commend the gentleman from Minnesota [Mr. MINGE] and the gentleman from Texas [Mr. STENHOLM] for working in a bipartisan fashion. I think we have a good framework. I am sure that at the appropriate time we will be given an opportunity to have our vote here on the floor of the House of Representatives.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. LATHAM].

Mr. LATHAM. Mr. Chairman, I thank the chairman, the gentleman from New Jersey, my very good friend, for yielding time to me.

Mr. Chairman, this is a bipartisan Congress, and today we are considering the budget framework that will put our Nation's finances in order by the year 2002. Republicans and Democrats alike have often stated this goal. Today we all have an opportunity to literally put our money where our mouth is and support this budget resolution.

Within this budget agreement is language that specifically addresses one of my greatest concerns. I know I am not alone in this view. I want to ensure that seniors in rural northwest Iowa are going to enjoy Medicare benefits not just in the next couple of years, but for the next generation and beyond.

Our seniors have paid into the Medicare system and have every right to expect efficient health care coverage. However, the current Medicare system has always comparatively overcompensated urban areas in regard to the Medicare reimbursement rate at the expense of rural States like Iowa. By efficiently utilizing our health services in the past, the current Medicare law punishes Iowa seniors through low reimbursement rates. Some urban areas receive 2½ times the reimbursement rate per person than rural areas like northwest Iowa do.

What does this current Medicare inequity do for Iowa's seniors? It means a lack of choice in the Medicare plans. No managed care organization could even afford to do business in Iowa to serve my constituents. I have been working for the past 3 years with other Members of Congress, both Republican and Democrat, to help cure this inequity. I am proud to report that this budget resolution includes a simple directive to Congress in reforming the Medicare program as this budget is enacted in further legislation.

The final budget resolution mandates that we ''Reform managed care payment methodology to address geographic disparities.'' This simple and understandable directive will work to correct the urban-rural gap in Medicare reimbursement rates. I am proud of having this priority included in the budget resolution, but more importantly, I am proud that the residents in rural Iowa will soon enjoy the Medicare benefits currently available to those in more populous areas in the United States.

So along with this change and the tax relief that we are going to see in this bill as far as the reduction on the death tax, reduction on the tax on savings, investment, and job creation, there is the family tax credit, something we have worked for in the 2½ years that I have been here. I am certainly going to support this budget agreement, and I would encourage all Members to do so also.

Mr. MINGE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Mrs. TAUSCHER], one of our new and outstanding Members.

Mrs. TAUSCHER. Mr. Chairman, I rise today in support of the budget resolution for fiscal year 1998. As a member of the Blue Dog Coalition and in support of the Blue Dog budget, I am particularly pleased that this deal includes many of our recommendations. In particular, the foundation of this budget is firm because of the economic assumptions it employs.

For the past couple of years Congress has debated whether to use Congressional Budget Office or Office of Management and Budget estimates in calculating economic projections. The Blue Dog Coalition has been consistent in its support of CBO numbers because we believe they tended to be more conservative. In the past, deficit reduction plans have failed because of incorrect assumptions relating to spending and revenue levels.

We have learned that for a plan to be successful, it must use economic forecasts that do not overstate revenue projections or assume unrealistic levels of spending cuts. Use of conservative budget numbers is added insurance against unexpected downturns in economic productivity or unrealized revenue collections. If the assumptions turn out to be too pessimistic, the budget would simply balance earlier than anticipated. Would that not be nice?

The budget agreement is an important bipartisan accomplishment. For the first time in years we have a plan to restore fiscal responsibility to our budget process, return accountability to our political system, and hopefully regain the confidence of the American people.

As someone who campaigned on balancing the budget and has worked with the Blue Dog Coalition in support of a balanced budget, I am very pleased, and encourage my colleagues to vote for this budget resolution.

Mr. MINGE. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. BOYD], one of several new Members of outstanding experience and ability the Blue Dog Coalition has been fortunate in having.

Mr. BOYD. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I, too, want to rise with some reservation in support of the budget resolution which we will have an opportunity to vote on tonight. I have those reservations because of frontloading the tax cuts and new spending while backloading the spending cuts. Many of us came here as freshmen with a mandate to put our fiscal house in order, and delay any new spending programs or tax cuts until we can pay for them with something besides borrowed money and increased Federal debt.

My concern as I look at this budget resolution is that we are doing the easy things first, and save the heavy lifting for later. I think it is very evident now that actually the glide path goes the opposite way that many of us would like to see it go. It goes up until the year 2001, and then falls off significantly to come into balance by the year 2002.

I think most of us recognize that that is the case because we have had some very good years here, and particularly this year, and our deficit is lower than it was expected to be. But nevertheless, that gave us a wonderful opportunity to move this glide path quickly into balance, and then we could begin our tax cuts and our new programs after we put our fiscal house in order.

But that has not happened. I think it has not happened because many of us are realists, and we realize to get something that would work that we have to have some compromise. So maybe that is the reason some of us support it, with reservations, is because there has been some compromise, so that we have something we can pass off the floor of the Congress.

A group of us, in recognizing that we did not get everything we wanted, just took the budget that we agreed upon, that we could compromise and support, and said, let us put some enforcement mechanisms in it. Therefore, I find tonight that the major problem I have is the lack of any enforcement language in the resolution.

Yesterday in the Committee on Rules I joined several of my colleagues in supporting a budget resolution that is exactly the same as the one reported out of the Committee on the Budget, with one important addition. It contains strong enforcement language that would ensure we meet our deficit targets every year.

Unfortunately, this alternative was not ruled in order. This troubles me greatly, because of the assumptions included in this agreement. The only reason we are standing here today is because the CBO found $225 billion in assumptions which allowed the negotiators the room to satisfy everyone's needs and concerns. If these assumptions turn out to be inaccurate, what measures are included in this budget resolution to make sure we actually reach balance by the year 2002? The answer is there are none.

While I was not here in 1990, Congress and the President reached a very similar historic budget agreement that would balance the budget in 5 years. Yet we are here today, again, with another balanced budget proposal. Why? Because the 1990 agreement did not have enforcement mechanisms for entitlement programs or revenue.

My fear is that we will reach 2000, the year 2000, and we will be nowhere near the glide path that is outlined in this agreement. This budget resolution has no enforcement mechanism to correct this problem. Not only will this result in larger budget deficits than projected, it will also mean another broken promise to the American people.

So Mr. Chairman, that is why I urge Members, even though we can all support this budget agreement, that we need to have strong enforcement language and work with the coalition to make sure that that language is present in the budget reconciliation.

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Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. WAMP].

(Mr. WAMP asked and was given permission to revise and extend his remarks.)

Mr. WAMP. Mr. Chairman, I want to open with some kudos to the gentleman from Ohio [Mr. KASICH]. There is always one warrior that is out there with faith when there is little hope; and the gentleman from Ohio [Mr. KASICH], our distinguished Committee on the Budget chairman, was that individual. He stayed with this and persevered months and even years to bring us to this point.

What is this about? It is about the average American wanting Washington, D.C. to balance its checkbook the way they have to balance their checkbooks or be penalized the way they are penalized. But as with many other things in this city, potentially the devil is in the details.

I am going to vote for this budget resolution, but I share the concerns of the coalition Blue Dog Democrats about potentially the details of this agreement. They are called enforcement provisions. They are simply the teeth in the agreement, when we finish this work weeks from now, that allows us to follow through on the commitments that we make today and tomorrow. Back home on the Tennessee River we have a lock at the Chickamauga dam in Chattanooga. As the water rises before boats pass through that dam, there is a floating mechanism on the lock itself and, as the water rises, the lock rises and it floats up and down.

That would be the enforcement provisions. To give Members an analogy of an agreement such as this, so that if the assumptions, the projections, the revenues that we are basing this long-range forecast on hold up, we are okay. But it would actually be a floating provision.

We heard earlier today that there is a $26 billion savings from spectrum sales. Frankly, I think that is overstated. If in fact the spectrum sales do not generate 26 billion, where are those dollars going to come from in order to keep us on the glide path to a balanced Federal budget? Well, the enforcement provisions would be details as to exactly what would give or have to give in the agreement in order for the deficit not to rise. That is what we are here in a bipartisan way to support today, is the basic provisions that allows this agreement to succeed over time, not just today, not just this summer but 2 years from now, 4 years from now, 5 years from now.

Some Republicans want to make sure that tax cuts are not given up, and we understand that. The Democrats have heartburn every time we talk about capping entitlements, but the fact is this agreement has to have the flexibility based on revenue projections and the economy to have this float built in. You cannot have your cake and eat it, too, unless you are willing to have the discipline to exercise every day. Then maybe you can have your cake and eat it, too. So we are going to have our cake and eat it, too, but we need enforcement provision, which is that daily regimen of exercise necessary to burn those calories if you want to have your cake and eat it, too.

Mr. Chairman, this is good for America. It is a good agreement if we make sure between now and the end of June we put enforcement provisions in the agreement.

Mr. MINGE. Mr. Chairman, I yield 3 minutes to gentleman from Louisiana [Mr. JOHN], another member of the Blue Dog coalition.

Mr. JOHN. Mr. Chairman, I thank the gentleman for yielding me the time. I want to say a few words about why we are here today.

Only twice in the last 40 years, just twice, in 1960, the year I was born, and in 1969, have we balanced our budget. I believe that today we stand here on the brink of a new millennium but also the brink of a very historic moment for the United States Congress and the people of America.

Forty years ago, which was 1957, was a long time. Through those 40 years, we have accrued over $5 trillion of debt. Therein lies the problem. It is not the balanced budget as much as it is the debt. How do we address the debt? We stop adding to it. That is as simple as I can put it.

We spend $241 billion to pay our interest on our debt; 15 percent of our budget, 15 percent of our budget we spend paying interest on the debt because of fiscal irresponsibility in the past.

That is more than our whole Medicare budget, more than our whole Medicaid budget, almost as much as our national defense budget. It is a lot of money. But we stand here today, and I want to commend the ranking member, the gentleman from South Carolina. And I want to commend the gentleman from Ohio [Mr. KASICH], chairman of the Committee on the Budget, for working very hard in times that were somewhat and sometimes very difficult.

But we, along with a lot of other Members, came up here, elected in November of 1996, with a very clear message. I believe the American people want us to stop fighting and start getting down to business. I think the American people sent us here to work in a bipartisan way to do one thing that I heard over and over and over again: Balance our budget. Do it for our kids. Do it for our grandkids.

I believe it is incumbent on this Congress, the 105th, to do that. It is not a perfect resolution to the problem. There are some Republican victories with some tax cuts, a lot of which I embrace. There are some Democratic victories, 5 million more kids with health insurance. It extends the solvency to 2007 of the Medicare trust fund. It corrects some unfair backlashes about the welfare reform program that was passed last year. But it balances the budget in 5 years. I think that is the most significant piece of legislation. I believe that this Congress will not face any more important issue in this Congress. I urge Members to support the bipartisan agreement and support this balanced budget that brings it to balance in the year 2002.

Mr. MINGE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. TURNER], a member of the coalition and another new Member of this body.

Mr. TURNER. Mr. Chairman, I have been a strong supporter of a bipartisan budget agreement. I am among those on both sides of the aisle who believe that the Federal Government must start living within its means, just as every household in this country must do every month. Republicans and Democrats have joined together to make a commitment to balancing the budget, and we are determined to finish the job. We have come a long way in the last few weeks, and that is what makes it so important that we follow through and finish the job that we have started.

Reaching an agreement is only the first step. Enforcing the agreement, making it stick, is the real challenge we face.

I join tonight with Members on both sides of the aisle who believe that we must work to ensure that necessary enforcement provisions are enacted into law to ensure the promise of a balanced budget. If everything goes well, we will have a balanced budget by 2002, but Murphy's law says that, if something can go wrong, it will go wrong. And that is certainly true with the budget process. Reality has a way of confounding our expectations. And this Congress does not have the ability to repeal Murphy's law.

And if the guesses that we have made and assumptions we have made in this budget agreement turn out to be incorrect, the consequences for the budget will be dramatic. Even small variations in economic growth projections could derail our efforts to balance the budget.

As an example, consider the fact that we assume a 7-percent growth rate for Medicaid costs. Just a few years ago those costs were escalating at 14 percent, twice the rate that we have assumed. If the ratings go up again, we could end up with billions of dollars in additional expenditures. The budget agreement as it stands has no way of dealing with this kind of unexpected circumstance.

We are relying on predictions about what the economy will do in the next 5 years. But we all know a lot can happen in 5 years. We will have a different President, a different Congress and we will be dealing with problems in a new century.

History shows us that we need an insurance policy and we are proposing some commonsense steps that will give us that insurance policy so that if our assumptions and our projections are wrong, we can still arrive at a balanced budget in 2002. The American people are overwhelmingly in support of a bipartisan budget agreement, but they are skeptical about our ability to follow through. They have heard the promise of a balanced budget before, and with public trust and confidence in government at an all-time low, we cannot afford to fail. We must show the American people that we can come together and adopt a realistic, enforceable budget that will bring us to balance in 2002. We must not just promise; we must produce.

America has much at stake in what we do here. Our ability to preserve the American dream for all our children depends on our ability to balance the budget in an enforceable way.

Mr. MINGE. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. VISCLOSKY].

(Mr. VISCLOSKY asked and was given permission to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Chairman, I rise today to reiterate my commitment to balancing the budget of this country and to announce my reserved support for the resolution.

I support the resolution because I wish to move the budget process along, but I also feel compelled to enumerate a serious concern I have regarding the pending resolution. The targets outlined today should be enforceable and they are not. Why should they be enforceable? Let us look at the historical record.

Under the 1982 budget resolution shown on the chart to my right we were told that the budget would be balanced in 1984. The green lines are targets. The red lines are the truth. The budget was not balanced. In 1985, under Gramm–Rudman 1, we were told that the budget would be balanced in 1991. It was not.

In 1987, under Gramm–Rudman 2, we were told that the budget would be balanced in 1993, and it was not. In 1990, under the Budget Enforcement Act, we were told that finally the budget would be balanced in 1994, and, again, all of those green targets show a balanced budget. All of the red lines show the historical record.

Today the last lines I will draw attention to would be the 1997 deal that does not even give the pretext that in the immediate future the deficit will go down. The red line shows the March CBO baseline.

What do all of these budgets have in common? None contain enforcement mechanisms and never was the budget balanced. That is why earlier this year I introduced the budget enforcement act of 1997, which was cosponsored by my colleagues, the gentleman from Minnesota [Mr. MINGE], the gentleman from Texas [Mr. STENHOLM], and the gentleman from California [Mr. DOOLEY]. That is why I joined with 59 of my colleagues in sending a bipartisan letter to the Committee on the Budget requesting that tough enforcement language similar to that contained in the balanced budget enforcement act be included in tonight's resolution.

When the Committee on the Budget did not include comprehensive enforcement language, an effort was made in the Committee on Rules to give the entire House the opportunity to approve or reject enforcement procedures as part of the budget resolution approved by the committee. Unfortunately, the Committee on Rules rebuffed this request.

This is a serious flaw and one reason why I and other supporters of the conservative coalition budget will work hard to overcome the experience of history and keep the pressure on all parties involved to make sure that the targets set today are finally met tomorrow.

Mr. Chairman, I rise today to reaffirm my support for a balanced budget.

Since coming to the Congress in 1985, I have been committed to balancing the Federal budget for the future of our children and our children's children. That is why I am an original cosponsor and strong supporter of the Blue Dog Coalition budget. The coalition's budget sets a benchmark for balancing the Federal budget in a manner that is both a fair and responsible.

First, the coalition budget sets a smooth and steady glidepath to a balanced budget. It reduces the deficit by a roughly equal amount each year for the next 5 years, achieving 38 percent of its deficit reduction in the first 3 years. One of the reasons that the coalition budget contains such a steady glidepath is because it postpones tax cuts until we complete the tough work of balancing the budget. I do not oppose tax cuts, but I do believe that our first priority should be to put our fiscal house in order. By delaying tax cuts, the coalition budget is able to avoid adding billions to the Federal debt and will save additional billions by not paying interest on that debt.

Because it resists the temptation to grant expensive tax cuts before the budget is balanced, the coalition budget is able to address many of the long-term financial problems faced by entitlement programs. The coalition budget plan makes important structural reforms to Medicare and Medicaid, and extends the life of the Social Security to the year 2043. The coalition budget deals with these issues so effectively that it balances the budget without relying on the Social Security trust fund surplus by the year 2005, and would not rely on any trust fund surplus by 2007.

The lessons of previous budget resolutions, is that reaching an agreement to balance the budget does not guarantee that the budget will actually be balanced. We need only look to the Gramm-Rudman-Hollings experiences of the past decade to be reminded how easily a balanced budget agreement can fall off track. The coalition budget addresses this reality by including strong enforcement provisions based on legislation that I have introduced along with our colleagues Representatives STENHOLM, MINGE, and DOOLEY. This bill, the Balanced Budget Enforcement Act, H.R. 898, would reform the budget process by locking in deficit reduction through hard deficit targets, which would be enforced by across-the-board sequestration if the targets are not met. Without meaningful enforcement mechanisms like this one, we run the risk of passing a budget resolution that amounts to nothing more than Gramm-Rudman III.

In many ways, the coalition budget represents the perfect world.

Unfortunately, we don't live in a perfect world, and as such, I have reached a point where I am willing to put the ideals of the coalition budget aside and support a bill that will get us to a balanced budget despite its flaws.

First and foremost, I am concerned that the tax cuts contained in the committee-approved budget resolution will sabotage our efforts to achieve a balanced budget by 2002 and keep it balanced thereafter. We have repeatedly been assured that the tax cuts in this bill have been structured in such a way that they will not prevent us from balancing the budget by 2002. Despite these assurances, there is overwhelming evidence to suggest that the cost of many of these tax cuts will rise substantially after 2002, when they are fully phased in. For instance, the Joint Committee on Taxation has estimated that, in the 5 years after 2002, the tax cuts outlined in this bill will cost an additional $165 billion, almost twice as much as in the preceding 5 years. It would be a cruel hoax on the American people if we enact tax cuts this year, only to have these same cuts cause the deficit to explode again after 2002.

I am also concerned that the specific nature of the tax cuts contained in the resolution will benefit the wealthiest in our society, while those who really need tax relief will be left out in the cold. Clearly, if we are going to enact tax relief this year, we should do so in a way so that the cuts we approve are targeted to people on Main Street, not Wall Street.

I am also disappointed that this budget does not follow a steady glidepath to balance. While the coalition budget reduced the deficit smoothly from 1998 to 2002, the committee-approved budget resolution actually causes the deficit to increase in the first several years before from an estimated $67 billion in fiscal year 1997 to $90 billion in fiscal year 1998, where it will hold nearly steady until the painful cuts kick in and the deficit falls to $53 billion in the year 2001, eventually achieving a $1 billion surplus in the year 2002. In fact, more than two-thirds of the deficit reduction occurs in the final 2 years of the plan. This is an approach that was tested—and failed—in the early 1980's under President Ronald Reagan. When it came time to make the difficult cuts, they did not materialize, and the deficit skyrocketed. One has to wonder how much money could be saved in interest on the Federal debt if we began chipping away at the deficit earlier, rather than later, in the process.

Concerns about the exploding nature of the tax cuts makes enforcement of this budget resolution even more important. That's why on May 13, I joined 59 of our House colleagues in sending a bipartisan letter to Budget Committee Chairman KASICH and ranking member SPRATT, requesting that tough enforcement language, similar to that contained in the Balanced Budget Enforcement Act, be included in the budget resolution. When the Budget Committee did not include comprehensive enforcement language, an effort was made in the Rules Committee to give the entire House the opportunity to approve or reject enforcement procedures as part of the budget resolution approved by the committee. Unfortunately, the Rules Committee rebuffed this request, and the House will not have the opportunity to vote on a resolution that contains strict enforcement mechanisms.

Finally, I am concerned that the budget resolution before us puts off many of the difficult decisions on entitlement programs. As we all know, many of these programs, which primarily serve the elderly, disabled, and children, will be in serious financial jeopardy when the baby boomers start retiring in the next 10 years. While this budget resolution extends the life of the Medicare part A trust fund by 10 years, it shies away from tackling the long-term problems faced by Medicare and other entitlement programs.

In closing, I believe that balancing the budget is our moral responsibility as Members of Congress. I have always supported a balanced budget, and the responsibility to achieve this goal is not one that I take lightly. For the first time in more than a generation, we have a realistic chance to pass a budget that will actually achieve balance in 5 years. Although I would much prefer to see an enforceable budget resolution, where the deficit decreases every year and tax cuts don't threaten to undo our efforts after 2002, the time has come to put the future of our children and grandchildren first by voting for this balanced budget resolution.

Mr. SAXTON. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH], very fine chairman of the Committee on the Budget.

Mr. KASICH. Mr. Chairman, let me make it perfectly clear that there is, in fact, tough enforcement in this balanced budget agreement. We continue to have spending caps. If the discretionary spending, the programs that run the Federal Government, would exceed the caps we set, there would be automatic cuts across the board.

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Second, no new programs can be created unless they are, in fact, paid for by reducing other government programs. Now, I think that is very good enforcement.

Furthermore, we will have additional hearings throughout this year to see if there are other mechanisms, an additional budget process reform that we think will help the process. But no one should be confused. If in fact spending goes above the ceilings that we have set, there will be automatic across-the-board cuts. No new programs can be created unless they are paid for by cutting other governmental programs.

Let me make clear my position. I am not in favor of raising taxes. I am not in favor of allowing the tax cuts we have in any way to be repealed, triggered in, triggered on. I am for permanent tax cuts for the American people.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Texas, [Ms. GRANGER].

Ms. GRANGER. Mr. Chairman, today we will consider a number of proposals to balance the budget by 2002. We will debate these proposals, but I think we should step back just for a minute and consider the historic importance of this day.

Today is historic because for the first time in a generation, the leaders of Congress and the President are both committed to a specific plan to balance the budget.

We are fond of saying that the Federal budget was balanced in the year Neil Armstrong walked on the moon. I happen to remember it differently. 1969 was the year my first child was born. Two days ago, I watched proudly as that young man walked down the aisle to receive his doctor of jurisprudence. My oldest son has not seen a balanced budget since the year he was born. My twins, my son and daughter, have never seen a balanced budget in their lifetimes.

My children do not remember a balanced budget, so they do not know how good it will be for them, and they are not alone. Millions of Americans have forgotten how important a balanced budget will be to their lives, so I want to remind them of the importance of a balanced budget to all Americans.

I have had different jobs in my life and my positions have taught me why this opportunity to finally produce a balanced budget is so important. I was a mayor, and I learned that local communities need more power and less mandates from Washington. I gave up the job as mayor to come to Washington, to produce a balanced budget and to return power and money and decisions back to families and to local communities.

As a small business owner, I know that jobs and opportunities can only be created with a growing economy. By forcing the government to balance its books, a balanced budget will yield more than 4 million new jobs over 10 years and raise incomes by 16 percent.

And this balanced budget includes a capital gains tax cut to unleash a rising tide of new jobs and higher incomes and raised hopes. The capital gains tax reduction in this balanced budget will make the American dream come true for some who missed it the first time.

I was also a public school teacher, and I learned there is nothing more important than education. By eliminating the deficit, a balanced budget will lower the cost of a typical student loan by nearly $9,000 and college education will be more affordable to young men and women like the ones in this room today.

Most importantly, the job that convinced me that a balanced budget is so very critical, the most important job I ever had, was as the mother of three children. By reforming entitlements and providing a per-child tax credit, this balanced budget will make sure that America looks toward the future.

For 26 years, the lifetime of my children, politicians have promised a balanced budget, but the red ink has continued to rise and we have raised taxes again and again. Today we replace false hopes with an historic vote to balance the budget. I urge my colleagues to join in supporting a balanced budget today. It is simply the right thing to do for America.

Mr. MINGE. Mr. Chairman, I yield 2 minutes to the gentleman from Maine, Mr. [BALDACCI].

Mr. BALDACCI. Mr. Chairman, I thank the gentleman for yielding me this time.

We have an opportunity before us, Mr. Chairman, to achieve the first balanced budget in a generation. We would not have been at this point if it had not been for the President's 1993 economic plan, which reduced the deficit by 77 percent, from $290 billion in 1992 to a projected $67 billion this year.

As a result of the fiscal discipline imposed by that 5-year economic plan, we have achieved the highest economic growth in a decade, the lowest unemployment in 24 years, and the lowest inflation in 30 years. We have created 12 million new jobs. Had that plan not been in place, it would have been much more difficult and painful to balance the budget. We simply would not have had the same options available to us today.

Mr. Chairman, there is little doubt in my mind that every one of us in this Chamber could point to elements in this budget that we would find distasteful. Each of us would have written it differently, but compromise requires give and take. We have to reach common ground and gain the support needed to pass such an ambitious plan. Each of us has to agree to give up some things in order to reach our goal of balancing the Federal budget and getting our fiscal House in order.

I am very pleased that the agreement balances the budget in a way which is consistent with our values. It maintains the fundamental commitments to our parents, to working families and to children. It ensures that the budget is not balanced on the backs of those who can least afford it.

With a robust economy and declining deficits, we have the best opportunity in years to balance the budget. We must strike while the iron is hot. Passage of this budget resolution is an important first step towards restoring fiscal sanity to our government.

I urge my colleagues, Mr. Chairman, to support this resolution, and look forward to working with them to implement the plan that is being laid out before us today.

Mr. SAXTON. Mr. Chairman, may I inquire as to how much time is remaining?

The CHAIRMAN. The gentleman from New Jersey [Mr. Saxton] has 4¼ minutes remaining, and the gentleman from Minnesota [Mr. MINGE] has 6½ minutes remaining.

Mr. SAXTON. Mr. Chairman, I yield myself the balance of my time to talk about a couple of aspects of this budget which I think are extremely important.

One of the things that we try to do to encourage economic growth is to encourage what we refer to as capital formation. In other words, we encourage Americans to save and invest. One of the ways to do that is to reduce the burden imposed by the capital gains tax.

Now, there are a couple of ways to do that. Obviously, we congratulate the chairman of the Committee on the Budget for his foresight in proposing to reduce the rate of taxation on capital gains. But there is another reason. That reason is that capital gains today can accurately be referred to as a tax on inflation.

Let me explain. This chart depicts capital gains realizations from investments that may have been purchased in 1955 all the way through 1994. The red and green lines together represent the entire amount upon which capital gains is paid. The green lines represent that part of the gain that is due strictly to inflation. That is why we need to index capital gains taxes.

In other words, if we paid taxes, capital gains taxes, on that part represented by the red bars, we can see how much less of a saver's and an investor's money would be taken away from them than if we do not index capital gains. It seems quite ludicrous to me to try to encourage young people, middle class people, investors to invest in those assets which will increase in value, upon which they will have to pay capital gains, if we tax inflation. So I commend the chairman for his foresight in bringing about that change or proposing to bring about that change.

Let me also talk about deficit reduction and economic growth. Let me point out quickly that between fiscal years 1992 and 1997 the deficit has fallen by a wonderful $290 billion, I mean it is wonderful that it fell that much, to an estimated amount of less than $70 billion in the upcoming year. Part of these savings are the result of spending restraint by the Congress in 1995 and 1996, for which Congress should be commended, but by far, by far, the most important factor is the cyclical business expansion that began in 1991.

That expansion continues today and shows no signs of slowing down. Unemployment is now below 5 percent. That is great, and I think that we should learn from what we have begun in terms of encouraging economic growth. The lesson to be learned here is that when the economy is healthy and people are working, the government naturally takes in more revenue and it makes our budgeteers' job just that much easier. Indeed, a strong economic growth represents the most pain-free path to a balanced budget. This fact alone should serve as a reminder that it is our number one deficit reduction tool that we have to make use of.

In closing, Mr. Chairman, I want to urge my colleagues to keep in mind the role the economy plays in deficit reduction. The job of balancing the budget is made immensely easier when we have economic growth.

The issues that we have talked about today, a recognition of the role of the Fed, a recognition that tax policy tends to increase or decrease economic growth, a recognition that when government expands to a size of more than 17 percent of GDP, and a recognition of the role of taxes and the tax on inflation imposed in our current system's capital gains, are all issues that have an important part to play in deficit reduction and in economic growth.

So I will close, Mr. Chairman, by commending the gentleman from Ohio, [Mr. KASICH], and the other members of the Committee on the Budget and the negotiators who took part in these negotiations with the administration for the very fine document they have brought us, and I look forward to taking part in further discussions relative to these measures as we implement them in the appropriations process.

Mr. KASICH. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SHUSTER] and I ask unanimous consent that he be allowed to allocate time.

The CHAIRMAN pro tempore (Mr. KINGSTON). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I yield myself such time as I may consume.

I find it very interesting that the previous speaker has referred to the tax on inflation, and I think that is an important point, but I just hope that as the Committee on Ways and Means considers the problems of inflation and investment, they also recognize that those of us that simply put our money in the bank also experience a tax on inflation because the interest rates have to reflect the inflation in this economy. I think that we should treat those of us that put our money in the bank or in savings in a parallel way to those that put money into equity investments.

Mr. Chairman, I yield 3 minutes to the gentleman from Georgia, [Mr. BISHOP], who is also a member of the Blue Dog Coalition.

(Mr. BISHOP asked and was given permission to revise and extend his remarks.)

Mr. BISHOP. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise today in support of House Concurrent Resolution 84, the balanced budget resolution for 1998. This is an historic agreement which reflects a spirit of bipartisanship and a spirit of cooperation.

Today, we have an opportunity to pass a resolution which strikes a workable balance between keeping the budget balanced and sustaining and investing in our most essential domestic and defense priorities.

This bill attempts to balance the budget in a way that is fiscally sound and fair. It represents a commonsense approach, a middle ground that all sides should be able to support. Once we enact this agreement, we can begin the implementation of a balanced budget plan that will put money back into the pockets of working Americans.

Like all of my colleagues, I am committed to providing a higher better quality of life for my constituents. This means supporting policies for stimulating job growth, a stronger, a more diversified economy, a better educated population, safe and secure communities that are free from crime and drugs, a clean environment, affordable health care, and a strong national defense, but all within the context of a balanced budget. The resolution up for consideration today establishes a good framework for achieving these goals.

I want to commend both parties for their diligent work in crafting an agreement which moves toward eliminating deficits, expands health care coverage for our most vulnerable citizens, keeps Medicaid and Medicare solvent while preserving essential care, intensifies our efforts to protect the environment, provides persons with the necessary tools to move from welfare to work, gives a boost to education and provides equitable tax relief, including capital gains and inheritance tax reductions, for the American people and it preserves a strong defense, which has already been cut enough.

□ 2030

I doubt if anyone regards this bill as perfect. With a measure this far-reaching, there is no way to reach perfection. From everyone's point of view, there are provisions in the bill that I do not like and have fought against all along, including those to increase the retirement share made by civil service workers and that assume that cost-of-living adjustments for veterans compensation will be rounded down to the nearest whole dollar. I do not like these.

Our veterans and our civil service workers are carrying their share of the budget reduction burden already and will continue to try to change provisions such as these. Additionally, I will work with my coalition colleagues for enforcement measures to ensure that the deficit indeed remains on the glide path to balance in the next 5 years. It is extremely important that we do this so that we can reach our deficit targets each year.

But on balance, Mr. Speaker, this agreement may be our last best hope to finally achieve a balanced budget and save our country from an economic calamity, which is sure to occur if budget deficits and the national debt continue to run amuck. Our choice is clear, our mandate strong. Pass this resolution.

Mr. MINGE. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. MCINTYRE], a new Member of this institution and a member of the Blue Dog Coalition.

(Mr. McINTYRE asked and was given permission to revise and extend his remarks.)

Mr. McINTYRE. Mr. Chairman, just as each of us expect to balance the budget of our own personal checkbooks or our family's checkbooks or our small business's checkbooks, we should never expect any less from the Federal Government.

When I ran for this office, it was because of that very concern for our working families and our small business owners. We realize that in States like mine, in North Carolina, we are required to balance the budget and we meet that mandate every year. We should expect no less of our own national government. This is a chance for us to give working families an opportunity to see that we are stewards of their trust, that our government is accountable for every penny it takes in and every penny it puts out.

An old proverb once says that the longest journey begins with the single step. Although this is not perfect, it is a way to take that first step to make our government move towards the balanced budget responsibility that it should have.

Mr. MINGE. Mr. Chairman, I wish to inquire of the Chair as to how much time I have remaining?

The CHAIRMAN pro tempore. The gentleman from Minnesota has 12 minutes remaining.

Mr. MINGE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to close by just recognizing some of the positive and problematic situations that we face. As we have an opportunity here to eliminate the deficit, I think it is important to remember that we are enjoying prosperity in our Nation, relative prosperity, because we know that economic cycles come and go and that we are going to face a downturn at some point in the future.

It is prudent for us to plan for that and not to assume that the full employment and the good, strong economic growth that we have today is going to survive indefinitely. Therefore, I think it behooves us to practice fiscal responsibility now and to put money aside, if at all possible, for the rainy day.

I think, at the same time, it is important to know that we are talking about the difference quite often between the debt and the deficit. Yet, the American people quite often are confused. They think when we say we are going to eliminate the deficit it means we are going to eliminate that $20,000 per capita debt. That could not be further from the truth. The debt will still be there, $20,000 for each man, woman, and child in this country, interest running at the rate of close to $250 billion a year.

Those of us in the Blue Dog coalition have supported tax cuts. We think tax cuts are important. We think new programs are important. But on the other hand, we think that our first and most immediate responsibility is to eliminate this deficit. And, therefore, we have stood for the proposition that let us work for and plan for tax cuts, but that is the dessert, that is the reward that we should achieve after we have accomplished this heavy lifting of balancing the budget.

I would also like to emphasize and reemphasize that we have looked for and hoped for strong enforcement mechanisms in our budget resolution and in the reconciliation bills. That is extremely important to us. We must, as the reconciliation bills are drafted, include in them the caps, the pay-go provisions, the sequestration and other provisions that are so necessary to safeguard what we have worked long and hard for in this body this spring.

Mr. Chairman, we appreciate the opportunity to present these views.

(Mr. SHUSTER asked and was given permission to revise and extend his remarks.)

Mr. SHUSTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and my colleagues, from Seattle to Miami, from California to Maine, all across America, our infrastructure is crumbling. Thirty percent of our interstate system needs to be rebuilt; 25 percent of our bridges are structurally deficient. There are 41,000 people killed on our highways every year. And we are told that 30 percent of those deaths are caused by inadequate construction of the highways; and if we can wave a magic wand and correct those highways with investment, we could save up to 12,000 lives a year.

Congestion in our 50 largest cities costs $51 billion a year. Right here we need not look beyond the Nation's Capital and the metropolitan area. The Washington Post recently reported that the Capital Beltway already operates well above capacity, and in sections of it they expect a 43 percent increase in the next 20 years. The Metro chief here in Washington, Richard White, said, and I quote, ''I thought we are two or three years away from a crisis with Metro, but I was wrong. It is closer than that.''

Twenty-four hours after the budget resolution was released, 49 Governors signed a letter and sent it to us saying they were disappointed in the transportation funding and they urged us to increase transportation funding. We have letters from the mayors urging increased funding for transportation, letters from the counties, letters from the building trades unions, from the Teamsters, from the Chambers of Commerce, and from the environmentalists, all saying we need to spend more money in transportation.

In inner-state repair projects alone, we have over 30 projects, each of which costs over a billion dollars apiece. One hundred cities need new transit projects. Amtrak is on its way to bankruptcy. Our airports are clogged. Our air traffic control system is failing. And yet, this should be a positive problem because it represents the vibrant growth of our country.

While we have an increase in population, travel is increasing at three times the rate of our increase in population. In aviation we are moving from 230 million passengers a year to over a billion passengers a year as we moved into the first decade of the next century.

Truck traffic is projected to increase on our highways by 30 percent in the next 7 years. Our global competitors are building for the future. In Japan they are spending $30 billion U.S. in one airport, the Kansai airport. In Shanghai, get this, 17 percent of all the world's construction cranes are in Shanghai. It looks like a city over which pterodactyls are hovering.

In Hong Kong they not only have the most modern container port in the world, but they are building the largest airport in the world at a cost of $22 billion U.S. with 288 ticket counters. Now, that is the kind of infrastructure building that is going on in Asia, where we have fierce competition and can expect even fiercer competition in the next century.

Our needs. Well, we need $16 billion a year more in highways and bridges just to keep up. We need $13 billion to improve transit, $10 billion for airports and aviation. And what does this budget resolution do with regard to transportation? Well, the $33 billion balances in the four transportation trust funds, if this budget resolution is implemented without change, will increase to $65 billion in the next 5 years. Now those are not my numbers. Those are CBO numbers. CBO says we will increase the balances in the transportation trust funds from $33 to $65 billion in the next 5 years.

Beyond that, this budget resolution provides for $125 billion over the 5 years in outlays for transit and highways. They say it is an $8 billion increase over the 5 years. That is not really accurate, because there is $3 billion that is not counted in the baseline on the projects that were in ISTEA. We have to subtract $3 billion, and we are down to a $5 billion increase.

But there is also $2½ billion in budget authority which is not reflected in outlays, so perhaps this is another $2½ billion we have to subtract. And beyond all that, the so-called $8 billion increase, which is more like $1 or $2 billion, is not simply for highways or transit; this is function 400, all the transportation programs. That includes the Coast Guard, rail, pipelines, all the various transportation projects.

We are told that the revenue that is coming into the trust fund is going to be spent. That is not true. CBO has confirmed that it is not true. In fact, my good friend the chairman of the Budget Committee also confirmed that at a Republican conference last week. We are told that, if we really count the general fund spending on transportation, that equals all the revenue coming in. Well, the general fund spending reflects spending in military bases, reflects spending on CDBG grant which have nothing to do with our Federal aid highway system and, most importantly, historically reflects the spending out of the general fund on transit before we set up a transit account within the trust fund.

So, indeed, many of the things that we are hearing are not quite accurate. But beyond that, what does our modest perfecting amendment do? We simply increase outlays over 5 years by $12 billion from $125 to $137 billion. And next year, in the budget resolution, we do not make any reductions to pay for that, but rather, over the 5 years, we have a one-third of 1 percent across-the-board cut on discretionary programs and the tax cuts, about as modest as we can get.

Let me again emphasize, there are no reductions in the fiscal 1998 budget which we are reflecting in this amendment. We adopt the numbers of the Budget Committee, and it is in those outyears. Further, we provide safeguards that transportation trust fund money will be used for intended purposes, and we modify the transportation reserve fund to give priority to the restoration of spending and transportation cut offsets if it turns out that more are available. As we are told, this is so conservative that more funds may well be available. And, indeed, we are also told that this might break the budget deal.

I would respectfully suggest that insults the intelligence of the Members to say that a one-third of 1 percent cut over 5 years is going to break this deal when the bottom line remains the same. What are we, potted plants? Can we not, as Members of Congress, make a very modest adjustment so long as the bottom line numbers stay the same? That is all we are doing here. And indeed, I believe we have every right as duly elected Members of Congress to make such a modest perfecting amendment.

Now is the time for Members to implement their previous votes where they so strongly expressed support for transportation infrastructure.

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Last year, we had a vote to take trust funds off budget. That vote passed by a 2 to 1 margin. Seventy percent of the Republicans in the House voted in favor of it. Sixty-four percent of the Democrats voted in favor of it. A majority of the Republican cardinals on the Committee on Appropriations voted in favor of it. A majority of the Republicans on the Committee on Ways and Means voted in favor of it. Were these serious-minded votes or were they not? Now is the time to address this issue. So far this year, we have 239 cosponsors of taking the trust funds off budget. We passed it out of committee unanimously in early February, but the leadership has blocked us from bringing it to the floor to get an honest up-or-down vote. The moment of truth is here. This later tonight will be the single most important transportation and infrastructure vote we cast not only in this Congress but for the next 6 years, because it will determine the funding that is available for ISTEA.

What does that mean? It means if we pass this modest amendment, we can begin adequate funding for infrastructure, we can address the donor-donee formula problem. We can find funds to begin trade corridors and border infrastructure. We can address transit and clean air needs in urban areas. We can save lives with safer highways and bridges. We can reconstruct the interstate system. We can address the other many high priority needs that have been brought to us. And we can create thousands of good jobs, for every $1 billion spent in transportation means 42,000 jobs.

Tonight is the moment of truth for transportation and infrastructure. Support the Shuster-Oberstar-Petri-Rahall amendment and help build America and save lives.

Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. RAHALL], the distinguished ranking member of the subcommittee.

(Mr. RAHALL asked and was given permission to revise and extend his remarks.)

Mr. RAHALL. I thank the distinguished gentleman, the chairman of the Committee on Transportation and Infrastructure, for yielding me this time.

Mr. Chairman, trust. An interesting term, that word. Trust. Webster defines it as an assured reliance on the character, ability, strength or truth of someone or something. That is why we call it the highway trust fund. Not the highway fund, but we call it the highway trust fund. To the American people, we have said, pay your motor fuel taxes. In return, you will receive those funds back in the form of better roads, highways, and bridges. That is a sacred trust that we entered into with the American people 41 years ago when the Congress established the highway trust fund. Yet today we find that that trust has been broken. It lays shattered at our feet.

Over $24 billion in unspent funds has accumulated in the highway trust fund. There is no trust in that. At the same time, 4.3 cents per gallon in Federal motor fuel taxes is not even being deposited into the highway trust fund. There is no trust in that, either. In this budget resolution, this budget resolution will not even allow us to spend the amount of motor fuel tax receipts that are anticipated to be paid into the highway trust fund over the next 5 years.

Crumbs for a crumbling infrastructure. That is all this current budget resolution gives us, is crumbs for a crumbling infrastructure. When it comes to highway spending, many of my colleagues have talked the talk. Almost 240 of our colleagues have cosponsored H.R. 4 to take the transportation trust funds off budget. A vast majority of my colleagues have requests pending before the Committee on Transportation and Infrastructure for specific highway or transit projects.

Those of my colleagues listening, just think of how many of those requests are pending. My colleagues may have talked the talk, but now it is time to walk the walk, to show what you are made of; to stand up for America, not to sit down on it; to build America, not tear it down; to promote America, not demote America; to expand America, not contract it; to do what is right, what is fair, what keeps faith with the people.

Mr. Chairman, this is a battle for the heart and soul of America. This amendment is not just about asphalt and concrete. It is about safety. It is about saving lives. It is about our economy, about our competitiveness. It is about our jobs. It is about our standard of living. It is about the type of legacy that we will leave to our future generations.

So, Mr. Chairman, I say to my colleagues, it is time to walk the walk. Vote ''yes'' on the Shuster-Oberstar-Petri-Rahall amendment.

I commend the distinguished chairman for this initiative.

Mr. SHUSTER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. KIM], distinguished chairman of one of our subcommittees.

(Mr. KIM asked and was given permission to revise and extend his remarks.)

Mr. KIM. Mr. Chairman, I found this brochure today. It is kind of disturbing to me. I rise in strong opposition to the budget resolution because of this. This is deceptive, in my opinion, cleverly devised propaganda which is totally untrue. This says who pays for transportation increases? Then it says, education, $980 million. Now, come on. All we are asking is, do not gut our transportation trust fund. We are not cutting any programs like this.

Every time that American motorists fill up their gasoline tank, they pay 18.3 cents per gallon of gasoline tax. Of that money, almost one-third goes to the deficit reduction program, but the remaining 14 cents is supposed to go to highway programs. It is not. We have not been honest with the American people. The truth is we have not actually used the whole 14 cents for transportation at all. Instead, every year we gut the transportation trust fund money and spend it on other nontransportation programs. I am tired of this.

Even this budget agreement that we are discussing tonight continues that deception. This budget agreement takes $13 billion in gas tax revenue and diverts them to other nontransportation programs, Mr. Chairman. That is $13 billion that we promised to spend on roadways, highways and mass transit. Now we are going to turn around and spend it elsewhere.

At a time when our national infrastructure is deteriorating, this breach of trust is totally unacceptable to us. We should be spending more to maintain and improve our infrastructure, not diverting money to wasteful Government programs. In fact, the recent studies show that the Federal Government should be spending almost $20 billion more a year than it does today to meet the transportation needs of the next decade. Instead, we are dishonest in diverting this $13 billion to other Government programs. Shame on us.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Massachusetts [Mr. MCGOVERN].

Mr. McGOVERN. Mr. Chairman, I rise tonight to express my very, very strong support for the Shuster-Oberstar-Petri-Rahall amendment as a path to ensure that the transportation needs of our Nation are addressed. If we are to compete with the growing economies of the Pacific Rim and Europe, transportation must be America's economic development priority for the 21st century.

This budget as it now stands simply does not meet those needs. This agreement falls woefully short of allowing us to merely maintain our aging highway and transit systems, let alone make greatly needed repairs. Transportation funds in this budget are insufficient. Every Governor in this Nation has emphasized that transportation is a priority and that this additional funding is absolutely critical to meeting America's vast infrastructure needs. This amendment is a sensible bipartisan effort to address this shortfall and increase transportation funding to the minimum acceptable level.

Mr. Chairman, I am strongly committed to balancing the Federal budget, but let us do it in a way that is honest and honors our commitment to the American people and guarantees a strong economy. I ask my colleagues to be bold, to be daring and to invest in our Nation's economic security and our future.

Mr. Chairman, if my colleagues truly believe that transportation is a priority for their States, they have an obligation to support this amendment. I want to thank my chairman for his extraordinary leadership on this issue.

Mr. Chairman, I include the following material for the RECORD:

THE COMMONWEALTH OF MASSACHUSETTS, EXECUTIVE OFFICE OF TRANSPORTATION AND CONSTRUCTION,
Boston, MA, May 19, 1997.

Hon. JAMES P. MCGOVERN,
U.S. House of Representatives, Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN MCGOVERN: As you prepare to cast votes on the balanced budget agreement, I want to express my concern over the agreement's level of funding for transportation and ask you to support the Shuster-Oberstar-Petri-Rahall Amendment which will be offered during debate.

The budget agreement sets transportation levels at $125 billion over the five year period, $13 billion shy of the Highway Trust Funds (HTF) expected receipts. This under investment in our infrastructure would cause the HTF balance to increase to at least $37 billion and our nations infrastructure needs to remain unmet. To accentuate this point, the Federal Highway Administration estimates that it will taken an investment of $16 billion more per year just to maintain the conditions of our highways and bridges.

Furthermore, at this funding level it is likely that the Commonwealth's transportation funding needs would be in peril. For example, a worst case scenario would present us with a 5 year loss of $1.4 billion. Therefore, I ask for your support of the Transportation and Infrastructure Committees bipartisan amendment to increase the funding level by a reasonable $12 billion. This increase, which will not draw on the $24 billion HTF balance or capture the 4.3 cents going to deficit reduction, will help the Committee to reach a balance among its many competing concerns.

I thank you for your consideration. Please do not hesitate to contact me if you should have any questions or need any further information.

Sincerely,

JAMES J. KERASIOTES,
Secretary.

THE NEW ENGLAND COUNCIL,
Boston, MA, May 20, 1997.

Hon. JAMES MCGOVERN,
U.S. House of Representatives, Cannon House Office Building, Washington, DC.

DEAR REPRESENTATIVE MCGOVERN: On behalf of the hundreds of businesses and nonprofit organizations that comprise The New England Council, I am writing to urge you to support a bipartisan amendment to the Budget Resolution that will increase funding for projects under the Intermodal Surface Transportation Efficiency Act (ISTEA).

The Budget Agreement reached by the Clinton Administration and Congressional leadership provides inadequate funding levels for surface transportation projects in New England and across the nation. The amendment, offered by the bipartisan leadership of the House Transportation and Infrastructure Committee, seeks to rectify this situation. It mandates increased Highway Trust Fund spending so that outlays for the next five years would rise $12 billion from the $125 billion stipulated by the Budget Agreement.

Strong economic growth depends on viable and advanced highway and transportation systems. Without the significant investment in our transportation infrastructure that the amendment calls for, we are placing the nation and our long-term economic prosperity at risk.

I urge you to support an increase in transportation funding when the House votes on the Budget Resolution. A vote for this increase is a vote for New England's future.

Sincerely,

JAMES T. BRETT,
President and CEO.

HOUSE AMENDMENT IS ''MAKE OR BREAK'' FOR HIGHWAY FUNDING

Transportation leaders in Congress will offer an amendment to the Budget Resolution increasing transportation spending over the next five years, while still achieving a balanced budget by 2002.

Currently in the Budget Resolution, highways and transit would receive $124 billion over the five year period, equating to a $1–2 billion increase for highways per year. This funding level would not even spend the revenue going into the Highway Trust Fund each year, let alone the exisiting $13 billion cash balance in the fund.

The Shuster-Oberstar-Petri—Rahall amendment would increase transportation spending to the amount of revenue deposited in the Highway Trust Fund, $137 billion over five years or $13 billion more than the Budget Resolution currently provides. To offset the increased transportation funding, the amendment would reduce other spending accounts (except entitlement programs) and the tax cut package by 0.44%. That is an across-the-board cut in other government programs (except entitlements) of less than one-half of one percent.

This amendment is extremely important to Massachusetts and our industry.

Balancing the federal budget is very important, but should not be done with taxes paid by highway users that were intended to make highways safer. Inadequate roads and bridges are a factor in traffic accidents that result in over 12,000 highway deaths each year.

If the total pie currently available for highway construction is not increased significantly, Massachusetts may lose a substantial amount of funding when ISTEA is reauthorized later this year. The funding provided in the Budget Resolution is insufficient to take care of the donor-donee problem.

The Highway Trust Fund can support a $26 billion annual highway program through 2002 with current income (no new taxes). The Budget Resolution would only allow for a highway program averaging about $22 billion per year. If held to that low funding level, the cash balance in the HTF will continue to grow until it reaches more than $40 billion in 2002.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, I salute the efforts of the gentleman from Ohio [Mr. KASICH], the chairman, and the leadership of both sides of the aisle in working with the administration to achieve a balanced budget agreement. It is a good agreement but we can make it better, and that is why I am supporting the bipartisan Shuster-Oberstar-Petri-Rahall substitute.

To put it simply, this substitute restores trust to the highway trust fund, ensuring that revenues into the fund are spent out of the fund to support needed highway transit improvements around the country.

This investment is desperately needed. There is a multibillion dollar backlog of transportation projects across the country, investments that we must make if we are able to compete in the global marketplace. The Shuster substitute boosts funding for transportation and includes offsets to keep the budget on a glide path to balance by 2002. It is fiscally responsible and fulfills our responsibility to invest in our aging infrastructure.

Passage of this substitute will help us to craft an ISTEA reauthorization bill that will resolve the donor versus donee State controversy. If the issue is important to my colleagues, I hope they will join me in supporting the Shuster-Oberstar-Petri-Rahall substitute.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from South Carolina [Mr. CLYBURN].

Mr. CLYBURN. Mr. Chairman, I would like to thank our distinguished chairman for his leadership on this issue.

Mr. Chairman, the highway trust fund is one of the things that we use to endear our relationship with those who are all about making the future for all of our citizenry what it ought to be.

The $12 billion that we are requesting in this amendment is something that we think is fair and it is balanced. We think that if we take a look at the facts, only a one-third of 1 percent reduction in domestic spending and the tax cuts over the next 5 years is a fair way to approach our permanent infrastructure. I think our roads and our bridges are in dire need of repair. We know from every study that has ever been developed that for each $1 billion we spend, we create a 42,000 jobs.

Mr. Chairman, I will support this amendment and I call upon my colleagues to do likewise.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Chairman, I rise in strong support of the Shuster-Oberstar budget amendment. It provides needed transportation funding to repair and rebuild our roads and bridges and to provide funding for public transit, Amtrak, local passenger trains, subways, and buses.

This amendment helps the environment. It provides jobs. It improves safety for motorists and commuters. Fifty-one Governors, Mr. Chairman, have endorsed the Shuster-Oberstar transportation funding amendment. It does not interfere with the balancing of our budget. It does not change any annual deficit targets. It does not make cuts to entitlement programs. It does not draw down highway trust fund balances. It does not spend any of the 4.3 cents of the gas tax. It is the most pro-people bill. We must pass this legislation. It is going to help all of our citizens in every single State. I urge strong support of the Shuster-Oberstar budget amendment.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Oregon [Mr. BLUMENAUER].

Mr. BLUMENAUER. Mr. Chairman, I thank the gentleman from Pennsylvania, the chairman, for his courtesies and for his eloquence a moment ago when he explained to America what this measure is about. We are talking about American economic competitiveness. We know that the Japanese are spending trillions of dollars, and we are debating here on the floor whether or not we are going to add $12 billion in order to meet our current priorities. It is a question of whether or not we are going to support our communities in terms of their livability agenda. It is an opportunity for us to think forward when others are looking back. This budget resolution amendment, if passed, will enable us to look forward as opposed to ducking issues that we know if we avoid are going to be worse 10 years from now.

☐ 2100

And I find a little incongruous people talking about the cost of this proposal because this is an investment in our future that will provide a half million additional jobs. I am absolutely convinced it will be self-financing, and if we do not, it will be self-destructing.

Mr. Chairman, I thank the gentleman for his courtesy, and I strongly urge the approval of this amendment.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Washington [Mr. METCALF].

Mr. METCALF. Mr. Chairman, I rise to support this amendment, and I would like to make it very clear why I support it. The people of America pay a great deal of money in Federal gasoline taxes, and the people of America have every right to expect that this money be spent for transportation purposes. We do not spend anywhere near the amount raised for transportation purposes.

Mr. Chairman, this amendment will help adjust that inequity, and I think we should support it, and I commend the gentleman from Pennsylvania [Mr. SHUSTER] for his efforts in this area.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Jersey [Mr. PASCRELL].

Mr. PASCRELL. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. SHUSTER] for giving me this time. What my colleagues have proposed and what many have joined them with is not a breach of any kind of any agreement. We will decide the agreement in this House. That is the only agreement that we are concerned about. Forty-nine Governors, 89 senators, 239 Members of this House are on record supporting the transportation spending level proposed in this amendment.

What we have done is not any different than what we did with veterans. We collect fees, and then we put those fees back in the general fund rather than spend them on veterans. What we are doing here is a collection agency, $20 billion that goes back into the general budget rather than being spent on the infrastructure, on economic development in this Nation.

The gentleman from Pennsylvania [Mr. SHUSTER] is right on target. We are going to win this fight tonight. It is an important one for America. It is just as important as our balanced budget.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Iowa [Mr. BOSWELL].

(Mr. BOSWELL asked and was given permission to revise and extend his remarks.)

Mr. BOSWELL. Mr. Chairman, I am very impressed by the bold leadership that is being taken with the gentleman from Minnesota [Mr. OBERSTAR] on this subject. Just stop and think about it, my colleagues. I think about some of the products come out of the Midwest, out of our part of the country, farm products and so on. It has got to travel on a system, and that system is broken down at times when we cannot move grain from Iowa and we have got sales to go to the Ukraine or wherever, and this is unacceptable. We can make many, many examples of that, and a time has come to realize that we are collecting this for the purpose, we have a need, that the needs of the country are at stake. The competition with the Pacific rim and the European Union are real. They are going on, and they are making the investment. We have got to do no less, and I hope that my colleagues are paying attention tonight.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Chairman, I rise today in support of the amendment of the gentleman from Pennsylvania [Mr. SHUSTER] and the gentleman from Minnesota [Mr. OBERSTAR], which directly addresses the issue of truth and honesty in the transportation budget.

In President Clinton's State of the Union message he talks about building a bridge to the future and to the 21st century. Well, I got news for my colleagues. They cannot build a bridge without money for transportation and infrastructure needs. Thirty percent of American urban highways are congested. This damaged air quality, increased travel time and cost travelers in the largest city more than $43 billion in delays and excess fuel consumption area.

The future of this country is intermodal. Our economy is not based on Florida competing against Georgia or even California. It is a global marketplace, and we are competing with countries like Japan and Germany. These countries have a highly developed transportation and infrastructure system to move goods, people, and service.

Mr. Chairman, I support the President's commitment too, 100 percent. Let us build the bridges to the 21st century and let us make sure everyone can travel it safely.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Mrs. TAUSCHER].

Mrs. TAUSCHER. Mr. Chairman, I rise in support of the Shuster-Oberstar amendment. While I am supportive of the budget agreement overall, it is sorely lacking in funding for important transportation needs.

The Shuster-Oberstar amendment will make a modest adjustment to the resolution by adding roughly $12 billion over 5 years for transportation. This amendment does not address the issue of taking the transportation funds off budget, nor does it attempt to recapture the 4.3 cents in gas tax revenue that currently is directed to deficit reduction. Instead, it simply asserts that the money collected by the Highway Trust Fund in the next 5 years will be spent on highway and transit needs.

The Shuster-Oberstar amendment is a good investment for America. The amendment would retain the balanced budget target, but would better provide for our Nation's transportation needs.

I urge my colleagues to improve this budget resolution by adopting the Shuster-Oberstar amendment.

Mr. SHUSTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me emphasize just how modest this is. There are several things we would like to have done. We would like to have taken the transportation trust funds off budget. After all, we had a 2-to-1 vote, an enormous victory in this House last year to do just that. This year we have 237 Members, a majority of Republicans I might add, who have cosponsored H.R. 4 to take those transportation trust funds off budget. But we do not do that in this amendment.

Mr. Chairman, we have been blocked from bringing that to the floor even though that bill passed unanimously out of our committee.

Indeed, Mr. Chairman, I must say that it insults the intelligence of our Members to somehow suggest that this modest proposal could hurt the deal to take one-third of 1 percent of the overall discretionary spending in taxes, a minuscule amount over 5 years, and indeed to have no reductions, I emphasize no reductions, in the first year, which means we will be back here again with another budget resolution next year, as we are every year, to have no reductions, and to be certain that this is CBO scored so that the bottom line, indeed, is consistent with the overall deal between the White House and the budgeteers, and to somehow suggest that that hurts the deal, Members certainly have every right to express themselves on this modest amendment.

I must also say, Mr. Chairman, I am very much moved by the extraordinary support that we are receiving for this modest perfecting amendment. We thought it was going to be a very uphill battle. Indeed, we felt it was a matter of fighting the battle as a matter of principle even though we recognized that it was, we thought, quite a long shot, and now, as we stand here tonight, as we have received expressions of support from Members in all philosophical positions in this House, Republicans, Democrats, liberals, conservatives, they are reflecting the views of the American people who say we need to build more infrastructure for America, we need to save lives and we need to keep faith with the American people.

There is so much cynicism about Government today, and one of the reasons for that cynicism is when we tell the American people, ''You pay your gasoline tax, you pay your aviation ticket tax; we're going to spend that money to improve transportation,'' and then we do a flimflam on them. We do not spend the money. Instead, we use it to mask the size of the general fund deficit to the extent that, as we stand here today, there are $33 billion of balances in those trust funds, legal obligations of the United States of America, and what is even worse, if we adopt this budget resolution without this perfecting amendment, those balances in those transportation trust funds will rise from $33 billion today to $65 billion in 5 years. It is just wrong.

Forty-nine Governors have sent a letter to us saying to spend more on transportation. When the vote comes tonight, vote in favor of this amendment to build America for the future.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SHUSTER] has expired.

Under the unanimous consent agreement entered into earlier today, the gentlewoman from California [Ms. WATERS] is recognized for 30 minutes.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is with great pride that I rise on behalf of myself, the gentleman from Mississippi [Mr. THOMPSON] and the entire Congressional Black Caucus, first to thank those who have worked to present this House with a budget and, without spending time to discuss why the negotiated budget deal misses the mark, I would like to discuss another approach, another vision for America embodied in the CBC budget.

The CBC budget alternative that will be offered later on this evening reaches budget balance by the year 2001, Mr. Chairman, not 2002, as the budget deal does. Each year between now and then our deficit is lower than that projected by the so-called budget deal.

This Congressional Black Caucus alternative is a fiscally conservative budget. This budget, scored by CBO, reduces the deficit immediately and smoothly. This budget does not backload savings. The budget does not include tax cuts. This budget does not raise any tax rates, not on individuals, not on businesses. The CBC budget alternative achieves its savings through a balanced combination of military spending reductions, nondefense discretionary spending cuts, reductions in corporate welfare and modest reforms in Medicare and no increased premiums for seniors.

Our budget makes the Medicare trust fund solvent into the future, as does the budget deal. The CBC budget alternative does this while staying within the overall domestic discretionary spending levels agreed to by the budget deal.

This budget accomplishes balance in the following ways: We make $189.9 billion in military budget savings. Our budget presumes in the post-cold War period this country can rationally reduce military spending while protecting military families and investing in economically viable alternatives through economic conversion.

Our budget saves nearly $20 billion in nondefense discretionary spending programs. By reducing Government subsidies to corporations in various parts of the budget the CBC alternative cuts billions in wasteful, unnecessary spending. Our budget closes $195.5 billion in corporate welfare loopholes over 5 years. This represents less than $40 billion in savings from corporate welfare per year. Surely, as this country embarks on its course to produce a balanced budget, multinational and other large corporations can and should pay their fair share.

And finally, we would enact entitlement reform through a $25.5 billion in savings from Medicare. By eliminating waste and abuse from the program, we would not increase premiums or reduce Medicare benefits, but protect the trust fund and Medicare recipients. This is a modest fair approach to budget savings.

Our spending cuts facilitate real increases in other areas of the budget, all the while staying within the budget caps imposed by law and assumed in the budget deal. Our budget invests in programs which empower individuals, enhance community development, and expand economic growth.

Mr. Chairman, our budget works within every budget guideline that exists. It balances the budget on a true glidepath. It achieves balance by 2001, a full year earlier than the budget deal. Through our savings, we invest an additional $99.7 billion in programs for people. We pay for our spending increases, and we prioritize.

This budget is fair, responsible, and balanced.

Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, let me first compliment the gentlewoman from California [Ms. WATERS], the chairman of the Congressional Black Caucus, for this leadership in this budget effort, but this evening I rise in strong support of the Congressional Black Caucus fiscal year 1998 alternative budget.

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It is the only budget that balances a year earlier and shares the burden equally. This alternative budget offers a vision of America for all people, regardless of race, color or creed or economic status. It is our obligation to present a budget which promotes the general welfare and advances the interests of the caring majority of our Nation. The majority of Americans believe that the power and wealth of our country should be utilized for the benefit of all people.

The Congressional Black Caucus views the military and other defense programs funded in a defense function as just one element of the three in a comprehensive national security strategy.

The second leg of the triad is an engaged and effective foreign policy strategy to bring about conditions of regional and international security.

The third leg of that triad includes domestic involvement in education, research and development, community and economic infrastructure, and individual well-being that are so critical to maintaining safe and cohesive communities.

Mr. Chairman, this budget reflects a caring and sharing majority, not one that is business as usual.

Ms. WATERS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. RANGEL].

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Chairman, we call this the Congressional Black Caucus budget, but the only thing that we have in common is that our constituents have the same dreams, the same aspirations and the same hopes to participate in this ever-growing economy that we have today. As we take a look at those of us that support it, the President's budget, which had a tax increase in it before, we see that without any Republican support it passed, and we found economic growth except for one group of people, and that is those people that did not have the tools to access, or the education, the jobs or the training to participate in this growth.

Now that we are moving forward into the next century where trade and technology is going to lead, what we have tried to do in our budget is not to stress how much money we need for drug rehabilitation and how much we need for cops and jails, but to concentrate on how we can make the best investment, not just by reducing taxes, but by investing in people, giving our kids a chance to get an education similar to the GI bill so that they can participate, be productive, and have a society where we do not have to have welfare programs, but just decide what jobs are best for certain people that are trained for them.

We want to make certain that the budget is balanced, not as just economists, because we cannot afford to have the interest on the debt really be further than just the interest that we have in our students. We would think that this great Nation would not want to see every State capital investing more in our prisons and in our jails when we have over 1 million people walking around, unproductive, not producing anything; where what we are saying is, put some human investment in our schools and we will find that the youngsters are dreaming about jobs and hopes and not dealing with crime and drugs.

So we clearly have an alternative for those people that have a similar type of community, but even better than that, to make certain that towns like we have in New York where we have detention of children who make mistakes, we pay $84,000 a year to keep a kid in jail, and yet the unions are fighting with the mayors to see whether or not we can spend $7,000 to keep a kid in school.

So it seems to me that even though the President had to pull together a bipartisan popular budget, that a courageous thing for all of us to do is to say that we should start cutting the taxes when we have no deficit, we cut the taxes when we are satisfied that we have made the investments in our teaching institutions so that we can effectively compete with our trading partners.

For those people that may have to vote on more than one, I would suggest to my colleagues that the Congressional Black Caucus budget is one that one would not be politically ashamed.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, the Congressional Black Caucus budget is a balanced budget. It balances our national priority and it is fair to its people.

Mr. Chairman, if we have policies that truly promote shared sacrifices, there is enough that no one in this affluent country should go hungry. Nutrition programs are essential, and I am pleased to note for my colleagues' consideration that the Congressional Black Caucus does not forget the hungry.

Nutritional programs are essential to the well-being of millions of our citizens who are disadvantaged children, the elderly and the disabled. Nutritional programs in many cases provide the only nutritional food that millions of our Nation's poor receive on a daily basis.

Why then, we may ask, are there those of us who would deny them a chance; a chance to eat, a chance to feed their family? Perhaps it is because we do not see them, we do not know who they are, we have an image of them that in most cases is in error. But who are these people who now face hunger? They are people we do not see and we do not know, so we forget them.

Under the welfare reform bill, called the Personal Responsibility and Work Opportunity Act of 1996, able-bodied adults now have a limited time to participate in the food stamp program, and legal immigrants are restricted from participation all together. There are 27 million persons who participate in the food stamp program, but there are only 1.3 million who are able-bodied. That is less than 5 percent.

Who, then, are these able-bodied persons? The popular misconception is that they are young males who are shiftless, who depend on other persons doing their work. They live off the worth of others. Some persons fit that description, but Mr. Chairman, many, many more do not.

According to the Mathematica study, 40 percent of the able-bodied persons are women. As many as 59 percent of the able-bodied adults have a high school education. They are not derelicts, they are not vagabonds. Many of these are responsible persons who have fallen on hard times.

Who are these persons we do not see? Forty-one percent of the able-bodied adults have no income whatsoever, and when they do have income it is as low as $225. Mr. Chairman, we should care about the hungry. This budget responds to that vital goal.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I rise in strong support of the Congressional Black Caucus alternative budget.

I want to commend the gentlewoman from California [Ms. WATERS] and the gentleman from Mississippi [Mr. THOMPSON] for their leadership in developing this budget.

This substitute firmly supports the fact that the budget can be fairly balanced while responsibly addressing the needs of the American people, especially the needs of our Nation's most vulnerable populations: seniors and children, in the areas of education, health, housing, and human services. The CBC budget fully funds the Head Start Program to help prepare our Nation's children to achieve their highest developmental and academic potential. Over 2 million children would be served. Currently, no more than 40 percent of all eligible 3- to 5-year-olds participate in Head Start.

Our substitute also fully funds section 8 housing to help ensure that needy citizens have a roof over their heads, it fully funds chapter 1 to ensure that children in need of assistance in basic reading and math receive the help they need, and fully funds summer jobs to help prepare our Nation's young people to enter the work force.

The bill protects and improves the health of the poor and the elderly by ensuring funding and Medicaid and Medicare. The $25.5 billion in Medicare savings will begin to ensure the program's solvency. The measure also restores funding for the Nation's health professions training program. These programs are actually essential to help ensure access to health care services for all Americans. For the TRIO programs, the budget provides $625 million to ensure that disadvantaged students not only have the opportunity to attend college, but most important, they graduate.

The bill provides adequate funding for basic quality of life necessities, including meals for the elderly, energy assistance for low-income families, and with respect to AIDS/HIV, the bill addresses the needs of communities across this country by fully funding Ryan White and providing critical funding for AIDS research, outreach, and public education.

Mr. Chairman, I urge all of my colleagues to support the CBC substitute bill.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Michigan [Ms. KILPATRICK].

Ms. KILPATRICK. Mr. Chairman, I first want to thank our chairperson, the gentlewoman from California [Ms. WATERS] for her fine leadership, as well as the gentleman from Mississippi [Mr. THOMPSON] as our lead budget person for the Congressional Black Caucus.

I rise to support the alternative budget for the Congressional Black Caucus. Unlike the budget deal before us, it takes care of America's children and America's families. The Congressional Black Caucus budget balances it in 2001, just 4 short years from now, a year ahead of projections for the other budget. It has no tax increases and no tax cuts until the budget is balanced.

The Congressional Black Caucus budget makes an investment in our cities and in our families. As was said before, it fully funds the WIC Program, fully funds Head Start, offers assistance for section 8 housing program, and chapter 1 for our children's education. Additionally, it provides for summer jobs for our youth who are most in need in America today.

Infrastructure needs of our public school system. Unfortunately, in this current budget deal before us, there is no money for infrastructure for our schools, for our children's education. Unless we now invest in our children and provide for them the resources that they need to become competent, capable young men and women, America will not be successful as we move to the new millennium. The Congressional Black Caucus budget is the budget before us tonight that meets those needs. We must support it. We must vote for it, and we must take care of our families and children.

As we move forward tonight and we will be here, we have been debating this, much of this, all night long and we will continue, let us not forget the least of these. We, the Members of the Congressional Black Caucus, know that this budget can be balanced and can be balanced in an even approach. It is not necessary to put stress on families who cannot afford it. It is not yet necessary to not invest in our children. This is the richest country in the world, the land of the free, the home of the brave. Let us act like it. Let us support the one budget that has the resources in it, that takes care of America's children.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON LEE of Texas. Mr. Chairman, the first order of business is to thank the chairperson of the Congressional Black Caucus and the gentleman from Mississippi [Mr. THOMPSON] for recognizing that America, albeit diverse, is of one mind, and that is a mind of equality and fairness and opportunity.

The Congressional Black Caucus budget amendment is not an amendment for African-Americans. It is an amendment, however, for Americans. It stands for those who are least able to stand for themselves. Particularly let me say, do any of my colleagues have a grandmother or a mother? Have any of my colleagues ever known a single parent that has worked long and hard to bring about an opportunity for their child? Do any of my colleagues know anything about immigration, coming from the bottom belly of a slave boat, or maybe crossing over the Rio Grande River?

☐ 2130

This particular amendment responds to full funding for Medicaid. It is remembering the history of our elderly, our senior citizens who paved the way for us, and yes, it remembers 10 million uninsured children.

At the same time, the CBC budget looks to the future and provides $5 billion over the 1998 to 2002 period to stimulate new construction and renovation projects in school districts with severe deficiencies in their facilities.

Have Members ever been to a PTA meeting when we have discussed over and over again the leaking roofs, the bathroom that does not work, parents who work every day, and children who are educated in buildings that are crumbling? This budget stands for those children. Can we do any less?

Yes, the 21st century is a century of science. In this budget funds for elementary and secondary math and science programs are included in the CBC budget via full funding for the National Science Foundation.

Do Members know what that means? It makes prekindergarten to grade 12 competitive with the world market in science. It increases literacy in computers. It establishes computer learning centers. These math and science programs accelerate progress toward meeting the national educational goals in science and mathematics.

As I stated before, this is not a budget for one group versus the other. This is a budget for Americans. Join us and stand for those who are least able to stand for themselves, and walk into the 21st century with the Congressional Black Caucus budget.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, again, the Congressional Black Caucus budget has demonstrated that we can balance the budget, and we can balance it without pain. Our budget shows how we can cut more corporate welfare and balance the budget without cutting Medicare and Medicaid. We can balance the budget and still increase funding for education.

One of the big problems with this budget is that the deal that was made has taken out some vital parts. One of the parts taken out was the construction initiative that the President proposed for schools. The construction initiative is very important. It is a pivotal kingpin issue with respect to the improvement of education.

We cannot go forward and really improve education unless we have safe places for children to sit, unless we take care of the enormous amount of disrepair that has taken place over the years in our schools. We cannot have telecommunications going forward if we cannot wire the schools properly because they are too old to take the proper wiring. We cannot institute a national curriculum and national tests if we do not provide safe places for children to sit or conducive places for them to study.

None of the education improvements are going to prevail if they do not have a conducive setting in which to operate; construction is very important.

Early in the discussion the Republican majority introduced the controversy of Davis-Bacon with respect to its impact on school construction. That was false, a red herring. The issue was raised to divert attention away from the real issue of the need for construction.

Davis-Bacon is not a problem. Where Davis-Bacon prevails, where prevailing wages are paid, schools are built at a lower cost than in States which do not have a State prevailing wage and where there is no utilization of the prevailing wage of Davis-Bacon.

The Sheet Metal and Air-Conditioning Contractors National Association has sent me a copy of a study that was done. They can prove step-by-step, State by State, that it is cheaper to build schools under the prevailing wage requirements of Davis-Bacon. That is not at issue.

We should go forward with school construction. This is a fight we should not give up, despite the fact that it is not in the present agreement.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, the budget agreement has over a 5-year period 135 billion dollars' worth of tax cuts. Eighty-five percent of those tax cuts go to the 5 percent of the richest people in America. How can we give $135 billion in tax cuts when there are children who cannot read; when there are children who are going to school hungry and we are not fully funding the WIC Program; when there are people sleeping on the street and we are not putting any money into the housing programs; when there are children who cannot read when they enter the first, second, third, fourth grade, and we are cutting the Title I reading program; when unemployment is rampant in our communities, in some places 17, 18, 19 percent unemployment in our communities, and we are cutting the summer jobs program?

How can we give tax cuts to the richest people in America when the schools are falling down around our students in our public schools? Yet, it is the Congressional Black Caucus budget which is the only budget that addresses all of these needs. This is the budget that has its priorities in order.

It should be the priorities of America. Yet, the agreement says let us cut taxes while our children go hungry. Let us cut taxes while our children cannot read. Let us cut taxes while people sleep on the street.

We can be a better America. Support the Congressional Black Caucus budget.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. WYNN].

(Mr. WYNN asked and was given permission to revise and extend his remarks.)

Mr. WYNN. Mr. Chairman, I thank the gentlewoman for yielding time to me, and for her leadership, and the other Members, including the gentleman from Mississippi, for his leadership in preparing this budget.

Mr. Chairman, there are a lot of budgets on the floor today. What budgets do is reflect the Nation's priorities. I rise in support of the Black Caucus budget because I think it can best be described as an opportunity budget.

A lot of people want to talk about more spending and this and that, and we have lower taxes. The issue is how we visualize America. We visualize it as a country of opportunity. We want to make sure that that opportunity becomes a reality as reflected in this budget.

First, I like this budget because it talks about empowerment zones and enterprise communities. We do not have an urban policy in America. We do not have a rural policy in America. We do not have a policy to address the problems of poverty in America. We talk about it a lot, but we do very little.

This budget provides $100 million for a second round of empowerment zones in enterprise communities. It will enable us to provide tax credits to encourage investments into both poor urban communities and poor rural communities, and other communities around the country in between that have pockets of poverty. I think that is very important.

This is an opportunity budget because it talks about education. It provides funds for school construction. One-third of the schools in this country are in need of repair. This budget will provide educational opportunity by providing a basis upon which those schools can be repaired.

We look across our country and we see our young people falling through the cracks. This budget addresses that problem by expanding opportunities in Head Start, a fundamental program that gives every child, regardless of its origins, a good start in life. I like the budget because it provides opportunities for young people.

Summer youth employment programs, this budget also provides funds of over $2 billion for summer youth programs. We talk about what has happened with our teenagers, we talk about juvenile crime. The real solution is providing jobs. An important component of that is summer jobs. This budget enables us to do it.

Finally in terms of opportunity, it provides educational opportunity by helping young people attend college. I think that is a good thing. I think it reflects America's values. I support the Black Caucus budget.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I rise in support of the Waters-Thompson amendment, which is a real alternative budget that promises to restore some balance to our society while balancing the Federal budget in the year 2001. The CBC budget alternative cuts $187.5 billion in corporate welfare. It cuts $25 billion from Medicare, ensuring that Part A remains solvent, with no cut in services to beneficiaries.

The budget cuts $189 billion from defense over the next 4 years and ensures that the U.S. defense policies reflect the changes in the international arena that have occurred since the end of the cold war. This budget cuts another $28 billion from domestic programs while fully funding basic human needs programs.

Mr. Chairman, the budget alternative offered by the gentlewoman from California [Ms. WATERS] and the gentleman from Mississippi [Mr. THOMPSON] fulfills our society's moral obligation to provide a safety net to meet basic human needs. This budget alternative fully funds Head Start. The CBC budget alternative fully funds the WIC Program. It fully funds section 8 housing programs. It fully funds Chapter I education, and it fully funds the summer jobs for youth program. It also eliminates the 3-month COLA delay for Federal civil service retirees. This budget alternative funds these critical programs and stays within discretionary spending caps.

Mr. Chairman, I urge my colleagues to consider the needs of the poor and to consider the needs of the elderly, veterans, and working families. The Congressional Black Caucus budget makes no tax cuts until the Federal budget is balanced. This budget distributes budget cuts in a compassionate and fair manner. Unlike the so-called deal, the CBC budget does not seek a balanced budget on the backs of our Nation's neediest families.

I urge my colleagues to support this budget.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Chairman, I want to thank my friend and colleague, the gentlewoman from California, Ms. MAXINE WATERS, the chairperson of the Congressional Black Caucus, and my friend, the gentleman from Mississippi, Mr. BENNIE THOMPSON, for bringing this budget before us.

The CBC budget, Mr. Chairman, is the right budget. It is the budget to prepare us as we enter the 21st century. It is the budget that will look out for the needs of all of our people, that segment of the population that has been left out and left behind.

This budget is a fair budget. It provides education for our children. It takes care of our seniors. It protects the environment. This budget says over and over again that all of our people have a right to know what is in the water we drink, what is in the food we eat, and what is in the air we breathe.

I urge all Members to vote to support the CBC budget because we have a mission, a mandate, and a moral obligation to help our people help themselves.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I thank the bold and brilliant leadership of the chairwoman of the CBC, and my colleague from the great State of Mississippi, for offering to this Congress an opportunity to proceed along a rational budget process, a process in which those who are deficit hawks can have deficit reduction and a balance 1 year ahead of all other alternatives.

For those of us interested in investment and opportunity, we can have more schools and better education, rather than more jails and more social problems. This is a budget that puts before the Congress some very clear decisions in terms of what our priorities ought to be.

Let us not just have a balanced budget that is fiscally balanced. Let us have one that is also morally correct, and faces the real tough issues that we have to face as a country.

I would offer to my colleagues that they seriously consider and cast a vote, not just to whisper quietly their support for the CBC alternative, but stand up and cast a vote on behalf of what is a reasonable fiscal policy for our country, in keeping with American priorities and with the promise of the next century that we should govern our votes by this evening.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. FORD].

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Mr. FORD. Mr. Chairman, I thank the gentlewoman from California for yielding me the time. I say to my colleagues on both sides of the aisle that this Congressional Black Caucus budget, Mr. Chairman, is a humane budget. It is a budget that recognizes our priorities. It is a budget that invests in our future. It is a budget that invests in our children, for America has laid claim to the 20th century like no other Nation in the world.

One of the reasons we are able to do that is because of our commitment in our people and our resources in human capital. I say, Mr. Chairman, this budget does that and much more. This Congress, Democrats and Republicans, ought to show that by supporting this chairwoman and this caucus.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

I am so proud of the members of the Congressional Black Caucus, who have worked very hard to put together a budget that answers the concerns of the people of this country. Our CBC alternative budget is the budget deal the American people would negotiate. This is the real budget deal. Our budget not only balances finances, it balances values. I believe this is the budget that would win a vote of the American people. The CBC alternative budget will be presented in detail later on this evening.

We have taken part in this part of the debate in order to introduce the vision, in order to talk about what is possible, in order to help the American people understand that we do not have to posture, we do not have to pretend, we do not have to put our hand in the wind and figure out which way the wind is blowing, that we can, indeed, fashion a budget that deals with the concerns of the American people in a real way. This budget that I am so proud of is a budget that would protect the elderly, reach out to the children, embrace the families, and it would do it without cutting taxes or increasing taxes.

We could not have a more sensible, a budget that is put together any better than this one. Again, Mr. Chairman, we will present the details of this budget later on this evening, but I am pleased and proud that the Congressional Black Caucus was able to share this vision in this portion of the debate.

The CHAIRMAN. Under the rule, the gentleman from South Carolina [Mr. SPRATT] has 30 minutes remaining, and the gentleman from Connecticut [Mr. SHAYS] has 22¾ minutes remaining. The gentleman from Connecticut [Mr. SHAYS] has the right to close the debate.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all let me say how much I admire the gentleman from South Carolina and the work that he has done on this budget. While I think he has done yeoman's work in terms of some of the values that I know that he and the Democratic Party have pledged to, I think that it falls, this budget agreement falls far short of the standards that I believe are part and parcel of standing up for the needs of working people and the poor, the senior citizens of this country, the necessary investments that we have in our children and in education and health care and transportation and research and development and economic development.

I had proposed an alternative budget which will come up later this evening. Under the Kennedy balanced budget proposal, we will have investments of $100 billion more than the budget agreement in health, education, transportation, research and development and economic development. We continue to provide $60 billion in targeted tax cuts for the middle class and for small businesses. We will provide $32 billion, exactly the amount necessary to meet the needs of the 10 million currently uninsured children.

We will maintain the kind of commitment to the Medicare fund and put $18 billion more into the Medicare fund than the coalition and the President's budget calls for. We will completely fund the Medicaid without any cuts to that program whatsoever. We will fund Pell grants by $1000 a year increases. We will have full funding for the new school construction plan which also includes $9 billion for the critical Federal education programs and an additional $15 billion for ISTEA, $3 billion more than the Shuster amendment coming up later today calls for. Included in this proposal would be the elimination of the cuts in the VA loan programs and 100 percent fulfillment of our promise to our veterans.

I would just like to state that I believe that it is fundamentally important for this country for our party, for Members on both sides of the aisle to stand up for the needs of working Americans. We do not need to have a budget that lines the pockets of the wealthiest people in this country. We need to have a budget that comes into balance. I have called for a balanced budget. I have voted for a balanced budget amendment. This budget brings us into balance but maintains our investments in the critical areas of economic growth that I think will protect the American people's interests and create the kind of long-term economic development that is critical to the future of this country. I urge support for the Kennedy balanced budget resolution later this evening.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise today in support of the budget resolution, but I do so with disappointment that the President and Congress have not offered a vision for this country beyond balancing the budget. Our country is faced with great challenges, but there is no evidence that this resolution aspires to setting new direction for our Nation. Balancing the budget is an important priority and this budget represents our best hope for a balanced budget. I will vote for it, but we must begin a bigger debate about our future.

In order for me to continue to support this budget, the legislation to carry it out must meet several vital conditions:

One, tax cuts must benefit the middle class not just the wealthiest Americans. Too many parents are struggling to provide for their families, raise their children and send them to college. The President's HOPE scholarships and education tax cuts are a critical part of investing our economic future. And if capital gains tax cuts, which benefits the rich, are made retroactive, then tax cuts for the middle class should be too.

Second, tax cuts cannot explode in the outyears.

As much as we all want to pay lower taxes, we must not give away breaks that we cannot afford. It is irresponsible to enact tax cuts whose costs balloon in 6 or 10 years. I will oppose any tax package which does that.

Third, the budget must invest in children and in education and in our future. Whether it is educating future leaders or providing health coverage for children, building economic infrastructure, protecting our environment, domestic spending is an important investment in our Nation's future. If our budget projections are wrong and less money comes in than we anticipate, cuts should not be made solely in education, health and economic development. Tax cuts must also be reduced to help keep the budget on line to balance if our projections fall short.

Under Democratic leadership, we have made important strides toward balancing the budget while protecting vital priorities. We must continue our vigilance to ensure that our hard-won progress is not undermined as we move through the budget process.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. ROTHMAN].

Mr. ROTHMAN. Mr. Chairman, for too long Congress has been our national example of promises made and promises broken. But today's vote is a promise kept.

As a freshman, the people of New Jersey's Ninth District sent me here to work on a bipartisan basis to balance the budget, but not at the expense of our children or the environment.

I support this budget because it delivers on the very promises I made when I ran for Congress. There are aspects of the plan which I think need more work, but this is a good first step that will put our Nation on the road to fiscal responsibility.

From helping preschoolers in Head Start to providing Pell grants to needy college students, this budget agreement invests in education. It expands health coverage to 5 million uninsured American children. It strengthens environmental protection, and it preserves the Medicare trust fund for at least another decade.

Mr. Chairman, that is why I am proud to cast my vote in favor of this balanced budget agreement, a budget with a vision, a budget that offers a promise for a better America, a stronger America for all Americans.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN of Virginia. Mr. Chairman, I urge this body to vote for the budget agreement as worked out between the leaders of our parties and the President of our country.

The alternative to this budget agreement is not the ideal from the Democrats' perspective nor the ideal from the Republicans' perspective. The alternative is to go on fighting, to go on fighting every single appropriation bill, every single tax measure, to reach no resolution, to have the President veto many of them, to struggle over whether or not they will be overridden, and with every showdown will come the threat of another shutdown. That is not what we want, and I know it is not what the country wants.

The Republicans wanted $220 billion of tax cuts over 5 years. What they got was $135 billion, half of that, and $35 billion of that amount has to go in to education tax credits and deductions, which was a Democratic priority.

The Democrats wanted a lot more money for nondefense domestic discretionary spending. They did not get it, but they got $189 billion more than was included in the Republican budget resolution of last year. That is a substantial increase.

Politics has got to be the art of compromise. Neither of us is going to get everything we want. But what the country wants is us to start working together in their interest. They want the Democrats to realize that it is not our money but their money over which we have stewardship. And they want the Republicans to understand that there is a responsible role for government in our lives, that government should be maintained, but that we should ensure that it is held accountable to be as efficient and as effective as possible.

This budget accomplishes those objectives. I urge my colleagues to vote for it.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I say to the gentleman from Virginia, I would like to align myself with his comments.

I think some of us have different philosophies of what should be included in the fine points of this agreement. Just think for a minute where we were 3 years ago.

Three years ago we had half of this Chamber saying that it is reasonable to borrow more money for ''investment spending.'' It is reasonable to increase taxes to assure Government services.

What has happened in the last 3 years is we have totally reframed the debate here in Washington, DC. Almost everybody now is saying, yes, it is reasonable to stop borrowing, to stop spending the money that our kids and our grandkids have not even earned yet. It was only 2 years and four months ago that the President sent us a budget that had a $200 billion deficit, not only for the next year but as far into the future as we could see.

I think we all need to remind ourselves what our real goals are—not reelection, not popularity, but what is going to be good for the working men and women and the families of America.

But I think when some start suggesting that the tax increase of 1993 is the reason the deficit has gone down, it is misleading the American people and it is going against most economic philosophy. In spite of that tax increase that deters economic expansion, the businesses of this country have forged ahead and, anticipating the Republican effort to balance the budget have driven ahead to expand economic activity and, ultimately, to expand the revenues coming into this country.

Just for a moment look at this chart. The blue line represents increased revenues from an expanding economy. The red line represents spending outlays. It is obvious we have not been as frugal as we should have been in cutting down on spending and cutting down on waste in the Federal Government. The blue line is inflation. So, Mr. Chairman, let us rejoice in this step forward of this budget resolution, in doing what is good for the American working family.

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Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I rise in strong support of this budget resolution and I want to commend the gentleman from South Carolina, [Mr. SPRATT], for his strong leadership on our side of the aisle for bipartisanship.

In Shakespeare there is a very interesting and intriguing exchange between Glendower and Hotspur. Glendower says, and braggingly so, ''I can call spirits from the vastly deep.'' And Hotspur replies, ''Well, so can I, and so can any man, but will those spirits come when you call for them?''

The American people have been calling for a similar spirit, a spirit of bipartisanship to balance the budget with fair values and with priorities on our families and our children.

That is the historic agreement that we achieve tonight with this balanced budget. We will borrow $906 billion less under this agreement and balance by the year 2002. That is important. We will create a brand new health care initiative for our children. Five million children that are not covered today will be covered under this agreement. That is important. We have brand new initiatives for children in education, and we will spend more on education than at any time since the Great Society in the 1960's. That is important. We will get more for Pell grants for college students than ever before. That is important.

Finally, Mr. Chairman, I want to say this is not ultimate perfection, but it is definitely progress, progress for our children, progress for deficit reduction, progress for the right values and the right priorities for this country at this critical time.

Let us now move forward to begin to define where we go in the future and, hopefully, it will be on a brand new initiative for children between zero and 6, it will be to work even harder for Pell grants, and it will be to help our middle class families. I thank the body for the bipartisan cooperation here tonight on this historic agreement.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I thank the gentleman from South Carolina for his hard work on this budget. I rise in support of this budget. It is not a perfect budget, but I do believe we need to pass a balanced budget to stimulate economic growth in America.

This is not a perfect budget. The Black Caucus makes what I consider to be better investments. I am disappointed we were not able to provide money in this budget for school construction, and I think the tax cuts go too much to the wealthiest in America. But we cannot let the perfect be the enemy of the good and there are many good things in this budget: $35 billion in tuition tax credits, and tax deductions to help working families send their kids to college is a very good thing. Increasing Pell grants by $300 for over 300,000 additional young people is a very good thing. Coverage for 5 million uninsured children who do not have health insurance now is a very good thing. Improvements in last year's welfare reform bill to take care of some of the problems of our immigrant population is a good thing.

This is not a perfect budget, it is a compromise. And as I say, neither side is completely happy. Maybe that means it is a good deal. I support the compromise budget.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Washington, Mr. ADAM SMITH.

Mr. ADAM SMITH of Washington. Mr. Chairman, I too rise in support of the budget resolution before us today. While there are many reasons that I support it, there are two that stand out; it represents fiscal responsibility and bipartisan cooperation.

The two things my constituents told me that they wanted during the course of my above campaign were anything else bipartisan cooperation and fiscal responsibility. They feel both of those things are desperately needed back here in Congress. I feel this resolution is the first step toward delivering on those requests and strongly support it.

Now, it is not perfect and I do not think any one person in this body would have drafted it exactly as it came out, but that is the nature of compromise. Compromise does not mean we get the other side to do what we want; compromise means we find middle ground we can all live with in order to make progress on difficult issues.

As strongly as I support this budget resolution for its fiscal responsibility and bipartisan cooperation, it is but the first step. There is more work to be done by this Congress and by future Congresses if we are going to maintain the fiscal responsibility we need to balance the budget. I urge my colleagues' support.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATKINS].

(Mr. WATKINS asked and was given permission to revise and extend his remarks.)

Mr. WATKINS. Mr. Chairman, first I want to thank the leadership on the majority side, the Republican side, and also I want to express my thanks to the Democrats, the minority, for working out a bipartisan budget.

I want to express to my colleagues in my 15 years this is the best budget that I have seen based on credible economic assumptions. It is the best budget in order to balance the budget. That is No. 1, and something we have to address quickly.

But second, it is the best budget for economic growth as we enter the 21st century and a globally competitive world to build a future for our children and grandchildren. We must not be overtaxed or overregulated to compete in a global economy.

When I say based on sound economic assumptions, I want to address this to my colleagues on the majority side. This budget, by far, is better than Reaganomics. It is a lot better. It is based on sound economic assumptions. The budget David Stockman put together in 1980–81 was based on erroneous figures. He confessed to that in the Atlantic Monthly of December 1981.

Let me give my colleagues some figures. In 1981, under Reaganomics, the GDP was at 1.1 percent growth at the time. They projected the GDP in 5 years to be 5.2 percent. It could not be done. Ours is based on a budget of conservative 2.1 percent. Right now it is 5.4 percent. We can see that we have conservative figures. They are credible figures.

The same way when we look at inflation. The budget in 1981 was at 11.1 percent inflation. They said it would go down to 4.7. This budget is based on 2.7 percent, and right now inflation is approximately 2 percent. That means a great deal as to whether we have a credible budget that is going to withstand the test of time to have a truly balanced budget.

The same thing with unemployment today at 4.9 percent. The unemployment is estimated at 6 percent in the outyears, a sound and credible figure. The interest rates, with this balanced budget, will go down which will stimulate stronger overall economic growth. We will see the economic growth that this country must have if our children and grandchildren will have jobs in the United States.

We saw a chart a second ago where it illustrates that economic growth is the reason we have the money to leave a balanced budget. I request and ask of my various colleagues on both sides of the aisle to let us have a budget passed tonight that will give us the economic growth to allow our children the opportunity to compete in a global competitive economy. I thank my colleagues for listening, and their support for the budget committee bill to balance the budget.

Mr. SPRATT. Mr. Chairman, I yield 90 seconds to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Chairman, this budget agreement has potential for much good. It also has the potential for considerable ill.

In the decades of the 1990s, we started on the path toward fiscal responsibility after a decade of fiscal recklessness. This resolution has the promise of moving us ahead further, but whether it fulfills that promise will depend mostly on its implementation, much of which will occur within the Committee on Ways and Means, on which I sit.

Our committee will take the first crack as to whether the tax package is fiscally responsible or will blow the budget, thereby threatening continued economic growth; whether the tax package will be aimed at those who stood still or slipped back these last two decades, or at those who have stood on the top rungs of the economic ladder; whether action now is a stepping stone toward still more difficult decisions or an excuse for long-term inaction.

I will be especially vigilant from the outset about the implementation of the budget agreement. How it is written will determine my vote on the ultimate product, the reconciliation bill.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Chairman, first of all, I want to congratulate all those who worked on this budget agreement. Having said that, I do not think this is an agreement that people ought to feel puffy about. I think it is a maintenance budget.

Four years ago we confronted ballooning deficits of some $300 billion. We had some tough choices to make and we made those choices without one single Republican supporting the budget reduction bill of 1993.

Some of my colleagues across the aisle said our plan would lead to economic ruin. Well, 4 years later let us look at the results. The deficit dropped in 1993, it dropped in 1994, it dropped in 1995 and it dropped in 1996. And for the fifth year in a row we have declining deficits, something that has not happened in 50 years, and American families are reaping the benefits.

Unemployment is down, inflation is down, American businesses are buying new equipment and companies are boosting their inventories and this year's deficit will be the lowest in 20 years. So the bottom line is we had a balanced budget program and we adopted it in 1993 and it worked.

The question is can we maintain it? I maintain that the real deficit problem that we have in this country today is the trade deficit, and it is getting worse and worse, and we will have that debate in the coming months.

But 4 years ago Democrats came to this well and cast what for many of us was the toughest votes of our careers. Four years ago the Democrats did the heavy lifting to balance the budget. Today we are called upon to cast another budget vote, and for many of us this is also a difficult decision. In the end, each of us must search our own conscience and make a judgment about what is best for our constituents and our country.

There are different blueprints we could choose today to balance the budget. The budget agreement is not my first choice. The proposal of the gentleman from Massachusetts [Mr. KENNEDY] does a better job investing in education. The proposal of the gentlewoman from California [Ms. WATERS] does a better job cutting corporate welfare and all the other things that I think it encompasses in terms of progressively moving this country forward, and I will vote for both of them. But I also will vote for this budget agreement. I believe it is an important step to reaffirm the commitment that we made in 1993 to balance the budget.

The details in this budget are still unclear. It is still just an outline, and whatever the House decides today, the debate has just begun. In the weeks ahead we will be asking some tough questions. Will this budget really eliminate the deficit or will it undermine, even erase all the gains we have made these past 4 years? Will this budget target tax breaks to America's working families or will it turn into another giveaway for the wealthiest that sends the deficit soaring again? Will this budget provide educational opportunities for our children or will it shortchange their future?

I am not just talking about opportunities for the wealthy and the college bound, I am talking about opportunities for the poor, for the working folks of this country, for the middle class children who need that 13th and 14th year of education for higher pay and higher job skills.

Will this budget really provide our children with health insurance or will it become yet another vague promise that is never fulfilled?

I will vote for the balanced budget agreement today, and I am prepared to fight in the weeks and months to come on these important questions of tax policies helping working families in dealing with the questions of education that are so important to investing in America's future.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, today Congress is considering an historic plan that will balance the budget in 5 years. This is the final milestone in our effort to balance the budget since the deficit grew at such an explosive rate during the 1980's. I feel it only proper to consider historically why and how we got here.

Economists will argue the finer points of the economic policies of the 1980's, like the supply-side tax cut imposed at the outset of the Reagan administration, but the facts speak for themselves. In 1979, the deficit was only $40 billion. In 1982, the first Reagan fiscal year, it was $128 billion. And it finally reached an astounding $290 billion in 1992.

In 1993, Congress and the new President Clinton embarked on an ambitious plan to cut the deficit.

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Then and now, this President has had the discipline to bring focus back to where it should be, setting priorities about where these precious taxpayer dollars should be going. I believe we need to first and foremost raise the educational level of our citizens so we have a reliable work force and a strong economic base. In addition, we must maintain and expand access to adequate health care, nutrition, and housing, and, of course, protect Medicare and Social Security for future generations.

The 1993 Democratic plan brought the deficit from $290 billion down to just $65 billion. No Republicans voted for the Clinton deficit reduction plan. Not a single Republican was willing to support the measure that has brought us to this day. Their empty partisan rhetoric that almost crushed this effort rings in the ears of those of us who have been committed to reducing the deficit and balancing the budget for years. The prominent Republicans predicted that the plan would lead to "higher deficits, a higher national debt, deficits running $350 billion a year" and that "this plan will destroy more than one million jobs over the next several years."

But what is the reality today? The economy is strong. The stock market has attained record levels. Home ownership is the highest in 15 years. And the combined rates of unemployment, inflation, and mortgage interest are lower compared to any time since the early 1960's. Twelve million jobs have been created. And most important, real family wages are finally on the rise. And by the way, the deficit is at a 20-year low.

We said we were going to reduce the deficit, and we did it. We kept our word, and the economy has responded. It makes me so proud to vote for this budget resolution after voting for the deficit reduction that made this day possible back in 1993. Others will take credit for bringing us this day, but most will not deserve it.

Those who worked tirelessly to defeat the 1993 Democratic budget plan will today vote for a balanced budget and claim victory. Those of us who courageously voted for the Clinton budget plan can vote for this balanced budget armed with the full knowledge that we laid the groundwork to make it possible.

So I urge my Democratic colleagues to vote yes to finish the job Democrats started 4 years ago.

The CHAIRMAN. The gentleman from South Carolina [Mr. SPRATT] has 11¾ minutes remaining. The gentleman from Connecticut [Mr. SHAYS] has 13¾ minutes remaining, and the gentleman from Connecticut has the right to close.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. EHRLICH].

Mr. EHRLICH. Mr. Chairman, I also want to add my voice of congratulations to the gentleman from South Carolina [Mr. SPRATT] and particularly the gentleman from Ohio [Mr. KASICH], my chairman of the House Budget Committee.

We hear lots of talk and rhetoric and numbers here tonight. I am sure the American public at home is looking at their TV saying, what is going on there? I would just like to direct my minute and a half here to one aspect of this bipartisan budget agreement, which is tax relief, because I become frustrated when I hear all the rhetoric about tax relief.

The American public is familiar with the numbers, $135 billion in gross tax relief and $85 billion in net tax relief. But what is included in that $85 billion, Mr. Chairman? Tax relief for families, for working families, families with children, incentives for savings and investment, cutting capital gains, not for the rich but for farmers, for small business people, the people that work in this country, the producers in this country, the people who pay the penalty for the disincentives in our Tax Code and who create the jobs and who are about economic growth, incentives for economic growth like capital gains tax relief and the education costs, as other speakers have discussed.

Mr. Chairman, this budget agreement is not perfect. If I were king, it would not look the way it does. But when it comes to taxes, it represents a significant step in the right direction. It is a significant step toward an opportunity society, which we all believe in. It is a significant step away from class warfare, which I hope everybody is real tired of hearing about. It is a significant step away from penalizing the producers and successful people in this country who really do create the jobs and take the risks in this private economy. And it is a significant step toward our goal of, really, honest to God, we mean it this time, even in Washington, DC, even on Capitol Hill, of ending the era of big government. It is not perfect, but it is not bad, Mr. Chairman.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding me the time.

Mr. Chairman, I want to vote for a balanced budget amendment tonight, but I cannot do it in all good conscience should the Shuster substitute pass. I suppose in speaking for a balanced budget, on the one hand, and against the Shuster substitute, I could bring to the attention of this body how it cuts into education, those young people that are the hope of the future, how it cuts into the fight against crime, how it cuts veterans and those people who are now reaching the age where they need veterans' help in hospitals, and how it cuts into agriculture, which is the very heart of the district that I represent. Mr. Chairman, it cuts drastically into the national security of our country; $5.65 billion. That is over a billion dollars a year; that is the equivalent of 50,000 troops cut per year.

So, Mr. Chairman, I speak on the subject this evening that has been avoided in this debate, and that is of national security and of that lone soldier who is out there standing on top of the hill in Bosnia because his Commander in Chief sent him there. We want to encourage him. We want to keep him trained. We want to take care of his family. And when he returns, we do not want him to have to go back on additional unnecessary deployments because of the lack of fellow soldiers.

Cutting into national defense is cutting into the basic insurance policy of America. We cannot allow that to happen. We must think of where we are in this world. We are the superpower in this world. If we are to have diplomacy that is to be credible, we must have it backed by strong national defense. We cannot allow ourselves to become a second-rate military. If we become a second-rate military, we become a second-rate power.

This is a step in the wrong direction should the Shuster substitute pass. Should it pass, I would urge my colleagues on both sides of the aisle to vote against the bill because we would not then have a balanced, balanced budget amendment.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I say to the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Connecticut [Mr. SHAYS] and members of the committee, I was here in 1981 when we took arguably the most fiscally irresponsible act that I have seen us take in 17 years of service in this body. As a result of that act, it inevitably led to high deficits, high unemployment in the short term, and escalating deficits up until 1993.

Happily, I was here in 1993 as well, and I had the opportunity to vote for a budget that began what we will continue tonight, and that is the uninterrupted reduction of the budget deficit and the energizing of the American economy.

Others have said it on this floor tonight; yes, we are proud, we are proud because we stood, 218 of us, Democrats all, and said it is time to have the courage to move to reduce this deficit that is strangling America and is threatening the next generation. Two hundred eighteen Democrats.

Some of those Democrats are not here today. Majorie Margolies-Mezvinski, she paid the price of her seat in this House because she had the courage to say, I believe this is good for America. How many of my colleagues stood on this floor and said, if this budget passes, high unemployment, inflation, depression will occur? How wrong my colleagues were. How glad I know that my colleagues are that they were wrong.

But the fact of the matter is, today I stand for this budget offered by that same President, who, in 1993, had the courage to stand up and say, let us address the real problems with real solutions. He has done so again. Yes, the gentleman from Ohio [Mr. KASICH], the chairman; yes, the gentleman from South Carolina [Mr. JOHN SPRATT]; yes, those of us who vote for this budget; but it is the President's leadership that has brought us to a day and night when we will vote for a balanced budget not just in fiscal terms. It is easy to do that, but it is not enough, because it must also be balanced in terms of the investment in our children, in our families, in health care, in basic biomedical research, and all of the things that make us a healthy, wealthy, great, and just Nation.

Mr. Chairman, I rise for this budget. And like my colleague who spoke before me, I will be disappointed if we adopt the Shuster alternative, which cuts across the board without thinking of what is a priority and what is not. I am for transportation funding, but I am not for simply funding one objective by cutting all the rest, irrespective of their importance. I hope all my colleagues will join me in supporting this budget agreement.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from Oregon [Ms. HOOLEY].

Ms. HOOLEY of Oregon. Mr. Chairman, I rise in support of the budget resolution today. Although not a perfect plan, and we have heard that many times before, the heart of this agreement is in the right place. Balancing the budget without making massive cuts to Medicare or Medicaid is a good thing. Crossing party lines and working together is a good thing. Providing $35 billion in education tax relief is a good thing. And that is what this agreement is all about.

I agree with my colleagues who have expressed concerns about some of the tax cut packages. But what is the appropriate response to that concern? I think we should embrace this budget framework with cautious optimism, work with our colleagues on both sides of the aisle to ensure that the tax bills provide relief for the people who really need it, support tuition tax deductions for working families, and target estate tax relief for family farmers and small business owners. I urge my colleagues to join me in supporting this budget agreement.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] has 13¾ minutes remaining, and the gentleman from South Carolina [Mr. SPRATT] has 7¾ minutes remaining.

Mr. SHAYS. Mr. Chairman, it is my pleasure to yield 1 minute to the gentleman from California [Mr. CAPPS].

(Mr. CAPPS asked and was given permission to revise and extend his remarks.)

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Mr. CAPPS. Mr. Chairman, others have spoken about voting in 1990 and in 1993. This is the first time that I have had an opportunity to vote for the budget resolution. On balance, I am going to vote for it. As others have said, I do not think it is a perfect bill by any means, but I think it is a victory for fiscal responsibility. It offers sensible tax relief. It increases our commitment to education, to health and environmental protection. What I like about the provision is that it provides tax cut provisions to help families, small businesses and farmers throughout the country. It provides the strongest Federal support for education in 30 years. It provides health insurance for half of our Nation's 10 million uninsured children. It increases financial security for VA hospitals. It restores benefits for disabled legal immigrants, callously cut off during welfare reform.

There are parts of the resolution I do not agree with. The amount of savings in Medicare could harm hospitals and affect the quality of health care that our seniors receive. But on balance, Mr. Chairman, I am for this, and I urge my colleagues to support the resolution.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. MENENDEZ].

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Chairman, the last 2 years have been too partisan, too antagonistic and too disrespectful of diverse views and problems. Too often ideological perfection has been the enemy of the general good. But the budget resolution is a step toward the general good. It has transcended bipartisan bickering and found grounds where rational individuals can agree. I am mindful that this budget agreement was built on the tough decisions that were made in 1993 by Democrats alone. Many of our former colleagues paid a high price in 1994 to get us on the right track that has led us to today's agreement.

There are plenty of things in the agreement with which I do not agree, but it represents a balanced budget without the dismemberment of vital Federal programs. In education we expand Pell grants. In protecting the environment we double the pace of Superfund cleanups. In health care we help manage diabetes and detect breast and colon cancer earlier. We strengthen Medicare and Medicaid. We move people from welfare to work and begin to treat legal residents fairly. We enable every willing and able 18-year-old to go to college. An additional 5 million children will have medical insurance. For the first time in a generation, there is a balanced budget while investing in our people and giving families in America tax relief. We have balanced the budget not only on the numbers but on our principles. We will do this only if we proceed in true faith to the agreement brought to us today. Theodore Roosevelt said, ''If we are to be a really great people, we must strive to play a great part in the world. We cannot avoid meeting great issues. All that we can determine is whether we shall meet them well or ill.''

This budget agreement is well met and deserves our support.

Mr. SPRATT. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we will shortly have before us for a vote the so-called Shuster-Oberstar substitute. I would like to take just a minute to explain to everyone in the House exactly what the consequences of that amendment would be.

Starting in 1999, if that were to become the will of the House, if that substitute were to carry, it would cut discretionary spending government wide on a pro rata basis and reduce the tax cuts to increase transportation funding by $19 billion in budget authority, $12 billion in outlays. The reduction to defense would be $5.65 billion according to the best estimation of the Committee on the Budget, and $5.8 billion would come out of nondefense discretionary spending, across the board.

Of the $12 billion increase in transportation spending, 94 percent would be offset by decreased discretionary spending, 6 percent would be offset by reduced tax cuts. What would be the consequences? The first consequence would be that this agreement, hard wrought, negotiated over 3 months, would be severely undercut.

Second, the offset to pay the $12 billion would require, as I said, across-the-board reductions, so these carefully allocated cuts, these programs that have been protected as priorities, Head Start, for example, would be cut along with everything else. The good, the bad, the indifferent, everything would be cut. These would not be just skims across the top. These would be deep, disruptive programmatic reductions in programs that are important to the people of this country. Transportation is, too, but I think it should be borne in mind by the Members of the House that the current budget agreement does a lot for transportation. Under this agreement, we have provided an additional $8.5 billion in outlays above the CBO scoring of the President's budget, $8.5 billion in additional outlays for the Nation's transportation infrastructure. Under the agreement, this budget agreement, the fiscal year 1998 obligation for highways would be $22.2 billion. That is 6 percent over the fiscal year 1997 level of $20.9 billion provided for already in this agreement without the Shuster substitute. House Concurrent Resolution 84 provides sufficient funding over the 5-year period, in fact, so that the spending from the trust funds will be consistent with the so-called Chafee-Bond proposal. In other words, it will permit obligations out of the highway trust fund roughly equal to the receipts that will be deposited within the trust fund from gasoline taxes over the next 5 years.

The budget resolution, the base bill, assumes total transportation outlays of $40.9 billion. That is not small change. That is a significant commitment to transportation infrastructure. In 1998 alone, $40.9 billion for total transportation, and $206.1 billion over 5 years. That means that discretionary outlays provided for in this House Concurrent Resolution 84 are $8.8 billion above a freeze over the next 5 years, $8.2 billion above the President's request, and in terms of budget authority, $20 billion over the President's request for the next 5 years.

Mr. Chairman, I urge Members who, like me, would like to see more money spent on transportation, particularly in their own districts, in their own jurisdictions, to look carefully at the costs that will be exacted by this particular substitute. The budget resolution provides the mechanism whereby if we can identify discretely offsets in the future, there is a separate account created herein, in this budget resolution, which will allow for increased spending on transportation. But to do it with across-the-board cuts, to eviscerate defense, $5.65 billion, to cut another $5.5 billion out of nondefense discretionary, is not the way to go.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I rise in strong support of the budget resolution before us tonight. It has been interesting listening to the debate for the past several hours, because some of the arguments from the other side of the aisle are really making a defining definition of the difference between what we believe in a budget resolution and budget resolutions that have been proposed by the Democrats in the past. The key part of it is taxes.

Many Members on the other side of the aisle have risen to support this particular budget but they are upset with the fact that we are going to cut taxes. We have an $85 billion net tax cut over 5 years. We are talking about $9 trillion of spending. We are not talking about giant tax cuts. Most of it is going to help the working Americans in this country.

Another thing I keep hearing from the other side of the aisle is we are proud of raising taxes in 1993. We are proud of raising taxes in 1990. I think the American people are tired of paying taxes. They are paying too much in taxes already. It is not that they are taxed too little. The problem is we spend too much. The key to our particular budget is the fact that we are controlling spending. We started it in the last Congress and we are continuing it in this Congress.

Let me go back to what this tax cut is about. There are $85 billion in net tax cuts. First of all there is a $500 per child tax cut for working Americans. Then we are talking about $35 billion in education tax cuts, helping families with kids go to college or higher education. That is helping the working Americans. Capital gains, we are going to make money on capital gains. The past 2 times we have cut capital gains in this country, we got more money flowing into the Federal Government than we did for cutting the taxes. That is a moneymaker for us. And then death taxes, who likes the idea of death taxes? We should dramatically increase the exemption for death taxes. That is what we are talking about, making the IRAs more available for more Americans, helping families take care of their kids. This is good for America. It is the right way to balance a budget by reducing taxes and controlling spending.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. I thank the gentleman on the Committee on the Budget for yielding me this time.

Mr. Chairman, I rise in support of the budget resolution in front of us. It captures an agreement that is truly historic in nature. It leads us to a balanced budget. It does so with the give-and-take that has occurred between both political parties and a mutual resolution that this is a reasonable deal to get to the balanced budget and preserve the priorities that we feel are critical to this country. Because I favor this resolution and feel so strongly about the give-and-take in the agreement that brought us here, I must speak against the Shuster-Oberstar amendment that would break up this deal on the floor before the resolution can even be adopted.

There are a number of reasons to oppose the Shuster amendment and none of them terribly easy. Obviously transportation and infrastructure is critical. But there are many, many critical priorities captured in this budget agreement. Mr. Chairman, a deal is a deal, and this deal represents a compromise that has been painstakingly cobbled over weeks and weeks; terribly difficult decisions reflecting in my view a balanced outcome leading us to this balanced budget.

Let us take a look at some of the tradeoffs, because one of the things about the Shuster amendment is you just focus on one thing. You do not really focus on what you have to give up if the Shuster amendment should be adopted. Right off the top, a $5.4 billion hit to defense. The Secretary of Defense announced just yesterday he wants two additional base closure rounds to try and fit within the budget he is trying to live with. This would take an additional $5.4 billion out of defense. Also, $5.8 billion in nondefense discretionary, cutting programs like education, like housing, like our support to the efforts to fight crime. A deal is a deal. Support the resolution. Do not unravel the deal on the floor tonight by supporting the Shuster amendment.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in support of House Concurrent Resolution 84, not because it represents a perfect agreement but because it is a bipartisan solution to what I consider the greatest problem facing our Nation. We simply cannot continue to postpone the difficult choices inherent in this process. When I came to Congress 8 years ago, I made balancing the Federal budget my highest priority. During the last 4 years, we have made tremendous progress toward this goal. We have reduced the deficit by over 60 percent, finally turning rhetoric into action, and giving the American people a glimpse of a brighter fiscal future. Given the acrimonious tone in the budget debate of the last 2 years, I am not prepared to reject what I feel is a workable compromise. In the past, I have endorsed the concept of balancing the budget first and developing a plan for tax cuts second. I wish this budget would have reflected more of those priorities.

□ 2245

At the same time, however, if we fail to capitalize on this long awaited opportunity, the burden we place on our children will continue to grow, and the future economic health of the Nation will be threatened. There is no secret to the fact that the choices before us are not easy ones to make, but that is why we are here. While I hope we will work together to soften the impact on our neediest citizens, I am ready to take this important yet difficult step.

There is certainly positive aspects of this budget: increased access to health care for uninsured children, education spending that will allow a new generation of students to attend college and an extension of supplemental security income for many disabled legal immigrants. Most importantly, this agreement erects a significant milestone on our political landscape. It moves beyond gridlock and the fear of compromise and seeks to solve a problem that is desperate for resolution.

It is not perfect, but the time for excuses is past. It is time to honor our promise to balance the budget of this Nation.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, the problem that I have with this budget is its total lack of optimism. The deficit has been reduced from $300 billion down to $60 billion over the last 4 years, and it is going to continue to be reduced whether we do anything on the floor tonight or not.

In fact, today Alan Greenspan in his decision not to increase interest rates has reflected the reality that our economy is growing at an over 4-percent rate of growth with negligible inflation. There is a very high probability, in other words, my colleagues, that the budget is already balanced this year, 1997, not the year 2002; that the final $60 billion, in other words, is going to be found this year before the end of the fiscal year.

So I just wish that we all reflected that more optimistic view of America. The American people have done it. They are working hard. They are producing the revenues. We should not be engaging in this root canal politics of cutting valuable programs so that we can hand over tax breaks to those who do not need them, thereby spurring interest rate increases which are sure to follow by the Fed.

Mr. SHAYS. Mr. Chairman, could we be informed of how much time each side has remaining?

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] has 6¾ minutes remaining, and the gentleman from South Carolina [Mr. SPRATT] has 30 seconds remaining.

Mr. SHAYS. Mr. Chairman, if the gentleman from South Carolina [Mr. SPRATT] is prepared to close, I would yield him some additional time. I yield the gentleman 2¾ minutes.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from South Carolina is recognized then for 3¼ minutes.

Mr. SPRATT. Mr. Chairman, more than I bargained for, and I thank the gentleman from Connecticut for yielding this time to me.

Mr. Chairman, when I opened this argument I noted to the House that the budget resolution before us is a product of nearly 3 months of negotiation. This is a hard wrought agreement, and I speak to my colleagues, in particular on this side of the aisle, Democrats, when I say that in this agreement there are a number of initiatives which we could not have accomplished on our own as the minority party in this House and in this Congress, hard wrought concessions that make this an agreement that is a balanced plan to balance the budget over the next 5 years. The Shuster-Oberstar amendment will undercut some of the gains that we have made, some of the priorities that we have protected, some of the things that we were able to put into this budget agreement that gives it a stamp that is peculiar and particular to our party and our constituents and what we believe in.

Shown there in the well of the House is a handout that has been prepared by the Committee on the Budget which takes us account by account through the budget and shows us where the money will come from to plus up transportation spending. Basically the Shuster amendment seeks to add $11 to $12 billion in outlays. To achieve that much in outlays we need about $19 billion in budget authority. So we are not talking about small change or minor skimming cuts. We are talking about deep and disruptive cuts here.

And here they are individually, and I ask my colleagues, particularly those on my side of the aisle, to bear these reductions in mind and to keep in mind how much we have expended in effort and negotiation in order to achieve these gains in this agreement:

National defense. We have held national defense to a level that I think is barely sufficient. I would like to see more there. I do not like the quadrennial review. I am perhaps in a minority in my own party in that respect, but I certainly do not want to go any lower in what we have allocated for defense in this budget.

The Shuster amendment will take us lower, $5.65 billion, and most of that comes in the outyears, 1999 and 1998 and 2000, when we will be stepping up to the plate to buy some important systems that will modernize our force structure; $5.65 billion, whack, right out of defense.

Education. Now here is one area where we had a clear win as Democrats in this agreement. We have got tuition tax credits, we have got tuition tax deductibility, we have got a literacy project, we have got the biggest increase in Pell grants since the origination of the program; $980 million will be taken out of education by these across-the-board cuts.

Section 8 housing, LIHEAP and WIC. All of these important priority programs are protected as such in this agreement. We went to great endeavors in these negotiations to see that section 8 was adequately funded over the next 5 years just at a level to maintain the existing housing stock of subsidized housing. But this will take us below that level. It will take section 8, LIHEAP and WIC down by $860 million over 5 years, and that is not small change. That is a big hit in these programs.

Health research at NIH. There are Members on both sides of the aisle who are pushing right now a bill that would plus up significant funding for health research and funding for the National Institutes of Health. This would take those accounts down by $520 million.

Criminal justice. Now this is something that normally unites the House. We want to put more money into criminal justice. We are sometimes divided about the means, but I think we are all usually united about the ends. It takes $510 million out of criminal justice.

Veterans benefits. The veterans already are displeased with this agreement because we have not fully funded what it will take to maintain the veterans' benefit programs, the veterans' medical care program. We have said instead that the Veterans' Administration will be able to keep the resources they collect from collateral sources from health insurance, and we anticipate that that $600 million will make up the difference. This budget, however, takes another $400 million out of veterans' programs.

Mr. Chairman, I urge my colleagues, I encourage my colleagues before they vote, to read this handout, look at this list and see who pays for the transportation increases proposed by the Shuster amendment.

Mr. SHAYS. Mr. Chairman, it is my distinct privilege to yield the balance of my time to the gentleman from Georgia [Mr. GINGRICH], the Speaker of the House, to close debate.

The CHAIRMAN. The Speaker of the House is recognized for 4 minutes.

Mr. GINGRICH. Mr. Chairman, I thank my friend from Connecticut [Mr. SHAYS] for yielding this time to me, and I want to commend the distinguished ranking member from South Carolina [Mr. SPRATT]. I think we are in the middle of a truly historic process, and that is really the point I want to drive home here as we close this debate.

This is a historic process, I believe, in two very different ways. It is a historic process in the substance of what we are doing, reforming entitlements, saving a trillion, $100 billion, over the next 10 years, reducing taxes for the first time in 16 years with a $250 billion tax cut over the next 10 years, creating more opportunities for job creation and for small business so that as welfare reform goes into effect people can leave welfare and find work, because if we do not have work, we cannot reform welfare.

So, these are steps that are exactly right.

All these things are important, and the substance of what we are doing is important, and people will look back on this as, I think, a historic vote. But there is something equally important happening, which is the process, and that is why I wanted to come to the floor to close this debate.

Mr. Chairman, we live under an unusual constitutional system. The Founding Fathers were afraid of dictatorship. They thought of themselves as engineers, and they consciously tried to design a machine so inefficient that no dictator could force it to work, and they succeeded.

Some of the power is down at the White House, some of the power is in the House, some of the power is in the Senate, some of the power is across the street in the Supreme Court. All other powers are reserved to the States and to the people thereof.

And this machine is so inefficient that even as volunteers we find it hard to get it to work, and the Founding Fathers will all, I think, look down on us and be happy because the frustration of freedom is the safeguard of freedom. If this system could work quickly, it could become a dictatorship.

So we found ourselves after this last election with a Republican congressional majority, the first we elected in 60 years, which would learn the hard way, I would venture to say, in 1995 and 1996, that no matter how excited a majority is in the legislative branch, by itself we cannot legislate unless the majority is large enough to override vetoes, and we did not have that majority.

I suspect our friends who have been in the majority under Reagan and Bush could have probably taught us some of this if we would have been a little more open to listen, but we learned it the hard way.

On the other hand, the newly reelected President, the first Democrat to win reelection since Franklin Delano Roosevelt, looked up the hill and realized that under our system he could not govern in a positive way for 4 years if he could not get something out of the Congress, that the veto is a powerful tool to stop things, but it does not start anything.

And we were faced with a choice: 4 years of deadlock, 4 years of the American people growing even more cynical of the news media covering us even more negatively, of all of us in our wonderful system of government decaying in public esteem, or something which, frankly, we did not do enough of last time. Get in a room, lay out what we really want and really need, and then listen to the other side and try to find a common ground that is not perfect.

Mr. Chairman, every liberal could write a budget that is better than this by their values: less defense, fewer tax cuts, more domestic spending. Every conservative can write a budget that is better than this: more tax cuts, more defense, less domestic spending. They do not happen to fit. The President does not want everything in this agreement, and we do not want everything in this agreement, neither our friends on the Democratic side, nor those of us on the Republican side. But together, through months of hard work, we have fashioned an agreement which inside our constitutional system meets the necessary balance. It can pass the House, it can pass the Senate, and the President is willing to sign it.

Now tonight we are going to have several very good opportunities to offer a different way of solving the problem. The President is opposed to every one of those opportunities. He is opposed to the liberal versions and the conservative versions. And I am here to say on behalf of our leadership I am opposed to every one of those opportunities. I am opposed to the liberal version, and I am opposed to the conservative version. We have forged a balance which is not brilliant, it is not perfect, but it is a huge positive step for our children and our grandchildren. It will rebuild faith in this country and these institutions. It is going to be followed by hard negotiating and hard legislating because that is the way this system works, and it is no more wrong for us to collide and try to write something in creative conflict than it is for NBA players to collide under the boards as long as it is done within the rules.

Mr. Chairman, that is the creative process that leads to good legislation. But tonight we have a simple choice.

□ 2300

We can pass one of the substitutes, and this agreement will have been crippled, and it will not pass the Senate and it will not be signed by the President; or we can say to our liberal friends and our conservative friends, yes, we have good ideas and on another day we want to visit with you again, but for this evening at this time with this agreement, the best thing for our country under this constitutional process is to pass the agreement that the congressional leadership and the President made together.

That is the right bipartisan thing to do. It is the right thing to do for America. So I urge all of my colleagues to vote no on every substitute, vote yes on final passage; let us move this agreement one step closer to giving the American people a balanced budget with lower taxes, with real reforms, and with a chance to create a better future for our children.

Mr. CRANE. Mr. Chairman, I rise in reluctant opposition to House Concurrent Resolution 84, the fiscal year 1998 Budget Resolution

Mr. Chairman, in my years of service in this august body, I have found myself in this position too many times. I appreciate the fact that compromise is necessary to do the peoples' business when the executive branch is controlled by one party and the legislative body is controlled by another. Congress and the President over the years have negotiated for long hours behind closed doors, and, after heated debate, much ballyhooed budget deals were announced. In recent years, these budget deals have all attempted to reduce the size of the budget deficit and the federal debt. Unfortunately, they did not accomplish their desired goals.

In 1990, President Bush caved in to the Democrat-controlled Congress to reduce the budget deficit by raising taxes on the American people. Joining my colleagues who now comprise our House Leadership, I opposed our Republican President and his tax increases. The American people expressed their opinion of this deal by electing a new President in 1992.

In 1993, although Democrats controlled both ends of Pennsylvania Avenue, the much-hearalded budget again tried to slow our runaway deficits by enacting the largest tax increase in the history of our Republic. Ironically, in my statement of May 27, 1993 opposing the budget, I reminded my colleagues that the budget deals are usually too good to be true. In that statement, I recited the promises of the 1990 budget deal which were never fulfilled.

This year's budget deal is also too good to be true. Although House Concurrent Resolution 84 projects a budget surplus in 2002, I have more faith that my grandchildren will see their Social Security benefits than I have faith that, based on these assumptions, we will balance the budget in five years. This year, our budget deficit is expected to be roughly $67 billion. Under the budget resolution, the deficit will jump to $90 billion in fiscal year 1998 and will remain in excess of $80 billion until 2001, when the deficit will fall some $30 billion. Then to achieve a balanced budget, the deficit will have to be cut another $54 billion to achieve the projected $1.3 billion surplus in 2002.

History has again repeated itself. The failing of the 1990 and 1993 budget deals was that Congress refused to cut spending to balance the budget, always putting the hard choices off to a future Congress. This budget resolution also contains no substantial spending reductions to realistically balance our budget. While the spending increases take effect next year, spending cuts are put off until 2001 and 2002.

In short, President Clinton appears to have won the budget debate. He secured the spending increases he desired in exchange for spending cuts which will take place, if they ever do, after he leaves office. Republicans won modest tax cuts of between $85 and $135 billion in exchange for spending $18 billion more than the President requested in his fiscal year 1998 budget!

Just two years ago, the Republican Congress proposed a tax cut package of $345 billion. After negotiations with the other body, the tax relief package that went to the President shrunk to $226 billion. President Clinton prevented that tax relief from reaching the American people by using his veto pen. Now we are willing to abandon any hope of enacting spending cuts in return for a relatively modest tax relief bill. The justification for this small amount of tax relief is that Congress cannot ''afford'' more money for this purpose. How much longer will this continue? Big government supporters in Washington are generally not concerned whether taxpayers can afford to be the most heavily taxed generation in American history.

I argued earlier this year that the budget deficit is only a symptom of a disease, not the disease itself. The disease afflicting our great nation is a federal government that has grown to a size and scope that would be incomprehensible to our Founding Fathers. Our federal debt has not resulted from Americans being taxed too little, it is because our government has spent too much money. Balancing the federal budget is not a worthy goal unless we are simultaneously reducing the size of the behemoth government.

To gain my support for a budget resolution, I would challenge my colleagues in this way—instead of waiting until 2002 to enact $54 billion in deficit reduction, we should make the necessary cuts in fiscal year 1998 to cut the deficit by that figure. This would establish a natural glide-path to balance in 2002, rather than shirking our responsibility onto future Congresses.

I appreciate the hard work put in by our Republican leadership in the budget negotiations. The propensity of this President to simultaneously take both sides of an argument makes negotiating very difficult. Unfortunately, I cannot accept this agreement as the best the American people can expect from a Republican-controlled Congress. I urge my colleagues to reject this budget resolution so that we may return with a budget along the lines of the conservative substitute that I supported. Even with minor modifications, we can cut the excess spending increases in order to allow the American people to keep more of their own money. We can show our constituents that we are serious about fulfilling the promise of ending the era of big government.

The American people deserve no less from us.

Mr. PORTMAN. Mr. Chairman, I rise today in support of House Concurrent Resolution 84, the fiscal year 1998 Budget Resolution. With the passage of this resolution, we are one step closer to the first balanced budget in 30 years.

I support this balanced budget agreement because it controls the growth of federal spending by reducing the size and scope of the federal government, uses real numbers, provides tax relief for hard working families and reforms entitlement programs.

This plan is a blueprint for ensuring America's long-term economic health by lowering interest rates and reducing the tax burden.

Is this a perfect agreement? No. We still need to make fundamental, long-term reforms to ensure the continued financial stability of vital government programs like Medicare, Medicaid and Social Security. And, I'm concerned about the new spending on Presidential pet projects in this plan. But, it is a lot better than the alternative: more deficit spending and less economic opportunity for all Americans.

Mr. Chairman, I support House Concurrent Resolution 84 and urge my colleagues to do so as well.

Mr. DINGELL. Mr. Chairman, I rise today in support of balancing the budget. That is why I will offer my mild support to this resolution. It is, by my view, flawed in many respects. I will not, however, see fit to impede further movement toward a balanced budget.

The budget agreement is a product of compromise which is the hallmark of our great democracy.

I cannot help but remember 1993, when the Democrats, without the support of a single Republican, passed the budget plan which cut the deficit and provided a solid framework for the economic expansion we currently enjoy. While we would have appreciated some Republican support, I recognize the need to move past malevolent politics and engage constructively with my colleagues in a bipartisan effort to solve a national problem.

We have it backward. We've had our ice cream and cake but its time to eat the spinach. I fear that we do not remain wise and diligent, we are doomed to repeat the same failure of the 1981 Reagan voodoo budget agreement. I am concerned that the tax cuts should be fully paid for up front, and this agreement backloads the tough budget cuts. I also have serious reservations about a proposal to index the capital gains tax cut which has the potential to empty the U.S. Treasury. Soon after this we will have to work through the reconciliation process to ensure that we move in a fair and equitable way to accomplish our purpose of a balanced budget.

I will be voting in favor of the budget resolution because I believe it is with all its flaws, the best tool to achieve a balanced budget. As in any compromise, there are aspects which I support and some which I do not. I can only hope that the good will and bipartisanship will finally deliver us a total final package for which I can more enthusiastically cast my vote. We will wait and see what the future brings. I hope the process will bring us votes which I can support at every stage, including the last one.

Mr. COSTELLO. Mr. Chairman, I rise today in support of this budget resolution as the blueprint to the goal we all want to achieve—a balanced federal budget in 2002. For months now, negotiations have been taking place between Congressional leaders and the Administration on how best to reach that goal. I want to state that this budget resolution is not perfect, but a ''perfect'' budget resolution is unattainable. With 435 members of this body, nearly every member would offer their own unique solution for achieving a balanced budget. Therefore, compromise is a necessity; yet, this body did not compromise the goal we all share, which is a balanced budget in five years.

I have supported a Balanced Budget Amendment since being elected to Congress in 1988 and have consistently voted for a Constitutional amendment requiring a balanced budget. I am pleased that the current budget efforts focus on balancing the budget in 2002. Enacting a balanced budget will ensure that as we begin the 21st Century, we rid our country of its deficit and move in the direction of national growth and prosperity—growth and prosperity which have been impeded over the last part of this century because of our federal debt and the interest payments on it.

This package provides some much-needed middle-income tax relief. The package proposes $500 per child tax deductions and additional tax cuts for tuition costs. Education initiatives are a driving force of this agreement. The maximum Pell Grant award is increased in fiscal year 1998 by $300, from $2,700 to $3,000. This is the largest increase in two decades. While the package calls for some Medicare cuts, there are many positive changes in Medicare. There is expanded coverage for such health services as mammography services, diabetes self-management, immunizations and colorectal cancer screening.

There are a few areas of concern about the agreement which I wish to address. The first is transportation spending. While I was pleased to hear that this budget resolution would include funding for transportation above the President's proposed level, I still have some very strong concerns that this budget does not allow for adequate resources for our transportation and infrastructure needs. We can ill-afford to continue to neglect our crumbling infrastructure. The current level of assumed spending is insufficient to deal with the increasing needs of our transportation infrastructure. I am supporting both the Kennedy and Schuster-Oberstar substitutes because they address this need by increasing transportation spending by $15 billion and $12 billion respectively over the five year period.

The Kennedy substitute offers smaller cuts in Medicare than the agreement. By achieving cuts in the administrative area, the substitute proposes an additional $8.6 billion for preventive care benefits in such areas as Alzheimers Disease and osteoporosis. The Kennedy Substitute also provides improved Medicare protections for low-income seniors. I also support this substitute because it recognizes the President's proposal to invest in renovations and construction in needy school systems throughout the country.

This agreement builds on the 1993 Deficit Reduction Act, which has reduced the deficit from $250 billion to $75 billion over the last five years. I support this agreement because I feel it is the last opportunity we have to balance this budget once and for all. I do not want my children and grandchildren to be deprived of opportunity because of the interest payment on our federal debt. This plan is not perfect, but it is the best and only plan we have to make a balanced federal budget a reality. I urge my colleagues to support this budget resolution.

Mr. SMITH of Texas. Mr. Chairman, the budget resolution before the House is historic: for the first time in 32 years, the budget balances.

That is real progress.

Nevertheless, this budget—conceived in a strong economy—is one only a mother could love.

How does one explain priorities that over the next 10 years set aside only $3 billion to get people—including legal immigrants—off welfare and into jobs but more than $16 billion for additional entitlement benefits for non-citizens?

How does one explain that over the next 5 years $13 billion in Medicaid savings are mostly offset by $10 billion in additional benefits for non-citizens?

That $10 billion funds additional benefits for non-citizens, many of whom are financially self-sufficient, most of whom entered the country on the promises of their sponsors to financially provide for them.

The mandatory added spending over the next 5 years for benefits for non-citizens—individual's whose sponsor's average income is $38,000 a year—is four times greater than that for defense, twice that for natural resource and environment programs, and six times greater than that for community and regional development.

Explain these priorities to overtaxed, middle-income Americans trying to buy a house and educate their children, Americans who worked until May 9 this year to pay taxes to fund these priorities.

I will support this budget resolution because it balances.

That will help families.

But its priorities are not those of hard-working Americans or hard-working legal immigrants.

Ms. ESHOO. Mr. Chairman, when I was elected to Congress in 1992, my overriding priority was to promote an agenda of important investments for our Nation's future and the urgent need to reduce and eliminate our enormous deficit. Today, we come to a budget resolution that promise a balanced budget by 2002 and we have come to it because of the tough 1993 Budget vote only Democrats cast. The deficit has been reduced from a quarter of a trillion dollars to $67 billion. Now we can move on to finish our tough task for America.

The agreement reached between the President and congressional leaders 2 weeks ago is not a perfect one. In fact, I expressed my deep concerns that we not take the country back to the deficits of the 1980s and allow the deficit to explode in the out years of the plan.

While some concerns remain, I believe the resolution before the House today represents an important step toward bringing our Nation's budget into balance. Much work remains to be done to hammer out the specifics of it.

Mr. Chairman, there is much to support in this compromise budget resolution. It represents the largest increase in 30 years for higher education. It adds important preventive benefits to Medicare such as annual mammograms, colorectal cancer screening, and diabetes management. It adds important resources to protect our environment. It provides funding for healthcare for five million of our Nation's children who have no insurance coverage at all. It restores our promise to legal immigrants that came to our country expecting to be treated equally under the law while they labor to add to the greatness of our Nation. It recognizes the need for tax relief for America's families.

I support the resolution and look forward to working in the weeks ahead to fulfill the best of its promises for the betterment of all Americans.

Mr. KOLBE. Mr. Chairman, to say that I am happy to be here speaking on a budget plan that will lead to a balanced budget is an understatement. Mr. Chairman, this is a good day for the American people. I am pleased to be a Member of the 105th Congress which is about to achieve something for which many of us have fought for a very, very long time. I salute Chairman KASICH and Chairman DOMENICI and all those involved in these very difficult negotiations.

This plan will first and foremost allow for tax relief for all taxpayers in America. There is no doubt that our citizens pay too much for government and keep too little of their earnings for themselves. Hard working people should be allowed to make their own choices about how to spend their hard earned dollars instead of giving them to Federal bureaucrats to spend. I know that the Ways and Means Committee will be working out the details of that tax relief in the next month or so, but I am very optimistic that there will be real capital gains tax reform and estate tax reform. These two taxes are onerous and counter productive. Relief in these areas will create economic growth which will mean more good jobs and less reliance on government programs. And I am equally pleased that we will be able to improve the lives of families with children by allowing them a $500 per child tax credit. That $500 for each child will mean a lot to families who have many, many uses for that money which they won't have to send to the IRS.

Securing Medicare for the next several years is another very important step for the citizens of southern Arizona. This important medical insurance program for senior citizens is on the brink of bankruptcy. With the reforms contained in this plan, we can be sure that Medicare will be kept solvent and available to our parents and grandparents and maybe even to some of us.

Mr. Chairman, is this a perfect plan? Quite honestly, it is not.

Would I have preferred more tax relief for our citizens? Yes, I certainly would have. Families without children could use tax relief. Small businesses could use tax relief. Everyone could benefit from lower taxes.

Would I have preferred more savings in many programs? I definitely believe there are ways we could have held down discretionary spending levels. But we will have an opportunity to work out some of these differences as we take the steps necessary to turn this plan into legislative reality.

But, Mr. Chairman, this is a big step for a Congress and a President that only a short time ago shut down the Government about our disagreements over these issues. Let's take this step and use the accrued benefits as a foundation for future efforts. For future efforts will be needed.

As good as this budget plan is, it will not solve the problem in the long term. We already know that in a very few years we will find ourselves in another very difficult situation when we deal with the reality of a Social Security Trust Fund emptying as baby boomers begin to retire. All the revenues from FICA taxes and the trust fund itself will actually be spent for Social Security recipients instead of masking the deficit as it does today. And the Medicare Trust Fund also will need further work as these new recipients start drawing benefits.

Mr. Chairman, the problems we will inevitably face in the years ahead are just some of the reasons I urge my colleagues to support the budget resolution reported by the Budget Committee. This is an excellent opportunity to help the people we represent get out from under the burden of over-taxation and over-spending. We need the foundation we are building now for the work we must do later. We must not let the excellent slip away while we await the perfect.

Ms. FURSE. Mr. Chairman, I rise to support the bipartisan budget resolution which is before the House today. When I was elected in 1992 to change the priorities of our Government in Washington, I knew that one part of stopping business as usual was getting our fiscal house in order. In order to stop mortgaging our children's future, it was imperative to take bold steps to reduce and ultimately eliminate the budget deficit. I'm proud of my vote in favor of the 1993 Budget Agreement which forced our budget deficit in the right direction—downward—and truly made balancing the budget a possibility.

There are a number of a provisions in this budget resolution which make it a good agreement, aside from the important fact that it will indeed balance the overall budget. First, I am pleased that House Concurrent Resolution 84 includes improved Medicare coverage of diabetes education and supplies in a new self-management benefit. As Co-Chair of the Congressional Diabetes Caucus, I have worked for 4 years to make these important changes. Earlier this year, in conjunction with my friend, Mr. NETHERCUTT, I was proud to sponsor H.R. 58 to improve Medicare coverage for people with diabetes. Currently our bill has 265 Members cosponsors. I want to thank both the administration and Speaker GINGRICH for their commitment to this issue, as well as the authors of H.R. 15, the Medicare Preventive Benefit Improvement Act: Mr. BILIRAKIS, Mr. THOMAS, and Mr. CARDIN. I am going to work vigilantly to make sure these benefits stay in the budget agreement and are enacted into law.

This budget resolution also acknowledges the importance of education in helping our families enjoy a secure future. Unlike last year's balanced budget plan which made students pay more and was correctly vetoed by the President, this resolution includes $35 billion over 5 years for postsecondary education tax cuts and the largest Pell Grant expansion in 20 years. There are over 38,000 students in Oregon who rely on Pell Grants; this resolution will expand the number of eligible students and increase the maximum grant to $3,000. Education is a vital national security issue and is critical to helping everyone fulfill their potential

I am also pleased that this resolution maintains Medicaid as an entitlement and contains very modest cuts. Earlier this year I authored a letter to the President, signed by the entire Oregon delegation, expressing our opposition to a per capita cap proposal in Medicaid. I am pleased that this resolution rejects the per capita cap proposal which would have seriously jeopardized the Oregon Health Plan. When Medicaid reform comes before the Commerce Health Subcommittee, of which I am a member, I will work to ensure that any proposal protects and preserves the Oregon Health Plan.

There are also a number of other important initiatives in this bill. After passage of last year's welfare reform legislation, I pledged to work with the administration to restore benefits for legal immigrants and am pleased this provision is included in House Concurrent Resolution 84. As the author of the Children's Health Insurance Access Amendments, I am pleased that this resolution includes a $16 billion initiative to help the 10 million children who are without health care coverage. Lastly, I am pleased that this resolution emphasizes the importance of our environment, with improvements in funding for Superfund, the brownsfield initiative, land acquisition, national parks, and EPA enforcement.

As most people have acknowledged, and I do so as well, this is not a perfect agreement. As I stated earlier, I was elected to Congress in 1992 to change the way we do business in Washington. In some respects, this agreement continues the same bad priorities of spending far too much on the Pentagon. As I've often said, we should spend every penny we need on a sound national defense and not a penny more. This agreement perpetuates the trend of spending more than half of our discretionary dollar on the military. Our true national security depends on more than just weapons systems. A recent poll by Celinda Lake cites that 74 percent of people disagree with the fact that we spend more on building and maintaining nuclear weapons than we do on the funding of Head Start, fighting illiteracy, and providing college tuition combined.

In addition, I am very concerned about the re-emergence of firewalls between defense discretionary and non-defense discretionary funding. I want to give credit to my colleague from Oregon, Senator WYDEN, for his work on the Senate Budget Committee to eliminate the firewalls that this bill resurrects for 2 years. While Senator WYDEN was unsuccessful, he knows that firewalls only limit the ability of Congress to meet the pressing needs of our Nation's families. It is my hope that the Conference Committee will reconsider the utility of firewalls in the context of a balanced budget and eliminate them from any final agreement.

Mr. Chairman, Congress has a long way to go to fully implement the recommendations of this budget resolution. While I do have a few reservations and concerns about this legislation, I am cautiously optimistic and urge my colleagues to support this compromise balanced budget resolution.

Mr. VENTO. Mr. Chairman, I rise today in support of the budget resolution reported out of the Budget Committee. This resolution builds upon the past success of deficit reduction agreements made by Congress and outlines a plan to lead to a balanced budget by the year 2002. Each of us could and would change the priorities and adjust the way we arrange our priorities and the tax expenditures, but how do we find common ground. This measure does so in a means that will be accepted and implemented in the next 2 years.

The deficit this year is estimated to reach a low of $67 billion through September 30, 1997, the lowest annual deficit since 1969. While a strong economy has helped budget numbers, the low deficit is also in large part a result of major work done by the Democratic majority in Congress in 1993. Ironically, that year we passed a deficit reduction package with close to $500 billion in deficit reduction, more than double the amount we are talking about today. Not one Republican voted for that package, but the improved budget numbers we are working with now in 1997 are principally a result of those tough choices we made in 1993. The current budget resolution builds upon this substantial 1993 budget action. And importantly none of it is being repealed or greatly modified in the agreement being offered as a solution today.

We have made progress in the deficit, and we can continue to make progress without extreme actions. This budget agreement shows that we can pursue fiscal balance without creating social imbalance. It protects initiatives which help American working families and seniors gain access to affordable health care, a clean environment, and quality education. If we were operating without the need of a majority vote, each of us no doubt would substantially change this budget. For example, I believe most of the tax breaks should wait, much as Congressman MINGE outlined in the measure that he was precluded from offering by the House rule. But we must examine and judge this budget based on what is possible politically and practically, against for example the backdrop of 1995–96, when polarization and shutdown of the Federal Government were the means employed unsuccessfully to achieve the ends that the majority in Congress sought.

This 1998–2002 budget resolution is a major improvement over the plan put forth by the Republican majority in the last Congress which would have created a serious human deficit all in the name of deficit reduction. Questionable deficit reduction, I would add. That budget plan of the past Congress, which I voted against, included $288 billion in Medicare cuts, $187 billion in Medicaid cuts in the 7-year period, a complete repeal of Federal entitlements to important programs such as Medicaid and school lunches, and an attack on natural resources programs with deep funding cuts and a gutting of important environmental protections. And, of course, the initial Republican House budget plan would have irresponsibly added $353 billion to the deficit within 7 years through wild tax cuts and breaks—a budget that was at the expense of the poor and for the benefit of the wealthy in America, unfair and unworkable.

We fought those extreme GOP proposals in the last Congress and our effort and positions have been vindicated. The numbers and policy recommendations in today's resolution reflect the fact that our country does not need to renege on the basic commitments to the American people in order to reduce the deficit. We can invest in our Nation's future through health care, education, infrastructure, and the environment and still achieve sound budget goals. This agreement extends the Medicare trust fund, even while adding crucial preventive benefits to Medicare, preserves the Federal guarantee to Medicaid, strengthens environmental protection and enforcement, expands health coverage to 5 million uninsured children currently without health care, and increases our investment in education, including increasing the amount and number of Pell Grants, increases for Head Start, and key targeted tax breaks for higher education investments.

This budget agreement serves as a fair outline for an economic agenda over the next 5 years. Of course, it is only an outline, and the real budget work is just beginning. No doubt some adjustments and modification of the priorities will be made as we correct for economic and political reality and attempt to reprioritize in the months and years ahead. It will be important for us to protect and reexamine the priorities important to the American people as we work to craft the bills to implement the goals inherent in the budget resolution both in the near future and for the long term. We will have to ensure that the tax cuts will benefit working Americans, not just corporations and affluent individuals.

On the questions of environmental policy, I am pleased that oil drilling in the pristine coastal plain of the Arctic National Wildlife Refuge has not been added as a potential source of revenue. There are a number of other more environmentally sound ways to recover taxpayer money and I urge my colleagues to avoid the exploitation of this important caribou calving grounds on Alaska's Arctic plain as we move forward to implement budgets today and in the future. Importantly, this budget provides for an unprecedented cleanup of brownfield sites at President Clinton's initiative. Congress will also need to develop a comprehensive solution to the problems legal immigrants face under the 1996 welfare reform law. Although I am pleased that benefits to legal immigrants have been partially restored, this is not enough, especially in regard to refugees and asylees. The provisions addressing treatment of refugees and asylees are a quick fix to a much larger problem. Extending the eligibility period for refugees from 5 to 7 years is not an adequate approach. The only way to restore fairness back into the treatment of refugees and asylees is for Congress and the administration to set in place permanent eligibility for such categories of individuals. Anything less means that some will fall between the cracks and lose benefits and their chance to meet their needs.

Overall, this budget agreement is a positive step, the product of compromise, which is necessary in today's political climate. The budget builds on our past success in deficit reduction, finishing the job in a reasonable, if not an ideal manner. Now we must ensure that the actual budget bills that we consider follow through on this outline. I fully intend to reserve judgment on the individual spending measures and the tax policy packages. If these actions fall short of the promises and commitments inherent in today's agreement, they would merit defeat. If they retreat from these compromises, they should be defeated. I certainly will support some of the substitutes being offered today. In fact, while the substitutes will not likely prevail, but will importantly demonstrate in graphic terms that fiscal stability and a balanced budget can be achieved on a different basis. But the political symmetry of this Congress doesn't permit such policy path and achievement today. At the end of the day, my vote for this budget resolution is a vote for Congress to move forward and do what is possible in the next 18 months to achieve a socially and fiscally sound Federal Government.

Mr. RUSH. Mr. Chairman, I rise tonight to oppose House Concurrent Resolution 84, the so-called bipartisan budget resolution agreement. This budget resolution fails to adequately protect millions of disenfranchised and disadvantaged Americans, both those who are unemployed, and those who work, but cannot rise out of poverty.

I cannot support a budget resolution that calls for tax cuts of $85 billion that include cuts in capital gains and estate tax relief that will benefit the richest 5 percent of our country. Speaker NEWT GINGRICH has made it clear that this budget is another step in the Contract on America—which is a Contract on Poor People. According to the New York Times, which obtained a copy of a May 16 memo from Mr. GINGRICH to Republicans, Speaker, GINGRICH makes it clear that the Republican's top priority is giving tax breaks to the rich. And the Speaker minces no words in saying that ''there is no limit on the size of the capital gains and estate tax relief'' in the budget resolution.

I cannot support this budget when unemployment in some communities in the First District of Illinois exceed 20 percent, especially for African-American youth. Instead, I am proud tonight to support the Congressional Black Caucus budget. This budget is truly a budget for the people. And I thank my colleagues, Congresswoman MAXINE WATERS from California, and Congressman BENNIE THOMPSON, for leading the caucus in forging this more socially and fiscally responsible framework.

In contrast to the budget deal, the CBC budget balances the budget 1 year earlier—in 2001. And it does so by making no tax cuts until the budget is balanced. In distributing tax cuts, the CBC budget does this in a fair manner. The CBC budget includes $187.5 billion in cuts for corporate welfare.

The CBC budget invests in vital social programs. In contrast to the budget resolution, the CBC budget fully funds proactive programs that ensure the future of our youth and communities. These include Head Start, WIC, section 8 housing, chapter I education, and summer jobs. This latter is particularly important. Just last week, this Congress passed a job training bill that eliminates distinct funding for the summer youth employment program.

And while the bipartisan budget resolution does include new, significant initiatives such as coverage for 5 million uninsured children, the CBC budget goes further. The CBC budget proposes a child health initiative that would cover 10 million uninsured children.

The CBC budget is the only budget alternative that offers the promise of protecting future generations. This budget proposes to restore the safety net that welfare reform dismantled. It assures that millions of Americans who are struggling to make the transition from welfare to work have that chance. I am proud to cast my vote tonight for the CBC budget.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today to voice my concerns about House Concurrent Resolution 84, the House budget resolution. I commend the administration and the Republican leadership for their hard work in negotiating this balanced budget agreement. I believe this speaks well to the bipartisan commitment to a balanced budget and a healthy future for our economy that has permeated this body. However, I do not believe that true success is found merely in the doing of the thing, but in the way that it is done. And it is here that I believe that the budget resolution fails.

I am disappointed in the budget resolution because I do not believe that it provides adequate investment in our Nation's future. America's future depends on that of her young people—in providing them adequate resources and opportunities to become our future leaders, including providing them education and access to adequate health care.

The budget resolution provides inadequate resources for the education of our young people. I firmly believe that we must focus our attention and our energy on one of the most important challenges facing our country today—revitalizing our education system. Strengthening education must be one of our top priorities both to raise the standard of living of the American family and to ensure America's preeminence in the global economy.

We must provide our children access to a superior education at all ages from their very young years, until their graduate years. Recent studies emphasize the importance of early education to a child's future development. In fact, I was honored to attend a recent conference at the White House highlighting this fact. And yet, despite these studies, the budget resolution still inadequately funds programs that would provide for programs targeting children in their earliest years.

Further, we need to open the door of educational opportunity to all American children in their later years. It has been well documented that the better educated a person is, the more he or she is likely to earn. The cost of a college education, however, is prohibitive. Many of our Nation's families cannot afford to send a child to college. Many families go deeply into debt financing this step for their child's future.

The Congressional Black Caucus will offer an amendment in the nature of a substitute that promises to provide for our Nation's future—to provide for all the people of our Nation. Just like the budget resolution, the CBC substitute balances the budget, and it does this by fiscal year 2001, 1 year earlier than the budget resolution. The CBC substitute calls for appropriations of $74.9 billion in fiscal year 1998 for education, training, and development. This is $28.2 billion, or 60 percent, more than the budget resolution provides. The CBC substitute will fund college tuition scholarships and allows for a gradual increase in Pell grant awards. In addition, the CBC substitute fully funds a child health initiative to cover all of the 10 million of America's children who are uninsured.

I urge my colleagues to think carefully when they cast their votes this evening. We have before us a number of proposals each of which will assure us a balanced budget within 5 years. It is critical, however, that we achieve the goal of a balanced budget in a manner that is compassionate, fair—and very importantly—is intelligent. In balancing the budget, we must be sure not to provide inadequate resources to the very areas that will assure America a strong and healthy future.

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of House Concurrent Resolution 84, the concurrent bipartisan balanced budget agreement.

Balancing the budget brings practical benefits to every American, in the form of lower interest payments, stronger economic growth, lower taxes, and less Government spending. It is not the budget I would write on my own. Nor is it the budget that the President would write on his own. I am concerned that it does not provide sufficiently for our national security, reduce spending enough, save Medicare for future generations, or return as much money to hard-working American taxpayers as it should. But it is a real, balanced budget, with less Government spending and real tax cuts for American families, that Republicans, Democrats, and the President have agreed upon.

For my children, and for everyone's children, it means less of their future earnings will be taken just to pay interest on the debt. Interest on the debt, which today costs over $1 billion every business day, cannot be invested in education, or transportation, or returned to the taxpayers. However, under this budget, we will stop adding to the debt. It represents a beginning so that we can develop a plan to pay down the debt, and free the next generation from its heavy and immoral burden.

For my mother, and for everyone who is or is kin to a ''chronologically gifted'' American, this budget means she can count on the good health of her Medicare for the next decade. We still have work to do here. We have to work together to save Medicare for the next generation. But we have made a real and substantial start.

For every family, this budget means the Federal Government will take less of their money in taxes, so they can invest more in their children, and in their children's education. Despite the good intentions of people in Government, the best chance a young person has to achieve the American Dream is to have a mom and a dad that love and care for them. And under this budget, many moms and dads that have to earn two incomes today—one to pay the bills, and the other to pay the taxes—may find that through lower taxes and lower interest payments, they may be able to prosper on the income of one family member.

For everyone who saves or invests, or wants to save or invest, or wants to keep or create a job, or owns a home, this budget insures a reduction in the capital gains tax.

Let me for a moment focus on how far we have come.

In 1994, liberal congressional leadership had reigned for 40 years. The Clinton administration had levied the largest tax increase in American history and attempted total Government control of people's health care. The deficit was headed skyward, a classic case of the Federal Government leaving an immoral and untenable legacy to our children.

And the American people responded by electing a Republican House and Senate.

We began working the people's will. We enacted historic welfare reform legislation, restored credibility to our borders and our immigration laws, and revitalized telecommunications for the information age. We attempted to enact a balanced budget amendment and a real balanced budget that saved Medicare and cut taxes. But on those matters, our work was vetoed or otherwise blocked by the President.

And so the American people reelected the Republican Congress in 1996—and reelected a President of the opposite party.

Now we have before us a real balanced budget, representing the commonsense conservative values that Americans have long demanded, and never really had reflected in their Government, until now. We can and should pass this budget, knowing that the hard work remains ahead. We have to enact appropriations bills that limit the growth of spending. We have to enact real tax cuts for the American people. We have to enact this budget into law, and the President has to sign it.

Mr. Chairman, a journey of a thousand miles begins with one step. The journey to balancing the budget begins with this step. Let us step out boldly now. Let us do what is best for America and for Americans, and pass the budget resolution.

Mr. CONDIT. Mr. Chairman and colleagues, I rise in support of the budget resolution and the underlying budget agreement. Members on both sides of the aisle including Chairman JOHN KASICH and JOHN SPRATT from the Budget Committee; the bipartisan leadership of the Congress; and President Clinton and senior members of the Administration deserve our thanks and gratitude for working together in a bipartisan way to develop the balanced budget plan that is before us today.

Mr. Chairman, this is a historic day. For over a generation—nearly thirty years—the federal budget has been in deficit. During this same period, the gross national debt of the country has increased from $360 billion to $5.6 trillion. Without this budget agreement, annual budget deficits continue and the national debt will skyrocket to nearly $10 trillion early next decade. That is a trend we cannot allow to continue.

The budget resolution before us today provides for nearly $1 trillion of spending reduction over the next ten years including $115 billion in Medicare savings that will add ten years to the life of the Part A hospital trust fund. The resolution also provides for a decrease in total projected discretionary spending, while providing for increases in funding for high priority programs like education and training, research and development, the nation's defense needs, transportation and infrastructure, and health care programs. On the entitlement side of our budget—which consumes over fifty percent of outlays and is where the real growth in spending has occurred—spending is cut over $600 billion over the next decade.

At the same time spending is curtailed, the agreement provides for modest tax relief including a reduction in capital gains and estate taxes, a $500 per child tax credit, and education tax deductions and credits.

Overall, this is a solid agreement. The real work is ahead of us, however, as we move to implement this budget resolution. The Blue Dog Democrat coalition will continue to work with the bipartisan leadership and the President to ensure that the final reconciliation bills fairly and honestly implements this resolution.

Mr. Chairman and colleagues, a final reconciliation bill should maximize deficit reduction each year, provide structural reforms in entitlement programs consistent with the reductions in those programs, and not explode spending or the deficit in the out-years. The final reconciliation measure must also have a strong and effective budget enforcement mechanism to ensure that the reductions and reforms in spending we contemplate today will in fact take place. Budget enforcement must extend the discretionary caps that expire this year, renew the PAYGO system, and should also extend sequestration to new revenue and spending programs and exempt few or no programs from any future sequestration process. My Blue Dog colleagues and many others on both sides of the aisle will be working together in the next few weeks on budget enforcement and other issues of mutual concern.

Mr. Chairman and colleagues, today is indeed a historic day. To be sure, the road ahead will be bumpy and difficult, but we should remember that what we do today will bring real and lasting economic benefits to our children and grandchildren and is worth the toil.

Mr. Chairman, the budget resolution today deserves our strong bipartisan support and I urge its passage.

Mr. PORTER. Mr. Chairman, I want to begin by commending the gentleman from Ohio [Mr. KASICH], the Committee on the Budget, the House leadership, and our colleagues in the Senate for the good job they have done in keeping us headed down the road toward balancing the budget by 2002.

I am pleased that the Administration and Congress have reached a compromise. While the agreement is certainly not perfect in all its respects—in particular because of the unwillingness of the Administration to address the need for comprehensive reform of entitlement spending—it does represent a sincere effort to reduce the budget deficit, and it is therefore deserving of our support.

It is important to recognize that the budget process is just that—a process. And the budget resolution represents not the end of that process, but rather the first step and one that is necessary in order for the authorizing committees to proceed to implement their reconciliation directives and the the appropriations committee to move forward with the thirteen funding bills for fiscal year 1998.

Since the Republican party took control of the House in 1995, the budget process is one that has been refocused on making tough choices and setting priorities. This is as it should be. Congress today is responding to the demand of the American people that we review every department, every agency and every program in the government and determine which of these activities provide relatively poor returns or paybacks and should not be continued, which are more appropriately the responsibility of local or state governments or the private sector, and which can be made to work better. In addition, in this process, the Congress has worked to identify those things that are true national priorities and that should be provided with additional resources. As a member of the Appropriations Committee, I have been proud to participate in this effort and I look forward to continuing in this direction in the coming year.

As for the Appropriations Subcommittee on Labor, Health and Human Services and Education, which I am privileged to chair, the budget resolution that we have before us will again require that difficult decisions be made. My subcommittee faces many demands from many constituencies for limited funds. The failure of the President to regard the need for such things as life-saving assistance of those suffering from AIDS, for a health care workforce capable of reaching the medically underserved, and for expanded biomedical research to develop new treatments and cures for disease as priorities at least on a par with—if not superior to—his interest in creating new education programs and untested initiatives, will not make the process of drafting FY98 funding legislation an easy one. Fortunately, the budget resolution does provide sufficient flexibility for the Appropriations Committee to meet the needs of the American people by adequately supporting those activities—like biomedical research—that are true national priorities. This is certainly the outcome that I will push for in the coming months as we move to implement the broad spending and revenue framework contained in this budget blueprint.

Mr. Chairman, budget deficits are simply intolerable in a time of strong economic growth. They represent a decision to spend for the present and leave to our children and grandchildren the responsibility to pay for our profligacy. Such behavior is simply unacceptable and I am pleased that we here today have the opportunity to take a major step forward in the effort to put an end to such irresponsible behavior. I urge all members to support this resolution.

Ms. HARMAN. Mr. Chairman, today, this chamber continues the important progress first begun in 1993 to reduce the Federal deficit and reach a balanced budget by the year 2002. The 1993 budget was one of the most difficult votes I have cast, yet for 5 straight years, its effect has been to cut the deficit. The deficit is now at its lowest level in more than 20 years.

This bipartisan balanced budget resolution keeps the momentum moving forward. It is based on realistic economic and policy assumptions that will sustain economic growth. But while the outline of the balanced budget before us is historic, let us not disguise the difficult steps ahead to translate that outline into specific legislative language.

The resolution continues important investments in our society. It assumes extension of health insurance coverage to 5 million low-income children, the largest investment in education in more than 30 years, restoration of SSI eligibility to the elderly and disabled legal immigrants cut off last year, and maintenance of a strong national defense. Lastly, the resolution assumes enactment of needed tax changes for families and investors that will be paid for.

The resolution sets forth a glidepath for reducing spending at a relatively constant rate for the next 5 years. Unlike previous budget plans, it does not postpone the most difficult cuts to the later years. In addition, the resolution calls for a two-track reconciliation process, thus requiring separate votes on the legislative proposals enacting savings and the proposals making tax changes. This will assure that deficit cutting precedes tax cuts.

I am disappointed that the Rules Committee did not make in order the amendment proposed by my colleagues DAVID MINGE and CHARLIE STENHOLM to include enforcement provisions to the budget resolution. Such enforcement provisions are critical to ensure that the deficit remains on the glidepath to balance by the year 2002 and beyond.

None of us wants a repeat of past deficit reductions efforts that failed to live up to their promises. Indeed, without enforcement mechanisms, future deficit reduction efforts become less credible as they become harder to make. That's why, in particular, all portions of the budget—both spending and revenues—have to be included in the enforcement mechanism. All members and interest groups have to have a stake in maintaining the glidepath to a balanced budget. That means, as well, that future tax cuts must be contingent on meeting the revenue targets in the agreement.

Despite these imperfections, the balanced budget resolution is the result of hard-fought compromise by all involved. I want to congratulate President Clinton and my Congressional colleagues, particularly the ranking member, Mr. SPRATT, and the chairman, Mr. KASICH, who were directly involved in these difficult negotiations.

I also congratulate my colleagues with whom I helped fashion the Blue Dog balanced budget plan. The Blue Dogs showed it could be done. The American people are the beneficiaries.

Mr. BORSKI. Mr. Chairman, I rise today in opposition to House Concurrent Resolution 84, the budget resolution for fiscal year 1998.

In 1993, when faced with a record $290 billion deficit, Democrats passed a tough budget plan that contained real deficit reduction and restored tax fairness. And the results are clear, Mr. Speaker. The deficit has fallen by a whopping 63 percent—from $290 billion in 1992, to $107 billion in 1996. The tough decisions Democrats made in 1993 have produced the best economy in decades and put our Nation on the doorstep of balancing the budget. All that needs to be done is to take the final step.

I am pleased at the progress we have made toward achieving a balanced budget, but I am concerned about the priorities that this resolution sets forth. While we must reach a balanced budget, we must also create the educational opportunities our children deserve, provide the financial relief that working Americans need, and protect the benefits our senior citizens have earned. Unfortunately, this budget resolution falls short of those goals.

There are, however, many positive aspects of this budget. I applaud the inclusion of funding for several programs that are important to middle-class families.

For example, the budget resolution for fiscal year 1998 calls for a 10-percent increase in funding for education, training, and social services programs. The budget increases the maximum Pell grant award $300, from $2,700 to $3,000, the largest Pell grant increase in over two decades, which will help more of America's youth to be able to afford a college education.

The budget also calls for the creation of many of the educational initiatives that have been proposed by the Democratic leadership over the last few years. The budget agreement provides for the creation of the HOPE Scholarship, a 2-year, $1,500 per student tax credit for college tuition—enough to pay for the tuition costs for a typical community college. It provides for the ability of working Americans to withdraw the costs of an education, tax-free from expanded, individual IRA accounts. In addition, the budget provides funding for the President's America Reads Challenge Program, which is intended to help children learn to read well and independently by the end of the third grade. While I am not able to support the final budget agreement, I look forward to working with my Republican colleagues in the future to bring these important educational initiatives proposed by the Democratic leadership into being.

Mr. Chairman, I am also heartened by the allocation of $16 billion over the next 5 years to provide health insurance for up to 5 million children who are currently uninsured. While I am pleased that the budget recognizes the plight of our Nation's uninsured children, with no specific offsets to pay for these additional benefits, I am concerned where the funding for this expanded, program will come.

Finally, Mr. Chairman, I am pleased that the budget agreement attempts to depoliticize any adjustment in the Consumer Price Index [CPI] by providing that any necessary change be taken by the Bureau of Labor Statistics [BLS], the agency created to address these matters and not be held hostage to create a slush-fund for tax breaks. However, at the same time, I am deeply concerned that this budget agreement makes assumptions that the CPI will be reduced by 0.3 percent, resulting in a decrease in the monthly cost of living adjustment [COLA] of our Nation's seniors to pay for the tax breaks to the wealthy.

But, every budget plan has winners and losers. Under this plan, the winners would be the wealthiest 5 percent of Americans. Over half of the proposed tax cuts would go to households making over $100,000 per year. That means that most of the hard-working men and women of my district won't be able to take advantage of cuts in the capital gains and estate taxes. Most of the families in my district won't see the benefit of expanded IRA's.

No, Mr. Chairman, my district would be the loser in this deal. The senior citizens and working families of my district would bear the brunt of the cuts in spending. Hospitals in my district would shoulder the burden of Medicaid savings. And Philadelphia would suffer the loss of jobs and revenue as a result of this budgets priorities.

This budget asks seniors to pay more for Medicare, while telling them that they will get less in Social Security COLA's. By 2005, seniors will have $150 less in their pockets due to COLA reductions, while being forced to pay over $500 in Medicare premium increases. In fact, the only way this budget plan will ever reach a balance is if seniors COLAs are cut—the money is already spend somewhere else.

In addition, the hospitals that serve the neediest children and families will take an enormous hit. The $13.6 billion in Medicaid cuts that this budget calls for would come primarily from disproportionate share hospital payments [DSH]. These cuts would hurt only those hospitals who serve the sickest and neediest among us. The obvious result would be a decline in the quality of care, inevitable job losses and—possibly—the closing of hospitals in my district. Since nearly 15 percent of my region's economy depends directly on providing health care, these cuts would have a ripple effect that would be felt in every sector of the local economy.

Mr. Chairman, I represent the 20th oldest district in America. Well over half of all the hospital admissions in my district are dependant on either Medicare or Medicaid. Clearly, these substantial cuts to these important programs would have a profound impact on the hospitals' ability to provide quality care to my constituents.

Mr. Chairman, I cannot, in good conscience, vote for a budget that asks for sacrifices from senior citizens, ignores the needs of middleclass families, and turns its back on the uninsured. As the late Vice President Hubert Humphrey said, ''the moral test of a society is how that society treats those who are in the dawn of life—the children; those who are in the twilight of life—the elderly; and those who are in the shadow of life—the sick, the needy, and the handicapped.'' Because of these cuts to Medicare and Medicaid, this budget does not pass that test for the Third Congressional District of Pennsylvania.

Mr. HOBSON. Mr. Chairman, in a town famous for saying one thing and doing another, Congress is doing what it promised.

The balanced budget agreement that Congress reached with the President delivers on the promises we made to the American people. The resolution puts that agreement into action. It balances the budget, saves Medicare, lets American families keep more of what they earn, and reforms entitlement programs.

Under the budget resolution, deficits will be a thing of the past, and like every American family and American business, the Government will live within its means for the first time since 1969.

If the budget resolution did nothing else but eliminate the deficit, it still would be a huge victory for the American people. But it does more.

The budget resolution saves Medicare from bankruptcy and gives seniors new health care choices. By changing Medicare's structure we will protect its solvency for another decade, while expanding benefits to cover mammography, diabetes self-management, immunizations, and special cancer screenings.

If this resolution just balanced the budget and saved Medicare it would still be historic, but goes further.

Over the next 10 years, this budget will reduce tax burdens on American families by $250 billion, including reductions to capital gains taxes, death taxes, a tax credit for families with children, an expanded IRA to encourage savings for retirement, and tax relief to help families send their children to college.

And to help make sure the tax burden stays lower, we're going to change the entitlement programs that have put the real pressures on our budget year after year: A balanced budget; a sound Medicare Program; tax relief for families; and entitlement reform.

I'm very proud of this budget resolution, and I'm proud of the people in the House and the Senate who helped forge it. Special thanks goes to Budget Committee Chairman JOHN KASICH and Ranking Member JOHN SPRATT for helping move this bill through committee last week, and the committee staff under Rick May deserves our thanks for all their hard work getting the resolution ready for consideration.

We're doing something real and permanent here with this budget resolution. We're being responsible and we're heading off a fiscal crisis before it happens. This commonsense approach helped win strong bipartisan support for the budget in committee where it passed by 31 to 7. I encourage my colleagues to support the resolution and get involved in the process of enacting it into law.

As an indication of the support the budget is already winning back home, I'm submitting for the RECORD an editorial from my hometown newspaper that praises the bipartisan spirit in which the budget agreement was reached.

[From the Springfield (OH) News-Sun, May 12, 1997]

BUDGET A RESULT OF SERIOUS WORK

Considering the bad blood between the Clinton White House and congressional Republicans, their agreement to balance the federal budget in 2002 is extremely gratifying. The work negotiators from both sides put into this accord is precisely the serious, public-spirited give-and-take Americans expect of their national leadership.

On many substantive questions, negotiators kept their partisan instincts in check. They reached surprisingly easy compromises to curb domestic spending, to achieve Medicare savings at modest cost to beneficiaries and to check Social Security cost-of-living increases. They also restored benefits to legal immigrants—benefits which should never have been taken away.

But what got this budget deal moving was the dynamism of an economy now whirring along at a phenomenal 5.6 percent annual growth rate and producing bulging tax revenues for Uncle Sam.

In fact, budget negotiators were told at the last minute the Treasury was likely to take in $200 billion to $225 billion more than previously expected over the next five years. And this good news came during the same week that the Treasury announced it would be able to make a $65 billion payment against America's $5 trillion national debt, the first such payoff in 16 years.

The budget deal does have its flaws—such as the increase in defense spending—but the major disappointment is the $135 billion in tax reductions. With the next few budgets still projected to be in the red, it is not time to start rewarding taxpayers for their sacrifices.

Only one of these tax breaks can be defended as wise social policy: Clinton's tuition tax credits. No public investment is so vital to maintain this country's edge in technology and the world economy as educating Americans, both our youth and adults, for tomorrow's jobs.

How much better for all of America it would have been if the billions of dollars in tax relief had been added instead to that $65 billion payoff on the national debt.

Mr. BALLENGER. Mr. Chairman, although I plan to vote for House Concurrent Resolution 84, which contains the balanced budget agreement of 1997, I want to express a few concerns with it and the other budget options.

I believe the major short comings in the budget which was negotiated between congressional leaders and the White House are: The spending increases, which will cause the deficit to rise until 2001 at which time it will fall below the 1997 level of $67 billion; the savings are back loaded, so that they will not be realized until near the end of the agreement; the Clinton funding priorities which amount to an expansion of the Federal Government; and the net tax cuts of $85 billion amount to less than 1 percent of expected total tax collections of $9 trillion. Specifically, on the tax front, the latest predictions are that the budget agreement will result in a reduction of the Federal capital gains tax rate from the current 28 percent to as high as 21 percent, which may be targeted to a limited number of investments.

My concerns over the small tax cuts which are to be expected from the budget agreement are the primary reason I also will support the budget substitute being offered by a Republican group, the Conservative Action Team [CAT's], to which I belong. This budget would freeze spending at the current levels while transferring the $109.3 billion this would save in nondefense, nontransportation discretionary spending to greater tax relief. Although the CAT's budget is not expected to receive the votes of a majority of the House, I believe it represents the best alternative if we are truly committed to a smaller Federal Government and returning to every American more of their hard-earned tax dollars.

I want to touch briefly on the other four substitute budgets. While the Congressional Black Caucus [CBC] is a serious participant in the budget debate, I cannot support the CBC's substitute primarily because it does not include any tax cuts, effectively delaying this debate until the budget is balanced in 2002, and cuts defense spending by $189.9 billion. The Brown of California substitute not only postpones tax relief and reduces defense spending, it increases total spending over 5 years by $25 billion more than House Concurrent Resolution 84. The Kennedy of Massachusetts budget substitute essentially abandons broad-based tax relief in favor of additional funding for health programs, while dismantling the Medicare compromise in House Concurrent Resolution 84. The budget substitute proposed by the bipartisan leadership of the House Transportation and Infrastructure Committee seeks to allocate an additional $12 billion for transportation priorities. It offsets this funding by across-the-board reductions of just over one-third of 1 percent in all discretionary spending and proposed tax relief. Regardless of the size of the proposed across-the-board cuts included in this substitute, I fundamentally oppose the assumption that all discretionary spending in the Federal budget should be treated equally. Particularly disturbing is the cumulative size of the cuts which would fall on our Nation's military, and the suggestion that there is room in the limited tax relief for a proportional burden.

Therefore, I will vote for House Concurrent Resolution 84 with reservation and hope that it will bring us to a balanced budget on schedule in 2002, once and for all.

Mr. HILLEARY. Mr. Chairman, I rise in support of this bipartisan budget. In particular, I want to point out that this Budget will bring American families significant tax relief for the first time in 16 years.

We've tinkered around with the Tax Code in the past. But that was mostly just redistributing who pays the tax.

This Budget will lead to tax cuts—$85 billion over 5 years. This will be tax relief on capital gains that provides incentives for economic growth.

We will have relief from the death tax.

We will have relief from the high costs of college education.

And most importantly, we will have tax relief for families with children.

Further, this agreement preserves Medicare. There are no cuts in Medicare in this budget. Medicare spending continues to grow. All we are trying to do is to slow the growth in Medicare spending to ensure that it will be available not just for our current elderly citizens, but future generations as well.

It does that while continuing to increase spending on each beneficiary in each of the 5 years.

Federal spending per beneficiary which is $5,480 this year will rise to over $6,900 in the year 2002.

Total spending on Medicare also rises from $209 billion this year to $280 billion in 2002.

This budget estimates taxpayers will save $115 billion through these efforts to control the growth of Medicare spending.

I'm glad that the President has decided to support this Budget which will preserve Medicare for the future.

I do want to note that while this package, that the President supports, saves $115 billion, it is almost identical in savings to the $118 billion in savings over 5 years that would have been achieved had the President decided not to veto the Balanced Budget Act in 1995.

I applaud the President for now agreeing to preserve Medicare by now supporting virtually the same Medicare preservation package he derided just 2 years ago.

I urge all my colleagues to support the bipartisan budget resolution House Concurrent Resolution 84 and yield back the balance of my time.

Mr. NEAL of Massachusetts. Mr. Chairman, today we are debating a historic budget agreement which would balance the budget by 2002. The resolution we are voting on today just locks the numbers in place. There are still many details that have to be worked out before we vote on omnibus budget reconciliation legislation.

This debate reminds me of the old saying "the devil is in the detail." It is these details which could ruin the historic agreement. The resolution calls for $135 billion in gross tax cuts and $85 billion in net tax cuts over 5 years. There is no firm agreement on the design of the tax package. The elements to be included in the package are education tax provisions, capital gains estate taxes, a $500 family credit, and expanded IRAs. $35 billion of the tax cuts are geared towards education.

We do not want a repeat of tax legislation which passed this House during the 104th Congress. Only 8 percent of the population realizes capital gains in any given year. Capital gains relief should be targeted and geared towards individuals. Indexing of capital gains will be a source of substantial complexity for taxpayers and open up loopholes in the tax code. New types of tax shelters could be created. Last Congress's capital gains relief was skewered to the wealthy. Seventy-six percent of the capital gains tax cut would have gone to taxpayers with income of $100,000 or more.

Citizens for Tax Justice's analysis of last Congress's tax cuts found that 52.3 percent of the tax cuts go to 5.6 percent of Americans with income greater than $100,000 a year. Proportionally, middle-income families would benefit little from the proposed tax cuts. In fact 75 percent of all American families earn $75,000 of less per year. This group would have only benefited from one-fifth of the total tax cuts. Individuals making more than $200,000 annually would have received tax cuts averaging $12,600 a year.

We cannot have these type of tax cuts. As we all remember, the President vetoed last years budget and part of this was due to the tax cuts. I do support tax cuts and they have to be targeted and benefit the middle class. The distribution of the tax cuts need to be balanced.

The tax cuts cannot come at the expense of valuable tax expenditures. The earned income tax credit [EITC] should not be cut to pay for any provision of this budget agreement. It is our most valuable anti-provety program. It provides incentives which work to move individuals from welfare to work. I support compliance provisions recommend by the Treasury Department, but not a reduction in benefits.

As the Mayor of the City of Springfield, I saw the benefits of the low income housing tax credit. I supported the President's efforts to make this permanent in 1993 and we cannot sunset such a valuable program.

For a minute, let us remember how things were at the beginning of the Clinton administration. We were faced with an outrageous deficit of $290 billion. President Clinton pushed his economic package and it passed without one Republican vote. This package worked. The deficit is now at $67 billion and this is a 77 percent reduction. We have to build on what we did in 1993.

We have to continue on our path of deficit reduction. We must stay on this path and we will not if we enact tax cuts that balloon after the year 2002. Let us work together in a bipartisan manner to pass a fair tax package that includes no budget gimmicks. We need to keep the devil out of the details.

Mr. EWING. Mr. Chairman, nearly three decades of federal budget deficits have taken their toll on our nation's economy and America's working families. But today, we continue our efforts to produce a balanced budget.

Rarely do compromises produce all the results or protect all the causes that one side would champion. This plan does not. However, it is a good step forward. It will control the size and scope of the federal government and provide necessary services while at the same time allowing our children to look to their future instead of looking back at our debt.

One way or another, this Congress has been determined to have a budget agreement enacted that will eliminate the national debt, reduce wasteful spending, provide a smaller federal government, and reduce the burden of taxation and regulation that have had a strangle-hold on this nation's households and businesses. We must continue to work towards a government that is more responsible, more effective, and a better manager of the people's money. However, for the first time since 1969, we will not ask if we will balance the budget, but answer when we will balance the budget

If we are successful in our endeavor to balance the budget, we will be handing our children and our grandchildren the American dream, not the American debt. And for today's working families, this balanced budget plan will help ensure a strong economy, more jobs, lower interest rates and badly needed tax relief. This tax relief will directly benefit families through a $500 per child tax credit, expanded individual retirement accounts, and reductions in the estate or ''death'' tax.

Furthermore, economists predict that a balanced budget will reduce interest rates between 1 and 2 percent. A 2 percent reduction in interest rates would: Equate to a reduction of $15 billion in annual interest payments made by farmers; save students (and their parents) in my district at the University of Illinois and Illinois State University approximately $9,000 over the course of a typical 10-year student loan for a four-year college; save homeowners in Pontiac or Monticello with a typical 30-year, $80,000 home mortgage, $107 each month and $36,653 over the life of the mortgage; and save car buyers in Danville or Paris $676 on a typical 4-year new car loan.

The hope for America held out by this agreement will take our dedication and faithfulness to achieve. The stakes are very high, but so are the rewards if we are successful.

Mr. COYNE. Mr. Chairman, I rise today in opposition to House Concurrent Resolution 84. As a Member of Congress who has consistently voted over the last 16 years for fiscally responsible budgets, I would like very much to vote for legislation that would balance the Federal budget by the year 2002. I have concluded after careful consideration, however, that I cannot support this legislation. I understand that this legislation will undoubtedly pass today, and I would like to take this opportunity to lay out my reasons for opposing House Concurrent Resolution 84.

We have all accepted the goal of balancing the Federal budget by the year 2002. According to CBO, this budget achieves that goal. The bill has other positive features as well. It would expand health care coverage to uninsured children in low-income families. It would provide additional Federal assistance for education. It would ensure the Medicare trust fund's solvency for the next 10 years. And it would restore some of the cuts that were enacted as part of the welfare reform bill last year.

The resolution falls short on other, very serious grounds, however.

The budget agreement may balance the budget in the year 2002, but the budget will not remain balanced in subsequent years. A number of the provisions contained in the budget agreement that forms the basis of this resolution are likely to explode the deficit in the out years. Moreover, there are serious grounds for concern that the $85 billion in tax cuts called for in this budget resolution will be back-loaded so that the real impact of these cuts will not be felt within the 5-year window between 1998 and 2002. The tax cuts that have been proposed would reduce anticipated revenues by $85 billion over the next 5 years, but they are estimated to lose twice that much in the subsequent 5 years—and depending on the actual provisions contained in the reconciliation bill, the revenue loss could be even greater.

This is no time for tax cuts. We all know that policymakers will confront a tremendous challenge after the year 2002. In the coming decades, the budget will face additional pressures as the baby boom generation begins to retire. Social Security, Medicare, and Medicaid spending will increase dramatically as the baby boomers retire. This budget agreement not only fails to address this coming crisis; it exacerbates it by including tax cuts that produce massive revenue losses in the next decade—just when entitlement spending will also be expanding significantly. We should postpone major tax cuts until we have addressed such long-term budget concerns.

The budget cuts contained in the agreement also reflect a set of priorities that no longer reflect the challenges facing this country. During World War II and the cold war, the greatest threat facing this country was the military threat posed by first, the Axis nations, and then, the Soviet Union. That threat has now passed, and while the world is and will always be a dangerous place, the greatest threat facing our Nation today is an economic threat, not a military one. Just as many generals prepare for the last war rather than the next war, this budget spends too much money on our armed forces—and not enough on the infrastructure and the work force that will determine the winners and losers in the coming global economic competition. The budget resolution we adopt today should spend less on our military forces and more on investment in our physical and intellectual capital.

The budget resolution before us falls terribly short in terms of investment. Under this budget resolution non-defense discretionary spending would suffer inflation-adjusted cuts of roughly 10 percent. That almost inevitably means deep cuts in federally funded scientific and biomedical research, serious cuts in community and regional development programs, inadequate investment in highways, mass transit, and other critical public infrastructure, and unwise cuts in job training funding and elementary and secondary education.

Finally, given that there is an agreement to cut taxes by $85 billion, I have grave concerns about the distribution of the tax relief that the agreement would provide. The family tax credit that has been proposed would not be refundable. That means that it would provide little or no assistance to the families that need it most—the working poor. Conversely, the capital gains tax rate cuts and the increases in the estate tax exemption which have been proposed will benefit only the wealthiest households in our country. If we are going to provide tax relief to hard-working American families, we should provide tax cuts to the families who need it most—not the wealthy Americans who need it least.

And so, Mr. Chairman, for the reasons I mentioned, I oppose this legislation. It may be the best that we can do, but it is not good enough—not by a long shot. I will vote against this resolution.

I will continue to be an active, conservative participant in the budget process, however. The budget resolution is only the first step in the annual budget process. I will work with my colleagues in the coming weeks and months to shape the appropriations and reconciliation bills called for in this resolution. I will work with my colleagues to correct or ameliorate the flaws that I believe exist in this budget agreement. It is my sincere hope that, working together, Congress can produce appropriations and reconciliation legislation that I can support.

Mr. STUPAK. Mr. Chairman, today we are considering a plan which balances the Federal budget by the year 2002. We should be proud that Democrats and Republicans have been able to work together to create this plan, but it is important that we review the facts and understand how we got ourselves in a position to balance the budget in 5 years, while protecting Medicare, Medicaid, investing in education, the environment and health care for children.

When President Clinton arrived in Washington in 1993, he inherited a $290 billion budget deficit—the largest deficit in our nation's history. Job growth was stagnant, and unemployment was over 7 percent, and Washington was unable to find a solution to the exploding deficits and sluggish economy.

But in 1993, President Clinton proposed a budget plan which included $500 billion in savings over 5 years. The plan was criticized by many of our Republican colleagues, who argued that deficits would explode, jobs would be killed, and our economy would crash if we adopted the President's budget plan.

In fact, not a single Republican—in the House or the Senate—voted for the 1993 budget plan.

But today, 4 years later, the plan has worked, and has put us in a position to balance the budget in 5 years. Today our deficit is just $67 billion—the lowest amount since 1979. The budget deficit today makes up just 0.9 of 1 percent of the gross domestic product [GDP]—the lowest level since 1974. Since 1993, 12 million new jobs have been created and our unemployment rate—at 4.9 percent—is at its lowest level since 1974.

Democrats know what it takes to balance the budget. We made the tough choices in 1993, and made the tough votes. Today we have the opportunity to vote on a resolution which will bring our deficit to zero in just 5 more years.

We have assembled a budget plan that is smart—we haven't lost our values and goals in the budget cutting process. The budget resolution includes $16 billion to insure 5 million children who have no health care coverage giving working families the opportunity to make their families healthy and more secure. We are investing in education by funding the $1,500 tax credit for the first 2 years of college and the $10,000 tax deduction for all post-secondary education and training, and by increasing the Pell grants from $2,700 to $3,000, making 350,000 more students eligible for Pell grants.

We are tightening our belts, but we are committed to protecting Medicare and Medicaid. We are investing in education for our kids. We are building a system to give uninsured children health coverage. And we balance the budget by the year 2002.

Mr. Chairman, I support this budget plan because it preserves the programs and efforts that are important to working and middle-income Americans: Medicare, Medicaid, education, environmental protections, and child health. It does all these things and still balances the budget in 5 years. Mr. Chairman, this plan is smart and it is fair, and I urge my colleagues to vote ''yes'' on the resolution this evening.

Mr. COX of California. Mr. Chairman, I rise in opposition to the Clinton-Congress budget proposal.

But before I explain the reasons that compel me to oppose it, let me thank the members of the Committee for their hard work, and especially Chairman KASICH for the energy and effort he has expended in bringing this thorough work product to the floor for our consideration.

It is not for lack of hard work, and good intentions, that this budget proposal falls short.

The problem with this budget is that it will expand the federal government when we should be shrinking it.

Under the Clinton-Congress budget proposal, federal spending will grow from $1.6 trillion in fiscal 1997 to nearly $1.9 trillion in 2002. That is a 16 percent increase.

Next year, under the Clinton-Congress budget deal, our federal government will spend even more than President Clinton asked for in his own 1998 budget. The very first year under the budget deal, Washington will spend nearly a quarter trillion dollars more than it did in 1994, when the new Republican majority was elected to turn the tide.

This continues an unbroken pattern of government growth that has been unstoppable through boom and bust, recession and recovery, since the 1960's.

The accumulated result of that consistent expansion of the size and cost of the federal government has been nothing short of phenomenal.

In 1974, when I was 21 years old and just graduated from college, the federal government spent $269 billion. Today, the Clinton-Congress budget proposes a federal government that is 700 percent larger than that.

By the end of the Carter Administration, in fiscal 1981, the federal budget had more than doubled its spending. But Jimmy Carter's and Tip O'Neill's remarkably fat federal government—which cost over two-thirds of a trillion dollars—is as nothing compared to the one contemplated in this proposed budget. Just the add-ons, on top of present spending levels, in the Clinton-Congress budget deal will cost far more than two-thirds of a trillion dollars.

Today, in 1997, I am a 44-year-old father with a wife and two kids. Our federal government is now nine times bigger than when I was in high school. Compared to just last year, federal spending in fiscal 1997 is up 4.9 percent—a higher rate of growth than any time in the last 5 years. Our current rate of spending growth is even faster than during each of the last 3 budget years of the old tax-and-spend Democratic Congresses.

The Clinton-Congress budget is not historic. It is a continuation of a pattern of unabated government growth established during uninterrupted decades of Democratic Congresses. Consider the facts:

GROWTH IN ANNUAL FEDERAL SPENDING—10-YEAR COMPARISON REFLECTING CLINTON-CONGRESS 1997 BUDGET AGREEMENT

	Total Spending (Billions)	Increase in Spending (%)
Democratic Congresses:		
FY 1993	1,409.414	2.01
FY 1994	1,461.731	3.71
FY 1995	1,515.729	3.69
104th Congress:		
FY 1996	1,560.330	2.94
FY 1997 (est.)	1,635.000	4.79
This Budget Year (FY 1998)	1,692.000	[1] 3.49
FY 1999	1,754.000	3.66
Budget ''Out Years'':		
FY 2000	1,811.000	3.25
FY 2001	1,858.000	2.60
FY 2002	1,889.000	1.67

[1] By comparison, President Clinton's FY 1998 budget, submitted in February 1997, called for $1.687 trillion in FY spending, a 3.2% increase.

It doesn't have to be this way. We can say ''no'' to ever-expanding government. I vote ''no.''

Mr. RIGGS. Mr. Chairman, I want to take this opportunity to speak on a matter of importance.

The addendum to the bipartisan plan to balance the budget, negotiated by congressional leaders and the Clinton administration, assumes that Congress will increase appropriations for the Land and Water Conservation Fund [LWCF] by $700 million. Of that money, $315 million is intended for the acquisition other Headwaters Forest, located in my congressional district, and the New World Mine site, situated near Yellowstone National Park.

From the onset of this agreement, I have had very serious concerns. It goes without saying that the acquisition of the Headwaters Forest will have a significant effect upon the local tax base and reduce revenue for the local government to provide basic social services to its citizens and the surrounding communities. This is in addition to significant costs that Humboldt County, CA, has already borne on account of increased law enforcement to deal with recent protests. Suffering from the residual effects of President Clinton's Northwest forest plan, northern California counties are nearly bankrupt. Therefore, it is imperative that any congressional appropriation of Federal taxpayer funds for the acquisition of the Headwaters Forest must also include compensation for Humboldt County. This is necessary to mitigate the direct loss of tax payer receipts and other economic revenue resulting from the removal from the tax base land zoned specifically for timber harvest/production.

An additional concern I have is the need for the Department of Interior and the Fish and Wildlife Service to work in good faith with the Pacific Lumber Co. [PALCO], the owner of the Headwaters Forest acreage, to approve a wildlife habitat conservation plan [HCP] and other necessary Federal permits that will allow PALCO to selectively harvest the remainder of its privately owned forest lands. Plagued by years of protests, court injunctions, and civil disruptions, PALCO should be given the opportunity to operate without interruption so long as it satisfies Federal and State environmental protection statutes. An HCP will provide the company with enough stability to ensure continued production and peace of mind for its workers.

Both of these conditions were implicit in last fall's Headwaters Forest Agreement, committing the Federal Government and the State of California to the acquisition and protection of 7,500 acres of forest land situated in Humboldt County. I have insisted on the first condition throughout the Headwaters Forest deliberations. My support as a signatory to last fall's agreement outlining and memorializing the Federal and State plan to acquire Headwaters Forest was contingent upon a commensurate economic mitigation package for Humboldt County.

Now as we begin to implement the balanced budget agreement and proceed into the appropriations process, I must reiterate to all parties involved that my support for this proposal remains contingent upon Federal compensation for Humboldt County.

I look forward in working with my colleagues and the administration on this very important issue in the coming months.

U.S. CONGRESS,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 19, 1997.

President WILLIAM JEFFERSON CLINTON,
Washington, DC.

DEAR MR. PRESIDENT: As you know, the addendum to the bipartisan plan to balance the budget, negotiated by Congressional leaders and your Administration, assumes that Congress will increase appropriations for the Land and Water Conservation Fund (LWCF) by $700 million. Of that money, $315 million is intended for the acquisition of the Headwaters Forest, located in my Congressional District, and the New World Mine site, situated near Yellowstone National Park.

While I support the general principles of the balanced budget agreement and the addendum, my support for increased appropriations to the LWCF for acquisition of the Headwaters Forest, is contingent upon satisfaction of the following conditions:

1. Pacific Lumber Company, the owner of the Headwaters Forest acreage, must receive approval of a wildlife habitat conservation plan (HCP) and other necessary federal permits, to selectively harvest the remainder of their privately-owned forest lands; and

2. Any Congressional authorization/appropriation of federal taxpayer funds for the acquisition of the Headwaters Forest must also include compensation for Humboldt County, California. This is necessary to mitigate the loss of tax payer receipts and other economic revenue resulting from the removal of land zoned specifically for timber harvest/production, from the taxable land base and assessment rolls of the County.

Both of these conditions were implicit in last Fall's Headwaters Forest Agreement committing the Federal Government and the State of California to the acquisition and protection of 7,500 acres of forest land situated in Humboldt County. I have insisted on the latter condition throughout the Headwaters Forest deliberations. My support as a signatory to last Fall's agreement outlining and memorializing the Federal and State plan to acquire Headwaters Forest was contingent upon a commensurate economic mitigation package for Humboldt County.

Now that the balanced budget agreement and the joint House-Senate Budget resolution contemplates the acquisition of the Headwater's Forest through federal appropriations, I must reiterate to all parties involved that my support for this proposal remains contingent upon Federal compensation for Humboldt County.

I would be happy to discuss the scope and details of the mitigation package for Humboldt County and to facilitate discussions between representatives of the County Government and the Federal Government.

Again, I wish to stress that I will vigorously oppose any Congressional legislation expressly authorizing and appropriating funds for the exchange of the Headwaters Forest if the conditions I have raised herein are not addressed satisfactorily.

I look forward in working with you on this very important issue in the coming months.

Very truly yours,

FRANK D. RIGGS,
Member of Congress.

The CHAIRMAN. All time for general debate has expired.

Pursuant to House Resolution 152, the concurrent resolution is considered read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 84 is as follows:

H. CON. RES. 84

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

The Congress declares that the concurrent resolution on the budget for fiscal year 1998 is hereby established and that the appropriate budgetary levels for fiscal years 1999 through 2002 are hereby set forth.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,198,979,000,000.
Fiscal year 1999: $1,241,859,000,000.
Fiscal year 2000: $1,285,559,000,000.
Fiscal year 2001: $1,343,591,000,000.
Fiscal year 2002: $1,407,564,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: −$7,400,000,000.
Fiscal year 1999: −$11,083,000,000.
Fiscal year 2000: −$21,969,000,000.
Fiscal year 2001: −$22,821,000,000.
Fiscal year 2002: −$19,871,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,386,875,000,000.
Fiscal year 1999: $1,439,798,000,000.
Fiscal year 2000: $1,486,311,000,000.
Fiscal year 2001: $1,520,242,000,000.
Fiscal year 2002: $1,551,563,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,371,848,000,000.
Fiscal year 1999: $1,424,002,000,000.
Fiscal year 2000: $1,468,748,000,000.
Fiscal year 2001: $1,500,854,000,000.
Fiscal year 2002: $1,516,024,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $172,869,000,000.
Fiscal year 1999: $182,143,000,000.
Fiscal year 2000: $183,189,000,000.
Fiscal year 2001: $157,263,000,000.
Fiscal year 2002: $108,460,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,593,500,000,000.
Fiscal year 1999: $5,836,000,000,000.
Fiscal year 2000: $6,082,400,000,000.
Fiscal year 2001: $6,301,100,000,000.
Fiscal year 2002: $6,473,200,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $33,829,000,000.
Fiscal year 1999: $33,378,000,000.
Fiscal year 2000: $34,775,000,000.
Fiscal year 2001: $36,039,000,000.
Fiscal year 2002: $37,099,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,472,000,000.
Fiscal year 1999: $324,749,000,000.
Fiscal year 2000: $328,124,000,000.
Fiscal year 2001: $332,063,000,000.
Fiscal year 2002: $335,141,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:
(A) New budget authority, $268,197,000,000.
(B) Outlays, $265,978,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $588,000,000.

Fiscal year 1999:
(A) New budget authority, $270,784,000,000.
(B) Outlays, $265,771,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $757,000,000.

Fiscal year 2000:
(A) New budget authority, $274,802,000,000.
(B) Outlays, $268,418,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2001:
(A) New budget authority, $281,305,000,000.
(B) Outlays, $270,110,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2002:
(A) New budget authority, $289,092,000,000.
(B) Outlays, $272,571,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

(2) International Affairs (150):

Fiscal year 1998:
(A) New budget authority, $15,909,000,000.
(B) Outlays, $14,558,000,000.
(C) New direct loan obligations, $1,966,000.
(D) New primary loan guarantee commitments $12,751,000,000.

Fiscal year 1999:
(A) New budget authority, $14,918,000,000.
(B) Outlays, $14,569,000,000.
(C) New direct loan obligations, $2,021,000,000.
(D) New primary loan guarantee commitments $13,093,000,000.

Fiscal year 2000:
(A) New budget authority, $15,782,000,000.
(B) Outlays, $14,981,000,000.
(C) New direct loan obligations, $2,077,000,000.
(D) New primary loan guarantee commitments $13,434,000,000.

Fiscal year 2001:
(A) New budget authority, $16,114,000,000.
(B) Outlays, $14,751,000,000.
(C) New direct loan obligations, $2,122,000,000.
(D) New primary loan guarantee commitments $13,826,000,000.

Fiscal year 2002:
(A) New budget authority, $16,353,000,000.
(B) Outlays, $14,812,000,000.
(C) New direct loan obligations, $2,178,000,000.
(D) New primary loan guarantee commitments $14,217,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1998:
(A) New budget authority, $16,237,000,000.
(B) Outlays, $16,882,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

Fiscal year 1999:
(A) New budget authority, $16,203,000,000.
(B) Outlays, $16,528,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

Fiscal year 2000:
(A) New budget authority, $15,947,000,000.
(B) Outlays, $16,013,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

Fiscal year 2001:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $15,862,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

Fiscal year 2002:
(A) New budget authority, $15,604,000,000.
(B) Outlays, $15,668,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

(4) Energy (270):

Fiscal year 1998:
(A) New budget authority, $3,123,000,000.
(B) Outlays, $2,247,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 1999:
(A) New budget authority, $3,469,000,000.
(B) Outlays, $2,446,000,000.
(C) New direct loan obligations, $1,078,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 2000:
(A) New budget authority, $3,186,000,000.
(B) Outlays, $2,293,000,000.

(C) New direct loan obligations, $1,109,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $2,939,000,000.
(B) Outlays, $2,048,000,000.
(C) New direct loan obligations, $1,141,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $2,846,000,000.
(B) Outlays, $1,867,000,000.
(C) New direct loan obligations, $1,174,000,000.
(D) New primary loan guarantee commitments $0.
(5) Natural Resources and Environment (300):
Fiscal year 1998:
(A) New budget authority, $23,877,000,000.
(B) Outlays, $22,405,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $23,227,000,000.
(B) Outlays, $22,702,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $22,570,000,000.
(B) Outlays, $22,963,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $22,151,000,000.
(B) Outlays, $22,720,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $22,086,000,000.
(B) Outlays, $22,313,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.
(6) Agriculture (350):
Fiscal year 1998:
(A) New budget authority, $13,133,000,000.
(B) Outlays, $11,892,000,000.
(C) New direct loan obligations, $9,620,000,000.
(D) New primary loan guarantee commitments $6,365,000,000.
Fiscal year 1999:
(A) New budget authority, $12,790,000,000.
(B) Outlays, $11,294,000,000.
(C) New direct loan obligations, $11,047,000,000.
(D) New primary loan guarantee commitments $6,436,000,000.
Fiscal year 2000:
(A) New budget authority, $12,215,000,000.
(B) Outlays, $10,664,000,000.
(C) New direct loan obligations, $11,071,000,000.
(D) New primary loan guarantee commitments $6,509,000,000.
Fiscal year 2001:
(A) New budget authority, $10,978,000,000.
(B) Outlays, $9,494,000,000.
(C) New direct loan obligations, $10,960,000,000.
(D) New primary loan guarantee commitments, $6,583,000,000.
Fiscal year 2002:
(A) New budget authority, $10,670,000,000.
(B) Outlays, $9,108,000,000.
(C) New direct loan obligations, $10,965,000,000.
(D) New primary loan guarantee commitments, $6,660,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1998:
(A) New budget authority, $6,607,000,000.
(B) Outlays, −$920,000,000.
(C) New direct loan obligations, $4,739,000,000.
(D) New primary loan guarantee commitments, $245,500,000,000.
Fiscal year 1999:
(A) New budget authority, $11,082,000,000.
(B) Outlays, $4,299,000,000.
(C) New direct loan obligations, $1,887,000,000.
(D) New primary loan guarantee commitments, $253,450,000,000.
Fiscal year 2000:
(A) New budget authority, $15,183,000,000.
(B) Outlays, $9,821,000,000.
(C) New direct loan obligations, $2,238,000,000.
(D) New primary loan guarantee commitments, $255,200,000,000.
Fiscal year 2001:
(A) New budget authority, $16,078,000,000.
(B) Outlays, $12,133,000,000.
(C) New direct loan obligations, $2,574,000,000.
(D) New primary loan guarantee commitments, $257,989,000,000.
Fiscal year 2002:
(A) New budget authority, $16,678,000,000.
(B) Outlays, $12,541,000,000.
(C) New direct loan obligations, $2,680,000,000.
(D) New primary loan guarantee commitments, $259,897,000,000.
(8) Transportation (400):
Fiscal year 1998:
(A) New budget authority, $46,402,000,000.
(B) Outlays, $40,933,000,000.
(C) New direct loan obligations, $155,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $46,556,000,000.
(B) Outlays, $41,256,000,000.
(C) New direct loan obligations, $135,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $47,114,000,000.
(B) Outlays, $41,357,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $48,135,000,000.
(B) Outlays, $41,303,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $49,184,000,000.
(B) Outlays, $41,247,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $8,768,000,000.
(B) Outlays, $10,387,000,000.
(C) New direct loan obligations, $2,867,000,000.
(D) New primary loan guarantee commitments, $2,385,000,000.
Fiscal year 1999:
(A) New budget authority, $8,489,000,000.
(B) Outlays, $10,902,000,000.
(C) New direct loan obligations, $2,943,000,000.
(D) New primary loan guarantee commitments, $2,406,000,000.
Fiscal year 2000:
(A) New budget authority, $7,810,000,000.
(B) Outlays, $10,986,000,000.
(C) New direct loan obligations, $3,020,000,000.
(D) New primary loan guarantee commitments, $2,429,000,000.
Fiscal year 2001:
(A) New budget authority, $7,764,000,000.
(B) Outlays, $11,350,000,000.
(C) New direct loan obligations, $3,098,000,000.
(D) New primary loan guarantee commitments, $2,452,000,000.
Fiscal year 2002:
(A) New budget authority, $7,790,000,000.
(B) Outlays, $8,429,000,000.
(C) New direct loan obligations, $3,180,000,000.
(D) New primary loan guarantee commitments, $2,475,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1998:
(A) New budget authority, $60,020,000,000.
(B) Outlays, $56,062,000,000.
(C) New direct loan obligations, $12,328,000,000.
(D) New primary loan guarantee commitments, $20,665,000,000.
Fiscal year 1999:
(A) New budget authority, $60,450,000,000.
(B) Outlays, $59,335,000,000.
(C) New direct loan obligations, $13,092,000,000.
(D) New primary loan guarantee commitments $21,899,000,000.
Fiscal year 2000:
(A) New budget authority, $61,703,000,000.
(B) Outlays, $60,728,000,000.
(C) New direct loan obligations, $13,926,000,000.
(D) New primary loan guarantee commitments $23,263,000,000.
Fiscal year 2001:
(A) New budget authority, $62,959,000,000.
(B) Outlays, $61,931,000,000.
(C) New direct loan obligations, $14,701,000,000.
(D) New primary loan guarantee commitments $24,517,000,000.
Fiscal year 2002:
(A) New budget authority, $63,339,000,000.
(B) Outlays, $62,316,000,000.
(C) New direct loan obligations, $15,426,000,000.
(D) New primary loan guarantee commitments $25,676,000,000.
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $137,799,000,000.
(B) Outlays, $137,767,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $85,000,000.
Fiscal year 1999:
(A) New budget authority, $144,968,000,000.
(B) Outlays, $144,944,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $154,068,000,000.
(B) Outlays, $153,947,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $163,412,000,000.
(B) Outlays, $163,135,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $172,171,000,000.
(B) Outlays, $171,727,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $210,620,000,000.
(B) Outlays, $201,764,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $212,073,000,000.
(B) Outlays, $211,548,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $225,540,000,000.
(B) Outlays, $225,537,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $239,636,000,000.
(B) Outlays, $238,781,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $251,548,000,000.
(B) Outlays, $250,769,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $239,032,000,000.
(B) Outlays, $247,758,000,000.
(C) New direct loan obligations, $45,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 1999:
(A) New budget authority, $254,090,000,000.
(B) Outlays, $258,064,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2000:
(A) New budget authority, $269,566,000,000.
(B) Outlays, $268,161,000,000.
(C) New direct loan obligations, $110,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2001:
(A) New budget authority, $275,145,000,000.
(B) Outlays, $277,264,000,000.
(C) New direct loan obligations, $145,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2002:
(A) New budget authority, $286,945,000,000.
(B) Outlays, $285,239,000,000.
(C) New direct loan obligations, $170,000,000.
(D) New primary loan guarantee commitments $37,000,000.
(14) Social Security (650):
Fiscal year 1998:
(A) New budget authority, $11,424,000,000.
(B) Outlays, $11,524,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $12,060,000,000.
(B) Outlays, $12,196,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $12,792,000,000.
(B) Outlays, $12,866,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $13,022,000,000.
(B) Outlays, $13,043,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $14,383,000,000.
(B) Outlays, $14,398,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1998:
(A) New budget authority, $40,545,000,000.
(B) Outlays, $41,337,000,000.
(C) New direct loan obligations, $1,029,000,000.
(D) New primary loan guarantee commitments $27,096,000,000.
Fiscal year 1999:
(A) New budget authority, $41,466,000,000.
(B) Outlays, $41,700,000,000.
(C) New direct loan obligations, $1,068,000,000.
(D) New primary loan guarantee commitments $26,671,000,000.
Fiscal year 2000:
(A) New budget authority, $41,740,000,000.
(B) Outlays, $41,908,000,000.
(C) New direct loan obligations, $1,177,000,000.
(D) New primary loan guarantee commitments $26,202,000,000.
Fiscal year 2001:
(A) New budget authority, $42,093,000,000.
(B) Outlays, $42,215,000,000.
(C) New direct loan obligations, $1,249,000,000.
(D) New primary loan guarantee commitments $25,609,000,000.
Fiscal year 2002:
(A) New budget authority, $42,282,000,000.
(B) Outlays, $42,436,000,000.
(C) New direct loan obligations, $1,277,000,000.
(D) New primary loan guarantee commitments $25,129,000,000.
(16) Administration of Justice (750):
Fiscal year 1998:
(A) New budget authority, $24,765,000,000.
(B) Outlays, $22,609,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $25,120,000,000.
(B) Outlays, $24,476,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $24,178,000,000.
(B) Outlays, $25,240,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $24,354,000,000.
(B) Outlays, $25,901,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $24,883,000,000.
(B) Outlays, $24,879,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $14,711,000,000.
(B) Outlays, $13,959,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $14,444,000,000.
(B) Outlays, $14,363,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $13,977,000,000.
(B) Outlays, $14,727,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $13,675,000,000.
(B) Outlays, $14,131,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $13,105,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $296,547,000,000.
(B) Outlays, $296,547,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $304,558,000,000.
(B) Outlays, $304,558,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $305,075,000,000.
(B) Outlays, $305,075,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $303,833,000,000.
(B) Outlays, $303,833,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $303,728,000,000.
(B) Outlays, $303,728,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, −$41,841,000,000.
(B) Outlays, −$41,841,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, −$36,949,000,000.
(B) Outlays, −$36,949,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2000:

(A) New budget authority, −$36,937,000,000.

(B) Outlays, −$36,937,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2001:

(A) New budget authority, −$39,151,000,000.

(B) Outlays, −$39,151,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2002:

(A) New budget authority, −$51,124,000,000.

(B) Outlays, −$51,124,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

TITLE II—RECONCILIATION INSTRUCTIONS

SEC. 201. RECONCILIATION.

(a) PURPOSE.—The purpose of this section is to provide for two separate reconciliation bills: the first for entitlement reforms and the second for tax relief. In the event Senate procedures preclude the consideration of two separate bills, this section would permit the consideration of one omnibus reconciliation bill.

(b) SUBMISSIONS.—

(1) ENTITLEMENT REFORMS.—Not later than June 12, 1997, the House committees named in subsection (c) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) TAX RELIEF AND MISCELLANEOUS REFORMS.—Not later than June 13, 1997, the House committees named in subsection (d) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(c) INSTRUCTIONS RELATING TO ENTITLEMENT REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $211,443,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$8,435,000,000 in outlays for fiscal year 1998, −$5,091,000,000 in outlays for fiscal year 2002, and −$50,306,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $393,533,000,000 in outlays for fiscal year 1998, $506,791,000,000 in outlays for fiscal year 2002, and $2,617,528,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,222,000,000 in outlays for fiscal year 1998, $17,673,000,000 in outlays for fiscal year 2002, and $103,109,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $443,061,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1998, $621,000,000 in fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,087,000,000 in outlays for fiscal year 1998, $17,283,000,000 in outlays for fiscal year 2002, and $106,615,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,563,000,000 in outlays for fiscal year 2002, and $139,134,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,546,000,000 in outlays for fiscal year 1998, $506,442,000,000 in outlays for fiscal year 2002, and $2,621,578,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,176,253,000,000 in revenues for fiscal year 1998, $1,386,546,000,000 in revenues for fiscal year 2002, and $7,517,939,000,000 in revenues in fiscal years 1998 through 2002.

(d) INSTRUCTIONS RELATING TO TAX RELIEF AND MISCELLANEOUS REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $211,443,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$8,435,000,000 in outlays for fiscal year 1998, −$5,091,000,000 in outlays for fiscal year 2002, and −$50,306,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $393,533,000,000 in outlays for fiscal year 1998, $506,791,000,000 in outlays for fiscal year 2002, and $2,617,528,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,222,000,000 in outlays for fiscal year 1998, $17,673,000,000 in outlays for fiscal year 2002, and $103,109,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $443,061,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1998, $621,000,000 in outlays for fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,087,000,000 in outlays for fiscal year 1998, $17,283,000,000 in outlays for fiscal year 2002, and $106,615,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,563,000,000 in outlays for fiscal year 2002, and $139,134,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,546,000,000 in outlays for fiscal year 1998, $506,442,000,000 in outlays for fiscal year 2002, and $2,621,578,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,168,853,000,000 in revenues for fiscal year 1998, $1,366,046,000,000 in revenues for fiscal year 2002, and $7,432,939,000,000 in revenues in fiscal years 1998 through 2002.

(e) DEFINITION.—For purposes of this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(f) CHILDREN'S HEALTH INITIATIVE.—If the Committees on Commerce and Ways and Means report recommendations pursuant to their reconciliation instructions that, combined, provide an initiative for children's health that would increase the deficit by more than $2.3 billion for fiscal year 1998, by more than $3.9 billion for fiscal year 2002, and by more than $16 billion for the period of fiscal years 1998 through 2002, the committees shall be deemed to not have complied with their reconciliation instructions pursuant to section 310(d) of the Congressional Budget Act of 1974.

TITLE III—BUDGET ENFORCEMENT

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR SURFACE TRANSPORTATION.

(a) PURPOSE.—The purpose of this section is to adjust the appropriate budgetary levels to accommodate legislation increasing spending from the highway trust fund on surface transportation and highway safety above the levels assumed in this resolution if such legislation is deficit neutral.

(b) DEFICIT NEUTRALITY REQUIREMENT.—(1) In order to receive the adjustments specified in subsection (c), a bill reported by the Committee on Transportation and Infrastructure that provides new budget authority above the levels assumed in this resolution for programs authorized out of the highway trust fund must be deficit neutral.

(2) A deficit-neutral bill must meet the following conditions:

(A) The amount of new budget authority provided for programs authorized out of the highway trust fund must be in excess of $25.949 billion in new budget authority for fiscal year 1998, $25.464 billion in new budget authority for fiscal year 2002, and $127.973 billion in new budget authority for the period of fiscal years 1998 through 2002.

(B) The outlays estimated to flow from the excess new budget authority set forth in subparagraph (A) must be offset for fiscal year 1998, fiscal year 2002, and for the period of fiscal years 1998 through 2002. For the sole purpose of estimating the amount of outlays flowing from excess new budget authority under this section, it shall be assumed that such excess new budget authority would have an obligation limitation sufficient to accommodate that new budget authority.

(C) The outlays estimated to flow from the excess new budget authority must be offset by (i) other direct spending or revenue provisions within that transportation bill, (ii) the net reduction in other direct spending and revenue legislation that is enacted during this Congress after the date of adoption of this resolution and before such transportation bill is reported (in excess of the levels assumed in this resolution), or (iii) a combination of the offsets specified in clauses (i) and (ii).

(D) As used in this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) REVISED LEVELS.—(1) When the Committee on Transportation and Infrastructure reports a bill (or when a conference report thereon is filed) meeting the conditions set forth in subsection (b)(2), the chairman of the Committee on the Budget shall increase the allocation of new budget authority to that committee by the amount of new budget authority provided in that bill (and that is above the levels set forth in subsection (b)(2)(A)) for programs authorized out of the highway trust fund.

(2) After the enactment of the transportation bill described in paragraph (1) and upon the reporting of a general, supplemental or continuing resolution making appropriations by the Committee on Appropriations (or upon the filing of a conference report thereon) establishing an obligation limitation above the levels specified in subsection (b)(2)(A) (at a level sufficient to obligate some or all of the budget authority specified in paragraph (1)), the chairman of the Committee on the Budget shall increase the allocation and aggregate levels of outlays to that committee for fiscal years 1998 and 1999 by the appropriate amount.

(d) REVISIONS.—Allocations and aggregates revised pursuant to this section shall be considered for purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(e) REVERSALS.—If any legislation referred to in this section is not enacted into law, then the chairman of the House Committee on the Budget shall, as soon as practicable, reverse adjustments made under this section for such legislation and have such adjustments published in the Congressional Record.

(f) DETERMINATION OF BUDGETARY LEVELS.—For the purposes of this section, budgetary levels shall be determined on the basis of estimates made by the House Committee on the Budget.

(g) DEFINITION.—As used in this section, the term ''highway trust fund'' refers to the following budget accounts (or any successor accounts):

(1) 69–8083–0–7–401 (Federal-Aid Highways).

(2) 69–8191–0–7–401 (Mass Transit Capital Fund).

(3) 69–8350–0–7–401 (Mass Transit Formula Grants).

(4) 69–8016–0–7–401 (National Highway Traffic Safety Administration-Operations and Research).

(5) 69–8020–0–7–401 (Highway Traffic Safety Grants).

(6) 69–8048–0–7–401 (National Motor Carrier Safety Program).

SEC. 302. SALE OF GOVERNMENT ASSETS.

(a) BUDGETARY TREATMENT.—

(1) IN GENERAL.—For the purpose of any concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from the sale of an asset shall be scored with respect to the level of budget authority, outlays, or revenues if such sale would cause an increase in the deficit as calculated pursuant to paragraph (2).

(2) CALCULATION OF NET PRESENT VALUE.—The deficit estimate of an asset sale shall be the net present value of the cash flow from—

(A) proceeds from the asset sale;

(B) future receipts that would be expected from continued ownership of the asset by the Government; and

(C) expected future spending by the Government at a level necessary to continue to operate and maintain the asset to generate the receipts estimated pursuant to subparagraph (B).

(b) DEFINITION.—For purposes of this section, the term ''sale of an asset'' shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

(d) DETERMINATION OF BUDGETARY LEVELS.—For the purposes of this section, budgetary levels shall be determined on the basis of estimates made by the House Committee on the Budget.

SEC. 303. ENVIRONMENTAL RESERVE FUND.

(a) COMMITTEE ALLOCATIONS.—In the House, after the Committee on Commerce and the Committee on Transportation and Infrastructure report a bill (or a conference report thereon is filed) to reform the Superfund program to facilitate the cleanup of hazardous waste sites, the chairman of the Committee on the Budget shall submit revised allocations and budget aggregates to carry out this section by an amount not to exceed the excess subject to the limitation. These revisions shall be considered for purposes of the Congressional Budget Act of 1974 as the allocations and aggregates contained in this resolution.

(b) LIMITATIONS.—The adjustments made under this section shall not exceed:

(1) $200 million in budget authority for fiscal year 1998 and the estimated outlays flowing therefrom.

(2) $200 million in budget authority for fiscal year 2002 and the estimated outlays flowing therefrom.

(3) $1 billion in budget authority for the period of fiscal years 1998 through 2002 and the estimated outlays flowing therefrom.

(c) READJUSTMENTS.—In the House, any adjustments made under this section for any appropriation measure may be readjusted if that measure is not enacted into law.

SEC. 304. SEPARATE ALLOCATION FOR LAND ACQUISITIONS AND EXCHANGES.

(a) ALLOCATION BY CHAIRMAN.—In the House, upon the reporting of a bill by the Committee on Appropriations (or upon the filing of a conference report thereon) providing $700 million in budget authority for fiscal year 1998 for Federal land acquisitions and to finalize priority Federal land exchanges, the chairman of the Committee on the Budget shall allocate that amount of budget authority and the corresponding amount of outlays.

(b) TREATMENT OF ALLOCATIONS IN THE HOUSE.—In the House, for purposes of the Congressional Budget Act of 1974, allocations made under subsection (a) shall be deemed to be made pursuant to section 602(a)(1) of that Act and shall be deemed to be a separate suballocation for purposes of the application of section 302(f) of that Act as modified by section 602(c) of that Act.

TITLE IV—SENSE OF CONGRESS PROVISIONS

SEC. 401. SENSE OF CONGRESS ON BASELINES.

(a) FINDINGS.—The Congress finds that:

(1) Baselines are projections of future spending if existing policies remain unchanged.

(2) Under baseline assumptions, spending automatically rises with inflation even if such increases are not mandated under existing law.

(3) Baseline budgeting is inherently biased against policies that would reduce the projected growth in spending because such policies are portrayed as spending reductions from an increasing baseline.

(4) The baseline concept has encouraged Congress to abdicate its constitutional obligation to control the public purse for those programs which are automatically funded.

(b) SENSE OF CONGRESS.—It is the sense of Congress that baseline budgeting should be replaced with a budgetary model that requires justification of aggregate funding levels and maximizes congressional and executive accountability for Federal spending.

SEC. 402. SENSE OF CONGRESS ON REPAYMENT OF THE FEDERAL DEBT.

(a) FINDINGS.—The Congress finds that:

(1) The Congress and the President have a basic moral and ethical responsibility to future generations to repay the Federal debt, including the money borrowed from the Social Security Trust Fund.

(2) The Congress and the President should enact a law which creates a regimen for paying off the Federal debt within 30 years.

(b) SENSE OF CONGRESS REGARDING PRESIDENT'S SUBMISSION TO CONGRESS.—It is the sense of Congress that:

(1) The President's annual budget submission to Congress should include a plan for repayment of Federal debt beyond the year 2002, including the money borrowed from the Social Security Trust Fund.

(2) The plan should specifically explain how the President would cap spending growth at a level one percentage point lower than projected growth in revenues.

(3) If spending growth were held to a level one percentage point lower than projected growth in revenues, then the Federal debt could be repaid within 30 years.

SEC. 403. SENSE OF CONGRESS ON COMMISSION ON LONG-TERM BUDGETARY PROBLEMS.

(a) FINDINGS.—The Congress finds that—

(1) achieving a balanced budget by fiscal year 2002 is only the first step necessary to restore our Nation's economic prosperity;

(2) the imminent retirement of the baby-boom generation will greatly increase the demand for government services;

(3) this burden will be borne by a relatively smaller work force resulting in an unprecedented intergenerational transfer of financial resources;

(4) the rising demand for retirement and medical benefits will quickly jeopardize the solvency of the medicare, social security, and Federal retirement trust funds; and

(5) the Congressional Budget Office has estimated that marginal tax rates would have to increase by 50 percent over the next 5 years to cover the long-term projected costs of retirement and health benefits.

(b) SENSE OF CONGRESS.—It is the sense of Congress that legislation should be enacted to create a commission to assess long-term budgetary problems, their implications for both the baby-boom generation and tomorrow's workforce, and make such recommendations as it deems appropriate to ensure our Nation's future prosperity.

SEC. 404. SENSE OF CONGRESS ON CORPORATE WELFARE.

(a) FINDINGS.—The Congress finds that the functional levels and aggregates in this budget resolution assume that—

(1) the Federal Government supports profit-making enterprises and industries through billions of dollars in payments, benefits, and programs;

(2) many of these subsidies do not serve a clear and compelling public interest;

(3) corporate subsidies frequently provide unfair competitive advantages to certain industries and industry segments; and

(4) at a time when millions of Americans are being asked to sacrifice in order to balance the budget, the corporate sector should bear its share of the burden.

(b) SENSE OF CONGRESS.—It is the sense of Congress that legislation should be enacted to—

(1) eliminate the most egregious corporate subsidies; and

(2) create a commission to recommend the elimination of Federal payments, benefits, and programs which predominantly benefit a particular industry or segment of an industry, rather than provide a clear and compelling public benefit, and include a fast-track process for the consideration of those recommendations.

SEC. 405. SENSE OF CONGRESS ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—The Congress finds that:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that one quarter of battered women surveyed had lost a job partly because of being abused and that over half of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and welfare by showing that from 34 percent to 65 percent of AFDC recipients are current or past victims of domestic violence.

(5) Over half of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recognition of this finding, the House Committee on the Budget unanimously passed a sense of Congress amendment on domestic violence and Federal assistance to the fiscal year 1997 budget resolution. Subsequently, Congress passed the family violence option amendment to last year's welfare reform reconciliation bill.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding this provision. As a result, States are hesitant to fully implement the family violence option fearing it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) States should not be subject to any numerical limits in granting domestic violence good cause waivers to individuals receiving assistance for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence; and

(2) any individuals granted a domestic violence good cause waiver by States should not be included in the States' 20 percent hardship exemption.

The CHAIRMAN. No amendments are in order except the amendments in the nature of a substitute designated in section 2 of the resolution, if printed in the portion of the CONGRESSIONAL RECORD designated for that purpose in clause 6 of rule XXIII. Each amendment shall be considered only in the order designated, may be offered only by the Member designated, shall be considered read, shall be debatable for 20 minutes, except as otherwise provided in section 2, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

The adoption of an amendment in the nature of a substitute shall constitute the conclusion of consideration of the concurrent resolution for amendment.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

It is now in order to consider amendment No. 1 designated in paragraph 1 of section 2 of House Resolution 152.

AMENDMENT NO. 1 IN THE NATURE OF A SUBSTITUTE OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 1 in the nature of a substitute offered by Ms. WATERS:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

The Congress declares that the concurrent resolution on the budget for fiscal year 1998 is hereby established and that the appropriate budgetary levels for fiscal years 1999 through 2002 are hereby set forth.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,241,721,000,000.
Fiscal year 1999: $1,295,692,000,000.
Fiscal year 2000: $1,358,192,000,000.
Fiscal year 2001: $1,421,796,000,000.
Fiscal year 2002: $1,466,331,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: $36,142,000,000.
Fiscal year 1999: $44,250,000,000.
Fiscal year 2000: $54,953,000,000.
Fiscal year 2001: $60,198,000,000.
Fiscal year 2002: $45,352,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,390,471,000,000.
Fiscal year 1999: $1,460,826,000,000.
Fiscal year 2000: $1,505,659,000,000.
Fiscal year 2001: $1,544,830,000,000.
Fiscal year 2002: $1,591,266,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,377,266,000,000.
Fiscal year 1999: $1,445,118,000,000.
Fiscal year 2000: $1,495,407,000,000.
Fiscal year 2001: $1,517,370,000,000.
Fiscal year 2002: $1,564,726,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $135,545,000,000.
Fiscal year 1999: $147,426,000,000.
Fiscal year 2000: $137,215,000,000.
Fiscal year 2001: $95,534,000,000.
Fiscal year 2002: $98,395,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,556,100,000,000.
Fiscal year 1999: $5,803,200,000,000.
Fiscal year 2000: $6,037,400,000,000.
Fiscal year 2001: $6,241,600,000,000.
Fiscal year 2002: $6,466,700,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $33,829,000,000.
Fiscal year 1999: $33,378,000,000.

Fiscal year 2000: $34,775,000,000.
Fiscal year 2001: $36,039,000,000.
Fiscal year 2002: $37,099,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,472,000,000.
Fiscal year 1999: $324,749,000,000.
Fiscal year 2000: $328,124,000,000.
Fiscal year 2001: $332,063,000,000.
Fiscal year 2002: $336,141,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:
(A) New budget authority, $237,067,000,000.
(B) Outlays, $245,233,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $588,000,000.

Fiscal year 1999:
(A) New budget authority, $233,589,000,000.
(B) Outlays, $233,746,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $757,000,000.

Fiscal year 2000:
(A) New budget authority, $233,861,000,000.
(B) Outlays, $232,174,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2001:
(A) New budget authority, $235,829,000,000.
(B) Outlays, $227,453,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2002:
(A) New budget authority, $224,717,000,000.
(B) Outlays, $221,137,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

(2) International Affairs (150):

Fiscal year 1998:
(A) New budget authority, $21,545,000,000.
(B) Outlays, $15,726,000,000.
(C) New direct loan obligations, $1,966,000,000.
(D) New primary loan guarantee commitments $12,751,000,000.

Fiscal year 1999:
(A) New budget authority, $17,533,000,000.
(B) Outlays, $16,510,000,000.
(C) New direct loan obligations, $2,021,000,000.
(D) New primary loan guarantee commitments, $13,093,000,000.

Fiscal year 2000:
(A) New budget authority, $18,647,000,000.
(B) Outlays, $17,376,000,000.
(C) New direct loan obligations, $2,077,000,000.
(D) New primary loan guarantee commitments, $13,434,000,000.

Fiscal year 2001:
(A) New budget authority, $18,759,000,000.
(B) Outlays, $17,166,000,000.
(C) New direct loan obligations, $2,122,000,000.
(D) New primary loan guarantee commitments, $13,826,000,000.

Fiscal year 2002:
(A) New budget authority, $18,696,000,000.
(B) Outlays, $17,001,000,000.
(C) New direct loan obligations, $2,178,000,000.
(D) New primary loan guarantee commitments, $14,217,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1998:
(A) New budget authority, $16,522,000,000.
(B) Outlays, $17,042,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $16,503,000,000.
(B) Outlays, $16,745,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $16,322,000,000.
(B) Outlays, $16,314,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, $16,311,000,000.
(B) Outlays, $16,271,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $16,302,000,000.
(B) Outlays, $16,291,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1998:
(A) New budget authority, $2,550,000,000.
(B) Outlays, $1,731,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 1999:
(A) New budget authority, $3,094,000,000.
(B) Outlays, $2,100,000,000.
(C) New direct loan obligations, $1,078,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 2000:
(A) New budget authority, $2,725,000,000.
(B) Outlays, $1,822,000,000.
(C) New direct loan obligations, $1,109,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 2001:
(A) New budget authority, $2,425,000,000.
(B) Outlays, $1,484,000,000.
(C) New direct loan obligations, $1,141,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 2002:
(A) New budget authority, $2,330,000,000.
(B) Outlays, $1,312,000,000.
(C) New direct loan obligations, $1,174,000,000.
(D) New primary loan guarantee commitments $0.

(5) Natural Resources and Environment (300):

Fiscal year 1998:
(A) New budget authority, $22,765,000,000.
(B) Outlays, $21,352,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 1999:
(A) New budget authority, $22,214,000,000.
(B) Outlays, $21,550,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 2000:
(A) New budget authority, $21,495,000,000.
(B) Outlays, $21,780,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 2001:
(A) New budget authority, $21,974,000,000.
(B) Outlays, $22,362,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.

Fiscal year 2002:
(A) New budget authority, $22,614,000,000.
(B) Outlays, $22,767,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.

(6) Agriculture (350):

Fiscal year 1998:
(A) New budget authority, $12,757,000,000.
(B) Outlays, $11,465,000,000.
(C) New direct loan obligations, $7,620,000,000.
(D) New primary loan guarantee commitments $6,365,000,000.

Fiscal year 1999:
(A) New budget authority, $12,061,000,000.
(B) Outlays, $10,543,000,000.
(C) New direct loan obligations, $11,047,000,000.
(D) New primary loan guarantee commitments $6,436,000,000.

Fiscal year 2000:
(A) New budget authority, $11,637,000,000.
(B) Outlays, $10,069,000,000.
(C) New direct loan obligations, $11,071,000,000.
(D) New primary loan guarantee commitments $6,509,000,000.

Fiscal year 2001:
(A) New budget authority, $10,444,000,000.
(B) Outlays, $8,937,000,000.
(C) New direct loan obligations, $10,960,000,000.
(D) New primary loan guarantee commitments $6,583,000,000.

Fiscal year 2002:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $8,720,000,000.
(C) New direct loan obligations, $10,965,000,000.
(D) New primary loan guarantee commitments $6,660,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1998:
(A) New budget authority, $6,724,000,000.
(B) Outlays, $828,000,000.
(C) New direct loan obligations, $4,739,000,000.
(D) New primary loan guarantee commitments $245,500,000,000.

Fiscal year 1999:
(A) New budget authority, $11,117,000,000.
(B) Outlays, $4,357,000,000.
(C) New direct loan obligations, $1,887,000,000.
(D) New primary loan guarantee commitments $253,450,000,000.

Fiscal year 2000:
(A) New budget authority, $15,216,000,000.
(B) Outlays, $9,820,000,000.
(C) New direct loan obligations, $2,238,000,000.
(D) New primary loan guarantee commitments $255,200,000,000.

Fiscal year 2001:
(A) New budget authority, $16,226,000,000.
(B) Outlays, $12,264,000,000.
(C) New direct loan obligations, $2,574,000,000.
(D) New primary loan guarantee commitments $257,989,000,000.

Fiscal year 2002:
(A) New budget authority, $16,642,000,000.
(B) Outlays, $12,481,000,000.
(C) New direct loan obligations, $2,680,000,000.
(D) New primary loan guarantee commitments $259,897,000,000.

(8) Transportation (400):

Fiscal year 1998:
(A) New budget authority, $43,663,000,000.
(B) Outlays, $39,261,000,000.
(C) New direct loan obligations, $155,000,000.

(D) New primary loan guarantee commitments $0.

Fiscal year 1999:

(A) New budget authority, $45,737,000,000.

(B) Outlays, $38,652,000,000.

(C) New direct loan obligations, $135,000,000.

(D) New primary loan guarantee commitments $0.

Fiscal year 2000:

(A) New budget authority, $45,422,000,000.

(B) Outlays, $37,640,000,000.

(C) New direct loan obligations, $15,000,000.

(D) New primary loan guarantee commitments $0.

Fiscal year 2001:

(A) New budget authority, $46,698,000,000.

(B) Outlays, $38,022,000,000.

(C) New direct loan obligations, $15,000,000.

(D) New primary loan guarantee commitments $0.

Fiscal year 2002:

(A) New budget authority, $48,098,000,000.

(B) Outlays, $38,665,000,000.

(C) New direct loan obligations, $15,000,000.

(D) New primary loan guarantee commitments $0.

(9) Community and Regional Development (450):

Fiscal year 1998:

(A) New budget authority, $11,550,000,000.

(B) Outlays, $11,567,000,000.

(C) New direct loan obligations, $2,867,000,000.

(D) New primary loan guarantee commitments $2,385,000,000.

Fiscal year 1999:

(A) New budget authority, $8,818,000,000.

(B) Outlays, $10,803,000,000.

(C) New direct loan obligations, $2,943,000,000.

(D) New primary loan guarantee commitments $2,406,000,000.

Fiscal year 2000:

(A) New budget authority, $8,366,000,000.

(B) Outlays, $10,352,000,000.

(C) New direct loan obligations, $3,020,000,000.

(D) New primary loan guarantee commitments $2,429,000,000.

Fiscal year 2001:

(A) New budget authority, $8,537,000,000.

(B) Outlays, $9,606,000,000.

(C) New direct loan obligations, $3,098,000,000.

(D) New primary loan guarantee commitments $2,452,000,000.

Fiscal year 2002:

(A) New budget authority, $8,707,000,000.

(B) Outlays, $9,165,000,000.

(C) New direct loan obligations, $3,180,000,000.

(D) New primary loan guarantee commitments $2,415,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1998:

(A) New budget authority, $87,088,000,000.

(B) Outlays, $74,799,000,000.

(C) New direct loan obligations, $12,328,000,000.

(D) New primary loan guarantee commitments $20,665,000,000.

Fiscal year 1999:

(A) New budget authority, $91,900,000,000.

(B) Outlays, $88,488,000,000.

(C) New direct loan obligations, $13,032,000,000.

(D) New primary loan guarantee commitments $21,898,000,000.

Fiscal year 2000:

(A) New budget authority, $95,876,000,000.

(B) Outlays, $93,114,000,000.

(C) New direct loan obligations, $13,926,000,000.

(D) New primary loan guarantee commitments $23,263,000,000.

Fiscal year 2001:

(A) New budget authority, $95,876,000,000.

(B) Outlays, $93,114,000,000.

(C) New direct loan obligations, $14,701,000,000.

(D) New primary loan guarantee commitments $24,517,000,000.

Fiscal year 2002:

(A) New budget authority, $99,897,000,000.

(B) Outlays, $97,336,000,000.

(C) New direct loan obligations, $15,426,000,000.

(D) New primary loan guarantee commitments $25,676,000,000.

(11) Health (550):

Fiscal year 1998:

(A) New budget authority, $138,580,000,000.

(B) Outlays, $138,347,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $85,000,000.

Fiscal year 1999:

(A) New budget authority, $152,463,000,000.

(B) Outlays, $152,307,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2000:

(A) New budget authority, $112,258,000,000.

(B) Outlays, $162,025,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2001:

(A) New budget authority, $172,747,000,000.

(B) Outlays, $172,314,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2002:

(A) New budget authority, $184,519,000,000.

(B) Outlays, $183,955,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

(12) Medicare (570):

Fiscal year 1998:

(A) New budget authority, $205,685,000,000.

(B) Outlays, $205,808,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 1999:

(A) New budget authority, $225,366,000,000.

(B) Outlays, $224,825,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2000:

(A) New budget authority, $241,420,000,000.

(B) Outlays, $245,382,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2001:

(A) New budget authority, $261,614,000,000.

(B) Outlays, $256,765,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2002:

(A) New budget authority, $283,933,000,000.

(B) Outlays, $283,140,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

(13) Income Security (600):

Fiscal year 1998:

(A) New budget authority, $245,866,000,000.

(B) Outlays, $255,468,000,000.

(C) New direct loan obligations, $45,000,000.

(D) New primary loan guarantee commitments $37,000,000.

Fiscal year 1999:

(A) New budget authority, $260,828,000,000.

(B) Outlays, $265,255,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments $37,000,000.

Fiscal year 2000:

(A) New budget authority, $277,750,000,000.

(B) Outlays, $279,066,000,000.

(C) New direct loan obligations, $110,000,000.

(D) New primary loan guarantee commitments $37,000,000.

Fiscal year 2001:

(A) New budget authority, $284,544,000,000.

(B) Outlays, $254,127,000,000.

(C) New direct loan obligations, $145,000,000.

(D) New primary loan guarantee commitments $37,000,000.

Fiscal year 2002:

(A) New budget authority, $298,580,000,000.

(B) Outlays, $297,014,000,000.

(C) New direct loan obligations, $170,000,000.

(D) New primary loan guarantee commitments $37,000,000.

(14) Social Security (650):

Fiscal year 1998:

(A) New budget authority, $11,472,000,000.

(B) Outlays, $11,547,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 1999:

(A) New budget authority, $12,111,000,000.

(B) Outlays, $12,231,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2000:

(A) New budget authority, $12,858,000,000.

(B) Outlays, $12,918,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2001:

(A) New budget authority, $13,115,000,000.

(B) Outlays, $13,116,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

Fiscal year 2002:

(A) New budget authority, $14,513,000,000.

(B) Outlays, $14,513,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1998:

(A) New budget authority, $41,235,000,000.

(B) Outlays, $41,885,000,000.

(C) New direct loan obligations, $1,029,000,000.

(D) New primary loan guarantee commitments $27,096,000,000.

Fiscal year 1999:

(A) New budget authority, $42,047,000,000.

(B) Outlays, $42,184,000,000.

(C) New direct loan obligations, $1,068,000,000.

(D) New primary loan guarantee commitments $26,671,000,000.

Fiscal year 2000:

(A) New budget authority, $42,477,000,000.

(B) Outlays, $44,312,000,000.

(C) New direct loan obligations, $1,177,000,000.

(D) New primary loan guarantee commitments $26,201,000,000.

Fiscal year 2001:

(A) New budget authority, $42,855,000,000.

(B) Outlays, $41,105,000,000.

(C) New direct loan obligations, $1,249,000,000.

(D) New primary loan guarantee commitments $25,609,000,000.

Fiscal year 2002:

(A) New budget authority, $43,301,000,000.

(B) Outlays, $43,361,000,000.

(C) New direct loan obligations, $1,277,000,000.

(D) New primary loan guarantee commitments $25,129,000,000.

(16) Administration of Justice (750):
Fiscal year 1998:
(A) New budget authority, $26,165,000,000.
(B) Outlays, $24,009,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $26,161,000,000.
(B) Outlays, $25,378,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $25,573,000,000.
(B) Outlays, $26,541,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $25,556,000,000.
(B) Outlays, $27,042,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $25,576,000,000.
(B) Outlays, $25,451,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $14,898,000,000.
(B) Outlays, $14,040,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $14,639,001,000.
(B) Outlays, $14,490,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $14,222,000,000.
(B) Outlays, $14,625,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $14,014,000,000.
(B) Outlays, $14,405,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $14,122,000,000.
(B) Outlays, $14,060,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $295,593,000,000.
(B) Outlays, $295,593,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $301,972,000,000.
(B) Outlays, $301,972,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $300,590,000,000.
(B) Outlays, $300,590,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $297,107,000,000.
(B) Outlays, $297,107,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $295,816,000,000.
(B) Outlays, $295,816,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, −$11,864,000,000.
(B) Outlays, −$5,369,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, −$4,093,000,000.
(B) Outlays, −$3,734,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, −$3,935,000,000.
(B) Outlays, −$3,672,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, −$4,370,000,000.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, −$41,244,000,000.
(B) Outlays, −$41,244,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$32,858,000,000.
(B) Outlays, −$32,858,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$36,516,000,000.
(B) Outlays, −$36,516,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$38,845,000,000.
(B) Outlays, −$38,845,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$41,331,000,000.
(B) Outlays, −$41,331,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

TITLE II—RECONCILIATION INSTRUCTIONS

SEC. 201. RECONCILIATION.

(a) SUBMISSIONS.—Not later than August 1, 1997, the House committees named in subsection (b) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(b) INSTRUCTIONS.—

(1) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $396,058,000,000 in outlays for fiscal year 1998, $592,292,000,000 in outlays for fiscal year 2002, and $2,724,790,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,268,000,000 in outlays for fiscal year 1998, $535,924,000,000 in outlays for fiscal year 2002, and $2,692,944,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: by $36,142,000,000 in revenues for fiscal year 1998, by $45,352,000,000 in revenues for fiscal year 2002, and by $240,895,000,000 in revenues in fiscal years 1998 through 2002.

(c) DEFINITION.—For purposes of this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

The CHAIRMAN. Pursuant to the rule, the gentlewoman from California [Ms. WATERS] and a Member opposed each will control 30 minutes.

Mr. SHAYS. Mr. Chairman, at this time should I acknowledge that I am in opposition to the amendment?

The CHAIRMAN. Is the gentleman from Connecticut [Mr. SHAYS] opposed?

Mr. SHAYS. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] will control 30 minutes as a Member opposed.

The Chair recognizes the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I take this moment not to introduce my friend, the gentleman from the great State of Mississippi, Mr. BENNIE THOMPSON, but, rather, I take this moment to thank him and to say to him all of the Members of the Congressional Black Caucus are extremely appreciative for the work that he has put in on helping to bring about this Congressional Black Caucus budget. The gentleman met with the Blue Dogs and he met with every Member of the Congressional Black Caucus and others in an effort to get input. He met early in the morning, he met late at night. He worked very hard to put together the kind of document that we could be proud of; and indeed, we are very proud of the product that he has produced.

This budget represents our hopes, our desires, our dreams, our aspirations. It is everything that we could have asked for.

Mr. Chairman, I yield the balance of my time to the gentleman from Mississippi, the person who is our senior member representing us on the Committee on the Budget, the gentleman from Mississippi, Mr. BENNIE THOMPSON.

Mr. THOMPSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for the record, let me start by reemphasizing the fundamental principles upon which Members of Congress, both Democrat and Republican, already agree. First, we must balance the budget. Second, we must responsibly protect the budget priorities of the American people: education, the environment, the social safety net, Medicare and Medicaid; and most important, we must apply deficit reduction fairly and ask Americans who are the most able to shoulder their portion of our shared economic burden.

Mr. Chairman, the Congressional Black Caucus's budget alternative accomplishes all of these goals. It is balanced, it is fair, it is responsible. By all accounts, Mr. Chairman, if we hold the Republicans true to their word, then they should love this budget. Our alternative contains no tax increases on individuals or businesses. It cuts domestic spending by $23 billion, and the Congressional Budget Office says our budget will balance a year before the Republican budget will.

For the last 3 years, my esteemed colleagues on the other side of the aisle have focused budget debate here in the House on obtaining a budget that is certified by the Congressional Budget Office as being balanced by the year 2002.

The Congressional Black Caucus's alternative budget does better than that. We balanced the budget by the year 2001, a whole year before any of the budgets introduced by the Republicans. While they are trying to figure out how to squeeze the last few billion dollars out of our children, seniors, and the poor to reach a balance by 2002, under our budget, America will already have a $7 billion surplus. And we managed to do all of this and all the other things while maintaining an effective social net, by fully funding Head Start, the WIC Program, section 8 housing, and Chapter 1 education.

Mr. Chairman, there are no tax cuts in our budget. That is because the CBC believes America cannot afford them. We should balance the budget first.

It makes no sense to force the poorest Americans to go without food stamps, school lunches, and baby formula in order to balance the budget and then turn around and give wealthy campaign contributors, people who can afford to pay $25,000 to have dinner with the Republican leadership in the Library of Congress, a huge tax cut. No American should benefit from another American's suffering.

I encourage my colleagues to vote in favor of the Congressional Black Caucus alternative. Unlike the budget resolution we will be voting on later tonight, this budget was forged in the light of day. What my colleagues see in our budget is exactly what they get. It is balanced, it is fair, it is responsible.

Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

I just want to say that this is a balanced budget, it is certainly legitimate in terms of its Members, but we oppose it for a variety of very important reasons.

First, it provides no tax relief for American families. Again, let me say, it provides no tax relief for American families. In fact, in our reading of the legislation, it increases taxes, demanding $300 billion more from American taxpayers over the next 5 years than the bipartisan budget agreement, which cuts taxes. It extends the solvency of Medicare by only 4 years at best, and 1 year at worst. And many on our side of the aisle strongly oppose the fact that it will be cutting defense appropriations by $183 billion below the level of this bipartisan budget agreement over the next 5 years.

The fact is that under this plan, the era of big government is not over, it increases. And importantly, and it just cannot be understated, this budget would clearly be an agreement-breaker. In other words, the bipartisan agreement between the White House and Congress would not be respected by passage of this caucus budget.

Mr. Chairman, I reserve the balance of my time.

Mr. THOMPSON. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Florida [Mrs. MEEK].

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I want to thank the members of the Congressional Black Caucus, our wonderful chairperson, the gentlewoman from California [Ms. WATERS], and our very stalwart Mississippian who chaired the Committee on the Budget of our caucus.

I served on the Committee on the Budget during the 104th Congress, but I have never been prouder of the Congressional Black Caucus' budget as I am this year, because of the fact that the Congressional Black Caucus' budget this year is doing what no other budget has done.

Last year there was quite a bit of incivility when it came to decisions in the Committee on the Budget. I understand that this year there has been much more civility, but we still must come together on what will make America proud.

This reconciliation bill that balanced the budget last year was one that I voted against, and I voted against it because it balances the budgets on the backs of the poor and the disenfranchised. The Congressional Black Caucus' budget is an excellent alternative to that. We did not seek to balance the budget on that. We did not seek to cut taxes just for the sake of cutting taxes. We did not believe in the pious platitudes that are floating around Congress at this point, that is on a glidepath to the year 2000, being able to balance the budget. All of those, in my opinion, are pious platitudes if they do not show where they are helping the people who need the help more.

I wonder why we are rushing to complete this work on this 5-year straightjacket? The Congressional Black Caucus looked at this and when they looked at it they said, this straightjacket needs some changes. My colleagues took in their budget in the Congressional Black Caucus the first steps toward cutting Medicare, at least the President's budget and the Republican budget, by $115 billion and it cut Medicaid by $14 billion over 4 years.

I do not have enough time to talk about the goodness of this budget. I can only say it is balanced, it is fair, it does what no other budget has done. And I want to say those of my colleagues who think about what is good about this country will vote for the Congressional Black Caucus' budget. I thank my colleagues for their eloquence and their good decision for putting this budget together. I am proud of the Congressional Black Caucus. My colleagues better believe it.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON], the cochair of the CBC budget caucus.

Mrs. CLAYTON. Mr. Chairman, I also want to congratulate the chairperson of the Congressional Black Caucus and the chairman of the Congressional Black Caucus Committee on the Budget for his efforts.

This amendment is a perfecting amendment. It allows us to do the best we can. It is not necessarily the winning one, but nevertheless, it is a perfecting one. It is the one that allows us to balance the budget, balance the national priorities, and not to allow so much suffering. It is the ideal of a shared sacrifice. It makes provisions for those who are left out in other amendments, and certainly those who are left out in the budget agreement.

I just want to raise two areas, particularly out of rural America and that of the minority farmers. The Congressional Black Caucus allows for funds to speak to years of deprivation and discrimination that have gone on now for almost 30 years, three decades, since the early 1960's. Just recently we have had three substantial reports, a GAO report, an IG report, as well as an extensive civil rights report, detailing the discrimination both denying farmers as well as employees from the U.S. Department of Agriculture.

This budget provides $30 million to provide for resources to make the adjudication where appropriate to make sure we make those farmers whole. Also, it provides $12 million in additional funds for the historically black college, again, to make a commitment that we have made before, authorization, but never fully funded.

In addition to that, rural America funds provide another $10 million for everyone, not just for minorities, but to make sure rural opportunities are provided as they are in other areas.

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This particular amendment is indeed the most ideal. I commend it to the Members, and urge all of us, if we want to do the best that America can have, vote for the Waters and Thompson amendment.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas, [Ms. SHEILA JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON LEE of Texas. Mr. Chairman, I want to thank the gentleman from Mississippi [Mr. THOMPSON] and the chairwoman of this caucus for an amendment to this budget, substitute budget, that really answers the questions of the previous speaker.

There was reference made to a conservative budget or a liberal budget, and the fact that we do not have the time to have those budgets presented. What we do not have the time for is to leave millions of Americans outside of the circle.

I am very proud that the Congressional Black Caucus has another attribute that has not been mentioned tonight. This is the deal, or the deficit reduction, red and very loud. This is the CBC reduction of the deficit, as Members can see, by the year 2002.

Mr. and Mrs. America, look at this very carefully. This is not an African-American budget or a Hispanic budget or an Anglo budget or an Asian budget, it is a budget that reflects the principles of the quality of life.

Let me very quickly speak to those quality of life issues. One, we have already heard that Chairman Greenspan has indicated that he is not going to raise the interest rates, so we can do more creative things with our budget. The Congressional Black Caucus responds to our concerns about Medicare, and does not raise the premium $1.50 per month on seniors least able to do it.

It also, as I have said, brings down the deficit, but it reinforces very strong principles, one of investment, which increases the Community Reinvestment Act so our urban and rural communities can be improved and have money reinvested in housing, and housing built. Education, it rebuilds our schools, so crumbling schools will not be part of our children's history. Veterans, it preserves the benefits for veterans. Health, it increases the Ryan White treatment dollars, and it provides monies for our public hospital systems, who serve the most indigent of ours.

As well, it does something unique: It takes us into the 21st century with science, in math and science, in NASA funding, in National Science Foundation funding, in funding for traditionally black colleges, allowing them to be prepared for the 21st century; and yes, computer learning centers.

This is a budget for Americans that should not be left out. The deficit reduction is part of this budget. I ask my colleagues to be bipartisan in their support for the Congressional Black Caucus budget.

Mr. SHAYS. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, let me repeat what the Speaker said earlier. This amendment and each of the amendments that we will be debating this evening are agreement-breakers. If any one of them passes, it is going to violate the agreement that we have between the budget committees. The resolution was passed by both budget committees in the House and Senate, and the administration. So it is essential that we work together, Democrats and Republicans, to defeat this amendment.

Let me remind everybody what our budget resolution is all about. First of all, it balances in 5 years. In 5 years, without any gimmicks, without any smoke and mirrors, we are going to balance it. It does not have the trigger that was talked about in previous budgets by the President, that would automatically change tax cuts or change spending.

It is a real budget with real numbers, with conservative estimates on economic growth of 2.1 percent a year. We are growing at a much faster rate than that. I think in all probability we are going to balance the budget in fewer than 5 years. But with conservative economic projections, we are going to have a true, honest balanced budget by the year 2002.

This budget that was passed by the Committee on the Budget has permanent tax relief for America's families. When we talk about tax relief, as I talked about earlier, it is a real defining issue, I think, between many of the Members of the Democratic side and the Republican side.

We on the Republican side believe that the American people are taxed too much already, that we need to reduce taxes. We believe that people back home are better able to spend their money than to send it to Washington for them to tell us how to spend it. The less money that is sent to Washington, it allows us to reduce the size and scope of the government, it allows us to shift power and money and influence back to the States, and put the power back with the people rather than with the bureaucracy here in Washington. This has permanent tax cuts.

We are talking about $85 billion in tax cuts, net tax cuts over 5 years. And we are talking about $9 trillion in Government spending? This is not any giant tax cut, but it is the right thing because it is for America's families: A $500 tax credit for children; tax credits for college or going for vocational skills; capital gains, which actually, we call it a tax cut, but it makes money for the Federal Government, and we are talking about the help with IRA's and death taxes. It makes no sense.

We have permanent tax relief provided for these. The key to balancing the budget is controlling spending. Two-thirds of our budget is in the mandatory side. Half of it, actually, is in the entitlement side. This budget resolution has $600 billion of reductions in entitlement spending over the next 10 years, $600 billion in controlling entitlement spending. That is the key to balancing the budget.

We cannot balance the budget by just raising taxes, and we cannot just do it with discretionary spending because that is only one-third out of budget. We have to talk about serious entitlement reforms, and that is what we have in this budget.

And we save Medicare from bankruptcy. Medicare is one of our largest entitlements. It is going bankrupt. It is going to be bankrupt in 4 short years. We have to do something about it. Unfortunately, it was used as a political issue last year on the elections, but the thing is, we agree.

This is where I commend President Clinton for stepping forward and saying, yes; we need to reform Medicare, we need to change it, we need to have structural changes in the Medicare program, and we are going to save $115 billion. But to save $115 billion we are going to increase spending every year per person on Medicare. We are going to extend it for 10 years.

We still have a crisis in Medicare, it is only a 10-year solution, and the real crisis comes when the baby boomers start to retire. But at least we are making a step to get us moving in the direction of saving Medicare from going bankrupt. We are going to increase spending by 6 percent per year per person on Medicare.

The way we solve Medicare problems is opening it up to the marketplace, slow down the rate of growth, get a little competition in. It is happening in the private sector for big businesses and small businesses, and gives some choices. Allow groups to have provider service organizations, which are where local hospitals and doctors can provide a program in their community.

Back in my hometown of Bradenton, a local hospital can go together with the local doctors and provide health care to people in Bradenton; or in Sarasota, the local Sarasota hospital can go together with their doctors and offer a program.

We are going to give an opportunity to create a little competition in the community and offer better service, rather than big insurance companies totally controlling what is happening. We believe it is going to make it a better Medicare Program by giving people a right to choose. They do not have to take any of these plans, but the thing is they have a right to choose, because they do not have a choice right now.

As a Federal employee all of us get to choose a plan every year. We get the same insurance plan, pay the same costs as somebody who works for the Department of the Treasury or the Department of Agriculture, so we are in the same plan they are in, but we get a right to choose. Why can our seniors not have the same type of plan that we have? We believe having a plan like that, slowing the rate of growth in spending by the market pressures will save that plan.

So this budget resolution that we are going to be voting on this evening or the early hours of tomorrow morning is the right thing for America. It is the right thing for our families and kids, because it is so exciting to be at this stage today. We are going to be able to say that we are balancing the budget because we are doing it for the children of today and the children of the future.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from the Virgin Islands, Ms. DONNA CHRISTIAN-GREEN.

Ms. CHRISTIAN-GREEN. Mr. Chairman, I want to thank my colleague, the gentleman from Mississippi [Mr. THOMPSON] for yielding me this time, and our chairwoman, the gentlewoman from California [Ms. WATERS].

Mr. Chairman, I rise with pride and in full support of the alternate budget presented by the Congressional Black Caucus. This caucus has once again demonstrated its leadership as the representative of the majority of Americans who would otherwise have no advocate for their interests.

This budget puts realistic spending into education and repair of our schools to ensure that no one is left behind as this country builds its bridge and prepares to cross over into the 21st century. It is a budget that seeks to keep our children, families, and communities whole, and increases the funding for crime and violence prevention programs.

Our budget remembers those who have fallen to drug addiction and AIDS, and places over $400 million more in research and treatment for these devastating illnesses. Mr. Chairman, it is a budget that is serious about jobs and opportunity for all, which are the keys to the future of this great country.

Mr. Chairman, I urge my colleagues to vote for the CBC budget, a budget that puts people first, that advocates a better quality of life for all Americans, and that balances the budget by 2001. I thank the chairman, and I commend my distinguished chairwoman, the gentlewoman from California, Ms. MAXINE WATERS, and my distinguished colleague, the gentleman from Mississippi, Mr. BENNIE THOMPSON, for their leadership on this amendment.

Mr. THOMPSON. Mr. Chairman, I yield 1 minute to the gentleman from California, Mr. GEORGE BROWN.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, as some Members may be aware, I have a budget of my own. They may wonder why I am speaking here on behalf of the Black Caucus budget. There is only one reason: it is a better budget than mine. I was afraid to offer such a good budget because I did not think it would get enough votes, so I have compromised. We all do that around here. We rationalize it in one way or another. But this is a budget which I have consistently voted for, and its predecessor budgets, over a number of years, because I felt that it really did reflect the values of America.

The other side talks about a budget which has no smoke and mirrors and solves a lot of problems. There is a difference of opinion on that. I remember the Reagan budget of 1981, in which we had this feeding frenzy to see who could cut the budget the most, either the Democrats or the Republicans, and it has left its mark on this country for the next 18 years. I had been in Congress about 18 years at that time. I voted against those tax cuts, and I am going to vote against the tax cuts in this budget, and for the Black Caucus.

I urge Members' support for it.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I would like to thank the gentleman from Mississippi and the gentlewoman from California for their hard work in developing this budget.

I rise tonight to echo my colleagues' support for the Congressional Black Caucus alternative budget, and to speak briefly on the judiciary elements of that budget. The CBC alternative balances the budget, reduces crime, and invests in our future economic and social well-being, and it does so by better utilizing our scarce resources.

For example, Mr. Chairman, we believe that the $711 million allocated for the building of new prisons and jails in the committee budget could be put to better use by stressing the treatment and prevention programs. The CBC budget increases our investment in more local community prevention programs, such as mentoring, parental training, truancy prevention, gang intervention, and comprehensive educational services for at-risk youth, so fewer of our children will become involved in the juvenile justice system in the first place, and fewer crimes, fewer victims, and a decrease in taxpayer money spent on prisons will be the direct result.

The CBC budget also includes an increase in the budget for the Legal Services Corporation, which will allow equal access to justice for all Americans, not just those who can independently afford it.

The CBC alternative also addresses understaffing at the Equal Employment Opportunity Commission, which requires increased Federal funding to eliminate its backlog in order to make employment opportunities accessible to countless more American men and women who lose those opportunities because of illegal discrimination.

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By passing the CBC alternative, we can look forward to the day when this Nation meets and surpasses the goals of full opportunities for all of its citizens to participate in the American dream.

Again, Mr. Chairman, I want to thank the gentleman from Mississippi and the gentlewoman from California for their hard work.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Chairman, I rise today to speak in favor of the Congressional Black Caucus budget and against the proposed budget resolution. I am so disappointed with this proposed budget. I think we should rename it the fudge it budget resolution.

All this resolution does is fudge numbers here and there and paint a rosy colored picture of a balanced budget with a surplus by the year 2002. What it really does is to continue what I call reverse Robin Hood, robbing from the poor and working people to give a tax break to the rich. Look at what this proposal will do to Medicaid disproportionate share hospital payments in my home State of Florida.

These payments go to hospitals in my district that greatly assist the poor and needy who cannot afford health insurance. But under the fudge it budget resolution, we will cut payments by $548 million over 5 years, a 42-percent reduction in what Florida has received over the past 5 years. Florida already ranks 42d in the Nation for Medicaid costs per recipient. This budget proposal will only make the situation worse.

But on the other hand, the Congressional Black Caucus budget takes other things into consideration and it is really the American people's budget. It supports children, seniors, and veterans.

Let me give my colleagues two or three ideas about some of the proposals in the Congressional Black Caucus budget: Pell grants, $2,700 to $5,000 per student; eliminates the COLA delay for Federal Civil Service workers; makes no, let me emphasize this, makes no cuts to Medicaid and fully funds a child health initiative to cover 10 million uninsured children; fully funds Head Start and the WIC Program; includes an additional $591 million than the so-called budget deal to ensure that veterans will receive additional benefits.

Mr. Chairman, let us not fudge it. Let us vote for the Congressional Black Caucus budget.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. BISHOP].

(Mr. BISHOP asked and was given permission to revise and extend his remarks.)

Mr. BISHOP. Mr. Chairman, I rise to commend the Congressional Black Caucus for crafting an alternative budget to ensure that all Americans share the burden of balancing the budget. Year after year the caucus steps up to produce an alternative budget, one that is consistent with the values of America. This plan reflects the compassion of the caucus and, as the conscience of the Congress, the caucus continues to be a voice for the voiceless and power for the powerless.

More importantly, the caucus remains at the forefront fighting for issues affecting our country's most vulnerable citizens.

This alternative budget has many good points. It makes a firm commitment to our Nation's domestic priorities. It provides funding for a $1,500 HOPE scholarship. It protects the solvency of Medicare and Medicaid. It includes full funding of health insurance for our Nation's 10 million uninsured children. It eliminates the 3-month COLA delay for Federal retirees and expresses the caucus' commitment to increased funding for veterans and crime prevention programs to move our young people through the difficult years of childhood and adolescence to a positive and promising future. It ensures funding for adequate housing for the most needy.

While I support the noble goals of this alternative budget, I must respectfully disagree with the cuts to defense. As a Member who represents three military bases where thousands of military and civilian workers proudly carry out the mission of our country's national defense, I cannot vote to cut another $189.9 billion from defense. I must act in the best interest of my constituents. I must act in the best interest of our national security. Because I believe that defense has already cut the fat and cut the muscle needed to assure a strong defense, I cannot cut the bone at the expense of our service members and their families.

Yet this CBC budget is compelling. It is compassionate, and it is courageous. I congratulate our Chair, the gentlewoman from California [Ms. WATERS], and I congratulate the architect of this budget, the gentleman from Mississippi [Mr. THOMPSON], and the other members of the CBC for their hard work. And I congratulate their staffs.

While I cannot, because of the needs of my district, vote for it, Mr. Chairman, I cannot in good conscience vote against it. It is, indeed, a worthy alternative.

Mr. THOMPSON. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, the people who are supporting the underlying budget have too little faith in the private market. I mean this quite seriously. The private market does not need as much help as they think.

We have a private sector economy that is capable of providing for most of us the wealth that will enable us to improve our quality of life. But it will do it especially today, with technology and world trade being the driving engines, in a way that will stay the increasing equality.

Large numbers of people will prosper, but some will be left behind unless we intervene. And this is the budget, the budget before us today brought forward by our colleagues in the Black Caucus, that shows concern for those who are left behind. It does not in any way, shape or form retard our economy.

Indeed, by sensibly reducing military spending, it frees up resources for constructive use. But this is the vehicle for compassion. Reject this and vote for the underlying budget and what you will do will be to condemn the poorest among us to a worsening of their conditions while the rest of us prosper.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas, Ms. EDDIE BERNICE JOHNSON].

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise in strong support of the CBC budget. We know it is an alternative budget. The so-called budget deal is not the only budget, however, that should receive consideration in this body. The CBC alternative budget balances the budget a year sooner than the deal. It applies deficit reduction fairly and preserves the fundamental budget priorities of the American people. The CBC budget does several things which contrast it from the deal, which few Members have really actually been able to see and which imposes deficit reduction on many of the most vulnerable populations in this country.

The budget alternative would not impose undue cuts on programs serving the elderly, veterans, working families or the poor. Wealthy corporations would bear their share of the deficit. The budget would fund education programs at levels beyond those proposed by President Clinton while incorporating his priorities.

The budget would fund child health initiatives, which cover the 10 million children who do not receive health care coverage at this time. The budget would institute a real program of welfare reform, reinstating cuts in food stamps, immigrant services and SSI which simply went too far in the deal.

In short, the Congressional Black Caucus budget alternative is the most reflective of the values and priorities of the American people that Members will have an opportunity to support. A vote for this budget will be a vote for jobs. A vote for this budget would be a vote for welfare reform. A vote for this budget will be an opportunity to give the wealthy and large corporations an opportunity to assist in deficit reduction. A vote for this budget would be a vote for keeping Medicare trust fund solvent. A vote for this budget would be a vote for protecting social investments which help our economy grow.

I urge all of us to consider that we do represent real people. Let us vote for the real people and support this budget.

Mr. THOMPSON. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Chairman, let me add my accolades to the gentlewoman from California, our dynamic leader, and to the gentleman from Mississippi who has crafted such a delightful document.

Mr. Chairman, I rise to express support for this budget amendment because it is one that is balanced, fair, responsive, responsible and speaks to the needs of the American people.

Mr. Chairman, this budget, the Congressional Black Caucus budget, is worth fighting for. It is designed to invest in the people of America. It helps to cut the deficit, to grow the economy, to reduce corporate welfare. And it helps those most in need of vital programs such as Head Start, WIC, drug treatment, section 8 housing, special education, and summer jobs for youth. This budget highlights and places special emphasis upon the needs of small businesses, minority-owned businesses and women-owned businesses.

The budget includes a million and a half dollars more than the President's request for community development through financial institutions and recommends expansion of the community reinvestment guidelines to make it easier for financial institutions to reinvest in low-income communities.

This budget provides $10 million for the Office of Women's Ownership. It provides $100 million for round 2 of the empowerment zone and empowerment communities. This budget recognizes that Government must act as a catalyst and help people to be in a position to help themselves.

The Government must give rise to hope and generate faith. This budget is a good budget. It is one that represents the people. It is one that deserves support. I urge, Mr. Chairman, all of my colleagues, even those who would talk about compromise, even those who would recognize that sometimes we come together, but I just do not believe that we can compromise on the backs of the poor. I do not believe that we can compromise on those who have no food and no shelter.

Mr. THOMPSON. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise in strong support of this CBC budget. This is a budget that balances the budget sooner and spends less than the budget resolution. Not only is this budget responsible, it offers an added bonus to the budget process: It is fair. The CBC budget does not gut the Medicaid Program and it would not cause Medicare recipients to pay more for less services.

This budget does not ask the poor to bear the burden for tax cuts for the wealthy. This budget does ask corporations to give up many of the tax breaks that they have unfairly enjoyed for too long.

Mr. Chairman, we must ask ourselves what the American people really want. Do they want to pay for huge tax cuts for the rich and for big corporations? Do they want to pay for huge outlays in defense? I do not think so. Or do the American people want a budget that provides fairness to working families? Do they want a budget that protects Medicare and Medicaid? Do they want a budget that has its priorities straight? I think so. Support the CBC alternative.

Mr. THOMPSON. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, in 1 minute I can only summarize the essence of Function 500, the education and job training component of the CBC budget. It continues the tradition of assigning the highest priority to education. We applaud the fact that the President has also saw fit to assign the highest priority toward education. Speaker GINGRICH and Republicans in the House as well as the Republicans in the Senate have seen fit to emphasize education, but they are making a great mistake by not continuing to press for the construction initiative.

At the heart of the opportunity to learn is a safe place to sit, conducive to learning. We do not have that in most of our inner-city schools. New York has 300 schools that still burn coal in their boilers, and they pollute the air in addition to providing other kinds of problems for children in those schools. I urge that we get back on track and really go to the core of providing opportunities to learn. We want to have a national curriculum. We want to have national testing. We need national standards in terms of the opportunity to learn.

At the heart of the opportunity to learn is a safe place to sit, conducive to learning. We need a construction initiative. This Congressional Black Caucus budget insists on adopting a construction initiative.

Mr. Chairman, I rise in overwhelming support of a budget that genuinely reflects the vision and hope of the Caring Majority: The Congressional Black Caucus Fiscal Year 1998 Budget Proposal. This is the first budget resolution of the 105th Congress (fashioned by the President and Members of the House and Senate) and is nowhere near the mean-spirited, devastating cuts proposed in past budget resolutions (in the 104th Congress). Despite its improvements, the budget agreement still fails to acknowledge the role of the United States as an indispensable nation capable of adequately providing for all Americans, especially the most vulnerable. In 1997, we are making decisions which will have monumental effects on the generations of the 21st century. Accordingly, we must accept the pivotal role that this generation plays. With courage, compassion and sound fiscal policy, the CBC embraces this challenging role and pledges the nation's abundant resources to invest in America.

In Function 500 (Education, Training and Social Services), the CBC Budget ensures that every child from Head Start to College and beyond will be sufficiently prepared to compete in the world. In fiscal year 1998, funding for education and training programs would amount to a $28.2 BILLION increase (compared to FY97 levels) over the White House-Republican budget agreement's increase of $4 billion. Similar to the priorities outlined in the agreement, the CBC Budget includes the President's America Reads Challenge, Hope Scholarship Initiative ($1,500 tax credit to college students), and increases in funding for significant job training programs, including Job Corps.

However, the CBC Budget represents an all-out, comprehensive and determinative effort to prepare the next generation for 21st century learning. By the year 2002, America's students will be empowered by several milestones: 100 percent of those children eligible for Title I compensatory education will be able to receive it; every single eligible 14 to 21 year old who desires work and is unable to find a summer job will gain employment through the Summer Youth Employment Program; all 2 million 3–5 year olds currently eligible for Head Start will be able to participate in the program; 100 percent of the 3 million children classified as limited English proficient students would be served by bilingual education; and low-income college students will be eligible for a maximum Pell Grant of $5,000, the amount that the grant would be if it kept pace with inflation.

Unlike the White House-Republican budget agreement, the CBC Budget does not abandon the much needed emergency School Construction Initiative. Undoubtedly, learning will not take place when the schools that our children attend are literally collapsing around them. The CBC Budget provides $5 billion in interest subsidies over a 5-year period to stimulate new construction and renovation projects in school districts with severe facilities deficiencies. In addition, the CBC Budget provides an additional $20 billion (over a 5-year period) for the Education Infrastructure Act (P.L. 103–382) which was never funded. This would provide emergency grants for the repair, renovation, alteration, and construction of public schools, school libraries and media centers. It has been well documented that over 60 percent of schools in the U.S. need major repairs. Approximately 25 percent of schools are too small and suffer from severe overcrowding. And 40 percent of all schools, especially those in the inner cities with a large minority student body, cannot moderately accommodate science labs or technology such as computers and cable. Finally, the CBC Budget would fund a $20 million new program to establish at least 200 Community Computer Centers for families in both rural and urban economically depressed areas.

The CBC Budget recognizes that school construction initiatives and telecommunications initiatives must be implemented in tandem. These programs should not be treated as bargaining chips that are mutually exclusive and subject to sacrifice. In fact, rumors are being mounted which state that labor protections such as the prevailing-wage requirements of the Davis-Bacon Act may result in a ballooning of costs to renovate and construct the nation's schools. The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) has submitted evidence showing that school construction costs in prevailing wage States were lower per square foot than in States without prevailing wage statutes. We must dispel the myths that deviously seek to derail policies that help America's children.

Recently, we applauded the Federal Communications Commission's (FCC) decision to grant discounts to schools and libraries for telecommunications services, Internet access, and internal connections. At a cost of more than $2 billion per year to implement the universal service provisions of the Communications Act of 1996, public and private schools could qualify for discounts ranging from 20 percent to 90 percent. Although media outlets did not grant the FCC's decision recognition and much fanfare, it represents a monumental achievement. Yet, without the school-construction initiative, many schools will not realize the benefits of this Federal action. Schools across the country still suffer from asbestos problems. One third of the schools in New York City still burn coal for heating. Many schools across the country are more than 100 years old. Pentium computers, high-speed modems, and fancy satellite hookups will be stockpiled in many school basements because their buildings are too old and incapable of accommodating the technology necessary for 21st century learning.

Opponents of the CBC Budget, deficit hawks and fiscal conservatives, will undoubtedly argue that the accomplishments outlined in our budget are too good to be true. On the contrary, the CBC budget is a realistic budget that turns the myth that America is on the brink of bankruptcy on its head. The CBC Budget rids the nation of billions of dollars in wasteful spending: corporate tax loopholes, and unnecessary defense expenditures.

The White House-Republican budget agreement increases revenues to the U.S. Treasury by extending the airline tax, phasing in increases to contributions to the Civil Retirement and Disability Trust Fund, guarding against fraudulent Earned Income Tax Credit claims, and auctioning spectrum. On the other hand, the CBC Budget is the budget which would abandon the Federal Government's guaranteed annual payments to corporate coffers which allows businesses and wealthy individuals to enjoy more than $70 billion a year in corporate subsidies and loopholes. This alternative budget cuts $195 billion in corporate pork that is clogging the arteries of America's future. Revenue options in the CBC budget call for an enforcement of sections 531–537 of the Internal Revenue Service Tax Code that prohibit corporations from accumulating illegal profits and then buying large amounts of their own stock to avoid paying out dividends, thus, avoiding the payment of taxes by shareholders. It is estimated that enforcement of this section of the code will generate at least $70 billion for the United States.

Other revenue options include the elimination of the largest of all corporate tax loopholes: the accelerated depreciation allowance enabling companies to write off the costs of their machinery and buildings faster than they actually wear out. This allowance is worth over $100 billion over a five-year period. Reforming the taxation of income of multinational corporations is another example of a revenue option. At a cost of approximately $70 billion (over a 5-year period), foreign-owned corporations doing business in the United States typically pay far less in income taxes than do purely American firms. These practices must be stopped.

Instead of attacking corporate welfare, the White House-Republican budget agreement simply encourages the creation of a Corporate Welfare Commission and expresses the sense of Congress that the ''corporate sector should bear its share of the burden.'' To add insult to injury, the budget agreement includes tax cuts that would benefit the richest few, including a capital gains tax cut. It is estimated that more than ⅓ of the net tax cut of $85 billion during the next five years as proposed in the agreement would benefit the top 1 percent of all households (those with annual incomes of more than $350,000). Moreover, 50 percent of the tax cut would benefit the top 5 percent of households (those with annual incomes of more than $100,000). At this pivotal time, America does not need another Commission to study corporate welfare. Our children, our sick, our poor, our women, and our families need an assault on corporate welfare today.

Yes, the White House-Republican budget agreement represents an historic agreement that moves in the right direction toward promoting the country's values and priorities; restoring lost benefits to certain disabled legal immigrants; establishing additional empowerment zones and enterprise communities, and funding the Jobs Challenge to move millions of people from welfare to work. However, as the pivotal generation building that bridge to the 21st century, our work is far from being realized in the White House-Republican budget agreement. The CBC Budget recognizes that the United States is the richest nation in the world, the indispensable nation. We can provide health insurance to all 10 million children who are without health insurance, replace substandard and deteriorated public housing units; increase funding for crime prevention initiatives; and fully invest in our children's future. I challenge my colleagues to dispel the myth of the economy that compels us to oppress the neediest in our society. America can afford to assign a high priority to the funding for vital social programs and still preserve the free enterprise that this country so proudly praises. Vote "yes" on the CBC Caring Majority Budget Proposal.

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Mr. THOMPSON. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, some people will say that this is the Black Caucus budget, but the truth of the matter is, this is the America budget.

The Black Caucus is the only organization which has stepped up to the plate and met the challenge of balancing the budget not in the year 2002 but in the year 2001. As we can see from this chart, in every single year between now and 2001, under the Black Caucus budget, our deficit is substantially less than any other budget that is on the table for consideration.

The reason is that under every other budget proposal they are decreasing taxes, and that is like going on a diet by gaining weight in the beginning. One cannot lose weight by gaining weight first and then going on a diet. One just cannot do it.

We go directly to a balanced budget in the year 2001. This is the budget that America should support. This is the budget that my colleagues should support.

Mr. SHAYS. Mr. Chairman, I yield myself such time as I might consume, and then we will allow the gentleman from California to conclude.

Mr. Chairman, we need to make it very clear that we oppose this budget, however well intended. It is an honest budget, but it is a budget that provides no tax relief for American families. In fact, it increases taxes, demanding another $300 billion more from the American taxpayers in 5 years. And, regretfully, it extends the solvency of Medicare by only 4 years at best and 1 year at worst.

Many on our side of the aisle are concerned that it reduces defense spending a significant amount of $183 billion below the budget that is being presented before us tonight, the base budget.

This budget is, in fact, an agreement breaker. It would kill the agreement. And it is clear that under this budget the era of big government is not over, it is extended.

Mr. Chairman, we have three primary objectives in this Congress. One is to get our country's financial house in order and balance the Federal budget. The second is to save our trust funds, particularly Medicare, not just for future generations but for present generations as well. And the third is to transform our caretaking society into a caring society.

Much of the well-intended social effort that has been involved in our government in the last 30 years, while well-intended, has just simply perpetuated the very things we are trying to end. We not only want to end social welfare and put mothers back in a situation where they have job training and an opportunity to work, and experience the same opportunities that most Americans have, we are looking to end the assistance to corporations that some would refer to as corporate welfare, but to reduce, to the extent possible, reliance of business on government.

And we, obviously, have been successful in reducing some of the benefits that have gone to the farming community that, frankly, in some instances, may turn out to be like a welfare program. With the passage of the Freedom to Farm Bill, we have ended 50 percent of the subsidies to farmers. We have made tremendous strides there.

This budget moves us in a direction of bringing back the power and the money and influence from Washington back home to our local communities.

Regretfully, because we did not have an agreement with the White House 2 years ago, right now, as we speak, the trust fund, Medicare trust fund, is losing $35 million each and every day. Next year, if we do not come to an agreement, it will lose $55 million each day; and the year after that, $78 million each day.

The fund, without correction, the Medicare trust fund by the 10th year will have a debt of $612 billion and go bankrupt by the year 2001. And by the year 2007, 10 years from now, there will be a debt in the fund of $612 billion.

Under our plan, we extend the Medicare trust fund not for 4 years, not for 5, for 10. And in the 10th year, rather than having a debt of $612 billion, it will have $75 billion in the fund.

We do not cut Medicare. Only in Washington when we spend 34 percent more would people call it a cut. We are going to go from $208 billion to $279 billion. That is an average increase each year of 6 percent. On a per-person basis, Medicare will grow from $5,480. In the 5th year of the budget agreement it will go to $6,911. Only in Washington, when we have an increase of 26 percent in the per-beneficiary benefit, would someone call it a cut.

And the same thing with Medicaid. Medicaid under our plan will grow by 40 percent. It will grow from $98 billion to $137 billion. On a per-beneficiary basis it will grow form $22 billion to $29 billion.

What we have done is we have allowed these programs to grow at a rate that we can afford, providing better programs in each instance.

Mr. Chairman, I know the intentions of the Black Caucus are high and well-intended, but the bottom line is that rather than helping our country, in our judgment, if this budget were to pass, it would do the exact opposite and hurt our country. I urge the Members to vote against it.

Mr. Chairman, I yield 6½ minutes to the gentleman from California [Mr. DELLUMS], the caucus' final speaker. I do not encourage the gentleman to use all that time, but he can use as much of it as he wants.

Mr. THOMPSON. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. The gentleman from California [Mr. DELLUMS], has 9 minutes.

Mr. DELLUMS. Mr. Chairman, I thank my distinguished colleagues for their generosity in yielding me this time.

Mr. Chairman, let me assure everyone that I plan to use every bit of the 9 minutes, because I think it is important to challenge the assertion in a very profound and serious way that this budget would hurt the American people.

Mr. Chairman, let me begin with the daunting responsibility of closing the debate. In assuming my responsibilities in closing the debate, I would like to first focus my colleagues on the notion that I have made each year that I have served in the United States Congress: that the most compelling and important responsibility that we have as public people is to establish the national budget.

I would assert here, very straightforward and very aggressively, that how a Nation chooses to spend its money is a profound statement about a Nation's principles, its values and its priorities. And in that regard I am extremely proud to raise my voice in support of the budget offered by the Congressional Black Caucus. It is a budget that accepted the daunting responsibility of balancing the budget. It did so in 4 years, 1 year earlier than is required by the Congress, which is to achieve a balanced budget in 5 years.

Beyond that, I would assert, Mr. Chairman, that this budget is a thoughtful and, in this gentleman's opinion, extremely historical budget; historical not because it is a bipartisan deal, historical because it is the first post-Cold War budget that attempts to frame a new debate in these chambers and in this country. And that is in the context of a post-Cold War world that we establish a new comprehensive national security strategy that includes three interrelated elements.

Interrelated element number one. For a new comprehensive national security strategy. A healthy, vibrant economy within a well educated, well informed, well trained citizenry, capable of engaging its economy and engaging its civic and political affairs. And the Congressional Black Caucus budget does that.

That has implications for Federal investment. Federal investment in the education of its people, training and retraining of its people, research and development to enhance the quality of human life. The Congressional Black Caucus budget does just that, Mr. Chairman. It has implications, Mr. Chairman, for investments in health, in housing, in the environment. The Congressional Black Caucus budget does that.

I would offer this question. If we have the most powerful, awesome military that our minds could comprehend, and our society is deteriorating behind us culturally, politically, economically and educationally, what are we defending? Therefore, a vibrant economy and an investment in an informed and well-educated and well-trained citizenry is a vital and integral part of our national security strategy.

Second, an engaged foreign policy. Martin Luther King probably said it best and most eloquently; that peace is not simply the absence of war, it is the absence of conditions that give rise to war. And an engaged foreign policy that invests in economic development, economic stability, regional stability, commitment to human rights, democratic freedom, is how we prevent war.

So engaging the world is extraordinarily important. Preventing war, I would assert to my colleagues, is not expensive, it is the most fundamentally economic way to do it; to commit ourselves to arms control, to commit ourselves to nonviolent conflict resolution in the world. I continue to believe that peace is a superior idea. An engaged foreign policy is the second and most integral part of our national security strategy.

Mr. Chairman, the third and important point in our national security strategy is an appropriately sized, properly trained, properly equipped military to meet the challenges of the 21st century, and we need to have that debate in this country. To assert we are for a strong defense, intellectually, what are we saying? But if we are saying we are committed to a properly sized, properly trained, properly equipped military, then let us have the debate on what that is.

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I would assert that we can achieve the kind of savings that are in the Congressional Black Caucus not by some radical point of departure. But Mr. Chairman, for example, if we move beyond the commitment of the Bottom-up Review, which says we must fight two regional contingencies alone and quickly, that is counter-intuitive to everything we know.

Rhetorical question: Where are we going to go in the world that we must fight alone. That is counter-intuitive to everything we are doing. We fight with and we move with and we deploy with allies. And if we change this quickness from being on station in 72 hours, that has incredible implications for the savings of billions of dollars.

If we relax the time limits for meeting a crisis, we can meter our forces into a theater in a way that dramatically reduces our force structure, readiness, and procurement requirements. We can reduce active force structure, push some into reserves in light of these new time lines. We can achieve operation and maintenance savings through further tiered readiness of our forces. If we do not have to be there in 72 hours, everyone does not have to be at this high level of readiness, we can tier our readiness, we save billions of dollars.

We must avoid or abandon acquisition programs that are whetted to weapons systems that were dreamed up and conjured up in the context of the Cold War that had a Cold War objective. We are now beyond that, billions of dollars. Reduce our nuclear forces and infrastructure and the supplies and arsenals that goes with it.

Mr. Chairman, we have a congressional mandate that says we cannot fall below START I. We ought to be moving unilaterally in START II. We ought to be negotiating START III. We save billions of dollars. Who in these chambers really believes that someone is going to trigger a nuclear device to challenge America's nuclear at this particular moment?

Billions of dollars of implications if we change the level of our readiness requirements of our naval forces around the world. We only need an 8 carrier task force to carry out a 2 regional contingency scenario. If you want to argue, I will give you 10. Why do we have 12? Billions of dollars in implications by changing our present requirements, we can afford to reduce the fleet, reduce OPTEMPO and PURSTEMPO stress that is presently the reality of our forces. We all in these chambers know that we can achieve savings in our intelligence accounts. We cannot talk about it on the floor. Believe me, we can do it.

Finally, we can achieve procurement savings because of lower force structure and reduced training and wear and tear. That just makes sense. We can come to this. My point, Mr. Chairman, is that we need to have a new debate in this country. We understand the need to balance the budget. The caucus stepped up to it. But we are more than accountants. We were elected here to care about people. Therefore, balancing that budget must take place in some human context. And we state that that human context ought to be the search for a new national security strategy that incorporates a vibrant economy, a healthy, well-educated people, and engage foreign policy and appropriately sized, properly trained, properly equipped military to meet the 21st century.

Now finally, let me reiterate a view that the savings that I am talking about are in one of the three national security accounts, funds that can be urgently spent from those savings in two of our other accounts that have been historically underfunded, foreign assistance and domestic programs, critical to our well-being and health as a Nation. For, without strong, healthy cities to defend, Mr. Chairman, cohesive communities and educated citizenry to run our economy and our political institutions, we will wither and decline socially, politically, economically and culturally.

We are way past making these investments in these accounts, and we fail to do so at our peril. The time is right and the opportunity exists to transfer this scale of resources, and we should not fail to do so as we think about the type of society we choose to achieve for our children and our children's children. Support the budget that is before the House at this time.

Mr. MILLER of Florida. Mr. Chairman, we have no further speakers, and we yield back the balance of our time.

The CHAIRMAN. All time under the rule has expired.

The question is on the amendment in the nature of a substitute offered by the gentlewoman from California [Ms. WATERS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Ms. WATERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 72, noes 358, answered ''present'' 1, not voting 4, as follows:

[Roll No. 143]

AYES—72

Barrett (WI)	Foglietta	McGovern
Becerra	Ford	McKinney
Bonior	Frank (MA)	Meek
Brown (CA)	Furse	Millender-McDonald
Brown (FL)	Gonzalez	Miller (CA)
Carson	Gutierrez	Mink
Clay	Hastings (FL)	Moakley
Clayton	Hilliard	Moran (VA)
Clyburn	Hinchey	Nadler
Coyne	Jackson (IL)	Oberstar
Cummings	Jackson-Lee (TX)	Olver
Davis (IL)	Johnson, E. B.	Owens
Delahunt	Kilpatrick	Pastor
Dellums	Lewis (GA)	Payne
Dixon	Lipinski	Pelosi
Engel	Markey	Rangel
Fattah	Martinez	Roybal-Allard
Filner	McDermott	Rush
Flake		

Sanders
Scott
Serrano
Slaughter
Stark
Stokes
Thompson
Tierney
Torres
Towns
Turner
Velazquez
Waters
Watt (NC)
Waxman
Woolsey
Wynn

NOES—358

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fawell
Fazio
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Menendez
Metcalf
Mica
Miller (FL)
Minge
Molinari
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryun
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Traficant
Upton
Vento
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Bishop

NOT VOTING—4

Conyers
Jefferson
Schiff
Yates

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Mr. MALONEY of Connecticut and Mr. YOUNG of Alaska changed their vote from "aye" to "no."

Mr. GONZALEZ changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 2 OFFERED BY MR. DOOLITTLE

Mr. DOOLITTLE. Mr. Chairman, on behalf of the House Conservative Action Team, I offer an amendment in the nature of a substitute to the committee budget resolution.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 2 offered by Mr. DOOLITTLE:

Strike all after the resolving clause and insert in lieu thereof the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

The Congress declares that the concurrent resolution on the budget for fiscal year 1998 is hereby established and that the appropriate budgetary levels for fiscal years 1999 through 2002 are hereby set forth.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,198,979,000,000.
Fiscal year 1999: $1,241,859,000,000.
Fiscal year 2000: $1,285,559,000,000.
Fiscal year 2001: $1,343,591,000,000.
Fiscal year 2002: $1,407,564,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: −$11,200,000,000.
Fiscal year 1999: −$25,400,000,000.
Fiscal year 2000: −$43,900,000,000.
Fiscal year 2001: −$56,100,000,000.
Fiscal year 2002: −$55,900,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,378,600,000,000.
Fiscal year 1999: $1,430,400,000,000.
Fiscal year 2000: $1,475,100,000,000.
Fiscal year 2001: $1,509,400,000,000.
Fiscal year 2002: $1,530,100,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,368,000,000,000.
Fiscal year 1999: $1,409,800,000,000.
Fiscal year 2000: $1,446,600,000,000.
Fiscal year 2001: $1,468,100,000,000.
Fiscal year 2002: $1,480,100,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $172,800,000,000.
Fiscal year 1999: $182,300,000,000.
Fiscal year 2000: $183,000,000,000.
Fiscal year 2001: $157,800,000,000.
Fiscal year 2002: $108,500,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,592,500,000,000.
Fiscal year 1999: $5,834,900,000,000.
Fiscal year 2000: $6,081,000,000,000.
Fiscal year 2001: $6,298,300,000,000.
Fiscal year 2002: $6,474,400,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $33,829,000,000.
Fiscal year 1999: $33,378,000,000.
Fiscal year 2000: $34,775,000,000.
Fiscal year 2001: $36,039,000,000.
Fiscal year 2002: $37,099,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,472,000,000.
Fiscal year 1999: $324,749,000,000.
Fiscal year 2000: $328,124,000,000.
Fiscal year 2001: $332,063,000,000.
Fiscal year 2002: $335,141,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:
(A) New budget authority, $268,197,000,000.
(B) Outlays, $265,978,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $588,000,000.

Fiscal year 1999:
(A) New budget authority, $270,784,000,000.
(B) Outlays, $265,771,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $757,000,000.

Fiscal year 2000:
(A) New budget authority, $274,802,000,000.
(B) Outlays, $268,418,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2001:
(A) New budget authority, $281,305,000,000.
(B) Outlays, $270,110,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2002:
(A) New budget authority, $289,092,000,000.
(B) Outlays, $272,571,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,050,000,000.
(2) International Affairs (150):
Fiscal year 1998:
(A) New budget authority, $15,400,000,000.
(B) Outlays, $14,600,000,000.
(C) New direct loan obligations, $1,966,000,000.
(D) New primary loan guarantee commitments, $12,751,000,000.
Fiscal year 1999:
(A) New budget authority, $14,100,000,000.
(B) Outlays, $14,300,000,000.
(C) New direct loan obligations, $2,021,000,000.
(D) New primary loan guarantee commitments, $13,093,000,000.
Fiscal year 2000:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $14,000,000,000.
(C) New direct loan obligations, $2,077,000,000.
(D) New primary loan guarantee commitments, $13,434,000,000.
Fiscal year 2001:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $14,000,000,000.
(C) New direct loan obligations, $2,122,000,000.
(D) New primary loan guarantee commitments, $13,826,000,000.
Fiscal year 2002:
(A) New budget authority, $17,500,000,000.
(B) Outlays, $14,900,000,000.
(C) New direct loan obligations, $2,178,000,000.
(D) New primary loan guarantee commitments, $14,217,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1998:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $15,300,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $15,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $15,800,000,000. (same)
(B) Outlays, $15,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $17,100,000,000.
(B) Outlays, $16,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(4) Energy (270):
Fiscal year 1998:
(A) New budget authority, $3,600,000,000.
(B) Outlays, $2,500,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $3,500,000,000.
(B) Outlays, $2,800,000,000.
(C) New direct loan obligations, $1,078,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $3,300,000,000.
(B) Outlays, $2,500,000,000.
(C) New direct loan obligations, $1,109,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $3,600,000,000.
(B) Outlays, $2,500,000,000.
(C) New direct loan obligations, $1,141,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $4,200,000,000.
(B) Outlays, $2,800,000,000.
(C) New direct loan obligations, $1,171,000,000.
(D) New primary loan guarantee commitments $0.
(5) Natural Resources and Environment (300):
Fiscal year 1998:
(A) New budget authority, $22,200,000,000.
(B) Outlays, $22,800,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $22,500,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $22,000,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $22,300,000,000.
(B) Outlays, $22,300,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $23,400,000,000.
(B) Outlays, $23,100,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.
(6) Agriculture (350):
Fiscal year 1998:
(A) New budget authority, $13,133,000,000.
(B) Outlays, $11,872,000,000.
(C) New direct loan obligations, $9,620,000,000.
(D) New primary loan guarantee commitments $6,365,000,000.
Fiscal year 1999:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $10,700,000,000.
(C) New direct loan obligations, $11,047,000,000.
(D) New primary loan guarantee commitments $6,436,000,000.
Fiscal year 2000:
(A) New budget authority, $11,500,000,000.
(B) Outlays, $9,900,000,000.
(C) New direct loan obligations, $11,071,000,000.
(D) New primary loan guarantee commitments $6,509,000,000.
Fiscal year 2001:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $10,960,000,000.
(D) New primary loan guarantee commitments $6,583,000,000.
Fiscal year 2002:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $9,200,000,000.
(C) New direct loan obligations, $10,965,000,000.
(D) New primary loan guarantee commitments $6,660,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1998:
(A) New budget authority, $6,700,000,000.
(B) Outlays, −$900,000,000.
(C) New direct loan obligations, $4,739,000,000.
(D) New primary loan guarantee commitments $245,500,000,000.
Fiscal year 1999:
(A) New budget authority, $11,000,000.000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $1,887,000,000.
(D) New primary loan guarantee commitments $253,450,000,000.
Fiscal year 2000:
(A) New budget authority, $14,700,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $2,238,000,000.
(D) New primary loan guarantee commitments $255,200,000,000.
Fiscal year 2001:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $2,574,000,000.
(D) New primary loan guarantee commitments $257,989,000,000.
Fiscal year 2002:
(A) New budget authority, $17,100,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $2,680,000,000.
(D) New primary loan guarantee commitments $259,897,000,000.
(8) Transportation (400):
Fiscal year 1998:
(A) New budget authority, $46,700,000,000.
(B) Outlays, $41,000,000,000.
(C) New direct loan obligations, $155,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $50,600,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $135,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $53,600,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $55,600,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $54,900,000,000.
(B) Outlays, $41,200,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments $0.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $10,600,000,000.
(C) New direct loan obligations, $2,867,000,000.
(D) New primary loan guarantee commitments $2,385,000,000.
Fiscal year 1999:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $9,900,000,000.
(C) New direct loan obligations, $2,943,000,000.

(D) New primary loan guarantee commitments $2,406,000,000.
Fiscal year 2000:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $9,200,000,000.
(C) New direct loan obligations, $3,020,000,000.
(D) New primary loan guarantee commitments $2,429,000,000.
Fiscal year 2001:
(A) New budget authority, $8,500,000,000.
(B) Outlays, $8,500,000,000.
(C) New direct loan obligations, $3,098,000,000.
(D) New primary loan guarantee commitments $2,452,000,000.
Fiscal year 2002:
(A) New budget authority, $9,400,000,000.
(B) Outlays, $8,300,000,000.
(C) New direct loan obligations, $3,180,000,000.
(D) New primary loan guarantee commitments $2,475,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1998:
(A) New budget authority, $56,500,000,000.
(B) Outlays, $55,400,000,000.
(C) New direct loan obligations, $12,328,000,000.
(D) New primary loan guarantee commitments $20,665,000,000.
Fiscal year 1999:
(A) New budget authority, $57,000,000,000.
(B) Outlays, $56,400,000,000.
(C) New direct loan obligations, $13,092,000,000.
(D) New primary loan guarantee commitments $21,899,000,000.
Fiscal year 2000:
(A) New budget authority, $56,900,000,000.
(B) Outlays, $57,800,000,000.
(C) New direct loan obligations, $13,926,000,000.
(D) New primary loan guarantee commitments $23,263,000,000.
Fiscal year 2001:
(A) New budget authority, $61,400,000,000.
(B) Outlays, $59,800,000,000.
(C) New direct loan obligations, $14,701,000,000.
(D) New primary loan guarantee commitments $24,517,000,000.
Fiscal year 2002:
(A) New budget authority, $62,900,000,000.
(B) Outlays, $61,200,000,000.
(C) New direct loan obligations, $15,426,000,000.
(D) New primary loan guarantee commitments, $25,676,000,000.
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $136,500,000,000.
(B) Outlays, $137,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $85,000,000.
Fiscal year 1999:
(A) New budget authority, $143,100,000,000.
(B) Outlays, $143,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $151,600,000,000.
(B) Outlays, $151,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $162,600,000,000.
(B) Outlays, $161,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $173,000,000,000.
(B) Outlays, $171,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $201,700,000,000.
(B) Outlays, $201,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $212,200,000,000.
(B) Outlays, $211,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $225,700,000,000.
(B) Outlays, $225,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $239,800,000,000.
(B) Outlays, $238,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $251,800,000,000.
(B) Outlays, $251,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $238,500,000,000.
(B) Outlays, $244,100,000,000.
(C) New direct loan obligations, $45,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 1999:
(A) New budget authority, $251,300,000,000.
(B) Outlays, $252,700,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2000:
(A) New budget authority, $264,500,000,000.
(B) Outlays, $261,000,000,000.
(C) New direct loan obligations, $110,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2001:
(A) New budget authority, $271,100,000,000.
(B) Outlays, $270,600,000,000.
(C) New direct loan obligations, $145,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2002:
(A) New budget authority, $286,700,000,000.
(B) Outlays, $282,000,000,000.
(C) New direct loan obligations, $170,000,000.
(D) New primary loan guarantee commitments $37,000,000.
(14) Social Security (650):
Fiscal year 1998:
(A) New budget authority, $11,400,000,000.
(B) Outlays, $11,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $12,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $12,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $14,900,000,000.
(B) Outlays, $14,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1998:
(A) New budget authority, $39,600,000,000.
(B) Outlays, $40,300,000,000.
(C) New direct loan obligations, $1,029,000,000.
(D) New primary loan guarantee commitments $27,096,000,000.
Fiscal year 1999:
(A) New budget authority, $39,300,000,000.
(B) Outlays, $39,700,000,000.
(C) New direct loan obligations, $1,068,000,000.
(D) New primary loan guarantee commitments $26,671,000,000.
Fiscal year 2000:
(A) New budget authority, $38,200,000,000.
(B) Outlays, $38,600,000,000.
(C) New direct loan obligations, $1,177,000,000.
(D) New primary loan guarantee commitments $26,202,000,000.
Fiscal year 2001:
(A) New budget authority, $40,700,000,000.
(B) Outlays, $40,600,000,000.
(C) New direct loan obligations, $1,249,000,000.
(D) New primary loan guarantee commitments $25,609,000,000.
Fiscal year 2002:
(A) New budget authority, $43,300,000,000.
(B) Outlays, $43,200,000,000.
(C) New direct loan obligations, $1,277,000,000.
(D) New primary loan guarantee commitments $25,129,000,000.
(16) Administration of Justice (750):
Fiscal year 1998:
(A) New budget authority, $24,400,000,000.
(B) Outlays, $24,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $25,200,000,000.
(B) Outlays, $24,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $25,300,000,000.
(B) Outlays, $25,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $24,600,000,000.
(B) Outlays, $25,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $23,900,000,000.
(B) Outlays, $24,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $14,600,000,000.
(B) Outlays, $14,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $14,300,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $14,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $14,800,000,000.
(B) Outlays, $14,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $14,700,000,000.
(B) Outlays, $14,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $296,549,000,000.
(B) Outlays, $296,549,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $304,567,000,000.
(B) Outlays, $304,567,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $304,867,000,000.
(B) Outlays, $304,867,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $303,659,000,000.
(B) Outlays, $303,659,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $303,754,000,000.
(B) Outlays, $303,754,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, −$12,900,000,000.
(B) Outlays, −$16,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, −$36,800,000,000.
(B) Outlays, −$36,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, −$48,800,000,000.
(B) Outlays, −$48,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$44,400,000,000.
(B) Outlays, −$44,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$46,000,000,000.
(B) Outlays, −$46,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$50,000,000,000.
(B) Outlays, −$50,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$64,100,000,000.
(B) Outlays, −$64,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

TITLE II—RECONCILIATION INSTRUCTIONS

SEC. 201. RECONCILIATION.

(a) PURPOSE.—The purpose of this section is to provide for two separate reconciliation bills: the first for entitlement reforms and the second for tax relief. In the event Senate procedures preclude the consideration of two separate bills, this section would permit the consideration of one omnibus reconciliation bill.

(b) SUBMISSIONS.—

(1) ENTITLEMENT REFORMS.—Not later than June 12, 1997, the House committees named in subsection (c) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) TAX RELIEF AND MISCELLANEOUS REFORMS.—Not later than June 13, 1997, the House committees named in subsection (d) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(c) INSTRUCTIONS RELATING TO ENTITLEMENT REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $211,443,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $8,435,000,000 in outlays for fiscal year 1998, $5,091,000,000 in outlays for fiscal year 2002, and $50,306,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $393,770,000,000 in outlays for fiscal year 1998, $507,315,000,000 in outlays for fiscal year 2002, and $2,619,820,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,718,000,000 in outlays for fiscal year 1998, $18,167,000,000 in outlays for fiscal year 2002, and $106,050,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $443,061,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $214,000,000 in fiscal year 1998, $621,000,000 in fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,287,000,000 in outlays for fiscal year 1998, $17,483,000,000 in outlays for fiscal year 2002, and $107,615,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,845,000,000 in outlays for fiscal year 2002, and $140,197,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,463,000,000 in outlays for fiscal year 1998, $506,377,000,000 in outlays for fiscal year 2002, and $2,621,195,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,168,336,000,000 in revenues for fiscal year 1998, $1,346,679,000,000 in revenues for fiscal year 2002, and $7,384,496,000,000 in revenues in fiscal years 1998 through 2002.

(d) INSTRUCTIONS RELATING TO TAX RELIEF AND MISCELLANEOUS REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $211,443,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—(A) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $8,435,000,000 in outlays for fiscal year 1998, $5,091,000,000 in outlays for fiscal year 2002, and $50,306,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee

does not exceed: $393,770,000,000 in outlays for fiscal year 1998, $507,315,000,000 in outlays for fiscal year 2002, and $2,619,820,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,718,000,000 in outlays for fiscal year 1998, $18,167,000,000 in outlays for fiscal year 2002, and $106,050,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $443,061,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $214,000,000 in fiscal year 1998, $621,000,000 in outlays for fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,287,000,000 in outlays for fiscal year 1998, $17,483,000,000 in outlays for fiscal year 2002, and $107,615,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,845,000,000 in outlays for fiscal year 2002, and $140,197,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,463,000,000 in outlays for fiscal year 1998, $506,377,000,000 in outlays for fiscal year 2002, and $2,621,195,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,160,936,000,000 in revenues for fiscal year 1998, $1,326,179,000,000 in revenues for fiscal year 2002, and $7,299,496,000,000 in revenues in fiscal years 1998 through 2002.

(e) DEFINITION.—For purposes of this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(f) FLEXIBILITY IN CARRYING OUT CHILDREN'S HEALTH INITIATIVE.—If the Committees on Commerce and Ways and Means report recommendations pursuant to their reconciliation instructions that provide an initiative for children's health that would increase the deficit by more than $2.3 billion for fiscal year 1998, by more than $3.9 billion for fiscal year 2002, and by more than $16 billion for the period of fiscal years 1998 through 2002, the committees shall be deemed to not have complied with their reconciliation instructions pursuant to section 310(d) of the Congressional Budget Act of 1974.

TITLE III—BUDGET ENFORCEMENT

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR SURFACE TRANSPORTATION.

(a) PURPOSE.—The purpose of this section is to adjust the appropriate budgetary levels to accommodate legislation increasing spending from the highway trust fund on surface transportation and highway safety above the levels assumed in this resolution if such legislation is deficit neutral.

(b) DEFICIT NEUTRALITY REQUIREMENT.—(1) In order to receive the adjustments specified in subsection (c), a bill reported by the Committee on Transportation and Infrastructure that provides new budget authority above the levels assumed in this resolution for programs authorized out of the highway trust fund must be deficit neutral.

(2) A deficit-neutral bill must meet the following conditions:

(A) The amount of new budget authority provided for programs authorized out of the highway trust fund must be in excess of $25.949 billion in new budget authority for fiscal year 1998, $25.464 billion in new budget authority for fiscal year 2002, and $127.973 billion in new budget authority for the period of fiscal years 1998 through 2002.

(B) The outlays estimated to flow from the excess new budget authority set forth in subparagraph (A) must be offset for fiscal year 1998, fiscal year 2002, and for the period of fiscal years 1998 through 2002. For the sole purpose of estimating the amount of outlays flowing from excess new budget authority under this section, it shall be assumed that such excess new budget authority would have an obligation limitation sufficient to accommodate that new budget authority.

(C) The outlays estimated to flow from the excess new budget authority must be offset by (i) other direct spending or revenue provisions within that transportation bill, (ii) the net reduction in other direct spending and revenue legislation that is enacted during this Congress after the date of adoption of this resolution and before such transportation bill is reported (in excess of the levels assumed in this resolution), or (iii) a combination of the offsets specified in clauses (i) and (ii).

(D) As used in this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) REVISED LEVELS.—(1) When the Committee on Transportation and Infrastructure reports a bill (or when a conference report thereon is filed) meeting the conditions set forth in subsection (b)(2), the chairman of the Committee on the Budget shall increase the allocation of new budget authority to that committee by the amount of new budget authority provided in that bill (and that is above the levels set forth in subsection (b)(2)(A)) for programs authorized out of the highway trust fund.

(2) After the enactment of the transportation bill described in paragraph (1) and upon the reporting of a general, supplemental or continuing resolution making appropriations by the Committee on Appropriations (or upon the filing of a conference report thereon) establishing an obligation limitation above the levels specified in subsection (b)(2)(A) (at a level sufficient to obligate some or all of the budget authority specified in paragraph (1)), the chairman of the Committee on the Budget shall increase the allocation and aggregate levels of outlays to that committee for fiscal years 1998 and 1999 by the appropriate amount.

(d) REVISIONS.—Allocations and aggregates revised pursuant to this section shall be considered for purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(e) REVERSALS.—If any legislation referred to in this section is not enacted into law, then the chairman of the House Committee on the Budget shall, as soon as practicable, reverse adjustments made under this section for such legislation and have such adjustments published in the Congressional Record.

(f) DETERMINATION OF BUDGETARY LEVELS.—For the purposes of this section, budgetary levels shall be determined on the basis of estimates made by the House Committee on the Budget.

(g) DEFINITION.—As used in this section, the term ''highway trust fund'' refers to the following budget accounts (or any successor accounts):

(1) 69–8083–0–7–401 (Federal-Aid Highways).

(2) 69-8191–0–7–401 (Mass Transit Capital Fund).

(3) 69-8350–0–7–401 (Mass Transit Formula Grants).

(4) 69–8016–0–7–401 (National Highway Traffic Safety Administration-Operations and Research).

(5) 69–8020–0–7–401 (Highway Traffic Safety Grants).

(6) 69–8048–0–7–401 (National Motor Carrier Safety Program).

SEC. 302. SALE OF GOVERNMENT ASSETS.

(a) BUDGETARY TREATMENT.—

(1) IN GENERAL.—For the purpose of any concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from the sale of an asset shall be scored with respect to the level of budget authority, outlays, or revenues if such sale would cause an increase in the deficit as calculated pursuant to paragraph (2).

(2) CALCULATION OF NET PRESENT VALUE.—The deficit estimate of an asset sale shall be the net present value of the cash flow from—

(A) proceeds from the asset sale;

(B) future receipts that would be expected from continued ownership of the asset by the Government; and

(C) expected future spending by the Government at a level necessary to continue to operate and maintain the asset to generate the receipts estimated pursuant to subparagraph (B).

(b) DEFINITION.—For purposes of this section, the term ''sale of an asset'' shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

(d) DETERMINATION OF BUDGETARY LEVELS.—For the purposes of this section, budgetary levels shall be determined on the basis of estimates made by the House Committee on the Budget.

SEC. 303. ENVIRONMENTAL RESERVE FUND.

(a) COMMITTEE ALLOCATIONS.—In the House, after the Committee on Commerce and the Committee on Transportation and Infrastructure report a bill (or a conference report thereon is filed) to reform the Superfund program to facilitate the cleanup of hazardous waste sites, the chairman of the Committee on the Budget shall submit revised allocations and budget aggregates to carry out this section by an amount not to exceed the excess subject to the limitation. These revisions shall be considered for purposes of the Congressional Budget Act of 1974 as the allocations and aggregates contained in this resolution.

(b) LIMITATIONS.—The adjustments made under this section shall not exceed—

(1) $200 million in budget authority for fiscal year 1998 and the estimated outlays flowing therefrom.

(2) $200 million in budget authority for fiscal year 2002 and the estimated outlays flowing therefrom.

(3) $1 billion in budget authority for the period of fiscal years 1998 through 2002 and the estimated outlays flowing therefrom.

(c) READJUSTMENTS.—In the House, any adjustments made under this section for any appropriation measure may be readjusted if that measure is not enacted into law.

SEC. 304. SEPARATE ALLOCATION FOR LAND ACQUISITIONS AND EXCHANGES.

(a) ALLOCATION BY CHAIRMAN.—In the House, upon the reporting of a bill by the Committee on Appropriations (or upon the filing of a conference report thereon) providing up to $165 million in outlays for Federal land acquisitions and to finalize priority Federal land exchanges for fiscal year 1998 (assuming $700 million in outlays over 5 fiscal years, the chairman of the Committee on the Budget shall allocate that amount of outlays and the corresponding amount of budget authority.

(b) TREATMENT OF ALLOCATIONS IN THE HOUSE.—In the House, for purposes of the Congressional Budget Act of 1974, allocations made under subsection (a) shall be deemed to be made pursuant to section 602(a)(1) of that Act and shall be deemed to be a separate suballocation for purposes of the application of section 302(f) of that Act as modified by section 602(c) of that Act.

SEC. 305. BALANCED BUDGET REQUIREMENT.

(a) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment or motion thereto, or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would cause—

(1) total outlays for fiscal year 2002 or any fiscal year thereafter to exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress provide for a specific excess of outlays over receipts by a rollcall vote;

(2) an increase in the limit on the debt of the United States held by the public, unless three-fifths of the whole number of each House provide for such an increase by a rollcall vote; or

(3) an increase in revenues unless approved by a majority of the whole number of each House by a rollcall vote.

(b) WAIVER.—The Congress may waive the provisions of this section for any fiscal year in which a declaration of war is in effect. The provisions of this section may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

(c) DEFINITION.—Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

TITLE IV—SENSE OF CONGRESS PROVISIONS

SEC. 401. SENSE OF CONGRESS ON BASELINES.

(a) FINDINGS.—The Congress finds that:

(1) Baselines are projections of future spending if existing policies remain unchanged.

(2) Under baseline assumptions, spending automatically rises with inflation even if such increases are not mandated under existing law.

(3) Baseline budgeting is inherently biased against policies that would reduce the projected growth in spending because such policies are portrayed as spending reductions from an increasing baseline.

(4) The baseline concept has encouraged Congress to abdicate its constitutional obligation to control the public purse for those programs which are automatically funded.

(b) SENSE OF CONGRESS.—It is the sense of Congress that baseline budgeting should be replaced with a budgetary model that requires justification of aggregate funding levels and maximizes congressional and executive accountability for Federal spending.

SEC. 402. SENSE OF CONGRESS ON REPAYMENT OF THE FEDERAL DEBT.

(a) FINDINGS.—The Congress finds that:

(1) The Congress and the President have a basic moral and ethical responsibility to future generations to repay the Federal debt, including the money borrowed from the Social Security Trust Fund.

(2) The Congress and the President should enact a law which creates a regimen for paying off the Federal debt within 30 years.

(b) SENSE OF CONGRESS REGARDING PRESIDENT'S SUBMISSION TO CONGRESS.—It is the sense of Congress that:

(1) The President's annual budget submission to Congress should include a plan for repayment of Federal debt beyond the year 2002, including the money borrowed from the Social Security Trust Fund.

(2) The plan should specifically explain how the President would cap spending growth at a level one percentage point lower than projected growth in revenues.

(3) If spending growth were held to a level one percentage point lower than projected growth in revenues, then the Federal debt could be repaid within 30 years.

SEC. 403. SENSE OF CONGRESS ON COMMISSION ON LONG-TERM BUDGETARY PROBLEMS.

(a) FINDINGS.—The Congress finds that—

(1) achieving a balanced budget by fiscal year 2002 is only the first step necessary to restore our Nation's economic prosperity;

(2) the imminent retirement of the baby-boom generation will greatly increase the demand for government services;

(3) the burden will be borne by a relatively smaller work force resulting in an unprecedented intergovernmental transfer of financial resources;

(4) the rising demand for retirement and medical benefits will quickly jeopardize the solvency of the medicare, social security, and Federal retirement trust funds; and

(5) the Congressional Budget Office has estimated that marginal tax rates would have to increase by 50 percent over the next 5 years to cover the long-term projected costs of retirement and health benefits.

(b) SENSE OF CONGRESS.—It is the sense of Congress that legislation should be enacted to create a commission to assess long-term budgetary problems. Their implications for both the baby-boom generation and tomorrow's workforce, and make such recommendation as it deems appropriate to ensure our Nation's future prosperity.

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. DOOLITTLE] and a Member opposed each will control 10 minutes.

Mr. SHAYS. Mr. Chairman, as a member of the Committee on the Budget, I oppose this amendment.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] will control the other 10 minutes.

The Chair recognizes the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, while CATS appreciates the hard work of the Committee on the Budget and especially its chairman, we feel that more can and should be done to reduce the size of Government, lessen the tax burden on American families, and stimulate economic growth. Like the committee resolution, the CATS substitute balances the budget by 2002 while protecting national defense and transportation spending. Our substitute improves upon the committee budget, however, by cutting an additional $109 billion in discretionary spending and returning those savings to American families through lower taxes.

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Unlike the committee budget, the CAT substitute contains sufficient tax relief to fully fund the $500 per child tax credit, a 50-percent reduction in the capital gains tax rate, real inheritance tax relief, and expanded IRA's. The CATS budget pays for these tax cuts by simply reducing discretionary spending to the level set out in President Clinton's fiscal year 1997 budget.

The choice tonight is not whether we should balance the budget, Mr. Chairman; we have won that debate. The real question is whether we think we can find enough wasteful Washington spending to cut so that, as we balance the budget, we can allow American families to keep a little more of what they earn. We think we can.

I urge an ''aye'' vote.

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. DOOLITTLE] to the budget agreement for a variety of reasons. I do so with the knowledge that this represents the position of many on my side of the aisle if we did not have a Democrat President. But this last election we elected a Democrat President and a Republican Congress, and this amendment, if it were to pass, would in fact kill the budget agreement made between Republicans and Democrats in the House and Senate with the President of the United States.

Mr. Chairman, I urge my colleagues to vote against this amendment in spite of the fact that they believe it is somewhat seductive and point out that in this budget agreement we have with the White House Republicans took a very strong position that we should control the growth in entitlements and get our country's financial house in order. This budget agreement controls the growth of entitlements.

We also said that we wanted tax cuts. This budget agreement provides for $135 billion of tax cuts.

That is what Republicans got out of this budget agreement. What the President wanted was more domestic spending, and that is, in fact, what he received in this budget negotiation. While many on our side of the aisle would like to reduce domestic spending and do not agree with the President of the United States, the fact is this is an agreement we have in order to have a tax cut of $135 billion in order to control the growth of entitlements.

So, Mr. Chairman, I rise with some reluctance but with conviction that this amendment needs to be defeated.

Mr. Chairman, I reserve the balance of my time.

Mr. DOOLITTLE. Mr. Chairman, I yield 1 minute to the gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Chairman, this is not going to tear up the budget. The CAT substitute has a simple message: Americans' taxes are too high because the government spends too much.

Americans want, need and deserve to keep more of their own money, so support this amendment and give all Americans a better life. If my colleagues think the government has grown too big, then vote for this substitute because it cuts spending.

Now is the time for Washington to get off the backs of the hard-working taxpayers of this country. We have got to stop spending Americans' money on big government programs and let them have the money to raise a family, buy a house, send their children to school, maybe even get a much needed vacation.

The CAT substitute does the right thing. It balances the budget, reduces the size and scope of government and, most importantly, gives families more relief from high taxes.

Vote for this substitute, cut spending, cut taxes. Do it for America.

Mr. DOOLITTLE. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman, I remember hearing the words ''Penny-Kasich.'' I remember hearing the words ''Gramm-Rudman.'' They were promises. We look at the budget resolution that is put before us, and nearly 75 percent of the savings come in the last 2 years of this 5-year program.

The National Taxpayers Union has scored this vote on this CAT substitute, and what they have said is the 300,000-member National Taxpayers Union strongly supports the substitute to the 1998 budget resolution because it proposes better control of discretionary spending and larger tax cuts.

A vote for the budget resolution will be a plus on the National Taxpayers Union score card, but it will be a plus for American families. It will be rated three times as heavy if my colleagues vote for the CATS budget.

Remember Gramm-Rudman, remember Penny-Kasich. Vote for this budget.

Mr. DOOLITTLE. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. ISTOOK].

Mr. ISTOOK. Mr. Chairman, I rise in support of the substitute being offered by the conservative action team and against the underlying bill. If the budget is not going to be balanced until 2002, why in the world would we want more money to be in the hands of government when it could be in the hands of families, it could be in the hands of those to stimulate the economy and create jobs by having greater tax cuts?

That is what this substitute does. If my colleagues vote for the underlying bill, what they are saying is they want to throw away the progress that we have been making for years.

If we look, Mr. Chairman, since 1992, every year the deficit has been coming down $40 to $50 billion a year, and suddenly, realizing that we will have the budget balanced within 2 years from now, people say, no, let us have one last spending spree, let us start spending more, let us wipe out the progress and not start making spending cuts or getting serious for another 3 years, until after President Clinton finishes his term.

Mr. Chairman, we should not delay. Finish balancing the budget. Do not put it off. Do not have a last spending spree.

Mr. DOOLITTLE. Mr. Chairman, I yield 30 seconds to the gentleman from Indiana [Mr. HOSTETTLER].

(Mr. HOSTETTLER asked and was given permission to revise and extend his remarks.)

Mr. HOSTETTLER. Mr. Chairman, tonight this Congress is making history as we finally face the responsibility that previous Congresses ducked for a generation, balancing the Federal budget. On that we all agree. Where we disagree and what we are truly debating before the American people tonight is the path to that agreed upon target.

Mr. Chairman, I support the CAT substitute budget as the best path, the best route to a balanced budget among the many before us tonight. It offers the deepest tax cuts, best curtails the burdensome bureaucracy by reducing discretionary spending and saves Medicare for the next decade.

Other paths presented here tonight are good, but this is the best route to prosperity at home and peace abroad as America puts her financial house in order so the Federal Government is less of a burden on the homes of hard-working Americans.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. SPRATT], the ranking member of the Committee on the Budget.

Mr. SPRATT. Mr. Chairman, as both sides explained at the outset of this debate, what we have before us tonight in the base bill, House Concurrent Resolution 84, is a compromise, hard fought, hard wrought, carefully balanced compromise. I explained in my earlier comments that the design of this compromise intentionally was to allow each side to have a few victories it could claim as clearly its own. The Republicans would get some in the way of tax reduction; Democrats would get some in the way of children's health care and education and social initiatives, like that.

One of the victories allocated to us as Democrats as part of this compromise comes in the area of NDD, nondefense discretionary spending. In this particular budget resolution discretionary spending increases in outlay terms from $538 billion this year, FY 1997, to all of $562 billion 5 years from now. It goes up by $14 billion over a 5-year period of time. Half of the increase goes to defense, half to nondefense. So what we have achieved as a victory is to save discretionary spending from deep devastating cuts. Even so, it goes up by only a half a percent. It is still 9 percent below inflation.

We consider this a victory because we at least allowed enough to keep most of the programs that we consider priorities relatively fully funded, but everybody would have to agree that is not amply funded by any means.

This particular substitute would take that hard wrought compromise, take $109 billion more out over 5 years out of discretionary spending and put it into tax increases. So it would take this carefully balanced agreement and tilt it to one side, it would destroy the compromise. It has no chance of being passed by the Senate, no chance of being signed by the President.

Mr. Chairman, it would be a dreadful waste of time. We need to go on with what is possible, pass the resolution that we have carefully prepared and not get off on a side track like this.

Mr. DOOLITTLE. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. SESSIONS].

Mr. SESSIONS. Mr. Chairman, I rise as a member of the conservative action team to point out what we are for, what we have talked about, and that is that we believe that there should be more tax cuts that are available from this bill. What we are standing up tonight to say is that we believe that we should fully fund a capital gains tax cut to zero, we believe that we should do away with death taxes, and we believe we should fully support a $500 per child tax credit.

Mr. Chairman, this is the direction that America needs to go, and this is what we intended to do.

Mr. DOOLITTLE. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. CHABOT].

Mr. CHABOT. Mr. Chairman, I rise in strong support of the conservative budget alternative. Why? Because the American people are overtaxed, and they deserve tax relief, and they deserve that tax relief sooner rather than later.

The thing all of us in Washington should always keep in mind is that the money we spend up here does not belong to us, it belongs to the American people. Let us let the American people keep more of their hard-earned money, let us support the conservative budget alternative, let us cut taxes and do it sooner rather than later.

☐ 0045

Mr. DOOLITTLE. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. SHADEGG].

Mr. SHADEGG. Mr. Chairman, tonight is indeed an historic night. Tonight we get a chance to vote on balancing the budget. Tonight we get a chance to fulfill some of the promises we have made to the American people. While the committee budget does a tremendous job in moving in the right direction, we can do better, and indeed we have an obligation to do better.

The American people want change in the way Washington works. They want a smaller, more efficient Federal Government, and that can be achieved through the conservative alternative budget. This chart shows it plain and simple. We made a promise to the American people to deliver tax relief, tax relief for the average family. Regrettably, the sad truth is that the committee budget cannot deliver all of that relief, but the conservative alternative budget can.

The fundamental question is, are we going to keep our promise to the American people? Are we going to deliver for them? Do we recognize that they can spend their money better than we can spend it? I think the answer to that question is yes. We should fully fund the tax cuts that we have promised the American people and keep our word.

Mr. Chairman, I urge my colleagues to support the conservative alternative budget.

Mr. DOOLITTLE. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. MCINTOSH].

Mr. McINTOSH. Mr. Chairman, in closing the arguments for this amendment tonight for the conservative budget substitute, let me be clear: We support the effort that the Committee on the Budget has made and applaud them in that effort. Some of us will be voting for it, some of us will not, but the debate is not about the merits of their hard work and it has been tremendously hard work.

The debate tonight is about families and whether, as their representatives, we will increase the family budget or increase the Washington budget. As this chart shows, that my colleague from Arizona pointed out, our conservative budget alternative takes $109 billion from Washington's budget and gives it to families in their budget.

Now, while some people say that the economy is growing, the reality is that families in America are struggling just to get by. Some are spending more on food, clothing and shelter and transportation combined, they pay more in taxes than what they do in their budget for those necessities.

This amendment is necessary for two reasons. As this chart shows, the President drove a good bargain for Washington in his budget deal, because for every $1 of tax cuts, we have $10 of increased government spending over the next 5 years.

The conservative budget would reduce that, $1 of tax cuts for $4 of spending. Now, that is not the ideal, I would like to have it $1 for $1, but this goes a long way towards balancing our priorities.

The second reason that this amendment is necessary is that we have promised a lot of tax cuts to the American people; a full $500 tax credit, cutting the tax on investment in half, relief on the death taxes and expanded IRA's. But the fact of the matter is that $83 billion in taxes are not enough to deliver on those promises, so we need the conservative budget in order to be able to fulfill those promises for the American people.

Now, let us ensure that this golden moment as we balance the budget is one of selflessness and not selfishness for Washington. I think of a family in my district, the Lindleys and their two children. That $500 tax credit will let them buy clothes for their kids, 435 gallons of gas in the car, and another bag of groceries. That family, the Lindleys and their two children, from that $500 tax credit will be able to buy another bag of groceries each week as they keep more of their paycheck.

So in closing, Mr. Chairman, let me urge all of my colleagues on the Republican and the Democratic side of the aisle to join us in voting for this conservative alternative budget, because it is time that we stop putting Washington's budget first and start putting the family budget first.

Mr. DOOLITTLE. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, this is an opportunity to more than double the tax cut that will go to every person in the Nation. This is a chance to say no to Washington bureaucrats, yes to families, yes to economic growth. Vote yes on this substitute.

Mr. SHAYS. Mr. Chairman, to end the debate, I yield 3 minutes to the gentleman from Maryland [Mr. EHRLICH].

Mr. EHRLICH. Mr. Chairman, I am an unlikely person to close this debate. I was about to walk back to my office and a friend of mine asked me to close, and I agreed to because I think something important needs to be said.

Some of my best friends in this House have just spoken. I love this plan. Some of the closest friends I have in politics are Members of the CATS group. I would love to vote for this plan. I believe in tax cuts. I think that the capital gains tax cut break should be zero. However, I am not king. I get handed this: National Taxpayers Union, great group. They rate us, lots of groups rate us. The CATS substitute will be scored as one of the most heavily-weighted taxpayer votes in our 1997 rating of Congress.

I do not want to vote against this plan, because I like when people like me, because I run for public office. But I say to my colleagues, sometimes in public life, in the legislature, even in the national legislature, we have to do what is right and we cannot vote on the basis of score cards or interest groups or what people are going to think about us.

The reality of it is, that gentleman over here, and various Members of the leadership on the Republican side and on the Democrat side with whom I have significant philosophical differences, have negotiated a deal. For my part on this side, if those folks cannot maintain their credibility with respect to any of these amendments, an awful lot of good people have wasted an awful lot of time and wasted an historic opportunity to do what, at least part of the reason I came to Washington, which was to deliver significant and total reform to the American people, some tax cuts, and begin to question why the welfare state always grows.

That is the bottom line; that is the reason I am an unlikely closer here, Mr. Chairman. I ask my colleagues on both sides of the aisle, if we believe in credibility, particularly credibility with respect to our leaders, I ask for a nay vote on this.

Mr. SHAYS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DOOLITTLE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DOOLITTLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 313, not voting 3, as follows:

[Roll No. 144]

AYES—119

Aderholt	Forbes	Pappas
Bachus	Fowler	Paul
Ballenger	Gekas	Paxon
Barr	Gibbons	Pease
Bartlett	Gillmor	Peterson (PA)
Barton	Goode	Petri
Blunt	Goodlatte	Pickering
Boehner	Goss	Pitts
Bonilla	Graham	Pombo
Brady	Hall (TX)	Redmond
Bryant	Hansen	Riley
Burr	Hastings (WA)	Rohrabacher
Burton	Hayworth	Royce
Buyer	Hefley	Ryun
Callahan	Herger	Salmon
Calvert	Hill	Scarborough
Camp	Hilleary	Schaefer, Dan
Canady	Hoekstra	Schaffer, Bob
Cannon	Hostettler	Sensenbrenner
Chabot	Hunter	Sessions
Chenoweth	Hutchinson	Shadegg
Christensen	Inglis	Shuster
Coble	Istook	Smith (MI)
Coburn	Johnson, Sam	Smith (TX)
Combest	Jones	Snowbarger
Cox	Kingston	Solomon
Crane	Largent	Souder
Crapo	Lewis (CA)	Stearns
Cubin	Lewis (KY)	Stump
Cunningham	Manzullo	Talent
Deal	McCollum	Taylor (NC)
Dickey	McIntosh	Thornberry
Doolittle	McKeon	Thune
Dreier	Mica	Tiahrt
Duncan	Miller (FL)	Upton
Dunn	Moran (KS)	Wamp
Ensign	Myrick	Watts (OK)
Everett	Nethercutt	Whitfield
Ewing	Neumann	Young (AK)
Foley	Norwood	

NOES—313

Abercrombie	Gejdenson	Millender-McDonald
Ackerman	Gephardt	Miller (CA)
Allen	Gilchrest	Minge
Andrews	Gilman	Mink
Archer	Gingrich	Moakley
Armey	Gonzalez	Molinari
Baesler	Goodling	Mollohan
Baker	Gordon	Moran (VA)
Baldacci	Granger	Morella
Barcia	Green	Murtha
Barrett (NE)	Greenwood	Nadler
Barrett (WI)	Gutierrez	Neal
Bass	Gutknecht	Ney
Bateman	Hall (OH)	Northup
Becerra	Hamilton	Nussle
Bentsen	Harman	Oberstar
Bereuter	Hastert	Obey
Berman	Hastings (FL)	Olver
Berry	Hefner	Ortiz
Bilbray	Hilliard	Owens
Bilirakis	Hinchey	Oxley
Bishop	Hinojosa	Packard
Blagojevich	Hobson	Pallone
Bliley	Holden	Parker
Blumenauer	Hooley	Pascrell
Boehlert	Horn	Pastor
Bonior	Houghton	Payne
Bono	Hoyer	Pelosi
Borski	Hulshof	Peterson (MN)
Boswell	Hyde	Pickett
Boucher	Jackson (IL)	Pomeroy
Boyd	Jackson-Lee (TX)	Porter
Brown (CA)	Jenkins	Portman
Brown (FL)	John	Poshard
Brown (OH)	Johnson (CT)	Price (NC)
Bunning	Johnson (WI)	Pryce (OH)
Campbell	Johnson, E.B.	Quinn
Capps	Kanjorski	Radanovich
Cardin	Kaptur	Rahall
Carson	Kasich	Ramstad
Castle	Kelly	Rangel
Chambliss	Kennedy (MA)	Regula
Clay	Kennedy (RI)	Reyes
Clayton	Kennelly	Riggs
Clement	Kildee	Rivers
Clyburn	Kilpatrick	Rodriguez
Collins	Kim	Roemer
Condit	Kind (WI)	Rogan
Conyers	King (NY)	Rogers
Cook	Kleczka	Ros-Lehtinen
Cooksey	Klink	Rothman
Costello	Klug	Roukema
Coyne	Knollenberg	Roybal-Allard
Cramer	Kolbe	Rush
Cummings	Kucinich	Sabo
Danner	LaFalce	Sanchez
Davis (FL)	LaHood	Sanders
Davis (IL)	Lampson	Sandlin
Davis (VA)	Lantos	Sanford
DeFazio	Latham	Sawyer
DeGette	LaTourette	Saxton
Delahunt	Lazio	Schumer
DeLauro	Leach	Scott
DeLay	Levin	Serrano
Dellums	Lewis (GA)	Shaw
Deutsch	Linder	Shays
Diaz-Balart	Lipinski	Sherman
Dicks	Livingston	Shimkus
Dingell	LoBiondo	Sisisky
Dixon	Lofgren	Skaggs
Doggett	Lowey	Skeen
Dooley	Lucas	Skelton
Doyle	Luther	Slaughter
Edwards	Maloney (CT)	Smith (NJ)
Ehlers	Maloney (NY)	Smith (OR)
Ehrlich	Manton	Smith, Adam
Emerson	Markey	Smith, Linda
Engel	Martinez	Snyder
English	Mascara	Spence
Eshoo	Matsui	Spratt
Etheridge	McCarthy (MO)	Stabenow
Evans	McCarthy (NY)	Stark
Farr	McCrery	Stenholm
Fattah	McDade	Stokes
Fawell	McDermott	Strickland
Fazio	McGovern	Stupak
Filner	McHale	Sununu
Flake	McHugh	Tanner
Foglietta	McInnis	Tauscher
Ford	McIntyre	Tauzin
Fox	McKinney	Taylor (MS)
Frank (MA)	McNulty	Thomas
Franks (NJ)	Meehan	Thompson
Frelinghuysen	Meek	Thurman
Frost	Menendez	Tierney
Furse	Metcalf	Torres
Gallegly		Towns
Ganske		

Traficant	Watt (NC)	Wicker
Turner	Waxman	Wise
Velazquez	Weldon (FL)	Wolf
Vento	Weldon (PA)	Woolsey
Visclosky	Weller	Wynn
Walsh	Wexler	Young (FL)
Waters	Weygand	
Watkins	White	

NOT VOTING—3

Jefferson	Schiff	Yates

☐ 0112

Mrs. EMERSON changed her vote from "aye" to "no."

Mr. INGLIS of South Carolina and Mr. REDMOND changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 3.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 3 OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer an amendment in the nature of a substitute No. 3, the investment budget.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 3 offered by Mr. BROWN of California:

Strike all after the resolving clause and insert in lieu thereof the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

The Congress determines and declares that the concurrent resolution on the budget for fiscal year 1998 is hereby established and that the appropriate budgetary levels for fiscal years 1999 through 2002 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,206,035,000,000.
Fiscal year 1999: $1,251,843,000,000.
Fiscal year 2000: $1,303,638,000,000.
Fiscal year 2001: $1,361,895,000,000.
Fiscal year 2202: $1,421,072,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: $10,419,000,000.
Fiscal year 1999: $15,212,000,000.
Fiscal year 2000: $16,589,000,000.
Fiscal year 2001: $16,807,000,000.
Fiscal year 2002: $18,133,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,392,730,000,000.
Fiscal year 1999: $1,448,751,000,000.
Fiscal year 2000: $1,500,328,000,000.
Fiscal year 2001: $1,535,090,000,000.
Fiscal year 2002: $1,582,693,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,358,584,000,000.
Fiscal year 1999: $1,422,994,000,000.
Fiscal year 2000: $1,480,134,000,000.
Fiscal year 2001: $1,495,092,000,000.
Fiscal year 2002: $1,544,270,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $142,130,000,000.
Fiscal year 1999: $155,939,000,000.
Fiscal year 2000: $159,907,000,000.
Fiscal year 2001: $116,390,000,000.
Fiscal year 2002: $105,065,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,686,700,000,000.
Fiscal year 1999: $5,954,900,000,000.
Fiscal year 2000: $6,230,900,000,000.
Fiscal year 2001: $6,488,700,000,000.
Fiscal year 2002: $6,752,800,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $35,050,000,000.
Fiscal year 1999: $34,901,000,000.
Fiscal year 2000: $36,649,000,000.
Fiscal year 2001: $38,249,000,000.
Fiscal year 2002: $39,415,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,472,000,000.
Fiscal year 1999: $324,749,000,000.
Fiscal year 2000: $328,124,000,000.
Fiscal year 2001: $332,063,000,000.
Fiscal year 2002: $335,141,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:
(A) New budget authority, $262,267,000,000.
(B) Outlays, $259,255,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $588,000,000.

Fiscal year 1999:
(A) New budget authority, $262,354,000,000.
(B) Outlays, $261,353,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $757,000,000.

Fiscal year 2000:
(A) New budget authority, $262,505,000,000.
(B) Outlays, $265,423,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,050,000,000.

Fiscal year 2001:
(A) New budget authority, $262,528,000,000.
(B) Outlays, $257,287,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,050,000,000.

Fiscal year 2002:
(A) New budget authority, $262,552,000,000.
(B) Outlays, $259,471,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,050,000,000.

(2) International Affairs (150):

Fiscal year 1998:
(A) New budget authority, $18,471,000,000.
(B) Outlays, $14,207,000,000.
(C) New direct loan obligations, $1,966,000,000.
(D) New primary loan guarantee commitments $12,751,000,000.

Fiscal year 1999:
(A) New budget authority, $15,317,000,000.
(B) Outlays, $14,795,000,000.
(C) New direct loan obligations, $2,021,000,000.
(D) New primary loan guarantee commitments, $13,093,000,000.

Fiscal year 2000:

(A) New budget authority, $16,360,000,000.
(B) Outlays, $15,343,000,000.
(C) New direct loan obligations, $2,077,000,000.
(D) New primary loan guarantee commitments, $13,434,000,000.
Fiscal year 2001:
(A) New budget authority, $16,603,000,000.
(B) Outlays, $14,991,000,000.
(C) New direct loan obligations, $2,122,000,000.
(D) New primary loan guarantee commitments, $13,826,000,000.
Fiscal year 2002:
(A) New budget authority, $16,920,000,000.
(B) Outlays, $15,073,000,000.
(C) New direct loan obligations, $2,178,000,000.
(D) New primary loan guarantee commitments, $14,217,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1998:
(A) New budget authority, $17,498,000,000.
(B) Outlays, $17,587,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $18,364,000,000.
(B) Outlays, $18,147,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $19,281,000,000.
(B) Outlays, $18,713,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $20,244,000,000.
(B) Outlays, $19,687,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $21,254,000,000.
(B) Outlays, $20,715,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1998:
(A) New budget authority, $3,287,000,000.
(B) Outlays, $2,468,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $3,537,000,000.
(B) Outlays, $2,543,000,000.
(C) New direct loan obligations, $1,078,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $3,717,000,000.
(B) Outlays, $2,814,000,000.
(C) New direct loan obligations, $1,109,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $3,857,000,000.
Outlays, $2,916,000,000.
(C) New direct loan obligations, $1,141,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $4,115,000,000.
(B) Outlays, $3,097,000,000.
(C) New direct loan obligations, $1,174,000,000.
(D) New primary loan guarantee commitments $0.
(5) Natural Resources and Environment (300):
Fiscal year 1998:
(A) New budget authority, $23,410,000,000.
(B) Outlays, $21,899,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $23,253,000,000.
(B) Outlays, $22,604,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $23,503,000,000.
(B) Outlays, $23,253,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $23,449,000,000.
(B) Outlays, $23,518,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $23,540,000,000.
(B) Outlays, $23,527,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments $0.
(6) Agriculture (350):
Fiscal year 1998:
(A) New budget authority, $13,319,000,000.
(B) Outlays, $11,990,000,000.
(C) New direct loan obligations, $9,620,000,000.
(D) New primary loan guarantee commitments $6,365,000,000.
Fiscal year 1999:
(A) New budget authority, $13,066,000,000.
(B) Outlays $11,516,000,000.
(C) New direct loan obligations, $11,047,000,000.
(D) New primary loan guarantee commitments $6,436,000,000.
Fiscal year 2000:
(A) New budget authority, $12,567,000,000.
(B) Outlays $10,978,000,000.
(C) New direct loan obligations, $11,071,000,000.
(D) New primary loan guarantee commitments $6,509,000,000.
Fiscal year 2001:
(A) New budget authority, $11,429,000,000.
(B) Outlays, $9,899,000,000.
(C) New direct loan obligations, $10,960,000,000.
(D) New primary loan guarantee commitments $6,583,000,000.
Fiscal year 2002:
(A) New budget authority, $11,232,000,000.
(B) Outlays, $9,630,000,000.
(C) New direct loan obligations, $10,965,000,000.
(D) New primary loan guarantee commitments $6,660,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1998:
(A) New budget authority, $6,824,000,000.
(B) Outlays, −$728,000,000.
(C) New direct loan obligations, $5,960,000,000.
(D) New primary loan guarantee commitments $245,500,000,000.
Fiscal year 1999:
(A) New budget authority, $11,317,000,000.
(B) Outlays, $4,507,000,000.
(C) New direct loan obligations, $3,410,000,000.
(D) New primary loan guarantee commitments $253,450,000,000.
Fiscal year 2000:
(A) New budget authority, $15,488,000,000.
(B) Outlays $10,092,000,000.
(C) New direct loan obligations, $4,112,000,000.
(D) New primary loan guarantee commitments $255,200,000,000.
Fiscal year 2001:
(A) New budget authority, $16,326,000,000.
(B) Outlays, $12,364,000,000.
(C) New direct loan obligations, $4,784,000,000.
(D) New primary loan guarantee commitments, $257,989,000,000.
Fiscal year 2002:
(A) New budget authority, $16,942,000,000.
(B) Outlays, $12,781,000,000.
(C) New direct loan obligations, $4,996,000,000.
(D) New primary loan guarantee commitments, $259,897,000,000.
(8) Transportation (400):
Fiscal year 1998:
(A) New Budget authority, $50,846,000,000.
(B) Outlays, $40,962,000,000.
(C) New direct loan obligations, $155,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $54,715,000,000.
(B) Outlays, $43,317,000,000.
(C) New direct loan obligations, $135,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $56,172,000,000.
(B) Outlays, $45,600,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $57,373,000,000.
(B) Outlays, $46,552,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $58,598,000,000.
(B) Outlays, $47,130,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $17,269,000,000.
(B) Outlays, $11,417,000,000.
(C) New direct loan obligations, $2,867,000,000.
(D) New primary loan guarantee commitments, $2,385,000,000.
Fiscal year 1999:
(A) New budget authority, $8,678,000,000.
(B) Outlays, $11,997,000,000.
(C) New direct loan obligations, $2,943,000,000.
(D) New primary loan guarantee commitments, $2,406,000,000.
Fiscal year 2000:
(A) New budget authority, $8,108,000,000.
(B) Outlays, $11,670,000,000.
(C) New direct loan obligations, $3,020,000,000.
(D) New primary loan guarantee commitments, $2,429,000,000.
Fiscal year 2001:
(A) New budget authority, $8,114,000,000.
(B) Outlays, $11,717,000,000.
(C) New direct loan obligations, $3,098,000,000.
(D) New primary loan guarantee commitments, $2,452,000,000.
Fiscal year 2002:
(A) New budget authority, $8,215,000,000.
(B) Outlays, $8,845,000,000.
(C) New direct loan obligations, $3,180,000,000.
(D) New primary loan guarantee commitments, $2,475,000,000
(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1998:
(A) New budget authority, $60,011,000,000.
(B) Outlays, $56,273,000,000.
(C) New direct loan obligations, $12,328,000,000.
(D) New primary loan guarantee commitments, $20,665,000,000
Fiscal year 1999:
(A) New budget authority, $61,143,000,000.
(B) Outlays, $59,848,000,000.
(C) New direct loan obligations, $13,092,000,000.
(D) New primary loan guarantee commitments, $21,899,000,000
Fiscal year 2000:
(A) New budget authority, $62,508,000,000.
(B) Outlays, $61,352,000,000.
(C) New direct loan obligations, $13,926,000,000.
(D) New primary loan guarantee commitments, $23,263,000,000
Fiscal year 2001:
(A) New budget authority, $64,090,000,000.
(B) Outlays, $62,780,000,000.
(C) New direct loan obligations, $14,701,000,000.
(D) New primary loan guarantee commitments, $24,517,000,000
Fiscal year 2002:
(A) New budget authority, $65,603,000,000.
(B) Outlays, $64,401,000,000.
(C) New direct loan obligations, $15,426,000,000.
(D) New primary loan guarantee commitments, $25,676,000,000
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $135,308,000,000.
(B) Outlays, $135,055,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $85,000,000
Fiscal year 1999:
(A) New budget authority, $144,365,000,000.
(B) Outlays, $143,871,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $154,728,000,000.
(B) Outlays, $153,938,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $165,730,000,000.
(B) Outlays, $164,816,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $177,877,000,000.
(B) Outlays, $176,816,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $205,310,000,000.
(B) Outlays, $200,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $219,430,000,000.
(B) Outlays, $212,640,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $232,828,000,000.
(B) Outlays, $225,857,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $249,027,000,000.
(B) Outlays, $234,765,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $265,828,000,000.
(B) Outlays, $254,365,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $236,956,000,000.
(B) Outlays, $246,922,000,000.
(C) New direct loan obligations, $45,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 1999:
(A) New budget authority, $254,293,000,000.
(B) Outlays, $257,304,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2000:
(A) New budget authority, $270,810,000,000.
(B) Outlays, $272,008,000,000.
(C) New direct loan obligations, $110,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2001:
(A) New budget authority, $277,236,000,000.
(B) Outlays, $276,973,000,000.
(C) New direct loan obligations, $145,000,000.
(D) New primary loan guarantee commitments $37,000,000.
Fiscal year 2002:
(A) New budget authority, $290,973,000,000.
(B) Outlays, $289,943,000,000.
(C) New direct loan obligations, $170,000,000.
(D) New primary loan guarantee commitments $37,000,000.
(14) Social Security (650):
Fiscal year 1998:
(A) New budget authority, $8,179,000,000.
(B) Outlays, $8,179,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $8,865,000,000.
(B) Outlays, $8,865,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $9,622,000,000.
(B) Outlays, $9,622,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $9,879,000,000.
(B) Outlays, $9,879,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $11,272,000,000.
(B) Outlays, $11,272,000.
(C) New primary loan guarantee commitments $0.
(D) New primary loan guarantee commitments $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1998:
(A) New budget authority, $40,462,000,000.
(B) Outlays, $41,112,000,000.
(C) New direct loan obligations, $1,029,000,000.
(D) New primary loan guarantee commitments $27,096,000,000.
Fiscal year 1999:
(A) New budget authority, $41,918,000.00.
(B) Outlays, $42,055,000,000.
(C) New direct loan obligations, $1,068,000,000.
(D) New primary loan guarantee commitments $26,671,000,000.
Fiscal year 2000:
(A) New budget authority, $42,385,000,000.
(B) Outlays, $44,220,000,000.
(C) New direct loan obligations, $1,177,000,000.
(D) New primary loan guarantee commitments $26,202,000,000.
Fiscal year 2001:
(A) New budget authority, $42,826,000,000.
(B) Outlays, $41,076,000,000.
(C) New direct loan obligations, $1,249,000,000.
(D) New primary loan guarantee commitments $25,609,000,000.
Fiscal year 2002:
(A) New budget authority, $43,289,000,000.
(B) Outlays, $43,349,000,000.
(C) New direct loan obligations, $1,277,000,000.
(D) New primary loan guarantee commitments $25,129,000,000.
(16) Administration of Justice (750);
Fiscal year 1998:
(A) New budget authority, $22,360,000,000.
(B) Outlays, $20,620,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $22,325,000,000.
(B) Outlays, $21,834,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $24,691,000,000.
(B) Outlays, $24,058,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $25,060,000,000.
(B) Outlays, $24,656,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $25,708,000,000.
(B) Outlays, $25,322,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $13,089,000,000.
(B) Outlays, $13,151,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $13,121,000,000.
(B) Outlays, $13,108,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $13,162,000,000.
(B) Outlays, $13,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $13,206,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $13,277,000,000.
(B) Outlays, $13,036,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $295,741,000,000.

(B) Outlays, $295,741,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $302,183,000,000.
(B) Outlays, $302,183,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $301,113,000,000.
(B) Outlays, $301,113,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $298,020,000,000.
(B) Outlays, $298,020,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $296,583,000,000.
(B) Outlays, $296,583,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, −$41,244,000,000.
(B) Outlays, −$41,244,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$32,858,000,000.
(B) Outlays, −$232,858,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$32,516,000,000.
(B) Outlays, −$32,516,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$33,143,000,000.
(B) Outlays, −$33,143,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$34,327,000,000.
(B) Outlays, −$34,327,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SEC. 4. INVESTMENTS.

The Congress determines and declares that the appropriate levels of new budget authority and budget outlays for Federal investments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050)—for subfunction 051 for Research, Development, Test, and Evaluation:
Fiscal year 1998:
(A) New budget authority, $35,934,000,000.
(B) Budget outlays, $36,645,000,000.
Fiscal year 1999:
(A) New budget authority, $35,044,000,000.
(B) Budget outlays, $35,152,000,000.
Fiscal year 2000:
(A) New budget authority, $35,044,000,000.
(B) Budget outlays, $34,666,000,000.
Fiscal year 2001:
(A) New budget authority, $35,044,000,000.
(B) Budget outlays, $34,738,000,000.
Fiscal year 2002:
(A) New budget authority, $35,044,000,000.
(B) Budget outlays, $34,950,000,000.

(2) General Science, Space, and Technology (250)—for subfunctions 251 and 252 for General Science, Space and Technology programs:
Fiscal year 1998:
(A) New budget authority, $17,460,000,000.
(B) Budget outlays, $17,040,000,000.
Fiscal year 1999:
(A) New budget authority, $18,333,000,000.
(B) Budget outlays, $17,838,000,000.
Fiscal year 2000:
(A) New budget authority, $19,250,000,000.
(B) Budget outlays $18,599,000,000.
Fiscal year 2001:
(A) New budget authority, $20,213,000,000.
(B) Budget outlays, $19,512,000,000.
Fiscal year 2002:
(A) New budget authority, $21,223,000,000.
(B) Budget outlays, $20,534,000,000.

(3) Energy (270)—for subfunction 271 for Energy Supply Research and Development, and subfunction 272 for Energy Conservation—
Fiscal year 1998:
(A) New budget authority, $3,937,000,000.
(B) Budget outlays, $4,148,000,000.
Fiscal year 1999:
(A) New budget authority, $4,134,000,000.
(B) Budget outlays, $4,180,000,000.
Fiscal year 2000:
(A) New budget authority, $4,340,000,000.
(B) Budget outlays, $4,328,000,000.
Fiscal year 2001:
(A) New budget authority, $4,557,000,000.
(B) Budget outlays, $4,464,000,000.
Fiscal year 2002:
(A) New budget authority, $4,785,000,000.
(B) Budget outlays, $4,655,000,000.

(4) Natural Resources and Environment (300)—for subfunction 304 for Regulatory, Enforcement, and Research Programs and Hazardous Substance Superfund, and subfunction 306 Other Natural Resources:
Fiscal year 1998:
(A) New budget authority, $10,538,000,000.
(B) Budget outlays, $9,527,000,000.
Fiscal year 1999:
(A) New budget authority, $10,742,000,000.
(B) Budget outlays, $10,013,000,000.
Fiscal year 2000:
(A) New budget authority, $10,816,000,000.
(B) Budget outlays, $10,533,000,000.
Fiscal year 2001:
(A) New budget authority, $10,859,000,000.
(B) Budget outlays, $10,825,000,000.
Fiscal year 2002:
(A) New budget authority, $10,943,000,000.
(B) Budget outlays, $10,889,000,000.

(5) Agriculture (350)—for subfunction 352 for Research Programs:
Fiscal year 1998:
(A) New budget authority, $1,339,000,000.
(B) Outlays, $1,351,000,000.
Fiscal year 1999:
(A) New budget authority, $1,406,000,000.
(B) Outlays, $1,449,000,000.
Fiscal year 2000:
(A) New budget authority, $1,476,000,000.
(B) Outlays, $1,506,000,000.
Fiscal year 2001:
(A) New budget authority, $1,550,000,000.
(B) Outlays, $1,556,000,000.
Fiscal year 2002:
(A) New budget authority, $1,627,000,000.
(B) Outlays, $1,603,000,000.

(6) Commerce and Housing Credit (370)—for subfunction 376 for Science and Technology:
Fiscal year 1998:
(A) New budget authority, $720,000,000.
(B) Outlays, $680,000,000.
Fiscal year 1999:
(A) New budget authority, $762,000,000.
(B) Outlays, $703,000,000.
Fiscal year 2000:
(A) New budget authority, $800,000,000.
(B) Outlays, $752,000,000.
Fiscal year 2001:
(A) New budget authority, $851,000,000.
(B) Outlays, $787,000,000.
Fiscal year 2002:
(A) New budget authority, $937,000,000.
(B) Outlays, $818,000,000.

(7) Transportation (400)—for subfunction 401 Ground Transportation, subfunction 402 for Air Transportation, and subfunction 403 for Water Transportation:
Fiscal year 1998:
(A) New budget authority, $44,491,000,000.
(B) Outlays, $37,419,000,000.
Fiscal year 1999:
(A) New budget authority, $48,500,000,000.
(B) Outlays, $40,641,000,000.
Fiscal year 2000:
(A) New budget authority, $48,900,000,000.
(B) Outlays, $43,211,000,000.
Fiscal year 2001:
(A) New budget authority, $49,100,000,000.
(B) Outlays, $44,283,000,000.
Fiscal year 2002:
(A) New budget authority, $49,300,000,000.
(B) Outlays, $45,078,000,000.

(8) Community and Regional Development (450)—for subfunction 452 for Rural Development and Economic Development Assistance:
Fiscal year 1998:
(A) New budget authority, $1,279,000,000.
(B) Outlays, $1,259,000,000.
Fiscal year 1999:
(A) New budget authority, $1,276,000,000.
(B) Outlays, $1,222,000,000.
Fiscal year 2000:
(A) New budget authority, $1,276,000,000.
(B) Outlays, $1,205,000,000.
Fiscal year 2001:
(A) New budget authority, $1,276,000,000.
(B) Outlays, $1,253,000,000.
Fiscal year 2002:
(A) New budget authority, $1,276,000,000.
(B) Outlays, $1,258,000,000.

(9) Education, Training, Employment, and Social Services (500)—for subfunctions 501, 502, 503, 504, and 506 National Service Initiative, Rehabilitation Services, and Children and Families Services Program:
Fiscal year 1998:
(A) New budget authority, $44,059,000,000.
(B) Outlays, $40,656,000,000.
Fiscal year 1999:
(A) New budget authority, $45,067,000,000.
(B) Outlays, $44,314,000,000.
Fiscal year 2000:
(A) New budget authority, $46,112,000,000.
(B) Outlays, $45,295,000,000.
Fiscal year 2001:
(A) New budget authority, $47,124,000,000.
(B) Outlays, $46,206,000,000.
Fiscal year 2002:
(A) New budget authority, $48,007,000,000.
(B) Outlays, $47,196,000,000.

(10) Health (550)—for subfunction 552 for Health Research and Training:

Fiscal year 1998:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $13,299,000,000.

Fiscal year 1999:

(A) New budget authority, $14,175,000,000.

(B) Outlays, $13,771,000,000.

Fiscal year 2000:

(A) New budget authority, $14,884,000,000.

(B) Outlays, $14,371,000,000.

Fiscal year 2001:

(A) New budget authority, $15,628,000,000.

(B) Outlays, $15,043,000,000.

Fiscal year 2002:

(A) New budget authority, $16,409,000,000.

(B) Outlays, $15,783,000,000.

(11) Income Security (600)—for subfunction 605 for Food and Nutrition Assistance:

Fiscal year 1998:

(A) New budget authority, $4,618,000,000.

(B) Outlays, $4,506,000,000.

Fiscal year 1999:

(A) New budget authority, $4,636,000,000.

(B) Outlays, $4,627,000,000.

Fiscal year 2000:

(A) New budget authority, $4,734,000,000.

(B) Outlays, $4,727,000,000.

Fiscal year 2001:

(A) New budget authority, $4,834,000,000.

(B) Outlays, $4,827,000,000.

Fiscal year 2002:

(A) New budget authority, $4,948,000,000.

(B) Outlays, $4,940,000,000.

SEC. 5. RECONCILIATION.

(a) SUBMISSIONS.—No later than June 30, 1997, the House committees named in subsections (b) and (c) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(b) HOUSE COMMITTEES.—

(1) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce outlays as follows: $7,900,000,000 in outlays for fiscal year 1998, $36,500,000,000 in outlays for fiscal year 2002, and $115,700,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce outlays as follows: $7,900,000,000 in outlays for fiscal year 1998, $36,500,000,000 in outlays for fiscal year 2002, and $115,700,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is increased by: $10,419,000,000 in revenues for fiscal year 1998, $18,133,000,000 in revenues for fiscal year 2002, and $77,160,000,000 in revenues in fiscal years 1998 through 2002.

(c) INVESTMENT TRUST FUND.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide for the establishment of a separate account in the Treasury known as the ''Investment Trust Fund'' into which shall be transferred revenues realized by the acution of spectrum allocations by the Federal Communications Commission and, further, provide that amounts in that fund shall be used exclusively for programs assumed under section 4.

(d) DEFINITION.—For purposes of this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 6. COMMITTEE ALLOCATIONS.

Upon the adoption of this resolution, the Committee on the Budget of the House of Representatives and the Committee on the Budget of the Senate shall each make separate allocations to the appropriate committees of its House of Congress of total new budget authority and total budget outlays for each fiscal year covered by this resolution to carry out section 4. For all purposes of the Congressional Budget Act of 1974, those allocations shall be deemed to be made pursuant to section 302(a) and section 602(a) of that Act, as applicable.

SEC. 7. SENSE OF CONGRESS REGARDING BUDGET TRENDS.

It is the sense of Congress that the increasing portion of the Federal budget absorbed by interest payments and consumption programs, particularly health spending, has led to a declining level of domestically financed investment and may adversely impact the ability of the economy to grow at the levels needed to provide for future generations.

SEC. 8. SENSE OF CONGRESS REGARDING THE NEED TO MAINTAIN FEDERAL INVESTMENTS.

It is the sense of Congress that a balanced program to improve the economy should be based on the concurrent goals of eliminating the deficit and maintaining Federal investment in programs that enhance long-term productivity such as research and development, education and training, and physical infrastructure improvements.

SEC. 9. SENSE OF CONGRESS REGARDING THE TREATMENT OF FEDERAL INVESTMENTS WITHIN THE BUDGET.

It is the sense of Congress that the current budget structure focuses primarily on short-term spending and does not highlight for decision making purposes the differences between Federal spending for long-term investment and that for current consumption. In order to restructure Federal budget to make such a distinction, it is necessary to identify an investment component in the Federal budget and establish specific budgetary targets for such investments.

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. BROWN] and a Member opposed will each control 10 minutes.

For what purpose does the gentleman from Ohio [Mr. KASICH] rise?

Mr. KASICH. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California [Mr. BROWN] will be recognized 10 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. BROWN].

☐ 0115

Mr. BROWN of California. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, it is not possible to enter into an all-encompassing discussion of what this investment budget does, but let me start off by defining investment budget. Both the OMB and the GAO have categorized certain investments or expenditures of the Federal Government as investments. These are described in a GAO report that came out yesterday prepared at my request and the request of Senator LAUTENBERG, the ranking minority member of the Senate Committee on the Budget, or the Committee on the Budget of the other House.

The salient thing that I wish to point out first is that this chart, which is labeled nondefense investments, has shown a steady decline for the last 15 years. I have spent most of that 15 years trying to prevent that decline unsuccessfully, but what that reflects is we have continued to uninvest in most things which contribute to the increased productive of the private sector. That includes transportation investments, research and development investments, worker productivity investments, education and training, and so on, and a few other things. This has not reached the critical stage. In this budget we have a chance to begin to remedy that situation.

The budget before us does not. As a matter of fact, it continues this decline, much to my chagrin and unhappiness. Let me point out one other thing about the investment budget.

This is a comparison of annual deficits of the investment budget versus the underlying budget that we are going to be asked to vote on. By a strange coincidence, for the next 3 years the budget deficit goes up. And I know that Members are not going to like that, but this is what they are being asked to vote for.

By an equally strange coincidence, the amount of those increased deficits over my investment budget is approximately $85 billion. And by an even stranger coincidence, the amount of the tax cuts that both sides have agreed to is approximately $85 billion.

So what is before us is a situation contained in the budget that we are going to be asked to approve where we are financing $85 billion in tax cuts with $85 billion in additional borrowing over the next 3 years. And then we have this gullible idea that in the last 2 years of this budget resolution, where the major cuts have to be made, President Gore and the 107th Congress are going to agree to make those drastic cuts that my colleagues refuse to make. That is touching faith, like in the tooth fairy. I commend all of my colleagues who have that faith and are therefore going to vote for the budget that is before them.

Having said that, Mr. Chairman, I reserve the balance of my time.

Mr. KASICH. Mr. Chairman, let me yield myself 2 minutes.

Let me first of all give some credit to the gentleman from California. I want to give him some credit because, frankly, it is not easy to put a program together, a comprehensive budget. I hope the gentleman does as well as I did in my first budget. I think I got 30 votes. I do not mind if we do a little better than that. But we obviously have to rise and oppose this for a couple reasons. I do not think we need to spend a lot of time.

There is no tax relief in this proposal. We think that the level of defense reductions are, frankly, too high. And let us get to the bottom line on it. It stands in stark violation to an agreement that could be approved. My colleagues are not going to get many votes, probably no votes on our side of the aisle. And while I want to commend the gentleman for his hard work, his commitment to science, it just is really not in balance and does not favor what we think is a new direction in this country, and that is a very limited Federal Government and more power and more money and more influence being shifted from this city back to people across the country.

It is not with joy that I have to rise against the gentleman from California, but certainly I feel compelled to do it, to represent those people who were a party to this agreement and particularly the Republican Members who really do not share this view. I ask that the membership reject the Brown amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I want to thank the gentleman from California for his hard work in developing this substitute. I rise in support of the Brown investment substitute because it moves us to a balanced budget in a believable and reasonable way and because it protects our veterans, secures our future by investing in our children, our families and our economy.

Mr. Chairman, under the committee, in the committee budget resolution, the deficit goes up the first 3 years to pay for tax cuts. That is right. Under the committee bill, the deficit 3 years from now will be worse than it is today. The Brown investment substitute, however, eliminates the deficit and balances the budget in a logical, believable and gradual way. It invests in our children, strengthens our families, protects our veterans, stimulates and strengthens our economy and improves our future.

Mr. Chairman, I urge the Members of the House to vote for the Brown investment substitute.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH], a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Chairman, I appreciate the spirit in which our colleague from California offers his amendment. But it again points out some fundamental differences in philosophy. For as my colleague from Virginia just pointed out, if we believe that tax hikes and constantly paying more and more taxes is the best form of investment in this country, then we should vote for the Brown amendment. But if on the other hand, we believe, as many of us on both sides of the aisle do now, that the American people and working families need to hang onto more of their own money and send less of it to Washington, DC, that it is possible to rein in spending and at the same time offer the American people much needed tax relief, we will vote no on the Brown amendment.

I would also note, Mr. Chairman, that I listened with great interest to the ranking member of the Committee on Science as he outlined what he thought might happen in the 107th Congress. He mentioned, Mr. Chairman, if I am not mistaken, President GORE. I just wonder if he checked that with the minority leader because I believe he might have another idea, judging from what I have read in the press recently. But whatever happens, we, of course for our money, believe it would be a conservative majority and a conservative President in the White House.

We are taking important steps now to balance this budget, to allow working families to have tax relief, to properly weigh our priorities, and that is why I rise in opposition to the Brown amendment. Let us allow working families to hold onto more of their hard-earned money. Let us vote for a responsible budget plan.

Mr. BROWN of California. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, this is not a debate about the scope, the size of government, and there are no tax hikes in this substitute. This is about the role of investment, and it does not matter whether we want a bigger budget or a smaller budget. What the gentleman from California is forcing us all to do in this budget is to look at what role investment plays in the economy.

It is possible to balance the budget on paper and totally unbalance an economy. We can cut ourselves right down to nothing but, if we do not invest in those things that help the economy grow, not government grow, the economy grow, then what have we done, what have we produced? What the gentleman does is actually put together an investment budget similar to what the General Accounting Office has recommended.

To some of my friends who support capital budgeting, I am a big fan of that, this is not capital budgeting. Capital budgeting is not in this proposal. Nor does it take anything off budget. But what it does do in accordance with GAO recommendations is it puts aside a part of the budget as an investment budget. It separates for the first time in a meaningful way in the Federal budget what a dollar does. Does a dollar buy a dollar's worth of pencils for the courthouse or a dollar's worth of gasoline for a Federal vehicle or does a dollar buy a mile of road or does a dollar buy research or does a dollar buy infrastructure that actually helps the economy grow. I think most of us would acknowledge that we need more growth in this economy and we need more investment. So I think that is what the gentleman's budget does.

Also he does it without tax cuts until the budget is balanced, I think a very sound principle as well. So if Members believe that education and research and development and infrastructure development, and incidentally this has the same dollar figure in it for infrastructure development as in the Shuster-Oberstar substitute to come, then I think they want to be involved in this. In recognizing that according to the GAO we have seen investment as a percentage of our gross domestic product shrink from 2.6 percent to 1.5 percent, if we want to fuel productivity and growth, we have to vote for this budget.

Mr. BROWN of California. Would the Chair kindly tell us how much time remains on each side?

The CHAIRMAN. The gentleman from California [Mr. BROWN] has 4 minutes remaining, and the gentleman from Ohio [Mr. KASICH] has 6½ minutes remaining.

Mr. KASICH. Mr. Chairman, I reserve the balance of the time.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan [Mr. BARCIA].

Mr. BARCIA. Mr. Chairman, I rise today in support of the Brown substitute, and I would like to congratulate my ranking member on his excellent effort.

Using CBO scoring, the Brown substitute cuts $220 billion over 5 years, actually reaching surplus by the year 2002. These cuts provide for an overall increase in research and development, including basic science research, energy research, health, space, agricultural research and defense research of $30 billion over the President's request for the next 5 years.

This work has had an enormous impact on present technology development and application. Entire industries have developed from Nobel Prize winning research in magnetic resonance, superconductivity, lasers, antibiotics, and transistor action.

However, both industrial and governmental basic research spending has steadily declined throughout the 1990s, resulting in a loss of ground in many key areas for U.S. research. If the United States is to remain the dominant economic force, we must not only recognize but employ the vision of the gentleman from California [Mr. BROWN].

Mr. Chairman, I rise today in support of the Brown substitute, and I would like to congratulate my ranking member on his excellent effort.

As a member of both the Science and Transportation Committees, I understand the need for adequate investment in our economy. We no longer compete in the labor intensive economy of the sixties. Rather, we are struggling to maintain our dominance of an ever changing, technologically sensitive, information intensive global economy. The Brown substitute not only provides the necessary framework to compete, but will ensure our economic success through increased investment in Research and Development, education, and training.

Using CBO scoring,the Brown substitute provides a budgetary surplus by 202 through spending cuts of $220 billion over 5 years.

Such cuts provide for an overall increase in Research and Development, including basic research, energy research, health, space, agricultural research, and defense research of $30 billion over the President's request over the next 5 years.

Further, the Brown substitute increases funding for the National Institute of Standards and Technology which will enable NIST to maintain its core scientific research programs and to expand its technology and manufacturing partnership programs. Steady growth in the advanced technology program will promote industrial alliances and lead to the direct creation of new, well paying jobs. Sustaining funding for the manufacturing extension partnership will provide the necessary technical and business assistance to ensure the competitiveness of U.S. manufacturers.

Scientific discoveries resulting from basic research have had an enormous impact on technology development and application. Entire industries have developed from Nobel Prize-winning research in such fields as magnetic resonance, superconductivity, lasers, antibiotics, and transistor action.

However, both industrial and governmental basic-research spending have steadily declined throughout the 1990's, resulting in a loss of ground in many key areas for U.S. research. If the United States is to remain dominant economic force, we must not only recognize, but employ the vision of Mr. BROWN.

Again, I applaud Mr. BROWN's fine efforts on his budget, and, more importantly, his vision for maintaining our long term economic vitality.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the distinguished woman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the ranking member of the Committee on Science for yielding me the time, and I thank him for his leadership on this issue.

With all due respect to esteemed chairman of the Committee on the Budget the gentleman from Ohio [Mr. KASICH], let me say that I think this particular amendment is going to get more than the number of votes that he thinks that it would not get. Why is that? There are three reasons: research, education, and infrastructure.

This is an investment amendment. This is a competitive amendment. This is an amendment that balances the budget by 2002, $220 billion of cuts in spending, but it creates jobs.

□ 0130

Mr. Chairman, when a recent newspaper article said that most all of the college graduates would be seeking employment this 1997, it characterized for us what makes America great; that is competitiveness and jobs.

This amendment invests in jobs and research and cures in various diseases. This is a good budget amendment because it creates the opportunity for the 21st century in science, it creates jobs for both inner city, rural and all parts of America. This is the kind of amendment that reinforces America as a world competitor.

Mr. Chairman, I ask for the support of the Brown amendment.

Mr. KASICH. Mr. Chairman, I yield back the balance of my time.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, first of all, I want to rise in congratulation of the gentleman from Ohio [Mr. KASICH], and the gentleman from South Carolina [Mr. SPRATT].

I spoke on the budget resolution, which I will vote for and strongly support. I do want to rise and say some nice things about the gentleman from California [Mr. BROWN], and his budget, however.

If we are going to invest in educating our children, if we are going to solve problems such as cancer and AIDS, if we are going to develop new technologies for the Internet and high-speed rail and a host of other things with supercomputers, we must invest in R&D efforts and in education, and that is what the Brown budget does.

According to the Wall Street Journal, a poll done, polling 1500 economists, 43 percent of those economists said the best investments we can make to stimulate economic growth are in education and R&D.

So with that, I want to applaud the gentleman for his hard work and that of his staff putting this budget together.

Mr. BROWN of California. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts [Mr. OLVER], a distinguished member of the Committee on the Budget.

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding me this time. I want to commend the gentleman from California for this creative blueprint for maintaining American preeminence in science and technology.

The Brown budget proves that we can balance the budget and, at the same time, invest in the future. Indeed, what is the use of a balanced budget if we are left to second-rate technology and American science in retreat? The Brown budget enables us to have first-rate technology with first-rate jobs, ensures America will remain preeminent in scientific fields crucial to the economy, and to the public health and our environment.

Industries such as computers and software, telecommunications and biotechnology offer high wage jobs that are the result of a strong Federal commitment to research and development. This budget stands for jobs yet to be created, jobs yet to be imagined, and so I urge my colleagues to support the vision of the substitute offered by the gentleman from California [Mr. BROWN].

Mr. DOYLE. Mr. Chairman, I rise to voice my support for the investment budget, sponsored by Representative GEORGE BROWN. I strongly believe that the budget must be balanced in 5 years, but I also believe it is crucial that we look beyond this limited time frame. The Brown substitute is a far-sighted plan which is both fiscally and socially responsible. It balances the budget in 5 years, and it provides a blue print for economic growth and development for decades to come.

It is clear that the Nation's economy is undergoing considerable change. In today's market place, it is essential that businesses and workers be equipped to take advantage of advancements in science and technology. Workers must be better trained, and goods and services must be produced and delivered more efficiently than ever. If we are going to prosper in the context of the economy of the future, it is crucial that we make investments today that will continue to pay dividends well into the next century.

However, it is equally important that we do not ignore our current responsibilities. The investment budget continues our commitments to, among other things, our Nation's senior citizens, veterans, and distressed communities. It protects seniors by extending the life of the Medicare trust fund and providing coverage for preventive services. In addition, it preserves our obligations to our veterans by not seeking any budget savings through reductions in the commitment we have made to those who have served our Nation.

Similarly, the Brown substitute contains ample economic development funding, which will help to revitalize distressed communities. Initiatives such as the Community Development Block Grant program will be protected, so that we can continue to rebuild infrastructure, improve housing, establish parks, and revitalize commercial opportunities, thereby creating jobs and raising the standard of living in the localities where they are implemented. By providing cities and towns with the tools they need to rebuild themselves, we help people help themselves and we increase our Nation's potential for future growth.

We hear a lot of talk in this Chamber about how Congress should conduct itself like the average American family. We hear that the House and Senate should, like a family, sit down around some sort of kitchen table and balance our budget. I suppose that is what we are doing this evening. But when a family sits down to balance the checkbook and put its finances in order, it also plans for the future. Families devise investment plans for the future that will enable them to contend with expenses such as college, replacing durable goods, housing, or purchasing a new automobile. The Brown substitute is a prudent investment plan for our entire Nation's future. In addition to finally putting our financial house in order, it will provide help of the country's education, research and development, infrastructure, community development, and transportation.

Mr. Speaker, I plan to support House Concurrent Resolution 84 if the investment budget is not approved. I believe that the budget agreement, drafted by the White House and congressional leadership may be the only measure that can attract the diverse support that is needed to produce a balanced budget. It is certainly a substantial improvement over the budget plans offered by the Republican congressional leadership in 1995 and 1996. However, the Brown substitute most accurately represents the priorities of my constituents in western Pennsylvania. It provides greater safeguards for fiscal responsibility by postponing tax cuts until after the deficit is eliminated and providing a steady glide path to balance. In addition, as I have outlined, it makes prudent, far-sighted investments in our Nation's future. Even if it is not adopted by the House, I urge my colleagues to examine the priorities advanced by the Brown substitute and to consider them as we move through the reconciliation process.

The CHAIRMAN. Under the rule, all time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. BROWN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROWN of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 91, noes 339, not voting 5, as follows:

[Roll No. 145]

AYES—91

Barcia
Barrett (WI)
Becerra
Berman
Blagojevich
Blumenauer
Bonior
Brown (CA)
Brown (FL)
Carson
Clay
Clayton
Clyburn
Conyers
Coyne
Cummings
Davis (IL)
Dellums
Dixon
Doggett
Doyle
Engel
Etheridge
Farr
Fattah
Filner
Foglietta
Ford
Frank (MA)
Furse
Gephardt
Green
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Kanjorski
Kilpatrick
Kind (WI)
Klink
LaFalce
Lewis (GA)
Lofgren
Markey
Martinez
Matsui
McDermott
McGovern
McKinney
McNulty
Meek
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran (VA)
Nadler
Oberstar
Obey
Olver
Owens
Pastor
Payne
Pelosi
Rangel
Rivers
Roybal-Allard
Rush
Sanders
Scott
Serrano
Skaggs
Slaughter
Stark
Stokes
Thompson
Tierney
Torres
Towns
Velazquez
Vento
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wynn

NOES—339

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Evans
Everett
Ewing
Fawell
Fazio
Flake
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Minge
Molinari
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryun
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—5

Jefferson
Meehan
Schiff
Talent
Yates

□ 0152

Mr. SALMON changed his vote from ''aye'' to ''no.''

Ms. McKINNEY changed her vote from ''no'' to ''aye.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 4 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. KENNEDY of Massachusetts:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

The Congress declares that the concurrent resolution on the budget for fiscal year 1998 is hereby established and that the appropriate budgetary levels for fiscal years 1999 through 2002 are hereby set forth.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,206,379,000,000.
Fiscal year 1999: $1,252,942,000,000.
Fiscal year 2000: $1,307,528,000,000.
Fiscal year 2001: $1,366,412,000,000.
Fiscal year 2002: $1,427,435,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: $0.
Fiscal year 1999: $0.
Fiscal year 2000: $0.
Fiscal year 2001: $0.
Fiscal year 2002: $0.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,399,365,000,000.
Fiscal year 1999: $1,447,879,000,000.
Fiscal year 2000: $1,495,779,000,000.
Fiscal year 2001: $1,526,178,000,000.
Fiscal year 2002: $1,552,378,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,383,432,000,000.
Fiscal year 1999: $1,440,016,000,000.
Fiscal year 2000: $1,489,140,000,000.
Fiscal year 2001: $1,516,666,000,000.
Fiscal year 2002: $1,535,000,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $177,053,000,000.
Fiscal year 1999: $187,074,000,000.
Fiscal year 2000: $181,612,000,000.
Fiscal year 2001: $150,254,000,000.
Fiscal year 2002: $107,565,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,596,684,000,000.
Fiscal year 1999: $5,844,015,000,000.
Fiscal year 2000: $6,088,538,000,000.
Fiscal year 2001: $6,298,829,000,000.
Fiscal year 2002: $6,474,034,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $33,829,000,000.
Fiscal year 1999: $33,378,000,000.
Fiscal year 2000: $34,775,000,000.
Fiscal year 2001: $36,039,000,000.
Fiscal year 2002: $37,099,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,472,000,000.

Fiscal year 1999: $324,749,000,000.

Fiscal year 2000: $328,124,000,000.

Fiscal year 2001: $332,063,000,000.

Fiscal year 2002: $335,141,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:

(A) New budget authority, $266,000,000,000.

(B) Outlays, $264,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $588,000,000.

Fiscal year 1999:

(A) New budget authority, $266,000,000,000.

(B) Outlays, $264,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $757,000,000.

Fiscal year 2000:

(A) New budget authority, $267,000,000,000.

(B) Outlays, $267,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2001:

(A) New budget authority, $267,000,000,000.

(B) Outlays, $261,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2002:

(A) New budget authority, $267,000,000,000.

(B) Outlays, $264,400,000,0000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments $1,050,000,000.

(2) International Affairs (150):

Fiscal year 1998:

(A) New budget authority, $15,909,000,000.

(B) Outlays, $14,558,000,000.

(C) New direct loan obligations, $1,966,000,000.

(D) New primary loan guarantee commitments $12,751,000,000.

Fiscal year 1999:

(A) New budget authority, $14,918,000,000.

(B) Outlays, $14,569,000,000.

(C) New direct loan obligations, $2,021,000,000.

(D) New primary loan guarantee commitments, $13,093,000,000.

Fiscal year 2000:

(A) New budget authority, $15,782,000,000.

(B) Outlays, $14,981,000,000.

(C) New direct loan obligations, $2,077,000,000.

(D) New primary loan guarantee commitments, $13,434,000,000.

Fiscal year 2001:

(A) New budget authority, $16,114,000,000.

(B) Outlays, $14,751,000,000.

(C) New direct loan obligations, $2,122,000,000.

(D) New primary loan guarantee commitments, $13,826,000,000.

Fiscal year 2002:

(A) New budget authority, $16,353,000,000.

(B) Outlays, $14,812,000,000.

(C) New direct loan obligations, $2,178,000,000.

(D) New primary loan guarantee commitments, $14,217,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1998:

(A) New budget authority, $16,437,000,000.

(B) Outlays, $17,082,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,403,000,000.

(B) Outlays, $16,728,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $16,147,000,000.

(B) Outlays, $16,213,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $16,062,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,804,000,000.

(B) Outlays, $15,868,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1998:

(A) New budget authority, $3,123,000,000.

(B) Outlays, $2,247,000,000

(C) New direct loan obligations, $1,050,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $3,469,000,000.

(B) Outlays, $2,446,000,000.

(C) New direct loan obligations, $1,078,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $3,186,000,000.

(B) Outlays, $2,293,000,000.

(C) New direct loan obligations, $1,109,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $2,939,000,000.

(B) Outlays, $2,048,000,000.

(C) New direct loan obligations, $1,141,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $2,846,000,000.

(B) Outlays, $1,867,000,000.

(C) New direct loan obligations, $1,171,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1998:

(A) New budget authority, $23,877,000,000.

(B) Outlays, $22,405,000,000.

(C) New direct loan obligations, $3,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $23,227,000,000.

(B) Outlays, $22,702,000,000.

(C) New direct loan obligations, $32,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $22,570,000,000.

(B) Outlays, $22,963,000,000.

(C) New direct loan obligations, $32,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $22,151,000,000.

(B) Outlays, $22,720,000,000.

(C) New direct loan obligations, $34,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $22,086,000,000.

(B) Outlays, $22,313,000,000.

(C) New direct loan obligations, $34,000,000.

(D) New primary loan guarantee commitments $0.

(6) Agriculture (350):

Fiscal year 1998:

(A) New budget authority, $13,133,000,000.

(B) Outlays, $11,892,000,000.

(C) New direct loan obligations, $9,620,000,000.

(D) New primary loan guarantee commitments $6,365,000,000.

Fiscal year 1999:

(A) New budget authority, $12,790,000,000.

(B) Outlays, $11,294,000,000.

(C) New direct loan obligations, $11,047,000,000.

(D) New primary loan guarantee commitments $6,436,000,000.

Fiscal year 2000:

(A) New budget authority, $12,215,000,000.

(B) Outlays, $10,664,000,000.

(C) New direct loan obligations, $11,071,000,000.

(D) New primary loan guarantee commitments $6,509,000,000.

Fiscal year 2001:

(A) New budget authority, $10,978,000,000.

(B) Outlays, $9,494,000,000.

(C) New direct loan obligations, $10,960,000,000.

(D) New primary loan guarantee commitments $6,583,000,000.

Fiscal year 2002:

(A) New budget authority, $10,670,000,000.

(B) Outlays, $9,108,000,000.

(C) New direct loan obligations, $10,965,000,000.

(D) New primary loan guarantee commitments $6,660,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1998:

(A) New budget authority, $6,607,000,000.

(B) Outlays, −$920,000,000.

(C) New direct loan obligations, $4,739,000,000.

(D) New primary loan guarantee commitments $245,000,000.

Fiscal year 1999:

(A) New budget authority, $11,082,000,000.

(B) Outlays, $4,299,000,000.

(C) New direct loan obligations, $1,887,000,000.

(D) New primary loan guarantee commitments $253,450,000,000.

Fiscal year 2000:

(A) New budget authority, $15,183,000,000.

(B) Outlays, $9,821,000,000.

(C) New direct loan obligations, $2,238,000,000.

(D) New primary loan guarantee commitments $255,200,000,000.

Fiscal year 2001:

(A) New budget authority, $16,078,000,000.

(B) Outlays, $12,133,000,000.

(C) New direct loan obligations, $2,574,000,000.

(D) New primary loan guarantee commitments $257,989,000,000.

Fiscal year 2002:

(A) New budget authority, $16,678,000,000.

(B) Outlays, $12,541,000,000.

(C) New direct loan obligations, $2,689,000,000.

(D) New primary loan guarantee commitments $259,897,000,000.

(8) Transportation (400):

Fiscal year 1998:

(A) New budget authority, $46,402,000,000.

(B) Outlays, $43,933,000,000.

(C) New direct loan obligations, $155,000,000.

(D) New primary loan guarantee commitments $0.

Fiscal year 1999:
(A) New budget authority, $* * * To Be Supplied.
(B) Outlays, $* * * To Be Supplied.
(C) New direct loan obligations, $* * * To Be Supplied.
(D) New primary loan guarantee commitments $* * * To Be Supplied.
Fiscal year 2000:
(A) New budget authority, $* * * To Be Supplied.
(B) Outlays, $* * * To Be Supplied.
(C) New direct loan obligations, $* * * To Be Supplied.
(D) New primary loan guarantee commitments $* * * To Be Supplied.
Fiscal year 2001:
(A) New budget authority, $* * * To Be Supplied.
(B) Outlays, $* * * To Be Supplied.
(C) New direct loan obligations, $* * * To Be Supplied.
(D) New primary loan guarantee commitments $* * * To Be Supplied.
Fiscal year 2002:
(A) New budget authority, $49,184,000,000.
(B) Outlays, $44,247,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments $0.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $9,068,000,000.
(B) Outlays, $10,687,000,000.
(C) New direct loan obligations, $2,867,000,000.
(D) New primary loan guarantee commitments $2,385,000,000.
Fiscal year 1999:
(A) New budget authority, $8,839,000,000.
(B) Outlays, $11,252,000,000.
(C) New direct loan obligations, $2,943,000,000.
(D) New primary loan guarantee commitments $2,406,000,000.
Fiscal year 2000:
(A) New budget authority, $8,210,000,000.
(B) Outlays, $11,386,000,000.
(C) New direct loan obligations, $3,020,000,000.
(D) New primary loan guarantee commitments $2,429,000,000.
Fiscal year 2001:
(A) New budget authority, $8,214,000,000.
(B) Outlays, $11,800,000,000.
(C) New direct loan obligations, $3,098,000,000.
(D) New primary loan guarantee commitments $2,452,000,000.
Fiscal year 2002:
(A) New budget authority, $8,290,000,000.
(B) Outlays, $8,929,000,000.
(C) New direct loan obligations, $3,180,000,000.
(D) New primary loan guarantee commitments $2,475,000,000.
(A) New budget authority, $46,556,000,000.
(B) Outlays, $44,256,000,000.
(C) New direct loan obligations, $135,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $47,114,000,000.
(B) Outlays, $44,357,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $48,135,000,000.
(B) Outlays, $44,303,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1998:
(A) New budget authority, $67,320,000,000.
(B) Outlays, $58,362,000,000.
(C) New direct loan obligations, $12,328,000,000.
(D) New primary loan guarantee commitments $20,665,000,000.
Fiscal year 1999:
(A) New budget authority, $63,750,000,000.
(B) Outlays, $63,885,000,000.
(C) New direct loan obligations, $13,092,000,000.
(D) New primary loan guarantee commitments $21,899,000,000.
Fiscal year 2000:
(A) New budget authority, $65,903,000,000.
(B) Outlays, $66,178,000,000.
(C) New direct loan obligations, $13,926,000,000.
(D) New primary loan guarantee commitments $23,263,000,000.
Fiscal year 2001:
(A) New budget authority, $67,759,000,000.
(B) Outlays, $67,981,000,000.
(C) New direct loan obligations, $14,701,000,000.
(D) New primary loan guarantee commitments $24,517,000,000.
Fiscal year 2002:
(A) New budget authority, $68,739,000,000.
(B) Outlays, $68,966,000,000.
(C) New direct loan obligations, $15,426,000,000.
(D) New primary loan guarantee commitments $25,676,000,000.
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $140,599,000,000.
(B) Outlays, $140,567,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $85,000,000.
Fiscal year 1999:
(A) New budget authority, $149,418,000,000.
(B) Outlays, $149,394,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $159,868,000,000.
(B) Outlays, $159,747,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $170,662,000,000.
(B) Outlays, $170,385,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $181,571,000,000.
(B) Outlays, $181,127,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $203,820,000,000.
(B) Outlays, $203,964,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $214,673,000,000.
(B) Outlays, $214,148,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $229,340,000,000.
(B) Outlays, $229,337,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $244,036,000,000.
(B) Outlays, $243,181,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $256,548,000,000.
(B) Outlays, $255,769,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $240,160,000,000.
(B) Outlays, $248,861,000,000.
(C) New direct loan obligations, $45,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 1999:
(A) New budget authority, $255,375,000,000.
(B) Outlays, $259,346,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 2000:
(A) New budget authority, $271,084,000,000.
(B) Outlays, $269,669,000,000.
(C) New direct loan obligations, $110,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 2001:
(A) New budget authority, $276,898,000,000.
(B) Outlays, $279,007,000,000.
(C) New direct loan obligations, $145,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 2002:
(A) New budget authority, $288,937,000,000.
(B) Outlays, $287,221,000.
(C) New direct loan obligations, $170,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
(14) Social Security (650):
Fiscal year 1998:
(A) New budget authority, $11,424,000,000.
(B) Outlays, $11,524,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $12,060,000,000.
(B) Outlays, $12,196,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $12,792,000,000.
(B) Outlays, $12,866,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $13,022,000,000.
(B) Outlays, $13,043,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $14,383,000,000.
(B) Outlays, $14,398,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1998:
(A) New budget authority, $40,579,000,000.
(B) Outlays, $41,371,000,000.
(C) New direct loan obligations, $1,029,000,000.
(D) New primary loan guarantee commitments, $27,096,000,000.
Fiscal year 1999:
(A) New budget authority, $41,745,000,000.
(B) Outlays, $41,979,000,000.
(C) New direct loan obligations, $1,068,000,000.

(D) New primary loan guarantee commitments, $26,671,000,000.
Fiscal year 2000:
(A) New budget authority, $42,015,000,000.
(B) Outlays, $42,223,000,000.
(C) New direct loan obligations, $1,177,000,000.
(D) New primary loan guarantee commitments, $26,202,000,000.
Fiscal year 2001:
(A) New budget authority, $42,418,000,000.
(B) Outlays, $42,540,000,000.
(C) New direct loan obligations, $1,249,000,000.
(D) New primary loan guarantee commitments, $25,609,000,000.
Fiscal year 2002:
(A) New budget authority, $42,629,000,000.
(B) Outlays, $42,783,000,000.
(C) New direct loan obligations, $1,277,000,000.
(D) New primary loan guarantee commitments, $25,129,000,000.
(16) Administration of Justice (750):
Fiscal year 1998:
(A) New budget authority, $25,165,000,000.
(B) Outlays, $23,209,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $25,320,000,000.
(B) Outlays, $24,476,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $25,578,000,000.
(B) Outlays, $25,840,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $25,054,000,000.
(B) Outlays, $26,701,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $25,183,000,000.
(B) Outlays, $24,879,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $14,711,000,000.
(B) Outlays, $13,959,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $14,444,000,000.
(B) Outlays, $14,363,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $13,977,000,000.
(B) Outlays, $14,727,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $13,675,000,000.
(B) Outlays, $14,131,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $13,105,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $296,672,000,000.
(B) Outlays, $296,672,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $304,932,000,000.
(B) Outlays, $304,932,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $305,512,000,000.
(B) Outlays, $305,512,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $304,037,000,000.
(B) Outlays, $304,037,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $303,796,000,000.
(B) Outlays, $303,796,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, $41,841,000,000.
(B) Outlays, $41,841,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$36,949,000,000.
(B) Outlays, −$36,949,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$36,937,000,000.
(B) Outlays, −$36,937,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$39,151,000,000.
(B) Outlays, −$39,151,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$51,124,000,000.
(B) Outlays, −$51,124,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

TITLE II—RECONCILIATION INSTRUCTIONS

SEC. 201. RECONCILIATION.

(a) SUBMISSIONS.—Not later than August 1, 1997, the House committees named in subsection (b) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(b) INSTRUCTIONS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $211,443,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $8,435,000,000 in outlays for fiscal year 1998, $5,091,000,000 in outlays for fiscal year 2002, and $50,306,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $395,150,000,000 in outlays for fiscal year 1998, $513,615,000 in outlays for fiscal year 2002, and $2,638,120,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,718,000,000 in outlays for fiscal year 1998, $18,167,000,000 in outlays for fiscal year 2002, and $106,050,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $443,061,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1998, $621,000,000 in fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,287,000,000 in outlays for fiscal year 1998, $17,483,000,000 in outlays for fiscal year 2002, and $107,615,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,478,000,000 in outlays for fiscal year 1998, $25,192,000,000 in outlays for fiscal year 2002, and $141,497,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $399,663,000,000 in outlays for fiscal year 1998, $511,377,000,000 in outlays for fiscal year 2002, and $2,639,195,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to decrease revenues as follows: by $8,000,000,000 in revenues for fiscal year 1998, by $16,000,000,000 in revenues for fiscal year 2002, and by $60,000,000,000 in revenues in fiscal years 1998 through 2002.

(C) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: by $8,000,000,000 in revenues for fiscal year 1998, by $16,000,000,000 in revenues for fiscal year 2002, and by $60,000,000,000 in revenues in fiscal years 1998 through 2002.

(c) DEFINITION.—For purposes of this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) CHILDREN'S HEALTH INITIATIVE.—If the Committees on Commerce and Ways and Means report recommendations pursuant to their reconciliation instructions that, combined, provide an initiative for children's health that would increase the deficit by more than $4.6 billion for fiscal year 1998, by more than $8.0 billion for fiscal year 2002, and by more than $32 billion for the period of fiscal years 1998 through 2002, the committees shall be deemed to not have complied with their reconciliation instructions pursuant to section 310(d) of the Congressional Budget Act of 1974.

TITLE III—SENSE OF CONGRESS PROVISIONS

SEC. 301. SENSE OF CONGRESS ON MIDDLE INCOME TAX RELIEF.

(a) FINDINGS.—The Congress finds the following:

(1) Tax reductions in tax bills enacted in the 1980's predominately benefited Americans with higher incomes.

(2) Increases in the social security payroll tax over this period has resulted in a net increase in the tax burden on middle income Americans.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should enact legislation providing targeted tax relief, with an emphasis on alleviating the tax burden on middle income Americans, by enacting the following provisions:

(1) Higher education initiatives, including the President's $1,500 HOPE scholarship tax credit and deductibility of up to $10,000 for higher education tuition and fees.

(2) Expansion of the child care tax credit, with increases in the amount of allowable expenses, the percentage of allowable expenses, and the income phase-down levels.

(3) Homeownership provisions, including up to a $500,000 capital gains exclusion for home sales, and permitting tax and penalty-free borrowing from an IRA account or a parent's IRA account for a down payment on a first-time home purchase.

(4) Savings provisions, including an increase in the annual limit for deductible IRA contributions from $2,000 to $2,500 per year.

SEC. 302. SENSE OF THE CONGRESS ON SMALL BUSINESS TAX RELIEF.

(a) FINDINGS.—Congress finds the following:

(1) Small businesses are the source of most new jobs created in this country.

(2) Small businesses have a more difficult time than large corporations in raising capital covering health care costs for employees, and coping with estate taxes.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should enact legislation providing tax incentives and tax relief for small businesses, including:

(1) Incentives for long-term investments in small businesses, including capital gains relief, deferral of gains on any small business investments rolled over into another small business investment, and a tripling of the amount of declarable losses on investments in small businesses.

(2) Estate tax relief for family-owned small businesses and farms, and an increase in small businesses eligibility for 10-year installment payments of estate taxes.

(3) 100 percent deductibility of health care costs for the self-employed.

(4) Extension of the 5 percent Foreign Sales Credit (FSC) to software exporters.

SEC. 303. SENSE OF THE CONGRESS ON REVENUE NEUTRALITY.

(a) FINDINGS.—Congress finds the following:

(1) Large tax cuts in the 1980's led to an unprecedented explosion in the level of debt owed by American taxpayers.

(2) Tax cuts without revenue offsets increase the level of spending cuts required to balance the budget, in vital areas like education, health care, transportation, and research and development.

(3) It is a priority to balance the budget first, and to defer tax cuts which reduce revenues until the budget is actually in balance.

(4) Targeted tax cuts for higher education, child care, homeownership, increased savings, and small businesses can be enacted without reducing the net level of revenues.

(b) SENSE OF CONGRESS.—It is the sense of Congress that all tax cuts should be fully offset by revenue increases, through reinstatement of expiring excise taxes and the closing of corporate tax loopholes.

SEC. 304. SENSE OF CONGRESS ON CHILDREN'S HEALTH.

It is the sense of Congress that sufficient funding be provided to insure all currently uninsured children in America, through health care grants to the States and an expansion of medicaid in a total amount of at least $32,000,000,000 over the next 5 years.

SEC. 305. SENSE OF THE CONGRESS ON MEDICARE.

(a) FINDINGS.—Congress finds the following:

(1) The Medicare Part A Trust Fund will go bankrupt by the year 2000 without congressional action.

(2) Some 40,000,000 senior citizens rely on medicare for affordable, quality health care.

(3) Many low-income senior citizens are unable to afford projected increases in medicare premiums.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should enact legislation to extend the solvency of the Medicare Trust Fund for the next 10 years, using policies which:

(1) Maintain part B premiums at 25 percent, with a phase-in of home health care changes.

(2) Provide new preventive and other health care benefits, including expanded mammography coverage, coverage for colorectal screenings, coverage for diabetes screening, 72 hours of respite care of Alzheimers patients, bone mass measurements for osteoporosis care, prostate cancer screening, cancer clinic benefits, and immunosuppressant drugs.

(3) Include sustainable reductions in reimbursements for hospitals, skilled nursing facilities, and other health care providers.

(4) Provide full funding for teaching hospitals through the Graduate Medical Education program.

(5) Increase health care choices among seniors, without restricting access to fee-for-service health care.

SEC. 306. SENSE OF CONGRESS ON MEDICAID.

(a) FINDINGS.—Congress finds the following:

(1) Hospitals and other health care providers are already seriously underreimbursed for the actual cost of providing medicaid services.

(2) Medicaid is the primary source of health care coverage for the uninsured, including poor children, indigent mothers, and low-income senior citizens in nursing homes.

(3) Medicaid provides critical funding for medicare premiums for low-income seniors.

(b) SENSE OF CONGRESS.—It is the sense of Congress that medicaid legislation should increase coverage for low-income adults and seniors, and uninsured children, by providing that:

(1) Any reductions in medicaid reimbursements to health care providers should be used to expand coverage for children's health care, legal immigrants, and low-income Americans.

(2) Spending reductions should not include either a block grant or a per capita cap.

(3) Medicaid should extend its program to pay medicare premiums for low-income senior citizens, protecting them from increases caused by home health care shifts.

(4) States should be given more flexibility in managing the medicaid program, through managed care options, and elimination of unnecessary regulations, while fully protecting the quality and availability of health care for medicaid recipients.

SEC. 307. SENSE OF CONGRESS ON DOMESTIC DISCRETIONARY SPENDING.

It is the sense of Congress that sufficient funding be provided for domestic discretionary spending to allow for full inflationary increases over the period from 1998 through 2002, to fully fund priority areas like education, health care, transportation, research and development, community development, crime, and housing.

SEC. 308. SENSE OF CONGRESS ON PELL GRANT LIMITS.

(a) FINDINGS.—Congress finds the following:

(1) The spiraling cost of higher education tuition and fees threatens to put the cost of college out of reach for millions of Americans.

(2) Pell Grants are an effective way to make college affordable for low-income students.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should increase the annual limit on Pell Grants from $2,700 to $3,700.

SEC. 309. SENSE OF CONGRESS IN SCHOOL CONSTRUCTION.

(a) FINDINGS.—Congress finds the following:

(1) Children cannot achieve their full educational potential, if the school buildings they are educated in are falling apart.

(2) The General Accounting Office (GAO) has determined that it will require $112,000,000,000 to repair and improve our Nation's schools.

(3) Many communities are unable to afford the full cost of making such needed repairs.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should enact the President's school construction initiative, to provide $5,000,000,000 to leverage the repair and construction of elementary and secondary schools.

SEC. 310. SENSE OF CONGRESS REGARDING EDUCATION.

It is the sense of Congress that funding should be substantially increased in a number of programs which increase educational opportunities, including:

(1) Title I grants, to help the disadvantaged develop basic educational skills.

(2) The Technology Literacy Challenge Fund, to provide computers, software, and technology training to elementary and secondary schools.

(3) Special education IDEA grants, to provide services to children with disabilities.

(4) Adult education grants, to provide adult literacy and other educational programs.

(5) The Federal work study program, to provide needy students with part-time work.

SEC. 311. SENSE OF CONGRESS ON TRANSPORTATION.

(a) FINDINGS.—Congress finds the following:

(1) Our continued economic growth is dependent on maintaining and expanding our basic infrastructure, especially with respect to roads and bridges.

(2) In many sections of our country, our transportation infrastructure suffers from a lack of adequate funding and neglect of maintenance.

(3) For many years, Congress has failed to use funds collected under the Federal gas tax to pay for essential road and related transportation needs.

(b) SENSE OF CONGRESS.—It is the sense of Congress that all new funds collected in the transportation trust fund should be fully spent on transportation improvements.

SEC. 312. SENSE OF CONGRESS ON EARLY CHILDHOOD DEVELOPMENT.

(a) FINDINGS.—Congress finds the following:

(1) Adequate nutrition, quality health care, educational opportunities, and high quality child care for children between birth and the age of 3 are scientifically shown to play a critical role in later childhood and adult development.

(2) Public spending on health, nutrition, education, and child care at the stage of early childhood development has proven to be a sound long-term investment in human resources.

(b) SENSE OF CONGRESS.—It is the sense of Congress that sufficient funding should be provided in the following programs to meet the needs of infants and toddlers:

(1) WIC (the supplemental nutrition program for women, infants, and children).

(2) Head Start.

(3) Healthy Start.

(4) Programs for infants and toddlers with disabilities under part H of the Individuals with Disabilities Education Act (IDEA).

(5) Programs under the Child Care and Development Block Grant Act.

SEC. 313. SENSE OF CONGRESS ON HEALTH RESEARCH.

(a) FINDINGS.—Congress finds the following:

(1) The National Institutes of Health (NIH) is the world's leading biomedical research institution.

(2) The National Institutes of Health accomplishes its mission of discovering new medical knowledge that will lead to better health for everyone through supervising, funding, and conducting biomedical and behavioral research to help prevent, detect, diagnose, and treat disease and disability in humans.

(3) The Federal investment in the National Institutes of Health should be sufficient to keep up with the pace of biomedical inflation and public health needs.

(b) SENSE OF CONGRESS.—It is the sense of Congress that funding for the National Institutes of Health should be at least equal to the Institute's annual professional judgment, which is the best and most reliable estimate of the minimum level of funding needed to sustain the high standard of scientific achievement attained by the National Institutes of Health.

SEC. 314. SENSE OF CONGRESS ON RESEARCH AND DEVELOPMENT.

(a) FINDINGS.—Congress finds the following:

(1) Federal support of research and development has led to numerous advances in science and technology that have greatly enhanced the lives of all Americans.

(2) Technological innovation has spurred almost half of the economic development of the past century.

(b) SENSE OF CONGRESS.—It is the sense of Congress that full funding should be provided for Federal research and development programs, including the National Science Foundation (NSF) and the solar and renewable energies programs of the Department of Energy.

SEC. 315. SENSE OF CONGRESS ON CRIME.

(a) FINDING.—Congress finds the following:

(1) Crime continues to threaten residential and commercial neighborhoods through the Nation.

(2) Juvenile crime continues to grow at a faster rate than other categories of crime in this Nation.

(3) Intervention and prevention programs have been shown to successfully turn the tide of violent crime.

(b) SENSE OF CONGRESS.—It is the sense of Congress that funding for crime intervention, prevention, and domestic violence programs should be increased over current levels.

SEC. 316. SENSE OF CONGRESS ON VETERANS.

It is the sense of Congress that funding should not be cut for veterans' COLA or for housing benefits.

SEC. 317. SENSE OF CONGRESS ON HOUSING.

(a) FINDINGS.—Congress finds the following:

(1) According to the Department of Housing and Urban Development, 13,000,000 Americans have ''acute housing needs''.

(2) Current funding for rental housing assistance for the elderly, disabled, working poor, and mothers making the transition from welfare to work is inadequate.

(b) SENSE OF CONGRESS.—It is the sense of Congress that funding for housing assistance should be increased by providing—

(1) full funding for operating subsidies for public housing authorities, as determined by the Performance Funding System;

(2) additional funding for capital grants for public housing authorities, to repair and maintain existing public housing units; and

(3) sufficient funding to create 50,000 new section 8 vouchers each year for the next 5 years.

SEC. 318. SENSE OF CONGRESS ON DEFENSE.

It is the sense of Congress that defense spending should be maintained at current levels, and that priority should be given to defense readiness and full funding for personnel salaries and supplies, as opposed to continued expansions of large weapons systems.

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. KENNEDY] and a Member opposed each will control 10 minutes.

Mr. SHAYS. Mr. Chairman, on behalf of the Committee on the Budget, we oppose this amendment in the nature of a substitute.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] will control 10 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are all here tonight to vote for a resolution which will finally balance the Federal budget. I have long been a supporter of a balanced budget. I respect the work of the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Ohio [Mr. KASICH) and others.

The gentleman from Texas, [Mr. CHARLIE STENHOLM] and so many people in this Chamber have worked very hard to achieve a balanced budget, and this is the culmination of a year's worth of effort. I salute those who have come to this agreement. But while we have in this agreement achieved a zero deficit over a period of 10 years, we have also achieved a very unbalanced budget.

This is a budget which is fundamentally unbalanced in terms of who it hurts and who it helps. This resolution, as we will vote on it in the next hour or so in this Chamber, I think will do great harm to a great many people in our country. If we look at the kinds of hurts that this will do, we just have to look at the kinds of cuts that are going to come about. We see enormous reductions in terms of the programs that will affect Medicare and Medicaid, education and transportation, research and development, and community development.

My amendment will provide a fully inflationary adjustment for domestic discretionary spending through 2002.

Some might say, how can you possibly increase Pell grants by $1,000? How can you double the amount of funding for children's health to complete all $32 billion for children's health?

Mr. Chairman, the KENNEDY balanced budget substitute gets it right. This balanced budget substitute reinvests $100 billion more than the budget agreement in important domestic programs like Medicare and Medicaid, education and transportation, research and development, and community development. It provides a fully inflationary adjustment for domestic discretionary spending through 2002.

Some might say, how can you increase a Pell grant limit by $1,000? How can you double the amount of children's health funding? How can you provide an additional $15 billion for the ISTEA program? How can you fully fund programs like WIC and NIH and the National Science Foundation, and increase funding for programs like the veterans programs, or legal immigrants, or the fuel assistance program, or crime prevention and domestic violence programs and housing? How can you restore cuts to hospitals and skilled nursing facilities and provide $9 billion more in Medicaid prevention programs?

Well, the answer is simple. Rather than providing a huge $135 billion tax cut, with over 50 percent of those tax cuts going to the wealthiest 5 percent of the American people, we provide a modest $60 billion tax cut targeted at the middle class and fully paid for with tax offsets. Rather than giving 15 or $20 billion worth of estate tax breaks which only go to the wealthiest 1¼ percent of the American population, we give a modest, targeted estate tax break to the small businesses and family farmers that really need it.

The Kennedy substitute targets tax cuts to the middle class and small businesses through the President's college tuition credits and deductions program, the expansion of the child care tax credit, capital gains for home sales, an increase in the IRA savings limit, capital gains incentives for investments in small businesses, estate tax relief for family businesses and family farms, and full health care deductibility for the self-employed. And it fully pays for all these tax cuts with revenue offsets.

For all of my colleagues on the Democratic side who are disappointed with the budget agreement, I say this budget will fully and completely represent the values of the Democratic Party, and the Kennedy substitute allows my colleagues to vote for a balanced budget and protects their priorities.

And, too, those Republicans that are in the Abraham Lincoln and Nelson Rockefeller tradition, this gives them the sense of standing ''yes'' for tax cuts but ''no'' for just lining the pockets of the wealthy. And for my colleagues who will be voting for the budget agreement, perhaps grudgingly, I call upon them to also vote for this substitute. Do not confuse the best deal possible with the best possible deal. Vote for the Kennedy amendment.

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Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I rise in opposition to the Kennedy amendment, because once again we stand at a historic juncture where we can make a very clear choice. Because quite the contrary what my colleague from Massachusetts has said, when we offer broad-based tax relief to working families, we are not lining the pockets of the rich. Quite the contrary. We are allowing working families to save, spend and invest more of their hard-earned money as they see fit. Sadly, the Kennedy amendment offers no net tax relief for the American people. That is the reality of the Kennedy amendment.

Now, it is true if there are those in this Chamber who believe that the era of big government should continue, they should support the Kennedy amendment. However, we have a broad-based agreement which says that we should frame our priorities properly, we should allow almost every American to hold on to more of his hard-earned money and send less of it here to Washington.

We have worked out agreements and fashioned in the spirit of compromise a reasonable approach to fund priorities on both sides of the aisle, and that is why we must oppose the Kennedy amendment. Because the fact is, even though we can have disagreements about the course of government, once we have hammered out this type of agreement to lead to a balanced budget and, most importantly, offer broad-based tax relief that does not punish people for succeeding nor does it ask working families to continue to give more and more and more of their hard-earned money to Washington, we have the basis for, in fact, bringing this budget into balance, we have the basis for changing the psychology of government as well as the reality of government, and so it is for compassionate reasons that we rise in opposition to the Kennedy amendment, it is precisely because we believe that the era of big government should in fact be over. For those reasons, Mr. Chairman, I oppose the Kennedy amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentleman from Massachusetts has 5½ minutes remaining. The gentleman from Connecticut has 8 minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Chairman, does the gentleman from Connecticut want to yield to one of his speakers?

Mr. SHAYS. Mr. Chairman, it is now 2 o'clock. We are going to reserve the balance of our time and the gentleman is free to continue.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself 15 seconds to respond to the gentleman from Arizona.

First of all I would just say yama-yama-yama, here we go again. The fact of the matter is that we have got $60 billion worth of tax reductions scored by CBO in this budget.

Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. How does that go, yama-yama-yama?

Mr. Chairman, I think the gentleman's substitute is perhaps the best balanced approach that we have had on the floor tonight. I am going to support it. For those who are interested in investments in health and education, we have a chance here to provide the school construction money that we talked about that did not make it into this plan. We have a chance to not have to worry about choosing which 5 million kids get health insurance and which 5 million do not of the 10 million who do not have health insurance in this country, because the Kennedy proposal supports both of them.

We also have in this proposal an increase in Pell grants for those who need it the most. It targets the relief both on the spending side and the tax side, $60 billion I might tell my friend from Arizona in tax relief, and some capital gains tax relief for small businesses. If Members are interested in the whole question of full health care deductibility for people who are self-employed, it is here. If Members are interested in education tax cuts, they are here.

This is the best balanced approach I think we will have on the floor tonight, I hope my colleagues will support it, and I commend my friend from Massachusetts for his work.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I rise in support of the Kennedy substitute budget. This alternative budget contains a number of key improvements to the bipartisan budget agreement and one of them includes money to fix our crumbling schools. School construction funding should have been part of the budget agreement. The Republican leadership's opposition to this program is seriously misguided. The need is real. Today all over America our schools are inadequate, overcrowded and literally falling down. A GAO report released last summer confirmed the worst. Record numbers of school buildings across America are in disrepair. One-third of our schools serving 14 million students need extensive repairs. About 60 percent of schools need to have their roofs, walls and floors fixed and with school enrollment skyrocketing the problem will only get worse. The state of our schools is a national disgrace. We simply cannot prepare America's children for the 21st century in 19th century schools. Students cannot learn when the walls of the classrooms are crumbling down. This amendment makes a big difference in school construction and we are going to keep fighting until we win because our children deserve nothing less.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I was surprised to hear my friend from Connecticut refer to the fact that it was 2 o'clock in the morning, as if that was a reason not to debate. That is because his leadership decided this. That is because his leadership was in such a hurry to get this thing through before people looked at it that we are here at 2 o'clock in the morning. This is really a case of blaming the victim. Stay here all night, rush the debate through and then use that as an excuse to not fully debate.

We are here again with a budget which is a significant improvement because it preserves the balancing of the budget. I want to remind Members of what I said before. From 1992 when we had a $292 billion deficit until this year, we reduced it $230 billion in 5 years. Now we are going the next $60 billion in another 5 years. We are nearly drowning in self-congratulation for those who are going to bring it down $65 billion in 5 years, who denigrated having brought it down $230 billion in the previous 5. Not only are they doing that, they are doing it by making things less fair. They are doing it by saying if you are poor, we will make it harder on you. If you are wealthy, we will give you more of a tax break because we think that is the way to get you to work.

If you think that this country needs to continue to subsidize the defense budgets of western Europe and Japan, then the underlying budget is a great one because it builds in all of that subsidy, but if you think we ought to be doing more about education here in this country, it does very little. The gentleman from Massachusetts continues the march towards balancing the budget, but he recognizes that we are in an economy today where the market works well to produce wealth, it certainly does. The market through technological change, through global interaction, is working well, but some people are being left behind.

What the underlying budget does, with a few exceptions, and I give the President credit for getting a few exceptions, but the essential task of the underlying budget is to look at those who are being left behind and wave good-bye as the rest of us move forward, to give tax relief of an unfair sort, unlike the gentleman's balanced tax relief, and essentially take one more step away from fairness in this country.

Mr. KENNEDY of Massachusetts. Mr. Chairman, is the gentleman from Connecticut going to yield to anyone on his side?

Mr. SHAYS. Mr. Chairman, we will be closing the debate as is our right. We have one speaker.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin [Mr. OBEY].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 1½ minutes.

Mr. OBEY. Mr. Chairman, this amendment is not about big government. It is about good government and fair government. This amendment as far as I am concerned is far superior than that brought forth by the committee. It does more in deficit reduction. It does a much better job of guaranteeing investments that we need to grow in the 21st century. It provides dramatic rather than token increases in student aid. It does a better job for transportation. It does a better job of targeting tax cuts to the people who need it rather than the people who lust for it. It gives the tax cuts to people who are hardworking, working people, not the richest 5 percent of people in the country. It does a far better job for children's health, for Medicare, for veterans, it is more disciplined on defense, it targets tax cuts to small farmers and small businessmen, and it provides basic health care opportunities for farmers that they have not seen in many a year in this country.

It is far superior, it is far more just, and it is far more fiscally responsible. I commend the gentleman for offering it.

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are under no orders tonight or yesterday or tomorrow. It is just that I remember the gentleman from Ohio [Mr. KASICH] in this Chamber in 1989 offering an amendment to finally get our country's financial house in order. There were only 30 people who supported him, and our deficits just got bigger and bigger and our national debt just kept growing and growing.

The perfect amendment, it appears on that side of the aisle, is the Kennedy substitute, and I respect that. Many on our side felt the perfect amendment was offered by the conservative coalition, the CATS. So we had our perfect amendment and you have your perfect amendment and what we are trying to do is to find something that we both can agree on.

I am hoping that the gentleman from South Carolina [Mr. SPRATT] and others are right, that we can come to an agreement on a package that does some of what we want, some of what the Democrats want, and will be ultimately signed by the President.

We wanted to see controlling the growth of entitlements, allowing entitlements to grow at 6 and 7 percent a year instead of at 10 percent a year, we wanted to deal with the trust fund that is literally going bankrupt, and we also on this side of the aisle wanted tax cuts. That is true. The other side does not. We accept that. On the other side of the aisle they wanted more spending on discretionary spending. We did not. But ultimately the President won that battle.

So we have an agreement, more discretionary spending that that side of the aisle wants, controlling the growth of entitlements and tax cuts which our side wants. It is an agreement. It is basically the best we seem to be able to do with a Democrat President and Republican Congress. That is why we oppose this amendment.

We support something that is very different than what the gentleman from Massachusetts [Mr. KENNEDY] brought forward. I know the gentleman from Massachusetts [Mr. KENNEDY] wants something very different from what we brought forward. But in the end we have an agreement, and I hope and pray that not only we defeat this amendment but that we defeat the transportation amendment that will follow this debate here, vote out this agreement, and then work in the next 2 years to make this agreement work.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 123, noes 306, not voting 6, as follows:

[Roll No. 146]

AYES—123

Ackerman
Barrett (WI)
Becerra
Bentsen
Berman
Blagojevich
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clayton
Conyers
Costello
Coyne
Davis (IL)
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dixon
Engel
Etheridge
Evans
Farr
Fattah
Filner
Flake
Foglietta
Frank (MA)
Furse
Gejdenson
Gephardt
Gonzalez
Green
Gutierrez
Hamilton
Hastings (FL)
Hefner
Hinchey
Holden
Hooley
Jackson (IL)
Jackson-Lee (TX)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Klink
LaFalce
Lantos
Lewis (GA)
Lipinski
Lofgren
Lowey
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Moran (VA)
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne
Pelosi
Poshard
Rahall
Rangel
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sanders
Sawyer
Schumer
Scott
Serrano
Skaggs
Slaughter
Stark
Stokes
Strickland
Stupak
Thurman
Tierney
Torres
Towns
Velazquez
Vento
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOES—306

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fazio
Foley
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger

Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Luther
Maloney (CT)
Manzullo
McCarthy (MO)
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntyre
McKeon
Meek
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanchez
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stump
Sununu
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Tiahrt
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Waters
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—6

Jefferson
McIntosh
Pomeroy
Schiff
Talent
Yates

☐ 0230

Ms. WATERS, Ms. KILPATRICK, and Mr. CUMMINGS changed their vote from ''aye'' to ''no''.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 5 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHUSTER

Mr. SHUSTER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 5 in the nature of a substitute offered by Mr. SHUSTER:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

The Congress declares that the concurrent resolution on the budget for fiscal year 1998 is hereby established and that the appropriate budgetary levels for fiscal years 1999 through 2002 are hereby set forth.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,198,979,000,000.
Fiscal year 1999: $1,241,859,000,000.
Fiscal year 2000: $1,285,559,000,000.
Fiscal year 2001: $1,343,591,000,000.
Fiscal year 2002: $1,407,564,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: −$7,400,000,000.
Fiscal year 1999: −$11,083,000,000.
Fiscal year 2000: −$21,969,000,000.
Fiscal year 2001: −$22,821,000,000.
Fiscal year 2002: −$19,871,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,386,875,000,000.
Fiscal year 1999: $1,439,798,000,000.
Fiscal year 2000: $1,486,311,000,000.
Fiscal year 2001: $1,520,242,000,000.
Fiscal year 2002: $1,551,563,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,371,848,000,000.
Fiscal year 1999: $1,424,002,000,000.
Fiscal year 2000: $1,468,748,000,000.
Fiscal year 2001: $1,500,854,000,000.
Fiscal year 2002: $1,516,024,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $172,869,000,000.
Fiscal year 1999: $182,143,000,000.
Fiscal year 2000: $183,189,000,000.
Fiscal year 2001: $157,263,000,000.
Fiscal year 2002: $108,460,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,593,500,000,000.
Fiscal year 1999: $5,836,000,000,000.
Fiscal year 2000: $6,082,400,000,000.
Fiscal year 2001: $6,301,100,000,000.
Fiscal year 2002: $6,473,200,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $33,829,000,000.
Fiscal year 1999: $33,378,000,000.
Fiscal year 2000: $34,775,000,000.
Fiscal year 2001: $36,039,000,000.
Fiscal year 2002: $37,099,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,472,000,000.
Fiscal year 1999: $324,749,000,000.
Fiscal year 2000: $328,124,000,000.
Fiscal year 2001: $332,063,000,000.
Fiscal year 2002: $335,141,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:
(A) New budget authority, $268,197,000,000.
(B) Outlays, $265,978,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $588,000,000.

Fiscal year 1999:
(A) New budget authority, $270,784,000,000.
(B) Outlays, $265,771,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $757,000,000.

Fiscal year 2000:
(A) New budget authority, $274,802,000,000.
(B) Outlays, $268,418,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2001:
(A) New budget authority, $281,305,000,000.
(B) Outlays, $270,110,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

Fiscal year 2002:
(A) New budget authority, $289,092,000,000.
(B) Outlays, $272,571,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,050,000,000.

(2) International Affairs (150):

Fiscal year 1998:
(A) New budget authority, $15,909,000,000.
(B) Outlays, $14,558,000,000.
(C) New direct loan obligations, $1,966,000.
(D) New primary loan guarantee commitments $12,751,000,000.

Fiscal year 1999:
(A) New budget authority, $14,918,000,000.
(B) Outlays, $14,569,000,000.
(C) New direct loan obligations, $2,021,000,000.
(D) New primary loan guarantee commitments $13,093,000,000.

Fiscal year 2000:
(A) New budget authority, $15,782,000,000.
(B) Outlays, $14,981,000,000.
(C) New direct loan obligations, $2,077,000,000.
(D) New primary loan guarantee commitments $13,434,000,000.

Fiscal year 2001:
(A) New budget authority, $16,114,000,000.
(B) Outlays, $14,751,000,000.
(C) New direct loan obligations, $2,122,000,000.
(D) New primary loan guarantee commitments $13,826,000,000.

Fiscal year 2002:
(A) New budget authority, $16,353,000,000.
(B) Outlays, $14,812,000,000.
(C) New direct loan obligations, $2,178,000,000.
(D) New primary loan guarantee commitments $14,217,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1998:
(A) New budget authority, $16,237,000,000.
(B) Outlays, $16,882,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

Fiscal year 1999:
(A) New budget authority, $16,203,000,000.
(B) Outlays, $16,528,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

Fiscal year 2000:
(A) New budget authority, $15,947,000,000.
(B) Outlays, $16,013,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.

Fiscal year 2001:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $15,862,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $15,604,000,000.
(B) Outlays, $15,668,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1998:
(A) New budget authority, $3,123,000,000.
(B) Outlays, $2,247,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $3,469,000,000.
(B) Outlays, $2,446,000,000.
(C) New direct loan obligations, $1,078,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $3,186,000,000.
(B) Outlays, $2,293,000,000.
(C) New direct loan obligations, $1,109,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $2,939,000,000.
(B) Outlays, $2,048,000,000.
(C) New direct loan obligations, $1,141,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $2,846,000,000.
(B) Outlays, $1,867,000,000.
(C) New direct loan obligations, $1,174,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1998:
(A) New budget authority, $23,877,000,000.
(B) Outlays, $22,405,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $23,227,000,000.
(B) Outlays, $22,702,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $22,570,000,000.
(B) Outlays, $22,963,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $22,151,000,000.
(B) Outlays, $22,720,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $22,086,000,000.
(B) Outlays, $22,313,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1998:
(A) New budget authority, $13,133,000,000.
(B) Outlays, $11,892,000,000.
(C) New direct loan obligations, $9,620,000,000.
(D) New primary loan guarantee commitments, $6,365,000,000.
Fiscal year 1999:
(A) New budget authority, $12,790,000,000.
(B) Outlays, $11,294,000,000.
(C) New direct loan obligations, $11,047,000,000.
(D) New primary loan guarantee commitments, $6,436,000,000.
Fiscal year 2000:
(A) New budget authority, $12,215,000,000.
(B) Outlays, $10,664,000,000.
(C) New direct loan obligations, $11,071,000,000.
(D) New primary loan guarantee commitments, $6,509,000,000.
Fiscal year 2001:
(A) New budget authority, $10,978,000,000.
(B) Outlays, $9,494,000,000.
(C) New direct loan obligations, $10,960,000,000.
(D) New primary loan guarantee commitments, $6,583,000,000.
Fiscal year 2002:
(A) New budget authority, $10,670,000,000.
(B) Outlays, $9,108,000,000.
(C) New direct loan obligations, $10,965,000,000.
(D) New primary loan guarantee commitments, $6,660,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1998:
(A) New budget authority, $6,607,000,000.
(B) Outlays, −$920,000,000.
(C) New direct loan obligations, $4,739,000,000.
(D) New primary loan guarantee commitments, $245,500,000,000.
Fiscal year 1999:
(A) New budget authority, $11,082,000,000.
(B) Outlays, $4,299,000,000.
(C) New direct loan obligations, $1,887,000,000.
(D) New primary loan guarantee commitments, $253,450,000,000.
Fiscal year 2000:
(A) New budget authority, $15,183,000,000.
(B) Outlays, $9,821,000,000.
(C) New direct loan obligations, $2,238,000,000.
(D) New primary loan guarantee commitments, $255,200,000,000.
Fiscal year 2001:
(A) New budget authority, $16,078,000,000.
(B) Outlays, $12,133,000,000.
(C) New direct loan obligations, $2,574,000,000.
(D) New primary loan guarantee commitments, $257,989,000,000.
Fiscal year 2002:
(A) New budget authority, $16,678,000,000.
(B) Outlays, $12,541,000,000.
(C) New direct loan obligations, $2,680,000,000.
(D) New primary loan guarantee commitments, $259,897,000,000.
(8) Transportation (400):
Fiscal year 1998:
(A) New budget authority, $46,402,000,000.
(B) Outlays, $40,933,000,000.
(C) New direct loan obligations, $155,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $46,556,000,000.
(B) Outlays, $41,256,000,000.
(C) New direct loan obligations, $135,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $47,114,000,000.
(B) Outlays, $41,357,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $48,135,000,000.
(B) Outlays, $41,303,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $49,184,000,000.
(B) Outlays, $41,247,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $8,768,000,000.
(B) Outlays, $10,387,000,000.
(C) New direct loan obligations, $2,867,000,000.
(D) New primary loan guarantee commitments $2,385,000,000.
Fiscal year 1999:
(A) New budget authority, $8,489,000,000.
(B) Outlays, $10,902,000,000.
(C) New direct loan obligations, $2,943,000,000.
(D) New primary loan guarantee commitments $2,406,000,000.
Fiscal year 2000:
(A) New budget authority, $7,810,000,000.
(B) Outlays, $10,986,000,000.
(C) New direct loan obligations, $3,020,000,000.
(D) New primary loan guarantee commitments $2,429,000,000.
Fiscal year 2001:
(A) New budget authority, $7,764,000,000.
(B) Outlays, $11,350,000,000.
(C) New direct loan obligations, $3,098,000,000.
(D) New primary loan guarantee commitments $2,452,000,000.
Fiscal year 2002:
(A) New budget authority, $7,790,000,000.
(B) Outlays, $8,429,000,000.
(C) New direct loan obligations, $3,180,000,000.
(D) New primary loan guarantee commitments $2,475,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1998:
(A) New budget authority, $60,020,000,000.
(B) Outlays, $56,062,000,000.
(C) New direct loan obligations, $12,328,000,000.
(D) New primary loan guarantee commitments $20,665,000,000.
Fiscal year 1999:
(A) New budget authority, $60,450,000,000.
(B) Outlays, $59,335,000,000.
(C) New direct loan obligations, $13,092,000,000.
(D) New primary loan guarantee commitments $21,899,000,000.
Fiscal year 2000:
(A) New budget authority, $61,703,000,000.
(B) Outlays, $60,728,000,000.
(C) New direct loan obligations, $13,926,000,000.
(D) New primary loan guarantee commitments $23,263,000,000.
Fiscal year 2001:
(A) New budget authority, $62,959,000,000.
(B) Outlays, $61,931,000,000.
(C) New direct loan obligations, $14,701,000,000.
(D) New primary loan guarantee commitments $24,517,000,000.
Fiscal year 2002:
(A) New budget authority, $63,339,000,000.
(B) Outlays, $62,316,000,000.
(C) New direct loan obligations, $15,426,000,000.
(D) New primary loan guarantee commitments, $25,676,000,000.
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $137,799,000,000.
(B) Outlays, $137,767,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $85,000,000.
Fiscal year 1999:
(A) New budget authority, $144,968,000,000.
(B) Outlays, $144,944,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:

(A) New budget authority, $154,068,000,000.
(B) Outlays, $153,947,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $163,412,000,000.
(B) Outlays, $163,135,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $172,171,000,000.
(B) Outlays, $171,727,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $201,620,000,000.
(B) Outlays, $201,764,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $212,073,000,000.
(B) Outlays, $211,548,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $225,540,000,000.
(B) Outlays, $225,537,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $239,636,000,000.
(B) Outlays, $238,781,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $251,548,000,000.
(B) Outlays, $250,769,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $239,032,000,000.
(B) Outlays, $247,758,000,000.
(C) New direct loan obligations, $45,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 1999:
(A) New budget authority, $254,090,000,000.
(B) Outlays, $258,064,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 2000:
(A) New budget authority, $269,566,000,000.
(B) Outlays, $268,161,000,000.
(C) New direct loan obligations, $110,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 2001:
(A) New budget authority, $275,145,000,000.
(B) Outlays, $277,264,000,000.
(C) New direct loan obligations, $145,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
Fiscal year 2002:
(A) New budget authority, $286,945,000,000.
(B) Outlays, $285,239,000,000.
(C) New direct loan obligations, $170,000,000.
(D) New primary loan guarantee commitments, $37,000,000.
(14) Social Security (650):
Fiscal year 1998:
(A) New budget authority, $11,424,000,000.
(B) Outlays, $11,524,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $12,060,000,000.
(B) Outlays, $12,196,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $12,792,000,000.
(B) Outlays, $12,866,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $13,022,000,000.
(B) Outlays, $13,043,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $14,383,000,000.
(B) Outlays, $14,398,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1998:
(A) New budget authority, $40,545,000,000.
(B) Outlays, $41,337,000,000.
(C) New direct loan obligations, $1,029,000,000.
(D) New primary loan guarantee commitments $27,096,000,000.
Fiscal year 1999:
(A) New budget authority, $41,466,000,000.
(B) Outlays, $41,700,000,000.
(C) New direct loan obligations, $1,068,000,000.
(D) New primary loan guarantee commitments $26,671,000,000.
Fiscal year 2000:
(A) New budget authority, $41,740,000,000.
(B) Outlays, $41,908,000,000.
(C) New direct loan obligations, $1,177,000,000.
(D) New primary loan guarantee commitments $26,202,000,000.
Fiscal year 2001:
(A) New budget authority, $42,093,000,000.
(B) Outlays, $42,215,000,000.
(C) New direct loan obligations, $1,249,000,000.
(D) New primary loan guarantee commitments $25,609,000,000.
Fiscal year 2002:
(A) New budget authority, $42,282,000,000.
(B) Outlays, $42,436,000,000.
(C) New direct loan obligations, $1,277,000,000.
(D) New primary loan guarantee commitments $25,129,000,000.
(16) Administration of Justice (750):
Fiscal year 1998:
(A) New budget authority, $24,765,000,000.
(B) Outlays, $22,609,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $25,120,000,000.
(B) Outlays, $24,476,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $24,178,000,000.
(B) Outlays, $25,240,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $24,354,000,000.
(B) Outlays, $25,901,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $24,883,000,000.
(B) Outlays, $24,879,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $14,711,000,000.
(B) Outlays, $13,959,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 1999:
(A) New budget authority, $14,444,000,000.
(B) Outlays, $14,363,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2000:
(A) New budget authority, $13,977,000,000.
(B) Outlays, $14,727,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2001:
(A) New budget authority, $13,675,000,000.
(B) Outlays, $14,131,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
Fiscal year 2002:
(A) New budget authority, $13,105,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $0.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $296,547,000,000.
(B) Outlays, $296,547,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $304,558,000,000.
(B) Outlays, $304,558,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $305,075,000,000.
(B) Outlays, $305,075,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $303,833,000,000.
(B) Outlays, $303,833,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $303,728,000,000.
(B) Outlays, $303,728,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $0.

(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, -$41,841,000,000.
(B) Outlays, -$41,841,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, -$36,949,000,000.
(B) Outlays, -$36,949,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, -$36,937,000,000.
(B) Outlays, -$36,937,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, -$39,151,000,000.
(B) Outlays, -$39,151,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, -$51,124,000,000.
(B) Outlays, -$51,124,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

TITLE II—RECONCILIATION INSTRUCTIONS

SEC. 201. RECONCILIATION.

(a) PURPOSE.—The purpose of this section is to provide for two separate reconciliation bills: the first for entitlement reforms and the second for tax relief. In the event Senate procedures preclude the consideration of two separate bills, this section would permit the consideration of one omnibus reconciliation bill.

(b) SUBMISSIONS.—

(1) ENTITLEMENT REFORMS.—Not later than June 12, 1997, the House committees named in subsection (c) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) TAX RELIEF AND MISCELLANEOUS REFORMS.—Not later than June 13, 1997, the House committees named in subsection (d) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(c) INSTRUCTIONS RELATING TO ENTITLEMENT REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $211,443,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$8,435,000,000 in outlays for fiscal year 1998, −$5,091,000,000 in outlays for fiscal year 2002, and −$50,306,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $393,533,000,000 in outlays for fiscal year 1998, $506,791,000,000 in outlays for fiscal year 2002, and $2,617,528,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,222,000,000 in outlays for fiscal year 1998, $17,673,000,000 in outlays for fiscal year 2002, and $103,109,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $443,061,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1998, $621,000,000 in fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,087,000,000 in outlays for fiscal year 1998, $17,283,000,000 in outlays for fiscal year 2002, and $106,615,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,563,000,000 in outlays for fiscal year 2002, and $139,134,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,546,000,000 in outlays for fiscal year 1998, $506,442,000,000 in outlays for fiscal year 2002, and $2,621,578,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,176,253,000,000 in revenues for fiscal year 1998, $1,386,546,000,000 in revenues for fiscal year 2002, and $7,517,939,000,000 in revenues in fiscal years 1998 through 2002.

(d) INSTRUCTIONS RELATING TO TAX RELIEF AND MISCELLANEOUS REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $211,443,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$8,435,000,000 in outlays for fiscal year 1998, −$5,091,000,000 in outlays for fiscal year 2002, and −$50,306,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $393,533,000,000 in outlays for fiscal year 1998, $506,791,000,000 in outlays for fiscal year 2002, and $2,617,528,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,222,000,000 in outlays for fiscal year 1998, $17,673,000,000 in outlays for fiscal year 2002, and $103,109,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $443,061,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1998 $621,000,000 in outlays for fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,087,000,000 in outlays for fiscal year 1998, $17,283,000,000 in outlays for fiscal year 2002, and $106,615,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,563,000,000 in outlays for fiscal year 2002, and $139,134,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,546,000,000 in outlays for fiscal year 1998, $506,442,000,000 in outlays for fiscal year 2002, and $2,621,578,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,168,853,000,000 in revenues for fiscal year 1998, $1,366,046,000,000 in revenues for fiscal year 2002, and $7,432,939,000,000 in revenues in fiscal years 1998 through 2002.

(e) DEFINITION.—For purposes of this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(f) CHILDREN'S HEALTH INITIATIVE.—If the Committees on Commerce and Ways and

Means report recommendations pursuant to their reconciliation instructions that, combined, provide an initiative for children's health that would increase the deficit by more than $2.3 billion for fiscal year 1998, by more than $3.9 billion for fiscal year 2002, and by more than $16 billion for the period of fiscal years 1998 through 2002, the committees shall be deemed to not have complied with their reconciliation instructions pursuant to section 310(d) of the Congressional Budget Act of 1974.

TITLE III—BUDGET ENFORCEMENT

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR SURFACE TRANSPORTATION.

(a) PURPOSE.—The purpose of this section is to adjust the appropriate budgetary levels to accommodate legislation increasing spending from the highway trust fund on surface transportation and highway safety above the levels assumed in this resolution if such legislation is deficit neutral.

(b) DEFICIT NEUTRALITY REQUIREMENT.—(1) In order to receive the adjustments specified in subsection (c), a bill reported by the Committee on Transportation and Infrastructure that provides new budget authority above the levels assumed in this resolution for programs authorized out of the highway trust fund must be deficit neutral.

(2) A deficit-neutral bill must meet the following conditions:

(A) The amount of new budget authority provided for programs authorized out of the highway trust fund must be in excess of $25.949 billion in new budget authority for fiscal year 1998, $25.464 billion in new budget authority for fiscal year 2002, and $127.973 billion in new budget authority for the period of fiscal years 1998 through 2002.

(B) The outlays estimated to flow from the excess new budget authority set forth in subparagraph (A) must be offset for fiscal year 1998, fiscal year 2002, and for the period of fiscal years 1998 through 2002. For the sole purpose of estimating the amount of outlays flowing from excess new budget authority under this section, it shall be assumed that such excess new budget authority would have an obligation limitation sufficient to accommodate that new budget authority.

(C) The outlays estimated to flow from the excess new budget authority must be offset by (i) other direct spending or revenue provisions within that transportation bill, (ii) the net reduction in other direct spending and revenue legislation that is enacted during this Congress after the date of adoption of this resolution and before such transportation bill is reported (in excess of the levels assumed in this resolution), or (iii) a combination of the offsets specified in clauses (i) and (ii).

(D) As used in this section, the term ''direct spending'' has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) REVISED LEVELS.—(1) When the Committee on Transportation and Infrastructure reports a bill (or when a conference report thereon is filed) meeting the conditions set forth in subsection (b)(2), the chairman of the Committee on the Budget shall increase the allocation of new budget authority to that committee by the amount of new budget authority provided in that bill (and that is above the levels set forth in subsection (b)(2)(A)) for programs authorized out of the highway trust fund.

(2) After the enactment of the transportation bill described in paragraph (1) and upon the reporting of a general, supplemental or continuing resolution making appropriations by the Committee on Appropriations (or upon the filing of a conference report thereon) establishing an obligation limitation above the levels specified in subsection (b)(2)(A) (at a level sufficient to obligate some or all of the budget authority specified in paragraph (1)), the chairman of the Committee on the Budget shall increase the allocation and aggregate levels of outlays to that committee for fiscal years 1998 and 1999 by the appropriate amount.

(d) REVISIONS.—Allocations and aggregates revised pursuant to this section shall be considered for purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(e) REVERSALS.—If any legislation referred to in this section is not enacted into law, then the chairman of the House Committee on the Budget shall, as soon as practicable, reverse adjustments made under this section for such legislation and have such adjustments published in the Congressional Record.

(f) DETERMINATION OF BUDGETARY LEVELS.—For the purposes of this section, budgetary levels shall be determined on the basis of estimates made by the House Committee on the Budget.

(g) DEFINITION.—As used in this section, the term ''highway trust fund'' refers to the following budget accounts (or any successor accounts):

(1) 69–8083–0–7–401 (Federal-Aid Highways).

(2) 69–8191–0–7–401 (Mass Transit Capital Fund).

(3) 69–8350–0–7–401 (Mass Transit Formula Grants).

(4) 69-8016-0-7-401 (National Highway Traffic Safety Administration-Operations and Research).

(5) 69-8020-0-7-401 (Highway Traffic Safety Grants).

(6) 69-8048-0-7-401 (National Motor Carrier Safety Program).

SEC. 302. SALE OF GOVERNMENT ASSETS.

(a) BUDGETARY TREATMENT.—

(1) IN GENERAL.—For the purpose of any concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from the sale of an asset shall be scored with respect to the level of budget authority, outlays, or revenues if such sale would cause an increase in the deficit as calculated pursuant to paragraph (2).

(2) CALCULATION OF NET PRESENT VALUE.—The deficit estimate of an asset sale shall be the net present value of the cash flow from—

(A) proceeds from the asset sale;

(B) future receipts that would be expected from continued ownership of the asset by the Government; and

(C) expected future spending by the Government at a level necessary to continue to operate and maintain the asset to generate the receipts estimated pursuant to subparagraph (B).

(b) DEFINITION.—For purposes of this section, the term ''sale of an asset'' shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

(d) DETERMINATION OF BUDGETARY LEVELS.—For the purposes of this section, budgetary levels shall be determined on the basis of estimates made by the House Committee on the Budget.

SEC. 303. ENVIRONMENTAL RESERVE FUND.

(a) COMMITTEE ALLOCATIONS.—In the House, after the Committee on Commerce and the Committee on Transportation and Infrastructure report a bill (or a conference report thereon is filed) to reform the Superfund program to facilitate the cleanup of hazardous waste sites, the chairman of the Committee on the Budget shall submit revised allocations and budget aggregates to carry out this section by an amount not to exceed the excess subject to the limitation. These revisions shall be considered for purposes of the Congressional Budget Act of 1974 as the allocations and aggregates contained in this resolution.

(b) LIMITATIONS.—The adjustments made under this section shall not exceed—

(1) $200 million in budget authority for fiscal year 1998 and the estimated outlays flowing therefrom.

(2) $200 million in budget authority for fiscal year 2002 and the estimated outlays flowing therefrom.

(3) $1 billion in budget authority for the period of fiscal years 1998 through 2002 and the estimated outlays flowing therefrom.

(c) READJUSTMENTS.—In the House, any adjustments made under this section for any appropriation measure may be readjusted if that measure is not enacted into law.

SEC. 304. SEPARATE ALLOCATION FOR LAND ACQUISITIONS AND EXCHANGES.

(a) ALLOCATION BY CHAIRMAN.—In the House, upon the reporting of a bill by the Committee on Appropriations (or upon the filing of a conference report thereon) providing $700 million in budget authority for fiscal year 1998 for Federal land acquisitions and to finalize priority Federal land exchanges, the chairman of the Committee on the Budget shall allocate that amount of budget authority and the corresponding amount of outlays.

(b) TREATMENT OF ALLOCATIONS IN THE HOUSE.—In the House, for purposes of the Congressional Budget Act of 1974, allocations made under subsection (a) shall be deemed to be made pursuant to section 602(a)(1) of that Act and shall be deemed to be a separate suballocation for purposes of the application of section 302(f) of that Act as modified by section 602(c) of that Act.

TITLE IV—SENSE OF CONGRESS PROVISIONS

SEC. 401. SENSE OF CONGRESS ON BASELINES.

(a) FINDINGS.—The Congress finds that:

(1) Baselines are projections of future spending if existing policies remain unchanged.

(2) Under baseline assumptions, spending automatically rises with inflation even if such increases are not mandated under existing law.

(3) Baseline budgeting is inherently biased against policies that would reduce the projected growth in spending because such policies are portrayed as spending reductions from an increasing baseline.

(4) The baseline concept has encouraged Congress to abdicate its constitutional obligation to control the public purse for those programs which are automatically funded.

(b) SENSE OF CONGRESS.—It is the sense of Congress that baseline budgeting should be replaced with a budgetary model that requires justification of aggregate funding levels and maximizes congressional and executive accountability for Federal spending.

SEC. 402. SENSE OF CONGRESS ON REPAYMENT OF THE FEDERAL DEBT.

(a) FINDINGS.—The Congress finds that:

(1) The Congress and the President have a basic moral and ethical responsibility to future generations to repay the Federal debt, including the money borrowed from the Social Security Trust Fund.

(2) The Congress and the President should enact a law which creates a regimen for paying off the Federal debt within 30 years.

(b) SENSE OF CONGRESS REGARDING PRESIDENT'S SUBMISSION TO CONGRESS.—It is the sense of Congress that:

(1) The President's annual budget submission to Congress should include a plan for repayment of Federal debt beyond the year

2002, including the money borrowed from the Social Security Trust Fund.

(2) The plan should specifically explain how the President would cap spending growth at a level one percentage point lower than projected growth in revenues.

(3) If spending growth were held to a level one percentage point lower than projected growth in revenues, then the Federal debt could be repaid within 30 years.

SEC. 403. SENSE OF CONGRESS ON COMMISSION ON LONG-TERM BUDGETARY PROBLEMS.

(a) FINDINGS.—The Congress finds that—

(1) achieving a balanced budget by fiscal year 2002 is only the first step necessary to restore our Nation's economic prosperity;

(2) the imminent retirement of the baby-boom generation will greatly increase the demand for government services;

(3) this burden will be borne by a relatively smaller work force resulting in an unprecedented intergenerational transfer of financial resources;

(4) the rising demand for retirement and medical benefits will quickly jeopardize the solvency of the medicare, social security, and Federal retirement trust funds; and

(5) the Congressional Budget Office has estimated that marginal tax rates would have to increase by 50 percent over the next 5 years to cover the long-term projected costs of retirement and health benefits.

(b) SENSE OF CONGRESS.—It is the sense of Congress that legislation should be enacted to create a commission to assess long-term budgetary problems, their implications for both the baby-boom generation and tomorrow's workforce, and make such recommendations as it deems appropriate to ensure our Nation's future prosperity.

SEC. 404. SENSE OF CONGRESS ON CORPORATE WELFARE.

(a) FINDINGS.—The Congress finds that the functional levels and aggregates in this budget resolution assume that—

(1) the Federal Government supports profit-making enterprises and industries through billions of dollars in payments, benefits, and programs;

(2) many of these subsidies do not serve a clear and compelling public interest;

(3) corporate subsidies frequently provide unfair competitive advantages to certain industries and industry segments; and

(4) at a time when millions of Americans are being asked to sacrifice in order to balance the budget, the corporate sector should bear its share of the burden.

(b) SENSE OF CONGRESS.—It is the sense of Congress that legislation should be enacted to—

(1) eliminate the most egregious corporate subsidies; and

(2) create a commission to recommend the elimination of Federal payments, benefits, and programs which predominantly benefit a particular industry or segment of an industry, rather than provide a clear and compelling public benefit, and include a fast-track process for the consideration of those recommendations.

SEC. 405. SENSE OF CONGRESS ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—The Congress finds that:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that one quarter of battered women surveyed had lost a job partly because of being abused and that over half of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and welfare by showing that from 34 percent to 65 percent of AFDC recipients are current or past victims of domestic violence.

(5) Over half of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recognition of this finding, the House Committee on the Budget unanimously passed a sense of Congress amendment on domestic violence and Federal assistance to the fiscal year 1997 budget resolution. Subsequently, Congress passed the family violence option amendment to last year's welfare reform reconciliation bill.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding this provision. As a result, States are hesitant to fully implement the family violence option fearing it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) States should not be subject to any numerical limits in granting domestic violence good cause waivers to individuals receiving assistance for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence; and

(2) any individuals granted a domestic violence good cause waiver by States should not be included in the States' 20 percent hardship exemption.

TITLE V—TRANSPORTATION REVENUES USED SOLELY FOR TRANSPORTATION

SEC. 501. READJUSTMENTS.

(a) INCREASE IN FUNCTION 400.—Levels of new budget authority and outlays set forth in function 400 in section 102 shall be increased as follows:

(1) for fiscal year 1998, by $0 in outlays and by $0 in new budget authority;

(2) for fiscal year 1999, by $770,000,000 in outlays and by $3,600,000,000 in new budget authority;

(3) for fiscal year 2000, by $2,575,000,000 in outlays and by $4,796,000,000 in new budget authority;

(4) for fiscal year 2001, by $3,765,000,000 in outlays and by $5,363,000,000 in new budget authority; and

(5) for fiscal year 2002, by $4,488,000,000 in outlays and by $5,619,000,000 in new budget authority.

(b) OFFSETS.—(1)(A) The total budget outlays for each fiscal year set forth in each functional category in section 102 shall be reduced by an amount determined through a pro rata reduction of discretionary outlays within each function necessary to achieve the following outlay reductions:

(i) for fiscal year 1998, by $0 in outlays;

(ii) for fiscal year 1999, by $746,000,000 in outlays;

(iii) for fiscal year 2000, by $2,422,000,000 in outlays;

(iv) for fiscal year 2001, by $3,532,000,000 in outlays; and

(v) for fiscal year 2002, by $4,242,000,000 in outlays;

and corresponding reductions in new budget authority shall be made in each function consistent with such pro rata reductions in outlays. Reductions in new budget authority shall be made to section 101(2) consistent with this subparagraph and subsection (a).

(B) These reductions shall not be made to the mandatory outlay portion of any function, including (but not limited to) Medicare, Medicaid and Social Security. For purposes of the application of this paragraph to function 400, the pro rata share shall be determined by using the amounts provided for function 400 prior to any adjustment made by subparagraph (A).

(2) The amounts by which the aggregate levels of Federal revenues should be changed as set forth in section 101(1)(B) are reduced as follows:

(A) for fiscal year 1998, by $0;

(B) for fiscal year 1999, by $24,000,000;

(C) for fiscal year 2000, by $153,000,000;

(D) for fiscal year 2001, by $233,000,000; and

(E) for fiscal year 2002, by $246,000,000.

(3) The amounts by which to appropriate levels of total budget outlays in section 101(3) are increased as follows:

(A) for fiscal year 1998, by $0;

(B) for fiscal year 1999, by $24,000,000;

(C) for fiscal year 2000, by $153,000,000;

(D) for fiscal year 2001, by $233,000,000;

(D) for fiscal year 2002, by $246,000,000.

(4) The reconciliation directives to the Committee on Ways and Means in sections 201(c)(8)(B) and 201(d)(8)(B) shall be adjusted accordingly.

SEC. 502. HIGHWAY TRUST FUND ALLOCATIONS.

(a) ALLOCATED AMOUNTS.—Of the amounts of outlays allocated to the Committees on Appropriations of the House and Senate by the joint explanatory statement accompanying this resolution pursuant to sections 302 and 602 of the Congressional Budget Act of 1974, the following amounts shall be used for contract authority spending out of the Highway Trust Fund—

(1) for fiscal year 1998, $22,256,000,000 in outlays;

(2) for fiscal year 1999, $24,063,000,000 in outlays;

(3) for fiscal year 2000, $26,092,000,000 in outlays;

(4) for fiscal year 2001, $27,400,000,000 in outlays; and

(5) for fiscal year 2002, $28,344,000,000 in outlays.

(b) ENFORCEMENT.—Determinations regarding points of order made under section 302(f) or 602(c) of the Congressional Budget Act of 1974 shall take into account subsection (a).

(c) STATUTORY IMPLEMENTATION.—As part of reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991, provisions shall be included to enact this section into permanent law.

SEC. 503. PRIORITY FOR RESTORATION OF CUTS.

Any outlays that would have been allocated for surface transportation pursuant to section 301 shall first be used to restore any cuts to discretionary spending made as a result of section 501. The chairman of the House Committee on the Budget shall implement section 301 consistent with this section.

SEC. 504. MATHEMATICAL CONSISTENCY.

The Chairman of the House Committee on the Budget may make technical changes consistent with this title to ensure mathematical consistency.

The CHAIRMAN. Pursuant to the rule, the gentleman from Pennsylvania [Mr. SHUSTER] and a Member opposed, the gentleman from Ohio [Mr. KASICH], will each control 10 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. PETRI], the chairman of our Subcommittee on Surface Transportation.

Mr. PETRI. Mr. Chairman, I strongly support the amendment offered by the gentleman from Pennsylvania [Mr. SHUSTER] on behalf of the Committee on Transportation and Infrastructure.

I think as we get into this discussion, we need to take a step back, take off the green eyeshades and look at what we are trying to achieve. Instead of counting beans, we should view transportation spending as an investment in our future. I believe that this budget assumes continued positive economic performance. Well, if we are to achieve that, we need to be sure that we can have an efficient transportation network that can support that growth. In these days of lower costs due to our strict, sophisticated inventory controls, business must be able to rely on our transportation system.

Mr. Chairman, in order to move beyond the status quo and to start to meet our urgent transportation needs in the upcoming ISTEA reauthorization, we need the funding provided for in this amendment. Join the many States, cities and other public and private groups who support the goals of this amendment and vote yes for a better future for all Americans.

Mr. SHUSTER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. OBERSTAR], the distinguished ranking minority Member of our committee, and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding me this time.

I yield such time as he may consume to the gentleman from Pennsylvania [Mr. BORSKI].

(Mr. BORSKI asked and was given permission to revise and extend his remarks.)

Mr. BORSKI. Mr. Chairman, I rise in strong support of the Shuster-Oberstar substitute.

Mr. Chairman, I rise today in support of the Shuster-Oberstar Substitute. As a member of the Transportation and Infrastructure Committee, well versed in the enormous needs of our country's infrastructure, I cannot in good conscience support a budget agreement that so grossly and dishonestly under funds our highway and transit programs.

When Congress established the Highway Trust Fund in 1956, it was a deliberate policy decision to impose a user fee funding mechanism and a trust fund rather than continuing to support transportation infrastructure programs out of general revenues. The Highway Trust Fund ensured that the money was collected from those benefiting from the improvements by taxing gasoline, diesel and special fuels as well as heavy trucks and tires. By creating a trust fund, Congress was presumably guaranteeing a promise to those contributing to the fund that the money would be dedicated to transportation infrastructure improvements. This promise has blatantly been ignored for far too long. The monies that are actually spent on our country's infrastructure are consistently, and substantially, less than what is collected. As a result, an enormous surplus has been allowed to accumulate in the Trust Fund, much to the delight of our Nation's bookkeepers. Though unable to spend even one dollar of these hoarded funds, this surplus, currently an inconceivable $24 billion, allows them to mask deficit spending. This practice of locking up billion of dollars in treasury notes that should rightfully be stimulating our economy has been likened to a shell game and amounts to nothing more than fraud on the taxpayer. To call this money a dedicated tax and then disregard its intended use is fraudulent. If we allow this practice to continue, we enable the perpetuation of this fraud at the expense of our Nation's infrastructure. I can tell you as a fourteen year veteran of the Transportation and Infrastructure Committee that our nation's infrastructure can no longer afford to pay the price for dishonest bookkeeping.

The Department of Transportation estimates that simply maintaining current conditions on our highway, bridge, and transit systems will require annual investments of $57 billion, an increase of 41%. These conditions are indisputable unacceptable and unsafe. In my home state of Pennsylvania, for example, more than 70% of our roads were rated fair to poor. Over 40% of our bridges were deemed deficient. These statistics are not inconsequential. Inadequate roads and bridges are a factor in traffic accidents that result annually in over 12,000 highway deaths nationwide. Transit needs are at least as critical. One-third of rail maintenance yards, stations, and bridges and almost one-half of transit buildings are still in poor or fair condition. Rolling stock needs immediate replacement as the average fleet age for all classes of bus and paratransit vehicles has exceeded the useful life of the vehicles. Additionally, 51% of rural buses are overage and more than 9,000 urban buses need immediate replacement. According to the DOT, to improve the condition's of our nation's infrastructure to optimal levels would require annual investments of $80 billion. Clearly, our country has enormous needs. The Shuster-Oberstar Substitute recognizes that we cannot afford to look the other way while revenues committed to address these needs sit fallow.

The Budget Agreement provides for inadequate an dishonest transportation funding levels. Despite arguments to the contrary, CBO supplied the Budget Committee with data on May 15, demonstrating that the Agreement shortchanges infrastructure spending by $12 billion. According to CBO, the Highway Trust Fund will amass $137 billion over the five years under the Budget Agreement while total outlays only amount to $125 billion over the same time period. CBO's data clearly reveals that under the Budget Agreement gas taxes deposited into the Highway Trust Fund will NOT be spent for their intended purpose. Furthermore, under the proposed Agreement, the inaccessible Trust Fund balance will increase 55% to $37 billion by the year 2002 while our grossly under funded highway and transit programs suffer. The Shuster-Oberstar Substitute safeguards against this inappropriate practice.

The Shuster-Oberstar Substitute does not attempt to draw down on the $24 billion balance that has already been allowed to accumulate in the Highway Trust Fund, nor does it spend the existing 4.3 cents-per-gallon gas tax that was created for deficit reduction. Rather, the substitute seeks solely to restore the promise inherent in the establishment of the Trust Fund by preventing further growth in the idle balances. Highway Trust Fund spending is increased to $137 billion so that outlays equal revenues into the fund during the five-year period of the Budget Resolution. The Shuster-Oberstar Substitute would increase transit spending by $2.3 billion from the $18.9 billion proposed in the Budget Agreement to more than $21 billion. While such a proposal would provide an additional $12 billion above Budget Reconciliation assumptions, trust fund balances would remain stable. Under this Substitute, our intended system of collection and redistribution is preserved and safeguarded.

The Shuster-Oberstar Substitute provides offsets for the increased spending on a year by year basis with minor reductions in discretionary spending and the proposed tax cuts. Such offsets must accompany any proposal for increased spending within the context of a Balanced Budget Agreement. The minimal cuts, .0039 over five years, are distributed evenly across discretionary spending and tax cuts, a compromise by all that only further illustrates a bipartisan awareness of our infrastructure's critical needs. While offsets are not popular, they are an unpleasant reality and the only responsible solution. Surely it would have been preferable if those involved in formulating the Budget Agreement had fulfilled their duties and proposed legitimate offsets themselves, rather than continuing the dishonest practice of using Transportation Trust Fund revenues to mask deficit spending elsewhere. The Shuster-Oberstar Substitute accepts such responsibility, while representing the will of the House with respect to taking Transportation Trust Funds off budget, and using the available revenues for their intended use. In the 104th Congress, 284 Members voted for such a measure. An identical bill in the 105th Congress currently has 239 cosponsors.

When considering the offsets provided in the Shuster-Oberstar Substitute, it is important to recognize the enormous benefits of infrastructure investment. Studies have indicated that every $1 billion expenditure in infrastructure supports 42,000 full time jobs in highway construction and supply industries. Investment in our infrastructure does not only serve to create new jobs, it improves the productivity of those that already exist. The Department of Transportation has found that since the 1950's, industry realized production cost savings of 24 cents for each dollar of investment in highways, the costs of which are recouped through these savings after only four years. Current conditions cost our Nation dearly in lost productivity as Americans waste 1.6 million hours everyday sitting in traffic. More than 70 percent of peak-hour travel on urban interstates occurs under congested or severely congested conditions, generating costs from wasted fuel and lost productivity to the economy of $45 billion each year in our Nation's 50 largest cities alone. Perhaps most compelling is the fact that, as a result of lack of investment in infrastructure, our Nation's productivity growth rate from 1979–1990 was only 35 percent of the average of other industrialized countries. Though transportation represents a full 17 percent of America's economy, the United States continues to rank 55th in the world in infrastructure investment while Japan, Germany and Taiwan, recognizing the relationship between investment and economic vitality, continue to spend trillions of dollars to improve their infrastructure.

The only way to address our Nation's enormous infrastructure needs is to support the Shuster-Oberstar Substitute to the Budget Agreement. As a member of the Transportation and Infrastructure Committee, I know that without the ability to spend every dime that is rightfully dedicated to our infrastructure, we are left with innumerable problems and few solutions. Without full access to these excise taxes, we cannot even begin to address the Donor/Donee conflict. We will be unable to support major reconstruction of the Interstate System nor can we afford any substantial upgrading of major international trade corridors and border infrastructure. New and improved transit systems, to meet mobility and clean air needs in congested urban areas, will be forfeited. The consequences of curtailed transit service are severe, especially in our urban areas. As fares increase and construction stops, highway congestion only worsens. Without additional money, we are powerless to reverse these conditions. And, perhaps most significantly we will be left without the resources needed to adequately attend to our unsafe roads and bridges, which will claim thousands of more lives next year.

I urge my colleagues to support the Shuster-Oberstar Substitute. It is vital for our economy, imperative for our safety, and essential to restoring truth and honesty to the user fees we impose upon our citizens, and to the Highway Trust Fund we created to ensure their purpose.

Mr. OBERSTAR. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FILNER].

(Mr. FILNER asked and was given permission to revise and extend his remarks.)

Mr. FILNER. Mr. Chairman, I rise in strong support of the Shuster substitute.

Mr. Chairman, on behalf of the people of California's 50th Congressional District, I rise today in strong support of the Shuster-Oberstar-Petri-Rahall Amendment.

This Amendment is important to the American economy and is critical to the economic development of my own congressional district.

My constituents sent me to Congress to represent them and their interests and to be fair and honest in doing so. Although their many priorities are as varied and diverse as the communities I represent, their concerns can best be summarized in three words: jobs, jobs, jobs.

Jobs so they can support themselves and their families.

Jobs so they can raise and educate their children.

Jobs so they can contribute to our community.

Jobs so they can enjoy their recreation.

Jobs so they can provide for their retirement.

This Amendment address their concerns in a fair and honest manner and creates these much needed jobs.

Contrary to all the hype and hysteria, this amendment is not a budget-buster—in fact it honors the commitment to a balanced budget.

And while I typically would oppose the across the board cuts this amendment proposes, I believe the increased investment in our infrastructure would more than offset the impact of these modest cuts.

America's investment in its transportation infrastructure has created the strongest economy in the history of the world. It invigorates the economy, creates new jobs and raises revenues. Investment in transportation today creates jobs today—and tomorrow.

The Shuster-Oberstar Amendment provides us with the perfect opportunity to again demonstrate this investment policy on a national scale. We cannot let this opportunity pass.

Mr. Chairman, I will vote for my constituents' interests tonight and vote for the Shuster-Oberstar-Petri-Rahall Jobs Amendment, and I encourage my colleagues to do the same.

Remember, it's about jobs, jobs, jobs.

Mr. OBERSTAR. Mr. Chairman, I yield myself such time as I may consume.

''A deal is a deal'' intoned our colleague from North Dakota a few hours ago. ''Do not break the deal,'' says a panicked White House. ''Stick to the deal,'' says the Committee on the Budget leadership on both sides. Whose deal, I ask my colleagues? Who was a part of this deal? Not me, and not very many in this Chamber. We did not have much to say about the deal, so why are we being asked to stick with it?

There is only one deal that counts, and that is the deal that Congress made with the traveling public when we passed the gas tax in 1956 and set up the highway trust fund. That is the deal that counts, the deal we made with the traveling public of America, and the public has been paying that tax, that user fee, and getting less and less back every year, $24 billion less. That is the surplus built up in the highway trust fund being unspent, and that surplus, that less, will build up to $37 billion under the deal if we stick with it; $37 billion more in taxes we are taking out of people and not investing in what they agreed to be taxed for.

Taxes paid, benefits not received. Seventy-six thousand bridges that need to be repaired in America, 3 million miles of rural road that have been neglected over the past 10 years. Fifteen percent of the interstate that needs to be rebuilt, 9,000 transit buses that need to be replaced in America. Seventy-three percent of the transit facilities in this country that need to be rebuilt, and for the sake of the deal we would turn our backs? We would condemn America to 5 more years of neglect, to 5 more years of underinvestment, a country that now ranks 55th in the world in infrastructure investment at the very time when Japan is investing $3 trillion in their infrastructure, when Germany is investing $2 trillion in their infrastructure, when Taiwan is investing $100 billion in their infrastructure, and we are going to say, do less for the sake of the deal.

How short-sighted. We should invest the $24 billion surplus in our roads and bridges and transit systems and enhancements. We should put the 4.3 cent gas tax that we voted in this Chamber in 1993 that is going for deficit reduction and put it into the highway trust fund, but we are not asking you to do that. We are asking you to take one-third of 1 percent across the board and invest that little bit more, that $12 billion more, take that little bit of a cut out of the deal that you were not a part of and invest it in something that makes a difference in America. Invest it in the $1 trillion sector of our national economy that is represented by transportation. That makes a difference between America being a strong and vibrant economy and falling further behind.

They say, stick with the deal. I say, no taxation without investment. No taxation without investment in our roads, our bridges, our transit systems and what is good for America. This Shuster-Oberstar amendment balances the budget by the year 2002, does not change annual deficit targets, no entitlement cuts, does not specify cuts. In fact, here is what the Chairman of the Committee on Appropriations says. He supports the agreement, but he will not be bound by levels specified for various discretionary programs.

So where is the deal? Our deal is with our constituents. Our deal is with America's future. Either we want to be a part of this process, either we want to be relevant in America, or spend the next 5 years with an oil can filling potholes in the roads that we refuse to rebuild, in the bridge decking that needs to be torn down and rebuilt.

The budget process is where we decide priorities for America's future. That is the right place. This is where we decide what our values are and to a large degree, put a price tag on them. We have done that all evening. We have done it every year in this budget process, and tonight, tonight with your voting card, you are going to make a choice, you are going to make a choice about the future of America. About whether we move ahead, whether that bridge to the 21st century the President talks about has some concrete and asphalt on it, whether it has some bike lanes in it, whether it has some transit buses on it, or where it is just a chimerical bridge that exists out there in nowhere. Vote for the Shuster-Oberstar amendment, vote to invest in America's future, vote to put America back on wheels again.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. SPRATT], the Democratic leader on the Committee on the Budget.

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding me this time. I ask the House to bear with me, as my voice has just about worn out.

Let me first of all say, what is in this agreement? We did not ignore the Nation's transportation infrastructure in these negotiations. I would like to spend more, too. But in this agreement we have provided $8.5 billion in outlays for transportation over and above what the President's request was for fiscal year 1998, $8.15 billion over 5 years. That means that in fiscal year 1998, fiscal year 1998, obligations for highways will go up to $22.2 billion, as opposed to $20.9 billion in this year's budget. That is a 6 percent increase, not a whopping increase, but compare it to the one-half of 1 percent average increase in discretionary spending over the next 5 years and it is a handsome, favorable treatment for transportation.

The gentleman from Minnesota [Mr. OBERSTAR] makes a powerful argument. He said, we only want to make a four-tenths of 1 percent cut across the board, but that four-tenths of 1 percent wreaks havoc with some major programs.

Let us start with defense. We barely, barely increase defense, $6 billion over the next 5 years. Pass this resolution and you will take $5.6 billion in outlays out of defense. We will have a freeze in defense spending for the next 5 years. How about that investment?

Then look down the list of other things that will be cut across the board. Education, one of the things that we want to favor, one of the initiatives that we want in this package, $980 million, section 8 housing, LIHEAP, WIC, $860 million, criminal justice, $510 million, veterans benefit, $390 million, and let me make a prediction.

If this passes and we go to conference, I would predict, given the composition of the conference committee, defense will probably be largely restored in the compromise. What will come back to us on our side of the aisle is a package bereft of these things that we fought so hard for for the last three months. Do not make that mistake on this side of the aisle. We have a good deal, let us stick with the deal, let us put it to bed and go to bed ourselves and get on with it.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. BOEHLERT].

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Chairman, when all is said and done, I view this as a keep-the-faith with the American people amendment. The authors are asking of us to approve exactly what we said we would do, we would charge taxes and fees and we would use that money to build, repair, and maintain our Nation's infrastructure. Nothing more, nothing less. No one is suggesting a raid on any other funds earmarked for any other purpose. Rather, what the advocates of this amendment are saying is that we should level with the American people.

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If we ask them for money for a specific purpose, we should use that money for that specific purpose.

Let me hasten to add that approving this measure will not, it will not take all the hard work and negotiations that have led us to this historic moment and toss it out the window forcing us to start anew. Does anyone really believe that an approximate one-third of 1 percent adjustment in other spending and tax reduction programs, nothing the first year, one-tenth of 1 percent the second year and one-third overall is going to upset the apple cart? That strains credulity. Let us keep the faith with the American people. Let us support Shuster-Oberstar.

When all is said and done, I view this as a "keep the faith" with the American people amendment.

The authors are asking of us approval to do for the people exactly what we said we would do when the Congress imposed gasoline taxes and other user fees on the traveling public—take the money provided therefrom and use it to build, repair and maintain our Nation's transportation infrastructure. Nothing more, nothing less.

No one is suggesting a raid on any other funds earmarked for any other purpose. Rather, what the advocates of this amendment are saying is that we should level with the American public. If we ask them for money for a specific purpose we should use the money for that purpose. And if we don't, we should repeal these taxes and fees. Let me hasten to add that approving this measure will not—let me emphasize—will not take all the hard work and negotiations that have led us to this historic moment and toss it out the window, forcing us to start anew. Does anyone really believe that an approximate one-third of 1 percent adjustment in other spending and tax reduction programs—nothing the first year, one-tenth of 1 percent the second year and one third of a percent overall—will upset the apple cart. That strains credulity.

Let's keep this faith with the American people and support Shuster.

Mr. SHUSTER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this is the most important transportation infrastructure vote we will cast not only in this Congress but in the next 6 years. Why? Because this will set the level of funding for ISTEA as we reauthorize that very important piece of transportation legislation.

Make no mistake about it, if we do not have this very modest $12 billion increase, $12 billion in a $2.9-trillion budget, one-third of 1 percent, if we do not have it, we are not going to have even the beginnings of adequate funds to do the things that are so necessary such as rebuilding our interstate, rebuilding our deficient bridges, our transit systems, the projects that are so important, and changing the formulas.

If we do not increase the size of this pot, we will not be able to change the formulas so that the donor States get a fair share of their proportion. And, yes, we will not be able to address the issues of the trade corridors which have become so vital to our Nation.

We have heard about all these so-called cuts that we make. I recall when we had the Medicare debate last year, I know my Republican colleagues were incensed that our increases were called cuts. Indeed, that is what we have here now because under the Shuster-Oberstar amendment, national defense will still go up 18.9 billion, education up 17.7 billion, criminal justice 8.7 billion, veterans up 500 million. There will still be increases, but the rate of increase will not be as great. And most importantly, perhaps, there will be absolutely no reductions in the first year, next year in 1998, no reductions whatsoever.

Indeed, this modest amendment can be described as purer than Ivory Snow because Ivory Snow is only 99.44 percent pure. This amendment is 99.61 Kasich-Clinton pure. That is the only change we make. And if we cannot make that kind of modest change, we are potted plants. We are not exercising our duties to exercise our own judgment in this Congress.

So if Members care about saving lives on our highways, if they care about building infrastructure to increase productivity for America, then I urge Members to vote in favor of this amendment. Because if we do not, we simply are not going to have the funds so necessary to rebuild America as we move into the 21st century.

Mr. KASICH. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I have made a number of speeches on the House floor. This is probably the most challenging. It is the most challenging because I really have got to get through to both sides of the aisle. It is not good enough for me to just get the Republicans without touching the hearts and the souls of the Democrats. See, this is not about a highway bill. This is not about highway funds.

I mean, yes, right, the amendment is about highway funds, but it could have been about education. It could have been about defense. It could have been about children. It could have been about a million different issues. This is not about roads. This is about a team.

And it is not about a deal. I am sorry, but it is not about a deal. It is really about an agreement. It is about a bunch of people who got sent by their troops to go and try to bring something back that could put us together for once in this House. We did it one other time, not long ago. It was the war, when we put aside the partisan differences and our leaders worked in agreement and we stood and we fought for it together. And many people have described that as one of the House's finest moments in modern history. I happen to agree with that.

And we sent our people in, and we spent 4 months fighting like dogs and cats. It was not about deals. It was about a lot of principles that mattered to all of us.

The gentleman from South Carolina [Mr. SPRATT] went to those meetings and he stood up for his colleagues. And I went to these meetings, and I stood up for my colleagues. And I remember at one point in time, when I thought it was going to collapse, I looked at Gene Sperling and I said, Gene, you have to reach toward me, and I am reaching toward you, because we cannot walk away from this. We cannot let this fail. Our generation owes this to the country that we will stay here and we will fight and we will work it out. And we will reach an agreement, and it will be based on one thing: that it will not violate your principles and it will not violate our principles.

Mr. Chairman, what I think this is really all about is what the country wants. They elected a Democratic President by a wide margin. They elected a House and a Senate made up of the other party, and they said, put the country first, put the politics second. Pitch in and move America forward.

And that is what we did over the course of these last 4 months. And now what we cannot afford to do is, in the spirit of giving your word, and many of you have done it, you teach your children about it every day, and do you know what it is, you be part of a team. Yes, sometimes you stand up and fight, but at the end of the day, you are part of a team. That is what America teaches its children, be part of a team.

That is what this is all about tonight. Americans are asking us to reach towards one another. Americans are asking us to reach an agreement that will help families today and take a giant step towards solving the problems that our children face tomorrow.

I told you that I kind of have to touch your hearts. Look, I respect anybody that comes to this floor. That is why I have so many friends on the other side of the aisle. I have high regard for them. I would not question their commitment to this project or that road or this priority. But I think that our leadership has brought us something that represents an agreement that the country wants, the country supports, and something we can be proud of marching together, reaching across that aisle and holding onto one another and looking at our districts and saying, yes, I am here to represent the district, but the country, the country wants us tonight to look beyond our district, to look to a degree beyond our own priorities and be part of America's team. That is what this is about tonight.

I ask my colleagues, even though this is very difficult for them, let us not confuse the message. Let us not confuse the public. Let us not have them wake up tomorrow morning and say, can they just never get it right.

Let us send them a clear signal that we were able to advance the cause of our country. I ask my colleagues, before they put their card in that box, please think about the way that you want to feel about yourself and the way you want your children to feel about you after this vote is over. I think if you do, I think if you do, as difficult as it may be, based on your priorities, you can reach with all of us. We can build a better America.

Please reject the amendment. Support the agreement.

Mr. DUNCAN. Mr. Chairman, I rise in strong support of the Shuster-Oberstar balanced budget substitute.

The American people want, deserve, and need a strong national system of transportation.

Almost everyone supports the interstate highway system. The only way to adequately maintain and improve our interstate highways and meet the needs of a growing population is to pass the Shuster substitute.

There are no State lines in the air. The people want and deserve and need a strong and safe aviation system. Air passenger traffic is exploding now and is going way up over the next 10 years.

The only way to improve our aviation system and make it as safe as it can and should be is to pass the Shuster-Oberstar substitute.

We should not continue the deceptive practice begun by President Johnson: using the trust funds not for their intended purposes, but to offset the deficit and thus spend highway and aviation funds for foreign aid and everything else.

I urge support for the Shuster balanced budget substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Pennsylvania [Mr. SHUSTER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SHUSTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 216, not voting 5, as follows:

[Roll No. 147]

AYES—214

Abercrombie
Ackerman
Andrews
Bachus
Baesler
Baker
Barcia
Bass
Becerra
Bereuter
Berry
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Bonior
Borski
Boswell
Brown (CA)
Brown (FL)
Buyer
Camp
Capps
Carson
Clay
Clayton
Clement
Clyburn
Coble
Combest
Cook
Cooksey
Costello
Coyne
Cramer
Cummings
Danner
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dickey
Dingell
Dixon
Doggett
Doyle
Duncan
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Farr
Fattah
Filner
Flake
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Gillmor
Gonzalez
Goode
Gordon
Green
Greenwood
Hamilton
Hastings (FL)
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Horn
Hostettler
Houghton
Hutchinson
Jackson (IL)
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kleczka
Klink
LaFalce
LaHood
Lampson
Lantos
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDade
McDermott
McGovern
McHale
McIntyre
McKinney
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Nadler
Neal
Northup
Oberstar
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pitts
Poshard
Price (NC)
Quinn
Rahall
Rangel
Riggs
Rivers
Roemer
Rothman
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Schaefer, Dan
Schumer
Scott
Serrano
Shuster
Slaughter
Smith (NJ)
Smith, Linda
Stabenow
Stark
Stokes
Strickland
Stupak
Tanner
Tauscher
Thompson
Thune
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Weldon (PA)
Wexler
Wise
Woolsey
Wynn
Young (AK)

NOES—216

Aderholt
Allen
Archer
Armey
Baldacci
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentsen
Berman
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Boyd
Brady
Brown (OH)
Bryant
Bunning
Burr
Burton
Callahan
Calvert
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coburn
Collins
Condit
Conyers
Cox
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Deal
DeLay
Diaz-Balart
Dicks
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehrlich
Evans
Everett
Ewing
Fawell
Fazio
Foglietta
Foley
Fowler
Frelinghuysen
Ganske
Gibbons
Gilchrest
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Granger
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hoyer
Hulshof
Hunter
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kennedy (RI)
Kingston
Klug
Knollenberg
Kolbe
Kucinich
Largent
Latham
Lazio
Leach
Lewis (KY)
Linder
Livingston
Lucas
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McNulty
Miller (FL)

Minge
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pickering
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Radanovich
Ramstad
Redmond
Regula
Reyes
Riley
Rodriguez
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (OR)
Smith (TX)
Smith, Adam
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Sununu
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Walsh
Wamp
Watkins
Watts (OK)
Waxman
Weldon (FL)
Weller
Weygand
White
Whitfield
Wicker
Wolf
Young (FL)

NOT VOTING—5

Boucher
Ensign
Jefferson
Schiff
Yates

☐ 0311

Mr. TOWNS changed his vote from ‘‘no’’ to ‘‘aye.’’

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ENSIGN. Mr. Chairman, on rollcall No. 147, I intended to vote ‘‘yes.’’

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOEHNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution, (H. Con. Res. 84) establishing the congressional budget for the U.S. Government for fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002, pursuant to House Resolution 152, he reported the concurrent resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the concurrent resolution.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 333 nays 99, not voting 3 as follows:

[Roll No. 148]

YEAS—333

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Christensen
Clayton
Clement
Coble
Collins
Combest
Condit
Cook
Cooksey
Costello
Cramer
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Etheridge
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hutchinson
Inglis
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kasich
Kelly
Kennelly
Kildee
Kim
Kind (WI)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McDade
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Menendez
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Royce
Ryun
Sabo
Sanchez
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Sensenbrenner
Sessions
Shaw
Shays
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Torres
Turner
Upton
Vento
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (PA)
Weller
Wexler
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—99

Barton
Becerra
Blumenauer
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Chenoweth
Clay
Clyburn
Coburn
Conyers
Cox
Coyne
Crane
Crapo
Cubin
Davis (IL)
DeFazio
DeGette
Delahunt
Dellums
Dixon
Engel
Evans
Filner
Frank (MA)
Ganske
Gephardt
Gutierrez
Hastings (FL)
Hill
Hilliard
Hinchey
Hunter
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kilpatrick
King (NY)
Klug
Kucinich
Largent
Lewis (GA)
Lipinski
Markey
McCollum
McDermott
McGovern
McIntosh
McNulty
Meek
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Nadler
Oberstar
Obey
Olver
Owens
Paul
Payne
Pelosi
Pombo
Rahall
Rangel
Rohrabacher
Roybal-Allard
Rush
Salmon
Sanders
Sanford
Scarborough
Scott
Serrano
Shadegg
Shuster
Slaughter
Stark
Stokes
Thompson
Tierney
Towns
Traficant
Velazquez
Waters
Watt (NC)
Waxman
Weldon (FL)
Weygand

NOT VOTING—3

Jefferson
Schiff
Yates

☐ 0328

The Clerk announced the following pair:

On this vote:

Mr. Schiff for, with Mr. Yates against.

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. SHAYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the concurrent resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PROHIBITING NEW INVESTMENT IN BURMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 105–85)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and the Committee on Appropriations, and ordered to be printed.

To the Congress of the United States;

Pursuant to section 570(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (Public Law 104–208) (the ‘‘Act’’), I hereby report to the Congress that I have determined and certified that the Government of Burma has, after September 30, 1996, committed large-scale