edge which would have been difficult to match. I can say without hesitance that Ray Reid conducted legislative business with the highest ethical standards. The best interests of the residents of the Third District were always placed above partisan politics and our office was managed in a way that was beyond reproach. When I moved over to the Senate, Ray demonstrated his commitment to the constituents of the Third District once again by agreeing to see another freshman, my brother, ASA, through the transition process.

So, today, as Ray enjoys the first Monday that he doesn't need to go to work after over a half a century of public service, on behalf of the State of Arkansas and the people he touched here on Capitol Hill, I want to offer my deepest thanks to a man whose loyalty and friendship will not be forgotten. Truly a job well done.●

TRIBUTE TO HOLLIS/BROOKLINE COOPERATIVE HIGH SCHOOL STUDENTS MATH TEAM

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to the Hollis/Brookline High School math team members who recently took first place in the small school division at the New Hampshire State Mathematics Contest.

As a former teacher myself, I commend their teamwork and talent which helped the 14-member squad oust 48 other teams for the State title and top the 19-team NH–SMASH league.

Math team adviser Vina Duffy also deserves special recognition for giving the team an organized and supporting approach to math. She encouraged the students' interest and animated the diverse group to strengthen their aptitude. The team had no formal practice, and had only worksheets to prepare them for the meets. Their congeniality and confidence grew with the number of wins they achieved.

I would like to honor math team members: Karl Athony, Dave Clark, Tyler Dumont, Michel Franklin, Mary Fries, Jason Glastetter, Jason Kerouac, Eric Larose, Bert Lue, James Robson, Jared Rosenberg, Steve Watkins, and Matt White.

Mr. President, I want to congratulate these outstanding young minds for their excellent performance and team-spirit and I am proud to represent them in the U.S. Senate.●

DECEPTIVE BUDGET DEAL

● Mr. KYL. Mr. President, I suggest that before we begin thinking about patting ourselves on the back for the budget agreement that was finalized last week, we consider the hard work ahead. The agreement is merely a broad outline—a blueprint—for the spending and tax bills yet to come. We still need to consider how it is supposed to be implemented before claiming any sort of victory.

We need to consider, for example, whether it will actually lead to a balanced budget by the year 2002. Is it good for families? Will it ensure that the Medicare Program is protected for today's generation of retirees and for our children and grandchildren? Will it help the economy produce the jobs needed for those trying to get off welfare, or those entering the work force for the first time? Will it help more young people get a college education? Will it provide the resources needed to safeguard our country from immediate and future threats from abroad?

Mr. President, as the broad outline of the budget agreement with the White House has been filtering out over the last 2 weeks, I could not help but think of the budget deal that was brokered by President Bush and congressional Democrats 7 years ago.

Here is what President Bush said when he announced that agreement in a broadcast on October 2, 1990:

> It is the biggest deficit-reduction agreement ever; half a trillion dollars. It's the toughest deficit-reduction package ever, with new enforcement rules to make sure that what we fix now stays fixed. And it has the largest spending savings ever, more than $300 billion.

Of course, the agreement produced no such thing. Looking back, it produced bigger deficits, not smaller deficits—221 billion dollars' worth of red ink in 1990, rising to $290 billion in 1993. Federal spending increased from $1.2 to $1.4 trillion—up nearly 17 percent in just 3 years. So the mere fact that there is an agreement with the President is not reason enough to believe that the problem has been solved. As Gen. George S. Patton once said, "if everybody is thinking alike, then somebody isn't thinking." We need to look objectively at the details, and whether the plan is reflective of values that our constituents sent us here to uphold.

Right now, people are not sure. A CNN/USA Today/Gallup Poll released on May 8 indicated that an overwhelming majority of Americans—roughly 8 in 10—do not believe the deal will actually result in a balanced budget by 2002. Obviously, we need to take a careful look at what is being proposed here before deciding whether or not to support it.

Mr. President, let me quote some of the words President Clinton used on May 2 when he announced the latest budget agreement. I think they will show why people have reason to be skeptical. While suggesting that "it will be the first balanced budget in three decades," the President went on to note that it would "continue to increase our investments," "expand coverage," "restore cuts," "extend new benefits," and "increase" spending, while "moderating excessive cuts." My friends, we cannot balance the budget by increasing spending and funding a whole host of new programs and benefits. Let us be honest about that. If it sounds too good to be true, it probably is.

As I recall, the goal in 1990, as it was again in 1997, was to devise a plan to balance the budget, while providing long-term Federal spending constraints and incentives for economic growth. I opposed the 1990 agreement, believing it was seriously flawed on all those counts, and I see similar problems looming in the latest agreement.

Let me focus first on the issue of taxes. The deal with the Clinton White House is different from the 1990 plan in that it includes some very modest tax cuts. But because the amount of tax reductions President Clinton would agree to is so small—less than 2 percent of the revenue that the Federal Government expects to raise over the next 5 years—it remains to be seen whether there is any tax relief here worthy of the name.

I know that some might ask why we even need a tax cut when the economy continues to grow at a relatively healthy clip. There are two reasons. First, think of families. A $500-per-child tax credit can make a world of difference to a mom and dad sitting around the kitchen table trying to find a way to pay for their daughter's education, to pay for summer camp or braces for the kids. What single mom could not use a $500-per-child credit to help make ends meet?

Yes, the Federal Government could keep the money and try to provide some kind of aid to these families. But if families could keep more of their hard-earned money to do for themselves, we probably would not need government to do so many things. It seems to me that we ought to put our trust in families to do what is right by their own children. And unfortunately, it is not clear we can accommodate the full $500-per-child credit under this plan.

What about tax relief for small businesses, including the new businesses started by women and minorities? After all, that is where most of the new jobs around the country are created. Provide a meaningful tax cut, and small businesses and family farms could expand, hire new people, pay better wages, and do the things necessary to become more competitive.

Alternatively, Government can keep the taxes. But remember, it then turns around and provides a whole host of subsidies to businesses because they do not have the resources to do for themselves.

It is an endless cycle. When people are not left with enough to care for themselves, the Government tries to do more. When it does more, it taxes more, and people are left with even less. It has to stop somewhere. Americans need some relief.

Mr. President, it is also important to understand how important a healthy and growing economy is to balancing the budget. We just received word from the Congressional Budget Office [CBO] that this year's deficit is expected to decline to $70 billion. That is $55 billion less than President Clinton's budget assumed as recently as February. And it is largely the result of two things:

robust economic growth during the last few months, and Congress finally beginning to restrain spending growth during the last 2½ years.

Limiting spending just takes some discipline, but how can tax policy help the economy to grow and prosper? It may come as a surprise to some, but lower tax rates not only help make people better off, but can produce more tax revenue for the Treasury as well. Just think what has happened during the last few months. The growing economy helped reduce the deficit $55 billion just since the President's February projections. CBO estimates that economic growth will produce an extra $45 billion a year for the next few years. So it is important to sustain that growth into the future.

The economy grows like any prudent business enterprise grows. It is like a weekend sale at the Target store. When prices are slashed, people buy more goods, and the increased volume of sales more than makes up for the price reduction. The converse is also true—higher prices cause people to shop elsewhere. Higher taxes cause people to shelter income, or make less, to avoid paying more taxes.

Mr. President, based upon what we know about the current agreement, it does not seem to me that we will be able to achieve either of these goals: providing families and small businesses with tax relief, or keeping the economy growing at a healthy rate. But what about spending? Does it do anything to constrain Federal spending—since it was excessive spending that caused the 1990 budget agreement to fail?

Well, here is how domestic spending totes up compared to the levels Congress approved a year ago in the fiscal year 1997 budget resolution. These are figures developed by our colleague, Senator PHIL GRAMM, a member of the Budget Committee. And I will note that the Budget Committee will not begin marking up the budget resolution until this afternoon, so these numbers may change. But they suggest an alarming trend in any event.

According to Senator GRAMM's figures, domestic spending in this deal will amount to $193 billion more over 5 years than we were willing to approve just 1 year ago. It is $79 billion more than President Clinton himself asked for just a year ago, and $5 billion more than he asked for in February.

Mr. President, the budget agreement with the White House would provide an additional $16 billion for new Government-provided health insurance, and another $18 billion to repeal parts of welfare reform and expand the Food Stamp Program. It puts more money into education, but because of the way this is done, the extra resources are likely to be eaten up by tuition increases. Or they will simply help those who had the means to go to college anyway.

Medicare savings in the plan come largely from reductions in provider reimbursements, which either will diminish the quality of care provided to older Americans or drive more doctors and hospitals out of the Medicare Program altogether, leaving seniors with limited health-care choices. Medicare solvency occurs as a result of shifting the costs of home health care from part A to part B—a gimmick that we roundly denounced when the President proposed it before.

The Medicare savings are enough to forestall the bankruptcy of the program for a few years, but they are not enough to ensure that Medicare remains safe and sound to take care of Americans in the baby-boom generation who will begin retiring within the next decade. The Medicare features of this agreement certainly will not protect the system for young people who are just entering the work force today.

Defense spending in this agreement is also insufficient to protect future generations. We have cashed in on the much-heralded peace dividend so many times that our military service chiefs have been warning about increased risks due to budget cuts.

I know that many believe this is a time when the United States can cut back its defense budget. But history teaches us the opposite. We have always enjoyed a period of calm before a storm. With the proliferation of weapons of mass destruction that is occurring today, and the emergence of movements hostile to the West, we do not have the luxury of waiting until after we have been threatened to invest in our military. We must remain ready and fully capable, both to deter and to defeat any aggression against American citizens.

Mr. President, it is instructive that the first piece of legislation on the Senate floor after this deal was struck was the supplemental appropriations bill, which will add $6.6 billion to the deficit over the next few years. In other words, we have already added to the deficit before the ink on the budget agreement is even dry.

We had the chance to change that with the amendment that Senator GRAMM offered—an amendment which I supported. But it did not pass, and so for all practical purposes the budget agreement will have to be modified to account for this extra spending. At least that part of it will need to be fixed.

I think we need to learn a lot more about the agreement this week before signing off on it. Unless parts of it can be modified down the line as the House and Senate begin writing the tax and spending bills to implement it, I believe it will not lead to balance. It will certainly not lead to balance after the $6.6 billion that was added to the deficit by the supplemental spending bill.

Mr. President, it may even usher in a bigger, more powerful Federal Government, as happened in 1990. And that is not what many of us came here to do.

We can compromise on details without compromising our principles. We should never be afraid to take legitimate differences to the American people when we are unable to resolve them here. I ask that a column by Senator PHIL GRAMM, which includes some additional information about the budget agreement, be printed in the RECORD.

The column follows:

[From the Washington Post, May 9, 1997]

DECEPTIVE BUDGET DEAL

(By Phil Gramm)

After two years of partisan confrontation on the budget, the president and Congress have reached a bipartisan deal that appears to be all things to all people. The president gets more social spending, Republicans get a tax cut, and the American people get a balanced budget. If it all seems too good to be true, that's because it is.

Because the budgeting arms of both the administration and Congress assumed—before the budget debate even started—that the strong economy we now enjoy would produce sustained growth beyond the year 2002, the amount of deficit reduction required to achieve a balanced budget immediately declined from $642 billion over the next five years to $330 billion. Then it got even better. At the very moment of impasse in the budget negotiations, the Congressional Budget Office discovered that even its previous estimates of an improving economy understated the revenue windfall expected in the next five years and predicted that windfall alone would lower the deficit another $225 billion. Negotiators then rolled up their sleeves and assumed $15 billion of additional savings from lower consumer prices and $77 billion in additional savings from the even stronger economic growth that would be generated by balancing the budget.

The net result is that before a single change in public policy became part of the budget compromise, deficits of $317 billion—96 percent of the total deficit—had simply been assumed away. Only $14 billion, or 4 percent of deficit reduction in the budget compromise, comes from actually changing policy.

The most distinctive feature of the budget compromise is the size of domestic discretionary spending increases. While it is fashionable for Republicans to claim that this budget deal achieves the goals of the Contract With America, in reality it spends $216 billion more on domestic discretionary programs than the contract contained. The compromise increases domestic discretionary spending by $193 billion above the 1997 budget resolution and by $79 billion above President Clinton's actual budget request for 1997. In fact, if you look at the president's 1998 budget as scored by the Congressional Budget Office, the budget deal actually gives the president $5 billion more in discretionary spending than his own budget would have provided.

The most permanent feature of the bipartisan budget compromise is an increase in domestic spending on social programs, which the president has rightly compared to the explosion of social spending that occurred in the 1960's.

In addition to these increases in discretionary spending, the budget compromise contains new entitlement benefits in Medicare, Medicaid, food stamps and SSI, and it overturns part of the one major reform of the 104th Congress: It reestablishes welfare benefits for legal aliens.

The budget compromise proudly trumpets $115 billion of savings in medicare, but by committing to accept the president's plan to simply cut reimbursement for doctors and hospitals, Congress buys into a policy that has been implemented over and over again in the past 30 years without achieving substantial savings. Like other forms of price controls, reducing reimbursement for physicians and hospitals has historically been circumvented as the recipients have invented ways to work around the limitations. In addition, the compromise requires that the fastest growing part of Medicare, home health care, be taken out of the Medicare trust fund and financed from general revenues.

Perhaps the most perverse aspect of the compromise is that this budget will trample an emerging bipartisan commitment to real Medicare reform. This budget agreement virtually guarantees that five years from now Medicare will be in much worse shape than it is today. Moreover, virtually every penny of the $115 billion claimed from Medicare savings will be spent on increases in social programs and new entitlement benefits.

That brings us to my party's favorite part of the deal, the much-discussed $85 billion tax cut. The cut is largely funded by odds-and-ends measures, the largest of which is at least $25 billion of revenues assumed to be derived from auctioning off broadcast and non-broadcast spectrum—the right to use public airways for everything from broadcasting the 6 o'clock news to setting up a cellular phone system.

Last year Congress assumed a limited spectrum auction of $2.9 billion as an offset to new spending. When actually auctioned, the spectrum brought in just $13.6 million, or roughly $1 for every $200 that Congress had assumed would be raised. Given our experience of last year, it is highly unlikely that anything like $25 billion will be raised from spectrum auction unless television stations are forced to buy spectrum to broadcast their new digital signals, something the Federal Communication Commission, the White House and Congress have opposed.

The budget agreement claims a net reduction in taxes of $85 billion. Some $5 billion of that tax cut will be lost to the public because the assumed reductions in the consumer price index will raise income taxes by $5 billion. Of the remaining $80 billion, the Clinton administration's education tax credit will absorb roughly $35 billion, leaving Republicans some $45 billion in net tax cuts to fund their tax-cut priorities.

Unfortunately, the full Republican tax package costs $188 billion. Republicans on the House and Senate tax-writing committees now will be forced to try to stretch a net tax cut of $45 billion to cover a $500-per-child tax credit that costs $105 billion, capital gains relief that costs $32 billion, estate and death tax relief that cost $18 billion and individual retirement account expansion that costs $32 billion.

Even if $50 billion of offsetting tax increases can be found, it is a certainty that the individual tax credit will be dramatically curtailed, probably by ensuring that many middle- and upper-middle-income working families don't get any child tax credit. Capital gains and estate tax relief will be similarly truncated. In the end, despite all the talk of achieving a major tax cut, it is hard to see a substantial impact in a $7 trillion economy being created by a $45 billion tax cut.

Obviously, in a budget deal such as this, the logical question is: ''Is it better than nothing?'' And, as is usually the case, beauty is in the eye of the beholder. But in the final analysis, two factors ultimately make this budget agreement worse than no agreement. The first is the false perception it creates that the deficit problem has been fixed. This notion already has given rise to the largest increase in social spending since the '60s in this budget agreement and is likely to further open the floodgates as Congress convinces itself and the American public that the deficit is behind us. Second, by claiming to have solved the Medicare problem for 10 years, we will take the pressure off the president and Congress to reform Medicare even though the trust fund is careening toward bankruptcy, and Medicare will produce a $1.6 trillion drain on the federal Treasury over the next 10 years.

Historically, America has looked to its two great political parties to contest over principles and new ideas so that the highest principles and best ideas could become the governing consensus for the country. But divided government often produces massive pressure for bipartisanship, and the current budget deal is an example of how bipartisanship sometimes can manifest itself not in compromise policy but in a decision to join together to mislead the public. The opposite of gridlock is not necessarily efficiency, it is sometimes deception.●

ORDERS FOR TUESDAY, MAY 20, 1997

Mr. COATS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, May 20. I further ask consent that on Tuesday, immediately following the opening prayer, the routine requests through the morning hour be granted, and the Senate then be in a period of morning business until the hour of 10 a.m., with Senators recognized to speak up to 5 minutes, with the following exception: Senator HAGEL and Senator KERREY in control of 30 minutes.

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

Mr. COATS. I further ask unanimous consent the Senate recess from the hour of 12:30 to 2:15 p.m. for the weekly policy conferences to meet.

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

ORDER FOR THE BUDGET COMMITTEE TO FILE REPORTED LEGISLATION

Mr. COATS. Mr. President, I also ask unanimous consent that the Budget Committee have until 12 midnight this evening in order to file reported legislation.

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

PROGRAM

Mr. COATS. For the information of all Senators, at 10 a.m. tomorrow morning it is hoped the Senate will be able to reach an agreement allowing for the completion of the partial-birth abortion ban bill. If that agreement is reached, Senators should anticipate a vote on passage of that legislation at approximately 2:30 p.m., on Tuesday.

Also, Senators should be reminded that it is the intention of the majority leader to begin consideration of the budget resolution tomorrow afternoon. Senators can expect rollcall votes throughout Tuesday's session, as the Senate attempts to make progress on the first concurrent budget resolution. Members who intend to offer amendments to that resolution should be prepared to offer those amendments during tomorrow's session. It is the hope that the Democratic leader will join the majority leader in an effort to yield back much of the statutory time limit for the budget resolution. All Members will be notified accordingly as any votes are ordered with respect to any of this legislation.

I thank all Members for their attention.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. COATS. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:37 p.m., adjourned until Tuesday, May 20, 1997, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 19, 1997:

THE JUDICIARY

WILLIAM P. GREENE, JR., OF WEST VIRGINIA, TO BE AN ASSOCIATE JUDGE OF THE U.S. COURT OF VETERANS APPEALS FOR THE TERM OF 15 YEARS, VICE HART T. MANKIN, DECEASED.

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. NAVY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

To be rear admiral

REAR ADM. (LH) TIMOTHY R. BEARD, 0000
REAR ADM. (LH) DAVID L. BREWER III, 0000
REAR ADM. (LH) STANLEY W. BRYANT, 0000
REAR ADM. (LH) TONEY M. BUCCHI, 0000
REAR ADM. (LH) WILLIAM W. COPELAND, JR., 0000
REAR ADM. (LH) JOHN W. CRAINE, 0000
REAR ADM. (LH) ROBERT E. FRICK, 0000
REAR ADM. (LH) PAUL G. GAFFNEY II, 0000
REAR ADM. (LH) JOHN A. GAUSS, 0000
REAR ADM. (LH) EDMUND P. GIAMBASTIANI, JR., 0000
REAR ADM. (LH) JOHN J. GROSSENBACHER, 0000
REAR ADM. (LH) JAMES B. HINKLE, 0000
REAR ADM. (LH) GORDON S. HOLDER, 0000
REAR ADM. (LH) PETER A.C. LONG, 0000
REAR ADM. (LH) MARTIN J. MAYER, 0000
REAR ADM. (LH) BARBARA E. MC GANN, 0000
REAR ADM. (LH) CHARLES W. MOORE, JR., 0000
REAR ADM. (LH) JOHN B. NATHMAN, 0000
REAR ADM. (LH) WILLIAM R. SCHMIDT, 0000
REAR ADM. (LH) ROBERT C. WILLIAMSON, 0000