

which would raise the reauthorization level for breast cancer funding to a record \$590 million. The Mack resolution demonstrates the very same commitment to ensuring that Americans no longer suffer from diseases that cut their lives short and cause undue suffering. Our enhanced investment in medical research will save countless lives and health care dollars, and alleviate suffering in millions of Americans.

ACCURATE MEASURE OF THE COST OF LIVING

Mr. KERREY. Mr. President, this budget may solve our short-term budget problems, but my concern remains that it does not do enough about the long-term budget problems we face. If we want to keep the budget in check over the long-haul, we need to adopt policies that will slow entitlement spending in a rational, equitable way.

At present, we use the Consumer Price Index [CPI] to determine cost-of-living adjustments in our Federal tax and entitlement programs. There is wide, although not universal, agreement among leading economists, that the CPI overstates the cost-of-living and should be adjusted. Indeed the December 4, 1996 final report to the Senate Finance Committee from the Advisory Commission to Study the Consumer Price Index concluded that:

The Commission's best estimate of the size of the upward bias looking forward is 1.1 percentage points per year. The range of plausible values is .8 to 1.6 points per year.

Mr. President, we ought not to make the problems we face in funding our entitlement programs even worse by paying benefits based on an overstated cost of living. Spending on entitlement programs is already crowding out spending for the traditional discretionary functions of Government like clean air and water, a strong national defense, parks and recreation, education, our transportation system, research and development, and other infrastructure spending.

If steps are not taken to reverse this trend, nearly all Federal revenues will be consumed by entitlement spending and interest on the debt shortly after the year 2000. By 2030, revenues may not even cover entitlement spending, much less interest on the debt or a single dollar of discretionary spending. This is an unsustainable trend.

Adjusting the cost-of-living adjustments triggered by the CPI, by 1 percentage point, would produce nearly a trillion dollars in savings over 12 years and \$46 billion in 2002 alone. To illustrate what just half of this amount—\$23 billion—in domestic discretionary spending could fund, I have a list of programs and what they will cost in inflation-adjusted numbers in 2002. This entire list of programs could be funded by half of a 1 percentage point reduction in CPI, with money to spare.

I ask unanimous consent that the list be printed in the RECORD.

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

	<i>Cost in fiscal year 2002</i>
Cleaning up environmentally damaged sites	\$6.356
Head Start	14.455
Agriculture Research	12.005
National Park Service	11.770
Safe Drinking Water	11.425
Superfund	11.421
Fish and Wildlife Service	11.417
Clean Water Programs	2.736
NSF Education and Human Resources	2.682
Education Technology	2.370
Solar and Renewable Energy	2.281
Violence Against Women	2.214
Juvenile Justice Program	2.185
National Endowment for the Humanities	2.123
National Endowment for the Arts	2.111

Total in billions of dollars .. 21.551

¹In billions of dollars.

²In millions of dollars.

Mr. KERREY. Expressed another way, \$23 billion could fund nearly all of the Highway Trust Fund—\$25.2 billion in 2002—or all of NIH—\$14.294 billion in 2002—and all of EPA—\$7.398 billion in 2002.

Mr. President, if we are making a mistake, we ought to correct it. Surely if it was almost universally believed that we were understating the cost-of-living, we would have already taken care of that problem. Although the time for making this change this year appears to have passed, I hope that the distinguished chairman and ranking member of the Finance Committee will continue their fine work to see that we correct this error sooner, rather than later.

LAND AND WATER CONSERVATION FUND

Mr. MURKOWSKI. Mr. President, I rise today to speak about the additional \$700 million appropriation for the Land and Water Conservation Fund [LWCF] included in the balanced budget agreement. While I commend the President and congressional leadership for recognizing the importance of the LWCF, I have concerns that this additional appropriation will not be spent on the priorities for which the LWCF was established.

I urge congressional appropriators not to use this additional LWCF money on a handful of large projects, including the acquisition of Headwaters Forest in California and the New World Mine in Montana. Those projects were identified as priority land acquisitions by politicians, not by Federal land managers. Rather, I urge the appropriators to spend this additional LWCF money as the Land and Water Conservation Act directs on the hundreds of priority land acquisitions and local recreation projects identified by Federal land management agencies and the States.

As originally envisioned, the administration planned to acquire the Headwaters and the New World Mine through land exchanges. Now, under the terms of the budget agreement, these lands would not be acquired by land exchange but by purchase.

Mr. President, this change sets a horrible precedent. It is bad public policy, and the Congress should not be a partner in this land grab, as now proposed. I also fear that these land grabs, which do not involve public participation and which are inconsistent with land management plans, may become the norm as opposed to the exception.

Recently, the President announced the creation of the 1.7 million acre Grand Staircase-Escalante National Monument in Utah. He made the same sort of promises from Arizona that he made in Yellowstone when he spoke about the controversy surrounding the New World Mine. The Utah National Monument lands contain 176,000 acres of school trust lands that contain approximately 1.54 billion dollars' worth of coal deposits which, if extracted, would fund the Utah school systems. The President indicated that other Federal lands in Utah would be made available, and the schoolchildren in Utah would not be hurt by the creation of the National Monument. There are apparently no plans to complete land exchanges in Montana or California, and the taxpayers are going to take another hit for Presidential promises. One only has to wonder what we are going to do to make the schoolchildren of Utah whole. If we begin by fully funding the acquisitions at Headwaters and the Mine, how do we ignore Utah when the President decides to just buy them out. This is not how Congress intended for the Land and Water Conservation Act to be used.

Over 30 years ago, in a remarkable bipartisan effort, Congress and the President created the LWCF. The LWCF provides funds for the purchase of Federal land by the land management agencies—the Federal-side LWCF program—and creates a unique partnership among Federal, State, and local governments for the acquisition of public outdoor recreation areas and facilities—the State-side LWCF program. The LWCF is funded primarily from offshore oil and gas leasing revenues which now exceed \$3 billion annually, and has been authorized through the year 2015 at an annual ceiling of \$900 million.

However, LWCF moneys must be annually appropriated. And, despite the increase in offshore oil and gas revenues, the LWCF has not fared well in this decade. Expenditures from the LWCF have fluctuated widely over its life but have generally ranged from \$200 to \$300 million per year. In the 1990's, total appropriations to both the Federal and State sides of LWCF steadily declined from a high of \$341 million during the Bush administration to \$149 million in fiscal year 1997.

Most significantly, all of the fiscal year 1997 appropriation was for the exclusive purpose of Federal land acquisition. In 1995, Congress and the President agreed to shut down the State-

side LWCF program. For fiscal year 1998, the President has requested \$165 million for Federal land acquisitions and only \$1 million for monitoring previously funded State-side projects. The President did not request any funds for new State-side projects.

Mr. President, I believe the additional appropriation provided for in the budget agreement presents a significant opportunity to right those misguided decisions on the use of the LWCF.

The State-side of the LWCF has played a vital role in providing recreational and educational opportunities to millions of Americans. State-side LWCF grants have helped finance well over 37,500 park and recreation projects in all 50 States, including campgrounds, trails, and open space.

The availability of these outdoor recreation facilities is critical to the well-being of Americans. People who participate in outdoor recreation activities, whatever the activity, are happier and healthier. Recreation is an important component of our economy. Moreover, while trips to our National Parks create experiences and memories which last a lifetime, day-in and day-out, people recreate close to home. In fiscal year 1995, the last year for which the State-side LWCF grant program was funded, there were nearly 3,800 applications for State-side grants. Unfortunately, there was only enough money to fund 500 projects. The demand for those local recreation resources is increasing.

That is why stateside LWCF grants are so important. Stateside LWCF grants help address the highest priority needs of Americans for outdoor recreation. At the same time, because of the matching requirement for stateside LWCF grants, these grants provide vital seed money which local communities use to forge partnerships with private entities. In the absence of the grants, I fear local park and recreation services will fail to meet the ever-growing demands of the American public, and the Federal Government will be asked to fill the void—a role the Federal Government cannot, and should not, play.

At the same time, the Federal land management agencies have identified, through their planning processes, the lands they would like to purchase for inclusion in the Federal estate. Again, the purchases would be made with LWCF moneys. The lands often are in holdings in national parks or forests. Or, they may be lands with unique characteristics which the Federal land managers believe should be owned by the Federal Government. Interestingly, neither Headwaters Forest nor the New World Mine meet these criteria. Rather, both the Headwaters Forest and the New World Mine, have been labeled as Federal land priorities according to the politicians, not to the professional land managers.

The budget agreement, as interpreted by the Clinton administration, would

ignore hundreds of prioritized projects and focus on a handful. The \$315 million the President would like to spend on Headwaters Forest and New World Mine could be spent on hundreds of park and recreation facilities throughout the Nation. Would the American people rather own 5,000 acres in California and a mine in Montana, or park and recreation facilities Americans can enjoy on a daily basis?

Why should Congress bail out the administration because it could not fulfill the terms of deals it made on its own for the acquisition of Headwaters Forest and New World Mine?

Once again, when he announced each of those deals, the President promised the lands would be acquired through land exchanges. We stand ready to work with the President on land exchanges to accomplish his priorities in Montana and California. But this should be a process where the President and Congress work together. Instead, those who have been waiting for years for the Government to acquire their lands, as they were promised when we incorporated private lands into national parks and forests, will just have to wait. Moreover, children throughout urban America may not have a park to play in or bike trail to ride on because their money was spent on the old growth redwoods in California and the New World Mine in Montana.

We have held no hearings on the New World Mine. There have been no hearings on Headwaters. Congress has not been a participant in this process. In fact, most of us know little about the two proposals. On the other hand, we know quite a bit about the stateside of the LWCF. All of our constituents and all of our States have benefited from new greenways, trails, scenic pathways, bicycle trails, parks, recreation facilities, ball parks, open spaces, and the list goes on and on and on.

Mr. President, I encourage my friends on the Appropriations Committee to seriously evaluate the President's proposal in light of the priority projects that could otherwise be funded under the LWCF. We have an opportunity to save and enhance a program that has proved to be beneficial to all Americans. Let us weigh the pros and cons, and be mindful of the dangerous precedent we will set if we just swim merrily along with the President into his ocean of land acquisition.

Unfortunately, the majority of city kids will never see the Headwaters or the site of the New World Mine. But a majority of city kids will see and be able to experience the results of the LWCF if properly applied. Mr. President, I yield the floor.

Mr. BINGAMAN. Mr. President, during my tenure in the Senate, I have long been concerned about our Nation's economic fundamentals and long-term competitive and economic vitality. During the 1980's, budget deficits roared upward as both spending increased and major tax cuts were en-

acted. As Senator HOLLINGS mentioned here last night, it can be an intoxicating combination to slash taxes for constituents while pumping up spending. This is what we did in those years. In a way, we just stole from the future, from our children's future and from the strength of the economy that they will live in.

Fortunately in 1993, we turned this trend around. Since passage of the 1993 budget, our Nation has shaved \$2.5 trillion off of our budget deficit. This is a stunning turnaround for our country, and we are on the verge of achieving the kind of balance and fiscal responsibility that I have been fighting for these many years. If the truth be told, this balanced budget resolution, which we are debating now, is rather modest and only cuts another \$207 billion off during the next 5 years. This is a tenth of what we accomplished in 1993. However, this resolution is vastly better than the draconian and unfair budget package the Republican majority tried to pass in 1995.

Our fiscal prudence has brought down interest rates, helped increase investment and business activity, and increased our employment levels dramatically. Continuing this trend makes sense for our Nation and makes sense for New Mexico.

Balancing the budget is an important component of fiscal health—but we would be making a great mistake—to think that this solves all of our economic problems. We need to know the details of the tax framework, which we will soon debate, to fully understand how this budget will impact the lives and quality of life of our citizens. New Mexico is still trailing much of the Nation, and has a long way to go before my State will share as it should in the growth of this economy. New Mexicans have the lowest level of pension coverage in the Nation; the lowest level of health care coverage; the highest poverty rate in the Nation and the only State in the Nation to worsen its poverty level during the last 2 years; we also have the highest unemployment levels west of the Mississippi.

New Mexico is not expecting large hand-outs to improve its situation—but we need to be sure that the budget framework we are debating here—and the follow-on tax bill, which represents the small print at the bottom of the contract—impacts New Mexico fairly in relation to other parts of the Nation. I want to make sure that we invest in education, which provides the best chance for the people of my State to get ahead. And I want to make sure that any tax cuts we provide are responsible, equitable, and reward the hard working families in New Mexico and across the country.

While I support this budget, we need to be honest about the fact that this budget does not deal with the looming challenge of increased Social Security and Medicare entitlement spending caused by the aging of the Baby Boom generation. Also, we are not incorporating any structural changes in our

defense spending. In fact, it is hardly reflected in this budget that the Soviet Union has dissolved and that strategic threats to our Nation have dramatically decreased. Our defense strategy seems to be primarily the product of inertia.

Although the details of the accompanying tax bills are not yet clear, there are some items that concern me greatly. First, I am concerned that the \$500 per child tax credit is not clearly specified as refundable. If this is not refundable, it means that low-income working families in New Mexico will not significantly benefit from this provision and will largely help those who are already better off in our society; 45 percent of the tax filers in New Mexico have adjusted gross incomes below \$15,000; 70 percent have income levels below \$30,000. This means that the majority of those in my State—and probably others—will not benefit much from this per child tax credit unless we make this credit refundable.

In the areas of capital gains relief, inheritance tax exclusions, and IRA tax cuts, I see something very dangerous brewing that we must not allow to happen. While I don't want to see Medicare cuts made just to put money in the pockets of the wealthy, I can support reasonable tax cuts—as long as they do not come at the expense of achieving real balance in our budget or at the expense of improving our schools or environment. But in this deal, \$85 billion in cuts is pledged during the first 5 years of the agreement—and nearly double that amount, \$165 billion, is pledged in the following 5 years, 2003-7. Given that the tax cuts are priced at \$42 billion in the 10th year of this program—and are increasing at a rate of \$5 billion a year during the last 3 years—we can logically anticipate tax cuts in the vicinity of \$500 billion or more, or over half a trillion dollars, during the next 10 years 2008-17.

What is alarming about this is that if the numbers I just cited are believable, then all of this celebration on balancing the budget could be premature. The effect of a tax package with these characteristics would be to reduce taxes on well-off Americans by half a trillion dollars, while leaving middle and lower income working Americans with very little relief. A half trillion dollar reduction in our Federal revenues could throw our budget again into substantial deficit. And just at the time that we have discovered that we are once again living beyond our means, then the crushing entitlement costs of retiring Baby Boomers will hit us.

I hope we can develop a tax bill that will avoid this result—and I am confident that this budget resolution can be complied with in a fiscally responsible manner.

EDUCATION

As others have said before me, this budget resolution and the balanced budget agreement should be applauded for including many key education pro-

grams, including provisions such as increases in Pell grants to \$3,000 per student, a new \$35 billion program to help more students attend college, and substantial increases in funding for education technology, Goals 2000 grants to States, and other programs to help improve elementary and secondary education.

Despite these important elements, however, I believe there are at least two key remaining issues we should address if we hope to make this resolution a blueprint for a more effective system of public education.

The first of these education issues is school construction. Our schools' need for funding for school repair and construction is perhaps the most obvious and compelling need that is ignored in this resolution.

With a student population that is 47 percent rural and a significant portion of the Nation's BIA schools, New Mexico is facing a school construction problem that exceeds that of many other States. Over 90 percent of New Mexico's schools need to upgrade or repair onsite buildings; 44 percent of districts report having at least one building in need of serious repair or replacement. And as one of the fastest-growing States in the Nation, over 70 percent of our high school students are forced to attend schools that are as large or larger than the 900-student maximum at which student achievement begins to deteriorate.

For this reason, I am an original co-sponsor of the Moseley-Braun amendment to restore \$5 billion in funding to help local school construction efforts.

A second educational issue we need to address is rigorous standards for students receiving tuition tax deductions. Now that the President and the leadership have agreed on the need to develop a new \$35 billion program to help more students go on to college, it will be essential to ensure that these students are prepared to succeed once they arrive.

For the proposed \$10,000 tax deduction, we need to find uniform and rigorous measures of academic preparedness to ensure that these funds are being used effectively.

A clear measure of academic preparation is necessary because it is increasingly clear that fewer and fewer of those enrolling are receiving adequate preparation to meet the challenge of college-level work. And as a result, more and more students are dropping out, taking remedial courses, or struggling academically.

However, linking eligibility for these tax benefits to a student's grade point average—whether it be in college or in high school—ignores the fact that grades are not a sufficiently uniform or rigorous measure, given the decentralized nature of our schools and colleges.

We need to consider more uniform measures, including widely used examinations and adaptations of other assessments for high school students that may be available. Without taking rea-

sonable steps to ensure the academic readiness of students, this new investment to encourage more students to attend college could be a cruel and expensive hoax.

I look forward to working with my colleagues to address this issue when the tax bill is being considered later this year.

Mr. President, I will support passage of this budget resolution and am glad that we are finally closing in on a balanced budget and the kind of fiscal responsibility that benefits our Nation and our people. But I support this resolution somewhat concerned about the implementing language. If we are not careful, we could adopt legislation which institutionalizes a disparity between what we raise and what we spend.

I pledge my best effort to see that the end result of all these efforts is of benefit to working families in my State and it is the hope that we will arrive at such an end result that causes me to vote "Aye" on the resolution.

Mr. ROTH. Mr. President, I am pleased that this budget agreement includes my proposal to give Amtrak a capital fund. My proposal creates an Amtrak reserve fund which would give Amtrak the capital funds that it needs to survive. Amtrak is currently borrowing to meet payroll and if additional capital funding is not provided, Amtrak President Tom Downs, has testified that the company will not survive beyond mid-1998.

Let me be clear. This reserve fund is not my first preference. Amtrak today needs funding that I would prefer to do through direct spending. However, this reserve fund language is a compromise with the chairman of the Budget Committee to ensure that the Appropriations Committee will continue to have complete control over the funding of Amtrak.

Our compromise language would allow spending caps for passenger rail to be raised by the amount of revenue raised in the Senate Finance Committee. It is the first step, and a very critical step, for ensuring that Amtrak would be able to receive the capital funds, subject to the appropriations process, it needs to survive.

This provision does not create a trust fund nor ensure the creation of a trust fund for Amtrak. It is merely a placemark in the budget which provides that should money be raised for Amtrak, the spending caps would be raised by that amount.

Three more steps are required if Amtrak is to see a capital fund:

First, legislation must be enacted to create a fund; second, legislation must be enacted which pays for the fund; and finally, once all these steps have been accomplished, the appropriators must act to fund Amtrak. Let me reiterate, that the fate of Amtrak will continue to be in the appropriators' hands.

Again, this is the first significant step to allow for a creation of a fund for Amtrak this year. This provision is

necessary so that the creation of such a fund would not be in violation of the Budget Act. It merely creates room in the budget to allow spending from the rail fund, provided money is raised to finance this fund.

Let me also say that this provision does not in any way put funding ahead of legislative reforms for Amtrak. Many Senators supporting this provision also support legislative reforms. I believe Amtrak must be able to operate like a business. Amtrak needs these reforms and they must be enacted this year. Senator HUTCHISON has recently introduced a major reform package which I generally support. I believe any additional capital funding must be done in conjunction with this reform package. This Amtrak reserve fund would not prevent this from happening. Again, the provision we are debating today merely says that should a trust fund be created and funded, there would be room in the budget.

Also, this provision does not rely on the transfer of a half-cent from the 4.3 cent per gallon motor fuels tax. It has nothing to do with the 4.3 cent per gallon motor fuels tax. This reserve fund would be financed without such a transfer. My goal, however, would be that total capital funding for Amtrak would equal the revenues derived from a half-cent.

Mr. President, we cannot lose our national passenger rail system. If something is not done to give Amtrak the capital funds it needs, Amtrak will not survive. This is not an idle threat. GAO has testified before my committee that this is the case. Amtrak President Tom Downs has testified that the company would not survive past 1998. Amtrak's financial report proves it. The question before us is whether or not we want this country to have a national passenger rail system. If we want a national system, we must give Amtrak a secure capital funding source. This provision is the first step in creating such a fund.

Mr. President, all major modes of transportation have a dedicated source of capital funding, except for intercity passenger rail. Amtrak needs a similar capital funding source to bring its equipment, facilities and tracks into a state of good repair. Much of Amtrak's equipment and infrastructure has exceeded its projected useful life. The costs of maintaining this aging fleet and the need to modernize and overhaul facilities through capital improvements to the system are serious financial challenges for Amtrak. This provision is the first step in helping to reverse these problems and give Amtrak the resources necessary to meet its capital investment needs.

Mr. President, GAO, Amtrak, and the National Commission on Intermodal Transportation have called for a secure source of capital funding for Amtrak. I believe that now is the time for this Congress to reverse our current policy that favors building more highways at the expense of alternative means of

transportation such as intercity passenger rail. Despite rail's proven safety, efficiency, and reliability in Europe, Japan, and elsewhere, intercity passenger rail remains severely underfunded in the United States. In fact, over half of the Department of Transportation's spending authority is devoted to highways and another quarter to aviation; rail still ranks last with roughly 3 percent of total spending authority.

Last year we spent \$20 billion for highways while capital investment for Amtrak was less than \$450 million. In relative terms, between fiscal year 1980 and fiscal year 1994, transportation outlays for highways increased 73 percent, aviation increased 170 percent, and transportation outlays for rail went down by 62 percent. In terms of growth, between 1982 and 1992 highway spending grew by 5 percent, aviation by 10 percent, while rail decreased by 9 percent.

A problem that is going to increase is the congestion on our roads. Between 1983 and 1990, vehicle miles traveled increased nationwide by 41 percent. If current trends continue, delays due to congestion will increase by more than 400 percent on our highways and by more than 1,000 percent on urban roads. Highway congestion costs the United States \$100 billion annually, and this figure does not include the economic and societal costs of increased pollution and wasted energy resources.

Air travel is equally congested. Commercial airlines in the United States presently transport over 450 million passengers each year. A recent transportation safety board study revealed that 21 of the 26 major airports experienced serious delays and it is projected to get worse. Again, the costs are enormous. A 1990 DOT study estimated the financial cost of air congestion at \$5 billion each year, and it expects this number to reach \$8 billion by 2000.

Congestion is a problem and it must be addressed. However, the current path we are on directs more money for highways and airports. For us in the Northeast, building more roads is simply not an option. We do not have the land nor the financial resources to build more highways or more airports. For these reasons, we must provide more than just good roads but a good passenger rail system as well.

Adequately funded passenger rail can successfully address highway gridlock and ease airport congestion. Passenger rail ridership between New York and Washington is equal to 7,500 fully booked 757's or 10,000 DC-9's. Between New York and Washington, Amtrak has over 40 percent of the air-rail market.

Improved Northeast rail service will also have the same positive impact on road congestion. The 5.9 billion passenger miles were taken on Amtrak in 1994. These are trips that were not taken on crowded highways and airways. Improved rail service in the Northeast is projected to eliminate over 300,000 auto trips each year from

highways as well as reduce auto congestion around the airports.

Improved rail service will also have a positive effect on rural areas. Twenty-two million of Amtrak's 55 million passengers depend on Amtrak for travel between urban centers and rural locations which have no alternative modes of transportation.

Mr. President, now is the time to invest in our rail system.

Opponents of this language say that we should stop subsidizing Amtrak. Amtrak needs to be self-sufficient.

I would like to see that happen, but to date, I am not aware of any transportation system that supports itself without Federal assistance. Further, I am not aware of any transportation system that supports itself through user fees. According to the Department of Transportation, in fiscal year 1994 nearly \$6 billion more was spent on highways than was collected in user fees.

In fiscal year 1995 nearly \$8 billion more was spent on highways than was collected in taxes. Transit which is exempted from the motor fuels tax, received \$3 billion in revenues in motor fuels revenues last year. I repeat, no mode is self-financed.

If we want a national passenger rail system, we must fund it properly. This provision is an important step to give Amtrak the capital funds it needs to survive.

Mr. ROCKEFELLER. Mr. President, I have made the decision to vote in favor of the budget resolution before us to achieve a balanced budget and invest in key priorities for the country. This is not a vote to claim that this budget plan is perfect or a replica of the specific way I would best like to see the budget balanced and my own State's needs addressed. However, as a result of President Clinton working with Congress to reach this agreement, this plan represents a responsible course for completing the job of deficit reduction and launching essential steps for our future.

This budget plan is also a victory against the dangerous and reckless efforts we have seen over the past 2 years in the name of balancing the budget, reforming Medicare, and other attractive but misleading labels. I am extremely proud and now relieved that some of us succeeded in defeating the extreme cuts proposed in the budget plans offered by Republicans that would have done such grave damage to Medicare, education, infrastructure, and other priorities. The Republican plans literally raided Medicare to pay for tax cuts for the wealthy, and would have put crushing burdens on working families and our communities that were totally unnecessary and wrong.

This budget plan now before us is possible because of the tough choices and hard work done by President Clinton, with the sole help of Democrats and not a single Republican vote, in 1993 to enact a historic package of deficit reduction and economic growth

measures. Instead of the horrors predicted by opponents, that 1993 budget and economic plan cut the deficit from \$290 billion to \$67 billion. Over the past 4 years, we have watched the economy grow steadily, interest rates come down and stabilize, inflation remain low, and unemployment reach record lows.

Some of the critics of the bipartisan budget agreement before us now seem to be upset because this plan doesn't hurt enough. Since when is pain or sacrifice the goal of a Federal budget? The goals should be fairness, balance, priority-setting, and investment as we hammer out a budget that also adheres to fiscal discipline. And the reason we can now proceed to finish the job of balancing the budget is because some of us have been hard at work over the past years to limit spending, set priorities, and make the real choices.

This budget agreement is a plan with the necessary spending cuts and reform to balance the budget, with investments in urgent needs that Americans want us to address. This means accepting tradeoffs and limits. In fact, I have been obligated to vote against certain amendments in the past few days to increase spending in areas that I have a strong commitment to, from children's programs to highway spending. But in order for this agreement to go forward, and enable us to fill in the details and even work out revisions, I feel a responsibility to help the bipartisan leadership maintain the fabric of this agreement.

Mr. President, I am especially pleased that this agreement includes \$16 billion for expanding health care coverage for children. My hope is that this will translate directly into enacting the legislation introduced by Senator CHAFEE and myself, with broad, bipartisan support, to use the Medicaid Program to insure up to 5 million children with the most urgent needs. Our approach would build on a foundation that serves children and families well, in a cost-effective and targeted manner.

As the former chairman of the National Commission on Children, I view this budget agreement as the bipartisan commitment needed to fulfill other parts of the agenda we recommended to make children a higher priority in deeds, not just rhetoric, in America. With the education tax cuts promised for families, a children's tax credit, and more investment in early childhood and education, along with the children's health care initiative promised, we can make sure this country prepares more of the next generation to be ready for the incredible challenges ahead of us.

Mr. President, while I generally support the provisions of the balanced budget resolution, I want to make a special point of the fact that I take strong exception to the proposed funding for veterans. It is my view that veterans, who have sacrificed for this country, are carrying a disproportion-

ate share of the burden to balance the Federal budget.

As the ranking member of the Senate Veterans' Affairs Committee, this part of the budget is the area that I have a special responsibility to review in great detail. In addition, it affects West Virginians in countless ways. It is a sad statement that spending for veterans was not included in the list of protected programs by the President or congressional leadership. The result is that veterans benefits and services have been cut. In fiscal year 1998, discretionary veterans programs covering medical care, construction, and general administrative expenses will be decreased by \$132 million in fiscal year 1998. To me, this represents a serious cut in veterans programs. Veterans groups and their advocates have agreed over the years to pull their weight in a concerted effort to balance the budget. However, this agreement does not reflect a sense of fairness. Aside from the deep cuts in Medicare and Medicaid and receipts from spectrum sales, veterans face the largest cuts in programs, and this is unacceptable.

The budget resolution effectively flatlines the Department of Veterans Affairs' [VA] medical care appropriation to \$16.959 billion over the next 5 years, and in an attempt to supplement this funding shortfall, builds in a new revenue stream.

For the first time, VA will retain all third-party payments collected from insurance companies, and the budget agreement assumes that these fees will be available to support discretionary spending for VA medical care. In policy, I have always supported retention of these so-called Medical Care Cost Recovery [MCCR] collections on the basis that these collections would enhance medical services for veterans. Unfortunately, even with these new funds—\$604 million in fiscal year 1998—the resulting level of funding would not be sufficient to support current services in fiscal year 1998. Projected out-year medical care spending would rise by less than one-half of one percent, while at the same time, the number of unique patients VA treats is projected to rise at an average annual rate of over 3.5 percent. If this same growth rate were applied to Medicare, America's seniors would rightly be marching on the Capitol.

Mr. President, I want my colleagues to know that when we speak of the funding level for VA medical care, we are really talking about such concerns as the long-term care needs of our World War II and Korean war veterans, the health care needs of ailing Vietnam and Persian Gulf war veterans, specialized services provided to veterans who are catastrophically disabled, and basic health and preventive care services provided to all our veterans.

Under the budget agreement, veterans seeking medical care from the VA would be dependent upon uncertain funding, including a base appropriation which is \$54 million less than the pre-

vious year; an untested plan to secure funding from insurance companies; and another controversial proposal, Medicare reimbursement, which will require congressional approval. I believe that the Government can be fiscally responsible and reduce the Federal deficit and debt, and still fulfill our commitment to our Nation's veterans. Asking veterans to rely upon tenuous funding mechanisms for their medical care does not meet this basic criteria.

This proposed level of funding will also be particularly troublesome in those areas of the country which are losing VA health care funding as part of VA's new resource allocation model. Those facilities which are already slated to lose resources, including the Clarksburg VA Medical Center in my home State, will be hit even harder by the low level of fiscal year 1998 funding.

Mr. President, some have viewed this budget agreement as a victory for veterans. This is simply a misunderstanding of the facts. Veterans groups know and understand that a frozen appropriation coupled with cuts in other programs will translate into a reduction of services and benefits, and I understand that they will be opposing the resolution. I will be working throughout the appropriations process to assure that these cuts are diminished. In sum, the appropriators will have to do better if we are to honor our commitment to veterans.

Before concluding, I also warn my colleagues who are such strong proponents of capital gains and estate tax relief that these requirements are going to be subject to intense scrutiny by Americans who have every right to ask some tough questions. When working families struggle as hard as they do to make ends meet and give their children opportunities to succeed, they want to see a Federal budget with priorities that make sense.

Every year, when faced with the budget process and debate, I have to weigh the various principles and goals that guide me in all of my work as the Senator of West Virginia. I have fought certain plans and proposals strenuously, because of their tilted and unfair approaches. In the case of the budget agreement before us, I believe it is an effort that should go forward. It is a work-in-progress, and I will be working hard to improve it. But at the same time, it captures the basic goals that the people of West Virginia and the country are asking us to pursue. We need to complete the job of balancing the budget. We also need to take new steps to address the opportunities and needs of Americans, in education, health care, research, and other key areas. With a bipartisan budget agreement resolved to pursue these goals, I will vote to get the job underway.

Mr. FEINGOLD. Mr. President, this is a notable occasion.

We are adopting a bipartisan budget plan, an uncommon event, made even more exceptional because that plan outlines a path toward achieving balance in the unified budget.

As others have noted, this budget resolution is not perfect.

No one of us would have proposed precisely the same combination of provisions we have in this resolution, that is the nature of political compromise.

The result, however, is a package of provisions that does provide the opportunity to reach balance.

Mr. President, balancing our budget has been my highest priority as a Member of this body.

I ran on that issue in 1992, and I am pleased that we will enact a budget outline that puts us on track to achieve that goal.

Mr. President, it is important to note that this agreement would not have been possible without the President's deficit reduction package enacted in 1993.

Some now estimate that package achieved approximately \$2 trillion in deficit reduction between 1993 and 2002.

By contrast, the deficit reduction achieved in this year's budget outline is much smaller, but it is still an important accomplishment.

Mr. President, I think it also needs to be said this important accomplishment was achieved without amending our Constitution.

Indeed, I am convinced that the lack of a constitutional amendment pushed both sides to get the job done right now.

No one was able to say to their constituents: "Well, we passed a constitutional amendment to balance the budget, now it's up to State legislatures."

Mr. President, we still have a ways to go.

This budget resolution is only the beginning; we still have to enact the necessary spending cuts to reach balance.

More importantly, our longer-term budget prospects need much more serious work.

In fact, my biggest concern is that the agreement leaves enough room for either or both sides to push tax or spending policies that worsen our longer-term budget prospects.

I am particularly concerned that while the tax cut agreement may look sustainable in the budget resolution, it may become entirely unsustainable in the long-run, and only aggravate the serious budget problems we know we will face with the retirement of the baby boomers.

We all must continue the bipartisan commitment reflected by this budget agreement to ensure the resulting tax and spending legislation does not undermine either the immediate goal of that agreement—balancing the unified budget—nor our ability to take the next critical steps—enacting necessary entitlement reform, balancing the budget without relying on the Social Security trust funds, and beginning to reduce our national debt.

Mr. President, while many can be congratulated for the work done to produce this budget, I want to note especially the work done by our Budget Committee Chairman, the senior Sen-

ator from New Mexico [Mr. DOMENICI] and our ranking member, the senior Senator from New Jersey [Mr. LAUTENBERG].

I joined the Budget Committee this past January, and this is my first experience as a member in working on a budget resolution.

To say the least, Mr. President, it has been a remarkable first experience.

We all realize that reaching this kind of settlement is not simply a matter of finding policies on which there is agreement.

The character and good will of the negotiators makes an enormous difference, and both sides of the aisle were well represented in this regard.

Mr. President, understandably, we often find ourselves focusing on the developing details of the agreement as the negotiations proceeded, and we all have specific matters to which we pay special attention.

All of that is appropriate.

But we often lose sight of the big picture, and the big picture here is that this budget resolution gives us the opportunity to actually achieve balance in the unified budget by 2002.

That is an historic achievement, and a great deal of the credit for that achievement should go to our chairman and ranking member.

I am proud to serve with them, and delighted to be a member of the committee they oversee.

I look forward to working with them next year on a budget resolution that takes the next important steps: enacting necessary entitlement reforms, achieving true balance without using the Social Security trust funds, and reducing the national debt.

MORNING BUSINESS

Mr. DOMENICI. I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak up to 5 minutes each.

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

OECD SHIPBUILDING AGREEMENT IMPLEMENTING LEGISLATION

Mr. LOTT. The congressional participation in the OECD shipbuilding agreement continues in the 105th Congress. On April 22, 1997, Senator BREAUX introduced S. 629, the OECD Shipbuilding Agreement Act. On April 30, 1997, the Senate Committee on Commerce, Science, and Transportation, chaired by Senator MCCAIN, held a hearing on trade matters which included the OECD shipbuilding agreement. On June 5 that hearing will be continued with the focus on this particular maritime trade policy.

I must say that S. 629 represents the administration's attempt to reconcile their earlier legislative proposal made in the 104th Congress with the successful amendment made by the House of Representatives to that bill. Let me be

clear, while the current bill does not address all of the concerns voiced by America's largest shipbuilders, it is a positive step in the right direction. My colleagues must not ignore it.

It also begins to deal with issues I raised in my two colloquies in the Senate with Senator SNOWE.

I intend to work with Senator BREAUX to amend S. 629 so that all appropriate maritime solutions are incorporated. At a recent maritime function, I challenged the audience to examine the new language and to offer constructive improvements. Our Nation has international maritime responsibilities and we must respond to the challenge.

I believe that with the introduction of S. 629, the administration has made an honest attempt to address the majority of the concerns.

I plan on working with my colleagues in both the Senate and the House of Representatives to ensure that acceptable ratification and implementation legislation for the OECD shipbuilding agreement is passed by this Congress.

Mr. BREAUX. I thank the majority leader for his efforts to address the concerns of all U.S. shipbuilders while achieving proper ratification and implementation of this important international agreement.

Mr. LOTT. A primary thrust of the amendment in the 104th Congress by the House of Representatives was to clarify that the agreement shall not affect in any way the Jones Act and other laws related to our essential coastwise trade. My colleagues know my position on the Jones Act—I support it unequivocally. I believe the language in S. 629 also supports the Jones Act by requiring the withdrawal of the United States from the agreement if it interferes with our coastwise trade laws. However, I am continuing to work with Senator BREAUX to further strengthen this provision.

Mr. BREAUX. I agree with the majority leader. This legislation represents a strong reaffirmation to the world of the United States steadfast support for the Jones Act.

Furthermore, the House of Representatives amended H.R. 2754 to clearly preserve the authority of the Secretary of Defense to define, for the purposes of exclusion from coverage under the agreement, the terms "military vessel", "military reserve vessel", and "essential security interest". While the administration and the Office of the USTR attempted to define "military reserve vessel" by including a description of current military reserve vessel programs, some have expressed concerns that this approach might in the future limit the flexibility of the Secretary of Defense to implement additional programs, such as the National Defense Features Program. I am working with Senator LOTT to redraft this provision in a way that will not limit United States national security options.

Mr. LOTT. Acknowledging the valid concerns raised by Representative