

will now be considered at the State level for the South Dakota Teacher of the Year award. I wish her the best of luck as this process continues.

SUPPLEMENTAL APPROPRIATIONS

Mr. DASCHLE. Mr. President, I was not able to come to the floor as the Senator from North Dakota was expressing himself with regard to the disaster, and I know that the Presiding Officer, the Senator from Minnesota, [Mr. GRAMS], has worked long and hard to work with all of us as we have made the effort to address the extraordinary concerns, the extraordinary difficulties, and the extraordinary pain that people in Minnesota and the Dakotas have faced now for the better part of 6 months. First, the harsh winter months, cold and snow and ice in many cases precluded farmers from feeding their livestock, and in many cases caused the death of hundreds of thousands of livestock, only to be followed by floods and other spring disasters that have left many thousands of people homeless in all three States.

After visits which the President, the Vice President, the Speaker, the House majority leader and others, there was a national commitment to address this problem and to find ways in which to help these people as quickly as we possibly could. There were editorials written about the great bipartisan effort that was made in order to do all we could to address the matter in an expeditious and comprehensive manner.

I am very saddened by what has happened in the last 48 hours. I am troubled by the fact that there are those who still wish to use the effort to provide this assistance to people who need it so badly as the vehicle for an agenda that has nothing to do with the disaster, as a vehicle to address other needs, other concerns that may or may not be legitimate but have absolutely no reason for being associated with this bill, have absolutely no reason for being attached to this legislation.

I am troubled that anybody would use the kind of cynical approach to hinder our efforts to find ways with which to address this problem as quickly and as seriously as we possibly could. We have no business leaving the Senate and leaving the House under these circumstances.

I give great credit to the majority leader as he comes to the floor, because I do believe he made every effort to try to address this problem as successfully as he could. I know he has attempted to find ways in which to extract those problematic provisions from the bill. I know of his efforts yesterday. I am very disappointed that even with his efforts we failed. I also applaud the distinguished chairman of the Appropriations Committee. Senator STEVENS has done great work in attempting to find ways with which to address this problem.

So I must say, Mr. President, on a bipartisan basis I believe our body has

done a great deal in attempting to avert the extraordinary calamitous circumstances that we are facing right now. It is going to be very difficult to go home, as I will, to speak to the people of Watertown, SD, not only on Memorial Day but at their high school commencement this year and explain what happened, explain why this Congress has left town without completing its work on this very important matter.

Mr. President, there are no words to describe how badly some of us feel, how frustrated, exasperated, and angered we are at these circumstances. We can only hope that upon our return, these political games and these ploys that have nothing to do with this legislation can be averted and we can deal with them far more effectively and address it in a comprehensive way. At that time, we will still, as late as it will be, give people hope that we understand their pain, that we understand their circumstance, and that we will respond as we best know how to do. It is only that hope that allows me with a very heavy heart to leave this town with our work incomplete.

Mr. President, I hope all of us will redouble our efforts as soon as we return. Let us get the job done. Let us do it right. Let us do it understanding completely how difficult a circumstance people in our States and States around the country must now face.

I yield the floor.

Mr. LOTT. Mr. President, I do have some unanimous-consent requests to make and an Executive Calendar list. First I want to say to the distinguished Democratic leader I understand his feelings and appreciate his comments. We did work to try to get through all the legislative hurdles in moving the supplemental and resolving the problems attached to it. We ran into some procedural limitations there at the end that made it impossible for us to complete it, but we need to get it done. We are going to get it done. We are going to make sure the people of the States that have had disasters are going to get the aid they need.

I have already sent a letter urging everything be done to make sure the funds continue to flow through FEMA and any other agency that has a role in providing disaster assistance, whether it is in South Dakota, North Dakota, Kentucky, or Minnesota.

When we come back, it is going to be one of the two first orders of priority. One, we have to do the budget conference report, which I think will be done very quickly, and then we can really focus on getting the supplemental completed and resolving some of the issues that are critical issues attached to it so that we can come up with a solution everybody can live with on the census question and address the roads problem and also find a way to deal with avoiding Government shutdowns in the future.

I think we can do all of those once we make up our minds to focus on it and

get our minds committed to working on that effort.

EXPLANATION OF SELECTED VOTES TO THE SENATE BUDGET RESOLUTION

Mr. ABRAHAM. Mr. President, now that the budget resolution has been adopted, I wanted to take a few moments to discuss several of the more important votes that took place.

The first of these was the Hatch-Kennedy amendment. This amendment was characterized as an effort to raise cigarette excise taxes in order to provide health care for low- and moderate-income children. I take exception to that description. There was nothing in the Hatch-Kennedy amendment to ensure that the new taxes would be imposed upon cigarettes or that the additional revenues would be spent on children's health. The net effect of this amendment would have been to raise taxes by \$30 billion and spending by \$20 billion, period. I have several reasons for opposing an amendment of this sort.

First, I am not opposed to taxing cigarettes in order to either reduce taxes elsewhere or fund important programs, and this vote should not be interpreted as such. The net effect of this amendment, however, would be to reduce the net tax cut contained within this resolution—tax cuts targeted at families, education, and pro-growth policies—by \$30 billion. The tax cut contained in this resolution is already less than 1 percent of the total Federal tax burden over the next 5 years, barely adequate to provided badly needed tax relief to families and small businesses. I believe that level is already too low, and I certainly do not support making it smaller.

Furthermore, nothing prevents Senator HATCH, as a member of the Finance Committee, from offering his proposal as part of the reconciliation process. An amendment offered in the Finance Committee to increase tobacco taxes in order to provide additional Medicaid funding for children's health insurance would be in order. I might support it. The amendment considered by the Senate Wednesday, however, does nothing to further the prospects of such an effort.

On the other hand, this amendment does expand the reconciliation instructions of the Labor Committee, where Senator KENNEDY is the ranking member. This amendment would provide the Finance Committee an additional \$2 billion and the Committee on Labor a whopping \$18 billion. Notwithstanding the debate over taxes or children's health, there is no disagreement that both these issues belong in the Finance Committee—not Labor. The construction of this amendment appears motivated more by the jurisdictional concerns of Senator KENNEDY than a concern for children's health.

Finally, Mr. President, this amendment ignores the \$16 billion already

provided by the resolution for children's health insurance. Neither Senator KENNEDY nor Senator HATCH adequately explained why it was necessary to spend \$36 billion for a problem the President had agreed could be addressed with \$16 billion or why undermining an agreement that already addresses this problem is superior to working through the usual committee process. As was made clear during the debate, the \$16 billion provided by the budget is more than enough to provide children's health insurance as requested by the President.

In summary, Mr. President, this amendment does nothing to further the cause of providing health care to America's children. It reduces the tax cuts for families and small businesses by 35 percent, it does nothing to assist the Finance Committee in its work to address this issue, and it endangers the \$16 billion already provided for children's health.

I would also take this opportunity to speak about the Gramm amendment to reduce discretionary spending by \$76 billion and increase the net tax cut in the resolution by a like amount. Mr. President, the Federal deficit this year will be below \$70 billion for the first time in almost 20 years, largely because Congress over the past 2 years held the line on Government spending and taxation. We resisted efforts to raise spending above reasonable levels and we opposed efforts to raise the already record tax burden on American families. And while I intend to support this resolution because I believe, on balance, that it will result in a smaller, more efficient Government, I am concerned that the spending proposed by this agreement is too high, and that it plants the seeds for ever-expanding Government down the road.

How much spending does this resolution contain? For discretionary spending, this resolution spends \$212 billion more than the 1995 budget resolution, \$189 billion more than last year's budget resolution, \$75 billion more than the moderate group's budget alternative last year, and just \$16 billion less than the President's budget this year—without the triggered cuts he proposed to ensure his budget gets to balance. With regard to the Gramm amendment, the underlying resolution spends \$76 billion more than the President proposed just last year. Hence, the Gramm amendment to reduce overall spending levels by \$76 billion and to target that savings toward tax reduction.

Mr. President, last Congress I collaborated with a group of Senators and Representatives to make the Federal more efficient by eliminating wasteful programs and consolidating duplicative agencies. In our work, we proposed to eliminate three Cabinet-level agencies—HUD, Commerce, and Energy. Moreover, we advocated targeting both spending and tax provisions which provided unwarranted benefits to corporations, so-called corporate welfare. The point of this effort, Mr. President, was

to make the Federal bureaucracy more rational and efficient and to reduce the burden of government on Americans.

Mr. President, I believe the Gramm amendment is in line with our on-going efforts to streamline the Government and make it more responsive to Americans. The discretionary spending levels it provides—the same spending levels as supported by the President last year—are sufficient to increase funding for important programs like health research, transportation infrastructure, and insuring children while forcing Congress to turn a critical eye towards the waste and inefficiency prevalent in the Federal bureaucracy. Through my work at eliminating wasteful Government agencies, I am convinced that we can save \$76 billion over 5 years by targeting corporate welfare without harming important Federal programs.

Just as important, the Gramm amendment provides significant tax relief for American families and businesses. As I said previously, the tax relief contained in the underlying budget resolution is less than 1 percent of the total Federal tax burden over the next 5 years. It is barely sufficient to provide families with a pared-down \$500-per-child tax credit, a reduction on the capital gains tax rate, estate tax reform, and an expansion of IRA's.

Mr. President, the tax burden is at its highest level in American history, with the typical American family paying almost 40 percent of their income to State, local and Federal governments—more than they spend on food, clothing, and housing combined. With the Gramm amendment, the tax relief contained in this resolution would still be modest—less than 2 percent of the total tax burden—but it would allow us to fully fund the \$500-per-child tax credit, cut the capital gains rate in half, provide relief from the onerous estate tax, and expand eligibility for IRA's. These are important reforms that I have been working on for my entire tenure in the Senate, and I will continue to work to provide meaningful tax relief to American families beyond the tax cuts included in this resolution.

I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET

Mr. MOYNIHAN. Mr. President, as we were voting on various matters this morning, leading to passage of the concurrent resolution on the budget for the fiscal year 1998, which I voted against, I found myself musing of the very different time just 4 years ago when a starkly divided Senate passed a far more stentorian measure than that before us today. In an interval between votes, I wrote to the members of the Finance Committee of that time:

As we close out this embarrassing budget season, cutting taxes, increasing some spending, promising a balanced budget somewhere in the next century, it might restore a measure of self respect to recollect a not distant

time when we knew better and did differently.

1993. Democrats had won the Presidency and held the Congress. The world was tranquil enough, but our finances were seemingly a wreck. In the twelve previous years the debt had quadrupled and there was no money for anything. On another occasion we can discuss how this came about: I am concerned here with what we did. The Finance Committee (with some help from others) put together and passed, in committee, on the floor, the largest package of tax increases and spending cuts in history. Our purpose was direct and avowed. To show we could govern. The more conservative our critics, the more apocalyptic the pronouncements. Ruin all round was surely at hand.

In the event, we succeeded beyond imagining. The latest Monthly Treasury Statement shows a booming economy throwing off unexampled revenue. (Recall, a fortnight ago the Congressional Budget Office discovered an additional \$225 billion in anticipated revenues for the next five years. Fortuitous, perhaps, but not fake.) A nice detail? Last month the Treasury paid off \$65 billion in debt, the largest repayment ever.

It was all done by the narrowest of margins. Bob Kerrey at the very last moment—he had wanted an even sterner measure. But we did do it. I would like to think it will not now be undone. This is not yet clear.

The contrast between the Omnibus Budget Reconciliation Act of 1993 and this legislation is illuminated by an important article that appeared in yesterday's Wall Street Journal under this headline:

TAX ON WEALTHY IS BOOSTING U.S. REVENUE
TREASURY SAYS 1993 INCREASE IS HELPING
CUT THE DEFICIT

The article, by Michael M. Phillips, reports that the cataclysmic predictions of so many Republicans about the economic effects of the 1993 legislation have not been borne out. To the contrary, as a result of the 1993 act, the deficit as a percentage of GDP is at its lowest level in a quarter century, and the expansion is in its 74th month, with full unemployment and little or no inflation. The Treasury is awash with revenue. As Mr. Phillips writes:

The inflow provides persuasive, if not conclusive, evidence in the continuing debate over the economic impact of the 1993 tax increases, which raised marginal income-tax rates to 35% from 31% on taxable incomes between \$140,000 and \$250,000, and to 39.6% on incomes above \$250,000.

Which leads to another important point, about which I will again quote the Wall Street Journal:

The recent flood of revenue pouring into Treasury coffers—enough to push the federal budget to a record \$93.94 billion surplus for the month of April—appears to have come mostly from the nation's biggest earners, indicating that the controversial tax increase may indeed be taking from the rich.

How do we know this? Because the unexpectedly high revenue inflows have come from taxes other than those withheld by employers. These "non-withheld" taxes are mainly paid by wealthier taxpayers, who owe taxes on other income such as stock options, bonuses, and the like. In April, according to the Monthly Treasury Statement, the Treasury took in \$110.8 billion in nonwithheld revenues, almost twice