sector for the United Nations, made this statement. He started laughing. He said, ''You mean 12 years, don't you?'' I said, ''No, 12 months. The President has promised that this is a 12-month operation, that if we deploy the troops to Bosnia, they would be back in 12 months.''

So nobody really believed rationally that would happen. However, because of the President's promise that the troops would be back in 12 months, they were able to get enough votes to defeat our resolution of disapproval. And they sent the troops over to Bosnia.

Now we are in a position where we will do everything in our power to support the troops over in Bosnia. But at the time when he said they would all be back by December 1996, all of a sudden, as soon as the election was over, we find that the troops are going to be extended over there another 18 months, or until June 30 of 1998.

This is kind of a creeping thing that we go through, such as we experienced many years ago with our Marines in Guatemala. We have many other examples where we have gone in for a limited period of time. I can remember when we sent troops over to Somalia and they were going to be over there for a short period of time. And they stayed. It wasn't until 19 of our Rangers were murdered and their bodies dragged through the streets of Mogadishu that finally there was enough pressure to bring our troops back home.

I am very concerned now because, as I suspected would be the case, the President, who, again, has promised the second time that all the troops would be back home now by June 30, 1998, has started to renege on that. We can't let this happen.

The cost they talked about for the Bosnian operation initially was $2 billion. It has now turned out to be closer to $8 billion, as I predicted over 18 months ago it would be, and we are at least creeping up to $6.5 billion.

Where does that money come from? We are going to be asked to vote for an emergency supplemental. That is to pay for the additional cost over there, along with other problems, other flood problems and emergencies that existed, and a few cats and dogs thrown into the bill. However, in this case, we have to spend the money.

Where does it come out of? It comes out of our defense budget, which is already strained to the point where we can't carry out the minimum expectations of the American people, and that is to defend America on two regional fronts.

So we have a second reason. Not only are we endangering the lives of our troops over there, but we are also spending money that should be going into building and rebuilding our Nation's defense system.

So, Mr. President, I want to get on record, as I did in Brussels when I gave the speech to NATO, that I would do everything, with every fiber in my being, to make sure that the troops come back.

I would suggest this, however. I think the President is in the bully pulpit on this. I think he keeps continuing to want to leave them over there knowing full well that once the troops leave, it will go back to just like it was before. The Croats, Muslims, the Serbs, the Mujaheddin, the Arkan Tigers, the Black Swans—all of the other rogue forces—will be over there fighting as they were before. And then he can say, well, if we had left them their longer, that would not have happened. Recognizing that is going to happen regardless, I still say, Mr. President, we should all resolve to ourselves that our troops should come on the second deadline that we have standing. That is June 30, 1998.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998—CONFERENCE REPORT

Mr. GRASSLEY. Mr. President, I submit a report of the committee on conference on the concurrent resolution (H. Con. Res. 84), establishing the congressional budget for the U.S. Government for fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 84) having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

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

(The conference report is printed in the House proceedings of the RECORD of June 4, 1997.)

Mr. GRASSLEY. Mr. President, I would like to bring to the attention of the Senate a typographical error contained in the statement of managers to accompany the conference report on the fiscal year 1998 budget resolution. During the course of the conference some language was worked out to include in the statement of managers with respect to the section 8 housing allowance—which is set out in section 203 of the conference report. This language was mistakenly included in the description of section 203 of the Senate amendment rather than in the description of section 203 of the conference agreement. The language at issue reads as follows:

> The agreement creates an allowance of $9.2 billion in budget authority with an associated, but unspecified, amount of outlays to be released by the Budget committees when the Appropriations committees report bills that provide for renewal of Section 8 housing assistance contracts that expire in 1998. The conference agreement assumes that the amount of the allowance to be released (estimated to be $3.436 billion for outlays) will not be reduced to the extent that the appropriations and authorizing committees produce Section 8 savings that were proposed in the President's 1998 budget.

Mr. President, the conference report on the concurrent budget resolution of the budget for fiscal year 1998 now before the Senate, represents the first major legislative step—in what will be a number of steps—to implement the bipartisan budget agreement announced by President Clinton and the bipartisan congressional leadership almost exactly 1 month ago today.

As those in this Chamber will understand, but maybe not as obvious to those watching this debate, this conference agreement is the blueprint that will guide the building and enforce the adjustments to legislation throughout the summer. When the legislation is finished following this blueprint, and when it is sent to the President and signed, we will have built a house that is fiscally strong for the future.

So today's vote on this conference agreement should be identical to the 78 to 22 vote taken in this Chamber just before the Memorial Day recess. And that is as it should be, because the conference agreement is based on the Senate-passed budget resolution and the House-passed budget resolution which both followed the agreed on budget levels of the announced bipartisan budget agreement. In other words the aggregate numbers in the two Chambers' resolutions were almost identical, resulting in hardly any need for a conference.

In fact, it wad initially felt that since both resolutions followed the agreement, there was not even a need or a conference. It was held by our joint leadership that merging the two resolutions—because of the normal differences in House and Senate committees of jurisdiction under the reconciliation instructions—that this could have been done by simply adopting a House amendment to the Senate amendment, a procedure clearly authorized under the Budget Act. However, this procedure would have put us in the posture of possibly having amendments to that House amendment, the leadership concluded we should expedite the process by simply having a conference meeting and avoiding possible amendments.

So on Tuesday afternoon when the House returned from the Memorial Day recess, they appointed conferees and Tuesday evening the conference met. As I indicated, since the two resolutions were almost identical in the numbers, the only issues to conference were related to some procedural reserve fund mechanisms, and nonbinding sense-of-the-Senate, sense-of-the-House, and sense of-the-Congress resolutions.

Yesterday these minor issue were resolved and last evening the conference agreement and accompanying statement of managers was filed. The House of Representatives just acted on the budget resolution conference agreement by a vote of 327 to 97, almost identical to the vote when it first passed the House on May 20. The House-passed budget resolution passed on a vote of 333 to 99. Today, nearly 90 percent of the House Republicans voted for his conference agreement, and almost two thirds of the House Democrats voted for it. Clearly this is a bipartisan budget agreement as reaffirmed in this vote today in the House.

And now the Senate is about to follow suit. If you voted for the Senate-passed budget resolution on May 23, then you have no reason not to vote for this conference agreement on June 5.

For the record, through it is probably unnecessary, I might remind the Senators and those watching what this blueprint for a balanced budget means. It means that when our fiscal house is finished following this blueprint, the Federal deficit, which would have topped $150 billion in 2002 if nothing was done, will be balanced. And if the policies that get us to balance in 2002 are continued unchanged beyond 2002, we will reduce spending over the next 10 years almost $1.1 trillion.

The blueprint for the balanced budget agreement before us this afternoon means that spending which would have grown at 4.4 percent annually over the next 5 years will now grow at slightly over 3 percent, about the rate of growth in the overall economy.

The blueprint for the balanced budget agreement means that the size of the Federal Government will decline. Federal spending which today represents 20.8 percent of the economy today, will decline to 18.9 percent in 2002.

The blueprint for the balanced budget agreement means that the Medicare part A program will remain solvent for nearly a decade and that the spending on all of Medicare that is now projected to grow at nearly 9 percent annually over the next five years, will be reduced to a more manageable growth rate of about 7.5 percent annually.

The blueprint for the balanced budget agreement means that Federal taxes will be reduced on hard working American families with children and on small business and farms. Taxes will be reduced by $85 billion over the next 5 years, and if these tax cuts are extended over a 10-year period, total tax reductions not exceeding $250 billion will be given to the American public.

We are going to let them keep their money. It is their money.

Finally, the blueprint does assume that some additional resources are needed for high priority Federal programs in education, environment, justice, transportation, children's health, work welfare reform, and some safety net programs. But I would remind the blueprint critics that the some $33.6 billion in additional resources spent on these priority programs represent less than 0.37 percent of the total $9.0 trillion in total Federal spending we expect over the next 5 years.

This is a good blueprint. Like all blueprints, as the building actually begins in the committees of jurisdiction these next few weeks, it will require some adjustments in the actual building phase and from time to time, as has already begun, there will be disputes as to how to read the blueprint. In those cases, I am long with my ranking member and the bipartisan leadership will work with the committee chairman to insure that we are making a good faith effort to stick to the agreement. But today the design is clear and the builders can go to work.

In closing let me say that the passions of the Federal budget debate lie at the very essence of our free, democratic governmental system. The questions of the role of the Federal Government, how much of our national wealth should be spent on the public good and who should pay for it, are questions that date back to the beginning of this great republic.

In recent years, however, the obstacles to the Federal budget have been primarily a question of finding a working consensus between the executive and the Congress. Today we have a consensus on this issue. Of course, each of us alone might have designed the plan differently, but then we might not have had a consensus. Yes, I personally think we should have done more in entitlement spending programs that still threaten the foundation of this house we build today, but for today we must do what we can. And I ask you to vote as you did on May 23 and adopt this conference agreement. Then we will be one step further on the road to the future of restoring the American dream for the young people of our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, I am pleased to join the manager of the Budget Committee in supporting the conference report on the budget resolution. Perhaps it is unnecessary to recall what constitutes this agreement, a consensus agreement. Consensus is a fairly simple word with very dramatic meaning. It is the majority view—not the unanimous view but the majority view—of the participants in an agreement in a debate.

And I want to just take a moment to remind everybody about the fact that this is a consensus agreement. Those who are looking for total victory are not going to find it here and those who are looking for total defeat are not going to find it here. A consensus view, the majority view is what we strove for. I am unhappy with some things, and I am sure my colleague on the other side of the aisle is also unhappy with some of these things. But we struck an agreement in good faith. We worked very hard. We worked hard to get it through the conference and we thought that we had a continuation of the understanding that was arrived at when we shook hands a few weeks ago and presented the Senate side of the budget understanding, the budget resolution.

As I said in my first remarks, I fully support this agreement. That doesn't mean I support it enthusiastically, but it means that it has my commitment because we worked so hard and we got so many good things in this budget resolution. What I am concerned about—if there seems to be evident a note of reluctance or wariness in my comments, it is true. It is true because what I have heard already, and I have read in the papers, as it is said, is that there are those who want to reinterpret what it is that we agreed upon when we concluded this Senate budget resolution, what we agreed upon when we had the conference concluded; those who are saying, well, not this many immigrants are going to be taken care of; or not this proposal on containing the tax cut, $250 billion over the 10-year period; or not making certain that the investments in the principal passenger railroad in this country are going to be made, as it was understood by me and others sitting there.

So I want to throw out that word of caution. This is, as I think everyone knows, nonamendable. It is a budget conference report. There is no room for amendment. There is no opportunity for amendment. The conference report before us is very similar to the budget resolution that the Senate approved on May 23, by a vote of 78 to 22. It provides a framework to get our fiscal house in order while protecting critical national priorities. Last fall, the American people spoke at polling booths. They elected a Democratic President and a majority of the Republicans in both Houses. Yet, despite this divided Government, they have been clear about what they want. They want the gridlock to end. They want the bickering to end. They want us to get to work. They want us to do the best we possibly can to get this house in fiscal order and get on with the business of our country.

At the same time, Americans asked that Washington focus on the issues that matter most to us: Education, Medicare, children's health, environment, fighting crime, and other Government responsibilities that make a difference in the way people live. I believe the conference report before us keeps our trust with the people. It is not, as I earlier said, a perfect agreement. It is not exactly as I would have written it. But I consider it an enormous step forward. It will, as we see it now, relieve future generations of having to continue to pay for borrowing that we have done or that we are doing now. But it is going to stop in 2002—that's my belief and that's the belief of those who negotiated in good faith to get this agreement done. It calls for the largest investment in education and training since the Johnson administration. It is phenomenal. It says we are going to put money into our children. We are going to prepare for the future. We are agreed on that. And with that, it combines tough fiscal discipline with a strong commitment to Medicare, environment, transportation, and other national priorities.

Throughout this process, President Clinton has insisted and I have agreed that an agreement that imposes real fiscal discipline, that builds on President Clinton's tremendous successes in reducing the deficit, and balances the budget in a real, credible way, is the way we have to go. The President has insisted and I have insisted that we make education the priority that it is.

I strongly supported some amendments that were dropped in the process of discussion, like the Dodd amendment. I commend the distinguished Senator from Connecticut for his leadership. His was the amendment that said that we would not go beyond $250 billion worth of tax cuts over the 10 years. A point of order could have been raised against any of the tax cuts in the bill and that point of order could have been waived only with the votes of 60 Senators. But it was dropped in the conference.

Instead, there is a commitment that says that $250 billion over the next 10 years, $85 billion in the first 5 years and $165 billion in the second 5, is the most that can be had by way of tax cuts. There are letters supporting it. There are letters from the chairman of the Ways and Means Committee in the House, there is a letter from the chairman of the Finance Committee in the Senate, there are letters from the Speaker of the House, and there is a letter from the distinguished majority leader here, that confirms the position that we took. So, while there is some disappointment that the language that we originally anticipated would be in there is not part of the record, but it is indirectly recognized. It is there.

I ask unanimous consent that a copy of letters from the Speaker and Senate majority leader and the letter from Senator ROTH and Congressman ARCHER be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
Washington, DC, May 15, 1997.

Hon. WILLIAM J. CLINTON,
President of the United States,
Washington, DC.

DEAR MR. PRESIDENT: We would like to take this opportunity to confirm important aspects of the Balanced Budget Agreement. It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007. We believe these levels provide enough room for important reforms, including broad-based permanent capital gains tax reductions, significant death tax relief, $500 per child tax credit, and expansion of IRAs.

In the course of drafting the legislation to implement the balanced budget plan, there are some additional areas that we want to be sure the committees of jurisdiction consider. Specifically, it was agreed that the package must include tax relief of roughly $35 billion over five years for post-secondary education, including a deduction and a tax credit. We believe this package should be consistent with the objectives put forward in the HOPE scholarship and tuition tax proposals contained in the Administration's FY 1998 budget to assist middle-class parents.

Additionally, the House and Senate Leadership will seek to include various proposals in the Administration's FY 1998 budget (e.g., the welfare-to-work tax credit, capital gains tax relief for home sales, the Administration's EZ/EC proposals, brownfields legislation, FSC software, and tax incentives designed to spur economic growth in the District of Columbia), as well as various pending congressional tax proposals.

In this context, it should be noted that the tax-writing committees will be required to balance the interests and desires of many parties in crafting tax legislation within the context of the net tax reduction goals which have been adopted, while at the same time protecting the interests of taxpayers generally.

We stand to work with you toward these ends. Thank you very much for your cooperation.

Sincerely,

NEWT GINGRICH,
Speaker.
TRENT LOTT,
Senate Majority Leader.

CONGRESS OF THE UNITED STATES,
Washington, DC, May 15, 1997.

MR. ERSKINE BOWLES,
Chief of Staff to the President,
Washington, DC.

DEAR MR. BOWLES: We are writing to express our desire for continued cooperation between Congressional staff and the staff of the various Administration agencies during the development of the current budget agreement.

Much of the most difficult work in connection with the budget agreement will involve the development of the revenue provisions that will satisfy the parameters of the agreement. Historically, the staff of the Joint Committee on Taxation has provided technical legal and quantitative support to the House and Senate. The Budget Act requires the use of Joint Committee on Taxation revenue estimates. Ken Kies and his staff are committed to facilitating our work on the tax provisions of this budget agreement. You can be assured that they will cooperate with Administration counterparts in receiving Administration input as they carry out their statutory responsibilities.

The revenue estimating staffs of the Joint Committee on Taxation and the Office of Tax Analysis at Treasury have a long history of cooperation and communication among analysts. It is our understanding that steps have already been taken to insure that the cooperative efforts of these two staffs will be intensified during the current budget process. It is also our understanding that the professional staffs at the Office of Tax Analysis at Treasury and the Joint Committee on Taxation will consult and share information necessary to understand fully the basis of their revenue estimates and to minimize revenue estimating differences. The proposal shall not cause costs to explode in the outyears.

Now that we have agreed upon the overall parameters of this significant agreement, an inordinate number of details concerning specific provisions must be drafted and analyzed by the JCT and the committee of jurisdiction. We look forward to working with the Administration.

Sincerely,

NEWT GINGRICH,
Speaker.
TRENT LOTT,
Senate Majority Leader.

CONGRESS OF THE UNITED STATES,
Washington, DC, June 4, 1997.

Hon. PETE V. DOMENICI,
Chairman, Senate Budget Committee,
Washington, DC.

Hon. JOHN R. KASICH,
Chairman, House Budget Committee,
Washington, DC.

DEAR PETE AND JOHN: Our Committee will soon begin marking up tax legislation to meet the reconciliation directives of the 1998 Budget Resolution. We will meet the Resolution's instructions of reducing revenues by $85 billion over the five year period 1998–2002 and by no more than $20.5 billion in 2002.

Furthermore, we can assure you that, consistent with the May 15, 1997 letter from the Speaker of the House and the Majority Leader of the Senate to the President which stated, "It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007," the ten year net revenue loss in the tax reconciliation bill will not exceed $250 billion.

Sincerely,

WILLIAM V. ROTH,
Chairman, Finance Committee.
BILL ARCHER,
Chairman, Ways and Means Committee.

Mr. LAUTENBERG. I note also that this resolution does include the sense of the Congress resolution that again reaffirms that $250 billion 10-year tax limit on tax cuts is clarified, in a way. I just want to remind everybody what it says here:

> The 10-year cost of the tax reconciliation bill resulting from this resolution shall not exceed $250 billion and any revenue loss shall be certified by the Joint Committee on Taxation in consultation and cooperation with the Office of the Tax Analysis of the Department of the Treasury.

To make the point by continuing to emphasize it, I don't think anyone should have any doubts that the tax cuts in the reconciliation will be limited. We are not going to suffer a repeat of exploding deficits that flowed from the disastrous policies of the Reagan era. We will not go down that road again.

So as we wrap up our work on this budget resolution, I congratulate the President for his leadership in this effort. We are here today on a bipartisan basis, only because the President decided to lead the effort to make it happen. He deserves enormous credit for it. When we look back at the results of the legislation that the President wanted to put forward some years ago, in 1993, and we see the incredible results, we see reports by a publication like Fortune magazine saying this is one of the greatest economies that this country has ever had, you can sense the strength of the economy, you can sense the confidence that the people have in their ability to take care of their families and to provide, hopefully, with the programs that we are outlining here today, education for their children in the future, security for the aged, to make sure that these investments will produce job opportunities and a better quality of life for all our people. That is what we want to see.

So, I yield the floor and I say to my colleagues, even if there is some disagreement, even if there is some question, I hope we will get the fullest support that we can obtain for this agreement. It does, once again, put the fiscal house in order. It maintains the important priorities that we all, I think it is fair to say, would like to see.

I am sure if I talk to my colleague to my right here, if we talk about education for our children, he will say we want to invest in education for our children.

Mr. GRASSLEY. I will.

Mr. LAUTENBERG. We want to have Medicare more secure. Our approaches might be slightly different, but the fact is we want the same objective.

So, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I would like to have my fellow manager enter into a unanimous-consent agreement, if we could, so every Member can plan on when we would be able to speak; that we would do what we traditionally do, to have one Republican and one Democrat, then back to the Republican, back to the Democrat, to yield for speeches in that way?

Mr. WELLSTONE. Will the Senator yield for a question? In the unanimous-consent agreement, which I think makes all the sense in the world, will the Senator be kind enough in the rotation, since we have Senator FAIRCLOTH here and Senator HOLLINGS, and I am pleased to follow Senator HOLLINGS, could we be listed in order right now, since we are here?

Mr. GRASSLEY. And then, beyond that, it will be one Republican and one Democrat—I would agree to that.

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

Mr. GRASSLEY. OK. I think it was understood we would yield now to Senator FAIRCLOTH. I yield to Senator FAIRCLOTH such time as he might use.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Madam President, I take the floor to rise to discuss a serious issue, and my concern is this. The ink isn't even dry on this budget agreement and I have heard nothing, yesterday and today, but rumors that there are plans to change radically and have a major tax increase put into this agreement. Specifically, there is much talk, and it is far beyond rumor, of increasing the tobacco tax from 21 cents to 50 cents per pack, which would raise $15 to $30 billion a year.

The problem is, of course, the tax cut in the budget plan is too small. But that is not news to anybody; it was always too small. The Republicans wanted to cut taxes by $188 billion. We now have a net tax cut of $50 billion, and that is to cover several initiatives such as capital gains, estate tax, and child credit. As I view choices, we should live by the budget agreement we passed in the Senate, and the one we want to pass. Now, if we can't do that, if there is some reason we cannot do that—and we want to cut taxes further, which I agree to—then there is a simple choice that it would be a wonderful thing if this body could learn—to cut spending, to spend less money. That is a wonderful alternative that we need to know about. Not every time we are short of money, raise taxes.

If there is intent on the part of some of those who are having this discussion to change the budget agreement, I wonder why we are even having a budget resolution. What else are we going to change? Are we going to expand the deficit? Are we going to expand spending? Apparently we are. Is a deal not a deal? We either agree not to raise taxes any farther or we do not agree, and it looks like we do not agree. But I think it is an outrage that it is even under consideration at this point in the negotiations.

When I came to the Senate I said I would never vote for a tax increase. I never have and I never will. We have plenty of money. We are spending it in too many places.

We do not need a tax increase. Taxes are already too high. The average American works until mid-May to pay his or her taxes now. One-third of the money the average citizen earns goes to pay taxes. A tax increase of any kind is the last thing the working men and women of this country need now. What they truly need is a tax cut.

But we say we are going after the tobacco industry, which really doesn't count, but when we drive the tobacco industry into bankruptcy, what product do we want to attack next? To each Senator, what product from your State will we decide to drive into bankruptcy? This is a Government that has an insatiable appetite for tax money—money of any kind, borrowed, taxes, there is never enough.

The net tax cut in the budget resolution is only 1 percent of revenues over the next 5 years, a pretty minuscule amount. It is hardly a windfall. Yet, here we are before we even get the resolution passed and we are considering raising taxes.

Again, I have to ask, what is the budget agreement for? Why do we even call it an agreement, if we fully intend to come back and rewrite it in the Finance Committee? Why debate it and argue over it on this floor when the real decision is going to be made in the Finance Committee? It is a waste of our time.

The agreement is not worth the paper it is written on if we are going to haul it over into the Finance Committee and they are going to make the decision.

Madam President, I can give every assurance that if the Finance Committee intends to raise taxes beyond what is called for in the budget resolution, passing this bill is going to be extremely difficult. I will say now, we are heading into dangerous territory in raising taxes. There is not support for it, even if it is on tobacco. This isn't a case of reading anybody's lips. We don't have to read lips. We can read the budget resolution. We don't need new taxes. I will forcefully oppose any kind of effort to increase them. Frankly, given that this is going on and has been for 2 days, I think the Senate is wasting its time on a budget resolution that will be rendered meaningless within a week.

I thank you, Madam President, and I yield back any time I might have remaining.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Madam President, let me talk to a very, very important point other than taxes and the increase thereof.

What we have is the jargon of ''I'm against taxes, I'm against taxes, I'm against taxes,'' but now we have reached the point where we are increasing spending, because we are not paying our bills. We are increasing spending by $1 billion a day. That is the interest cost on the national debt.

When Reaganomics commenced in 1981, the interest costs on the national debt were $74.8 billion. We had less than $1 trillion debt, and the interest cost was only $74.8 billion. So looking at it in a historical sense, for 200 years of our history, with the cost of all the wars, we had never reached a $1 trillion debt. We had paid for the Revolution, right on up through World War I, World War II, Korea, Vietnam, and yet, in the last 16 years, without the cost of a war, we have jumped to a $5.4 trillion debt. And it is all because you wouldn't pay the bill. You were against taxes, and you were against paying the bill. It is wonderful to go home with that sing-song and continue.

I have a chart right here to show exactly what I am talking about. There is the $74.8 billion in interest costs at the time of President Reagan. This has all the Presidents since Truman, the actual deficits, the actual debt and thereby the forced interest costs, which I call interest taxes. You know, they say death and taxes can't be avoided; neither can interest costs on the national debt. So beware of the colleague who comes and says, ''I am against taxes, and I'm never going to vote for taxes,'' like this is a luxury we all can afford. I would love that. I can just come here and join in the spending. We would never have any taxes and we would all get reelected, but the country would go broke because you have to pay, as this debt goes through the ceiling, the interest cost.

It is now, as shown here by the CBO figures, at 359 billion, and this chart is somewhat outdated by several weeks. Its actually higher now. Still, there is no question it is $1 billion a day we are spending for nothing. I know my distinguished colleague from North Carolina is interested in highways. So is the

Senator from South Carolina. This $1 billion doesn't pay for a single road or a single bridge. It doesn't engage us in any research. It helps us not with health research at the National Institutes of Health. It doesn't pay for defense. It doesn't give foreign aid. It doesn't do anything but represent waste, and we are determined to continue this waste.

Let me get right to the point about this particular budget resolution because, Madam President, I say advisedly, if there ever was a fraud, this particular budget resolution is a fraud. I say that advisedly to my colleagues in the Senate. The distinguished Senator from Iowa gets up and says, "This is bipartisan, this is bipartisan, and it just passed the House with 350 votes." Then our distinguished ranking member on this side of the aisle on the Budget Committee said, "This is consensus, we had to get together, we got a consensus," and thereby is the sizzle that is supposed to sell this steak when the truth of the matter is it is one piece of meat that is an outrageous fraud.

Let's go to the partisan resolution that we passed in 1993. If you want to see frauds, it is when they get together. When they don't get together, you are getting nearer the truth in budgeting. Back in 1993, Madam President, we cut some 250,000 Federal employees off the payroll. We came in and we created savings, spending cuts of $500 billion, and, yes, we increased taxes. We taxed beer, we taxed gasoline and, yes, we taxed Social Security.

I can see my colleague on the other side of the aisle talking about that Social Security tax increase that the Senator from South Carolina voted for and, pointing over to this side, the distinguished Senator said, "Ah, they will be hunting you down like dogs in the street and shooting you." The chairman of the Finance Committee was willing to bet everything on it. He said he would bet his home and everything else. Of course, the poor gentleman is not here anymore, but he was going to bet it all.

Another distinguished Senator said, "Wait a minute, these tax increases, they'll take the money and spend it, it won't be allocated to the deficit." And they went down the list deriding, if you please, the partisan budget of 1993, that budget plan.

What has it given us, without a single Republican vote? The partisan budget is what I want to talk about. This morning, I was listening to early morning TV. I turned on CNN at 6 o'clock, a little before 6, and they had the chief economist for Bear Stearns, and he said this economy is the strongest that he had ever experienced in 24 years. We have the lowest unemployment in those 24 years. We've got inflation down to its lowest point in 35 years. We have created 12.1 million jobs. Business investment is up to the highest point since World War II. The stock market has doubled and, ah, deficits, Madam President, deficits, the deficits for the first time are really starting to increase. I was with President Johnson here in the Senate when we balanced the budget back in 1968 and 1969. Since that time, deficits have been going up, up, and away; the national debt is up, up, up, and away; interest cost spending for nothing is up, up, up and away. But, Madam President, under President Clinton's plan of 1993, deficits have been declining each year, every year, for 5 years.

Heavens above, what does this instrument do? I hold in my hand the conference report. On page 4, I looked for the word balance. Instead, you see the word deficit. If you want to know what the actual deficit is, all you need do is go to the public debt. For fiscal year 2001, it is $6,307,300,000,000. For fiscal year 2002, instead of balance, it goes up to $6,481,200,000,000. So the actual deficit is $173,900,000,000. Here is the figure, here is the document, here is the truth. And while the Senator from South Carolina cries fraud, we have this so-called bipartisan consensus, where we say "I'll take your tax cuts if you take my spending increases and we'll all run around on the floor of the Congress hollering balance, balance, balance." Everywhere man cries balance, but as for me, give me balance or give me staying the course. I wanted staying the course, but here is what they did instead.

I hope they get ashes in their mouths, that media crowd, when they say "balance," "the balanced budget plan," "the balanced budget resolution that passed," "the balanced budget." It is time we stop lying to the American people and tell the truth and show the page. I dare them to refute it. I have the document right here right now.

So what has happened? Instead of staying the course, Madam President, we have gone off the wagon.

President Clinton put us on the wagon. We stopped drinking that old deficit whiskey, but now we are taking the bottle back up and we are going to start drinking again. And we are going to get drunk on the wonderful balance—balance, 200-proof—excuse me, $173,900,000,000-proof. That is what we have to drink here this afternoon.

And how do they do it? It is similar to another time, back in 1990, when I was on the Budget Committee trying to hold the line on Gramm–Rudman-Hollings, with the automatic spending triggers across the board. They abolished them at 1:45 a.m., October 21, early in the morning. And I raised a point of order. They voted me down. That is when I asked for a divorce from Gramm–Rudman-Hollings. It was supposed to be a solid boost toward fiscal responsibility, not a shield they started hiding behind.

But, again, what they do is take unrealistic savings or spending cuts. We have it over in the Commerce Committee. I talked to the distinguished chairman this morning. You are not going to find $26 billion in spectrum auctions.

What we did back in 1990 was to revise the economics. We did the same thing again this year. What we did here is, we found $225 billion the day before they made the agreement. That was convenient, wasn't it? They found $225 billion.

And they came again with backloading, just as they did in 1990. I looked at this particular instrument here, the 1997 conference report, and saw that 72 percent of the spending cuts occur in the last 2 years. They backload it. Unrealistic—not going to happen.

But worst of all, they go again and start looting the trust funds of America—looting the trust funds, the pension funds, to the extent where we now owe, in 1997, $1.484 trillion. Under this particular resolution, by the year 2002, we will owe just under $2 trillion—$1.992 trillion.

Now, here is how they do it. They use Social Security moneys. They use the military retirees' money, civilian retirees' pension funds, the unemployment compensation moneys, the highway trust funds—and we are not building highways—and the airport moneys. That is scandalous.

Right to the point, Madam President, they are going to continue the tax increases that the Senator from North Carolina talks about. They will continue the airport and airways tax on passenger taxes that we pay as airline travelers. But that is not going to airlines. That is going to give you an inheritance tax cut or capital gains tax cut. That is outrageous, scandalous. That is a breach of trust.

If you want to talk about a breach of trust, I was reading Bob Reich's book. Former Secretary of Labor, Secretary Reich, said, "I'm proud of two things: One, during my 4-year tenure I got a minimum wage; and the second thing, I passed the Pension Reform Act of 1994."

And what did that provide? All of us in the Congress said, "Corporate America, you have got to fully fund your pensions so the employees can count on it. You can't use it, you can't raid those trust funds, those pension funds."

Madam President, guess what? Just 3 weeks ago, Denny McLain, the all-star championship pitcher for the Detroit Tigers, was sentenced to 8 years in prison because, as head of a corporation, he used the pension funds to pay a corporate debt.

Here we are using trust funds to pay the Government debt. In private, outside-the-beltway America, you get a prison sentence for this. Here in the wonderful Congress, heavens above, you get the "Good Government Award," you get consensus, you get bipartisanship, you get one grand fraud. It is time we stopped lying to the American people.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Minnesota is recognized under the previous agreement.

Mr. WELLSTONE. Mr. President, I see my colleague from Alaska. I say, I will try to stay under 10 so he will have time to speak. We had an agreement, those of us here earlier, if that would be OK. I will try to be quite brief, because we have been through a tremendous amount of this debate.

Mr. President, first of all, let me just say that I appreciate the work of my colleagues. I know that my friend from New Jersey is committed to many of the same issues that I am. Whatever he does, he does in good faith. I think this budget agreement is a profound mistake. I have said I think it is a budget without a soul. I believe that very honestly and truthfully.

I worry about so much of these cuts in capital gains and estate taxes going to the very top of the population, those that really do not need any assistance. Mr. President, really, I hate the tradeoff. I think it is a budget without a soul. And I think it is a profound mistake as a blueprint for our country for the following reasons.

First, let me just start with the justice, just by raising the question of simple justice. In the last Congress, all in the name of deficit reduction, in the welfare bill we made huge cuts. Almost all of the cuts we made were targeted to low-income people. We made cuts totalling about $26 billion in food nutrition programs, food stamp programs. We do not restore any of that by way of a blueprint in this budget agreement. Then we made cuts in benefits for legal immigrants.

Now, my colleague from New Jersey expressed some of his dismay about what is going on in the House side, in the House Ways and Means Committee. And I am quite in agreement with him. But I also just want to say I guess it is how you look at what is progress.

The fact we restored some benefits for legal immigrants who are elderly and disabled, that is a good thing. And the fact that we restored some benefits for children, that is a good thing. But the fact of the matter is, if you are elderly, if you are 80 years old and you are not disabled, you are just old and poor, you are elderly and poor, your benefits were not restored in the budget agreement. I do not think that is enough.

The fact of the matter is, for children who need food nutrition help or for elderly people, there was no restoration of funding for food nutrition programs. I do not think that is enough. Just as a matter of elementary fairness, we should have done much better.

Mr. President, my colleagues have talked about our priorities. I guess I will be honest. I really understand that everybody votes in good conscience—and I know this budget agreement is going to get a good vote—but to have tax cuts, and I think my colleague from South Carolina is on the mark, to backload it, and with enormous revenue loss, the vast majority of the benefits going to those people who least need it, and what is the tradeoff? The tradeoff is what is unacceptable. This is a budget without a soul.

Mr. President, we had an amendment that would have at least restored the $5 billion in investment in dilapidated school infrastructure. It was voted down. Why are we doing tax cuts for wealthy people and we are unwilling to invest in rebuilding our schools?

Mr. President, I had an opportunity to go to Delta, MS. I visited a school. There is going to be some renovation now, but the ceiling was just practically caving in. The toilets were so decrepit, no child should ever have to go into a bathroom like this. You could not wash your hands after going to the bathroom because there was no running water in the sink.

Now, that is not just in the South. These schools exist in the North and the Midwest and the West. These are the schools that too many of our children go to every day. And we did not invest one penny in rebuilding these schools for America's children, for some of the poorest children in America. I just think that this is unacceptable. And I think that this budget is a budget without a soul.

Mr. President, we have talked so much about early childhood development, and we have been reading all these reports, all the neuroscience evidence. It is so compelling. The evidence is irreducible and irrefutable that if we do not invest in the nutrition—and I could talk about each one of these areas at great length—if we do not invest in the health care, if we do not invest in really good child care, really good child care, if we do not get it right for these children, that by age 3 they are not going to be ready for school and they will never be ready for life.

Mr. President, with all due respect, what are we doing with cuts in capital gains and estate taxes, disproportionately going to the very top of the population, not even targeting that, and at the same time we make a pittance—I am sorry—a pittance of investment when it comes to the most critical years that affect whether children are going to do well in education, and those are in the very early years?

We have White House conferences that talk about the development of the brain. We have speeches that are given. And yet, when it comes to where the rubber meets the road, when it comes to what are our priorities, we have a budget agreement here that does not make the investment in these children, does not make the investment in early childhood development, barely scratches the surface. It is not even a baby step.

How much longer are these children going to have to wait? Everybody keeps talking about how we have to balance the budget for the sake of our children, our children's future. How about these children right now? And let us go ahead and balance the budget. But, first of all, why do we have these tax cuts that go to some of our wealthiest citizens? Why are we backloading it? Why are we eroding our revenue base? Why are we building here a straitjacket which will prevent us from making any of these investments in rebuilding rotting schools, in health and nutrition and child care for children at a very early age?

This is a budget without a soul. I think this budget as a blueprint for our country is a profound mistake. It is a profound mistake for America.

Mr. President, one final point because I promised to be brief. I could go on and on, but I have spoken on these issues before.

There was a cut in this budget—and really, it was not very well publicized—in veterans health care, $2.3 or $2.7 billion. I just want to make it very clear to my colleagues that when we got briefings from the White House—and everywhere else nobody talked about this. We had a flat-line budget we were worried about, but $2.3 or $2.7 billion—a couple different figures are out there—over the next 5 years in veterans health care.

Dr. Ken Kizer, who runs those health care programs, was out in Minnesota. He did not know about it. I do not think Secretary Jesse Brown knows about it. And I will tell you something, the veterans organizations, all of the organizations I know that I have had the honor of working with, are really indignant about this. They are angry not only about the substance of it, but also the manner in which it was done. So I will have an amendment and I certainly hope my colleagues will join me to restore that funding for veterans health care. I think it is critically important.

Mr. President, let me conclude. I do not understand why we have accepted this tradeoff of tax cuts disproportionately benefiting the people on the top, not even targeting them to middle income or small businesses, and at the same time not investing in rebuilding our schools, not investing in early childhood development, not investing in making sure that every child has a head start, not investing adequately in veterans health care.

I just think that this tradeoff is unacceptable. Yes, let us have an agreement. But what is the price? The price of this agreement is that we have, as a Senate, I think—I know some colleagues disagree with me, I know many do, I know most do—I think we have abandoned a principle that has been so important to our country. I think it has been a principle which, in many ways, has led to our resilience as a nation.

It is a principle that has to do with the very meaning of our Nation, it is the principle of justice, it is the principle of expanding opportunities for our citizens, and it is that American dream that every child—no matter color of skin, no matter income, no matter boy or girl, no matter urban or rural, —that every child will have the same chance to reach his or her full potential. We have not met that standard in this budget agreement. We are nowhere near that standard. That is why, again, I will vote no.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I want to begin by commending our colleagues from New Mexico and from New Jersey, Senator DOMENICI and Senator LAUTENBERG, for their herculean efforts on this budget process. This is a very difficult task.

I had—I say guardedly—the privilege of serving on the Budget Committee for a number of years, and it is more of a sentence than a duty in many ways, considering the laborious task day in and day out of going through the number-crunching process. I feel a special sense of appreciation for the work of those who serve on the committee, and for those who lead the committee in the case of the chairman and the ranking Democratic member.

I would like to take a few moments if I could to discuss just one aspect of this budget resolution, one that has already been addressed by Senator LAUTENBERG, the ranking Democratic member of the committee. It is a provision that started out as a rather innocuous suggestion that was adopted unanimously by this body as part of the budget resolution and then became the source, Mr. President, of some controversy over the last several days. But the issue has been resolved, due to the efforts of Senator LAUTENBERG, Senator DOMENICI and others, to the satisfaction of everyone, including the author of the original provision, and that is myself.

The budget agreement, as we all know, was reached by the President and the Congress and includes a number of provisions designed to protect the priorities that Americans care about while ensuring that the budget would reach balance in the year 2002 and thereafter.

One of the stipulations of the budget agreement specified that the cost of the tax cuts would be a net $85 billion over 5 years and a net $250 billion, one-quarter of a trillion dollars, over 10 years. There was a letter, in fact, signed by the majority leader of the Senate, Mr. LOTT, and the Speaker of the House, Speaker GINGRICH, and sent to the President. I quote it here: ''It was agreed that the net tax cut shall be $85 billion through the year 2002 and not more than $250 billion through the year 2007.''

As I say, this letter was signed by both leaders. I was surprised, however, Mr. President, when the budget resolution came to the floor more than 2 weeks ago with no mention whatever of the cost of the tax cuts over 10 years. The resolution fulfilled the first part of the agreement by instructing the tax-writing committees to craft legislation that would cost no more than $85 billion over the first five years. But when it came to the understanding on the $250 billion, that had been left out of the resolution, entirely. That is a large amount indeed, a quarter of a trillion dollars.

Mr. President, in my view, again, I think this budget resolution is a good resolution. I offered amendments to shift some of the priorities here. I lost in that effort. I wish we had done more in the area of early childhood development, Healthy Start, Head Start, child care. I will still make those arguments from time to time. But there are improvements clearly in many important areas of this budget.

Even though I disagreed in part with it, I think it is a good resolution. But the provisions on tax cuts left me with a great deal of concern because you could write the tax cut part of this budget resolution, much of which I agree with, in such a way that for the first 5 years the revenue losses would be limited to $85 billion. But we all know how to write these in such a way that the second 5 years they could blow totally out of proportion and we end up where we were in the mid-1980s, again looking at a huge deficit. I might add that even with my language, there is no guarantee that that will not happen after 10 years. But at least over the first 10 years with the agreement we have reached here, we are left with an assurance that that is not going to happen in the short term, and future Congresses will have an opportunity to examine how these tax cuts are working.

So this new language that will be included in the agreement, I think, will be a major step forward.

I should tell my colleagues what happened procedurally. My amendment to put in place a cap of $250 billion over 10 years was accepted on a voice vote. The distinguished Senator from New Mexico and my colleague from New Jersey agreed with the amendment. It was adopted. In fact, Senator LAUTENBERG enthusiastically supported the amendment. It ended up in conference, but there was no similar language in the House version. But then JOHN SPRATT, the distinguished Congressman from South Carolina, went to the floor on the House side and instructed the House conferees that my amendment should be adopted. To the credit of many of the Republican Members of the House, as well as Democrats, they agreed with JOHN SPRATT. So he carried overwhelmingly in a House vote to accept my amendment.

So we were left with a situation where the House instructed conferees to take the amendment that had been accepted on a voice vote here, but for reasons that I will allow them to explain, the majority decided on our side that they could not continue to hold this amendment. Instead, they offered a compromise. That was a sense-of-the-Congress resolution that would limit the tax cut to $250 billion over 10 years, and require that the Joint Tax Committee and others would certify that we had not broken that ceiling of $250 billion over 10 years. In addition, a letter has been signed by our colleagues Senator ROTH, the chair of the Finance Committee, and Congressman ARCHER, chairman of the Ways and Means committee. Mr. President, I ask unanimous consent that the Roth and Archer letter be printed in the RECORD at this point.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, June 4, 1997.

Hon. PETE V. DOMENICI,
Chairman, Senate Budget Committee, Washington, DC.

Hon. JOHN R. KASICH,
Chairman, House Budget Committee, Washington, DC.

DEAR PETE AND JOHN: Our Committees will soon begin marking up tax legislation to meet the reconciliation directives of the 1998 Budget Resolution. We will meet the Resolution's instructions of reducing revenues by $85 billion over the five year period 1998–2002 and by no more than $20.5 billion in 2002.

Furthermore, we can assure you that, consistent with the May 15, 1997 letter from the Speaker of the House and the Majority Leader of the Senate to the President which stated, ''It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007,'' the ten year net revenue loss in the tax reconciliation bill will not exceed $250 billion.

Sincerely,

WILLIAM V. ROTH,
Chairman, Finance Committee.

BILL ARCHER,
Chairman, Ways and Means Committee.

Mr. DODD. Let me read from that letter:

Furthermore, we can assure you that, consistent with the May 15, 1997 letter from the Speaker of the House and the Majority Leader of the Senate to the President which stated, ''It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007,'' the 10-year net revenue loss will not exceed $250 billion.

This language confirms the agreement made by the President, the Senate, and the Congress, as well as the sense-of-the-Congress resolution and the certification.

Some may argue you have given up, it is not exactly law. I do not see it that way. I am satisfied people have made their commitments, and those commitments have been confirmed. This letter has been signed by the two chairs of the committee, and that ought to be satisfactory enough for people that we mean what we say in these resolutions. What good is it going to be to have a budget in balance by the year 2002 that goes immediately out of balance in 2003 because we did not keep an eye on the tax expenditure side of this equation?

So, with this new language that Senator LAUTENBERG and Senator DOMENICI worked on here, I am very satisfied this is a good resolution. I believe that those of us who have been concerned that this resolution, while balanced in the initial stages, could end up out of balance very quickly, have seen our concerns eased by this progress.

So I want to thank once again the leadership of Senator LAUTENBERG, Senator DOMENICI, Senator ROTH and Congressman ARCHER, as well as Congressman SPRATT, for their work in this regard, and lastly just point out, Mr. President, I know that there are legitimate issues that have been raised by those who say, ''Well, what happens in the second 10 years? You can craft the tax expenditure provisions so they could end up pushing us out of balance in the second 10 years.'' I cannot argue with that. That could happen. We will have to look at it very closely. Obviously, the economy could change dramatically in 10 years. We may have to come back and revisit parts of this.

So there are no reassurances for the second 10 and there are those who will lay out for you scenarios that show there is significant ballooning, if you will, of those tax cuts in the second 10 years. We may have to come back and revisit that. But by putting in the net cap of $250 billion over the next 10 years, I think we have done a great deal to avoid the kind of problem that occurred in the early 1980's when no such caps were put in place and we saw as a result of the 1981 tax program a major deficit created in this country.

I voted against that 16 years ago. I am glad I did. I think I was proven correct by what happened. I think we have avoided any likelihood of that occurring, certainly in the short run, here, and we will have plenty of opportunities in the Congress to respond if for whatever reason that begins to happen later on.

I thank the leadership and my colleague from New Mexico and the Senator from New Jersey for this agreement and look forward to supporting the resolution.

Mr. COCHRAN. Mr. President, the Budget Resolution assumes reductions in spending of $290 billion over the next 5 years. To accomplish this goal we, of course, must adopt changes in federal programs.

The Governmental Affairs Committee has received reconciliation instructions requiring $4.8 billion in savings over a 5-year period be obtained from programs under our committee's jurisdiction. Most of this committee's programs involve Federal employees and retirees.

In March, the President sent his budget proposal to Congress in which he recommended $6.5 billion in savings from Federal employee and retiree benefit programs. Included in the President's proposal was $1.7 billion to be saved by delaying annual cost-of-living adjustments for Federal retirees. As chairman of the Subcommittee with jurisdiction over this subject I opposed that proposal, and so did the chairman of the full Committee, Senator FRED THOMPSON.

The President's Federal employee-related proposal had four basic components:

First, the President proposed delaying the receipt of civilian Federal retiree cost-of-living adjustments from January until April through the year 2002, which would have cost the typical Federal retiree $726 over the next 5 years.

I thought the proposal was unfair since it singled out Federal civilian retirees for this change. No other group of retirees was treated this way.

Most Federal retirees are not wealthy people. Most are like other Americans who have retired from private sector jobs and are just barely making ends meet. The average yearly income for a Federal retiree—after taxes and out-of-pocket costs of health care and life insurance premiums—is $14,864. This hardly allows for a comfortable lifestyle, considering the average Federal retiree faces annual living costs of $22,098.

Our subcommittee opposed the singling out of Federal civilian retirees for a COLA delay, and this position was adopted by Governmental Affairs Committee Chairman THOMPSON in his Annual Views and Estimates report submitted to the Senate Budget Committee. I was very pleased that Budget Chairman DOMENICI agreed with us and not the President.

Second, the President's budget also assumed a savings starting in January 1999 be achieved by requiring employees to pay a greater share of their health care premiums.

Under current law, the Government pays, on average, 71 percent of the premiums of the health insurance plans in which Federal employees and retirees enroll. That calculation is based on 60 percent of the average premium of the Federal Employee Health Benefit Program's Big Six health insurance plans.

In 1990, Aetna—one of the Big Six high-option plans—dropped out of the Federal Employee Health Benefit Program. In order to prevent enrollees' share of the premium from rising, Congress enacted legislation establishing a proxy plan. The President's budget proposal allowed for the expiration of the proxy plan, thereby shifting approximately $4 billion of health care premium costs from the Government to the employee over 5 years.

The Federal Employee Health Benefit Program, unlike Medicare, is not facing a fiscal crisis. In fact, it works so well, I believe we should use it as a model for future health care reform. However, I do not think the President's willingness to simply accept conversion to a Big Five-based formula by default, thereby lowering the government's share of the premium to about 67 percent, is equitable. Doing so would not only shift substantial costs to enrollees but it would allow for the continued use of an outdated formula. As subcommittee chairman, I intend to propose a new formula— possibly based on a weighted average of all plans—which will maintain the current rate of contributions to the FEHB plans by the government and its employees.

Regardless of any change in the FEHBP formula, it is possible health insurance premiums will increase over the next year due to medical inflation and federally mandated increases in basic coverage. Congress should not aggravate the situation by shifting an additional $4 billion in costs onto enrollees.

Third, the President's budget plan also increased Federal agency contributions to the retirement fund for civil service retirement system employees by 1.51 percent beginning October 1, 1997 and ending September 30, 2002. Currently, agencies match employee contributions of approximately 7 percent.

Fourth, the President recommended an increase in Federal employee retirement contributions—0.25 percent of base pay in 1999, another 0.15 percent in 2000, and a final 0.10 percent in 2001—adding up to a total of 0.50 percent increase. The higher contribution rate would expire on December 31, 2002.

I believe the President's proposed Federal employee budget package goes far beyond fairness. President Clinton has advocated a disproportionate contribution by those who have been asked to give again and again over the past several years. Federal employees and retirees across the country know there is no justification for the President's proposed package of changes—and it does not serve the interest of fairness to the Federal workforce.

The Federal Government may be the largest employer in the Nation, but it is far from being a model employer. You might ask, what is the Federal Government offering its workforce in order to attract and retain qualified personnel who can respond to the challenges of providing efficient, effective service to the American people? Federal employees have witnessed the slow erosion of their pay and benefit package over the last several years.

Because of the requirements of the budget resolution some changes must be adopted. As we work toward the goal of achieving the $4.8 billion in savings required of our committee, Federal employees will have to share the burden of deficit reduction, but they will not be singled out to accept burdens not imposed upon other Americans.

Without question, public employees play an important role in our society. The hope is that by offering a balanced and fair compensation package, we can continue to attract and retain a talented and skilled workforce to deliver federal services. The reconciliation package which I will work to develop will have that as a goal as well as deficit reduction.

Mr. DORGAN. Mr. President, I rise to discuss the conference report on the budget resolution and to say that I am pleased that this year is shaping up to be a historic year in the fight to balance the budget. Democrats and Republicans have worked together to fashion a bipartisan agreement that is projected to balance the unified budget in 5 years, in the year 2002.

I will support this budget plan because it will help maintain the superb economy we are now enjoying. The budget plan will build on the 1993 deficit reduction bill, which has cut the unified budget deficit by 77 percent. The budget plan also makes room for priorities that are important to the American people, such as middle-class tax relief, greater funding for education, more attention to our environment, and health care for the young and the elderly.

We have been able to agree on a balanced, commonsense package—one that avoids extreme cuts to programs that Americans depend on and includes some tax cuts. This agreement is balanced because it builds on the economic gains that America has made since 1992.

THE BEST ECONOMY IN 30 YEARS

We need to remember how far we have come since 1992, when this country was in the depths of a recession. In the past 5 years, we have had so much economic growth and so little inflation that the experts are describing today's economy as the best in 30 years. Let me briefly describe some of these gains—gains that have made a budget agreement possible today.

Unemployment has fallen from 7.5 percent in 1992 to an annual rate of 4.9 percent. The last time unemployment was at 4.9 percent or less, it was 1973.

For the first 3 months of this year, inflation ran at an annual rate of 1.8 percent. The last time inflation was this low, it was 1965.

The economy has created 12.5 million jobs since President Clinton was first inaugurated.

There were nearly 1.5 million housing starts in 1996, the most since 1988.

The economy grew at an annualized rate of 5.6 percent in the first quarter of this year. This is truly a stunning rate of growth at this point in our economic recovery.

The economy has responded beautifully to the economic plan that Senate Democrats passed in 1993—without one Republican vote. The measure of our achievement is that today's economy is the best economy America has had in 30 years.

BUILDING ON DEMOCRATIC DEFICIT REDUCTION

However, the 1993 bill didn't just spark our economy into recovery. It also cut the unified deficit by 77 percent.

Let's recall when the real heavy lifting occurred with respect to deficit reduction. It was only Democrats who voted for President Clinton's deficit reduction bill in 1993. And what has that bill done to the deficit since? The unified deficit has fallen dramatically, from $290 billion in 1992, to $255 billion in 1993, to $203 billion in 1994, to $164 billion in 1995, and $107 billion last year.

Most importantly, the Congressional Budget Office estimates that the deficit for 1997 will be only $67 billion.

That's a cut of 77 percent in the unified deficit. Under President Clinton, for the first time since the Civil War, we will slash the deficit 5 years in a row.

Let's put it another way. The budget plan we are voting on today will provide $204 billion in deficit reduction over the next 5 fiscal years. In contrast, the 1993 bill provided 5 times that amount of deficit reduction. If you compare the actual deficits for fiscal years 1994 to 1998 to what CBO in 1993 expected those deficits to be, you realize that the 1993 bill achieved $922 billion in deficit reduction for the years 1994 to 1998.

Let's put it yet another way. If you calculate the improvements in the deficit from 1994 through 2002, you realize that the 1993 bill cut future deficits by $2.4 trillion. Again, if we do get to a balanced budget in 2002, Democrats will have done the heavy lifting.

So there's some justice, Mr. President, in the fact that this balanced budget deal contains Democratic priorities and protects Democratic programs that Americans depend on. We today are standing on the shoulders of the Democratic Members of Congress who voted to cut the deficit in 1993.

BUDGET PLAN PROTECTS AMERICA'S PRIORITIES

Besides the economic record of the past 5 years and the dramatic deficit reduction that Democrats have achieved, the third thing that makes this agreement possible is that it allocates resources to the priorities that the American people care about: education, the environment, health care, and middle-class tax relief.

On education, this budget plan includes the President's budget proposal for Head Start, which puts us on the road to enrolling 1 million children in Head Start in 2002. Only 714,000 kids were enrolled in 1993. In addition, the budget would fund a child literacy initiative. The more we learn about education and child development, the more we realize that early intervention is vital to enabling a child to gain the skills and knowledge that are vital in today's economy. That's why Head Start and the literacy initiative are so important to our Nation's future.

At the higher education end, this budget would fund the largest Pell Grant increase in two decades. Four million students could receive grants of $3,000 a year, which is $300 higher than the current annual grant. The plan also includes $35 billion worth of higher education tax cuts, including a credit and a deduction. In total, this will be the largest increase in higher education funding since the G.I. Bill in 1945. These resources are sorely needed today. As every American knows, college costs have been spiraling upwards, putting college out of reach for too many families. I am pleased that this budget plan will address this issue.

The budget plan will also devote resources to preserving our environment. This agreement would provide $3.4 billion in 1998 for the Environmental Protection Agency, which is a 9 percent increase over last year's level, for its research and enforcement work to protect the public from environmental threats. The agreement would enable the expansion of the Brownfields Redevelopment Initiative to help communities clean up and redevelop contaminated areas. And it could double the pace of Superfund cleanups, leading to 500 additional sites being cleaned up by the year 2000.

With respect to health care, this budget plan is a marked departure from the extreme budget plans we saw here in the Senate back in 1995. In 1995 the majority tried to slash $270 billion from Medicare in order to provide $240 billion in tax cuts for the rich. Fortunately that plan never became law. This bipartisan agreement would cut projected Medicare spending by $100 billion over the next 5 years, but those cuts will largely come from health care providers. And these savings will extend the life of the Medicare trust fund for at least a decade. The agreement would also provide 4 major new preventive Medicare benefits: mammography, colorectal screening, diabetes self-management and vaccinations. What a far cry this plan is from the plan 2 years ago.

I would also like to mention that the budget plan contains a major new initiative to provide health care for kids. It would provide $16 billion over the next 5 years to cover 5 million children. This coverage will take the form of either improvements to Medicaid or a new mandatory grant program to the States in order to supplement their efforts to cover uninsured children in working families.

Lastly, I remain hopeful that this budget agreement will cut taxes for America's hard-working families. We do not know the details of the proposed tax legislation yet, but the Republican leadership has assured us that the tax bill will include a $500-per-child tax credit to make it easier for families to raise their kids. It will contain $35 billion in higher education tax credits to make college more affordable. It will expand the tax advantages of individual retirement accounts.

I have some concerns about the eventual shape of the tax bill, but this budget plan does not specify the distribution of the tax cuts. It does not specify the details of the estate tax or capital gains tax cuts. Those details may well be controversial. But I will wait to see the tax bill before I make that judgment.

FURTHER DEFICIT REDUCTION NEEDED

Besides the eventual shape of the tax cuts, I want to raise one other concern about this budget plan. Many of my colleagues are describing this budget as a balanced-budget agreement, and indeed it does balance the unified budget, as I have said. However, as I made clear during the debate on the balanced budget amendment, I do not think the unified budget accurately portrays our fiscal situation. This budget plan is projected to balance the unified budget, but the unified budget counts the Social Security surplus, which is estimated to be $104 billion in 2002, in order to reduce the deficit.

Congress has recognized that it is not appropriate for us to count the Social Security surplus in this way. And we have said so in the law. Section 13301 of the Budget Enforcement Act of 1990 forbids us from doing it. So if you look at the text of this conference report, which is about the only place where we actually observe section 13301, you will find a revealing statistic. The conference report lists the projected budget deficits in each fiscal year. And guess what? In 2002, if you take out the Social Security trust fund surplus, we will have a deficit of $108 billion.

So, Mr. President, in my view the Congress still has some deficit reduction left to do if we are to truly balance the budget. And I am pleased that the final version of the budget plan contains my amendment, which the Senate approved when I offered it here 2 weeks ago. My amendment simply says that we should continue to work to reduce the true deficit, so that we can balance the budget without relying on the Social Security trust fund.

A BALANCED AGREEMENT

However, Mr. President, I do not intend to make the perfect enemy of the good in our budgeting. In general, I believe this budget agreement meets America's expectations and addresses America's priorities. That is why I will vote for it, and why I will work to see the budget deal implemented this summer in a way that carries out the bipartisan agreement that we have achieved this spring.

● Mr. JEFFORDS. Mr. President, as we are now within 1,000 days of the new millennium, we need to begin to think about what our Nation should look like in the next 1,000 years. For in the last 1,000 years we have discovered new continents and new planets, we have conquered deadly diseases and created new technology. As we stand at the threshold of the next century we need to take the steps to prepare the Federal Government and all Americans for the path that lies ahead.

This budget resolution is based on principles which are reasonable, credible, solution-oriented, and are based on common sense. It is because of those principles, Mr. President, that I rise today to support this bipartisan balanced budget resolution. For today we begin the process to bring fiscal security and greater economic opportunity to our children.

For over 25 years, the Federal Government has been unable to balance the budget. We now owe more than $5.3 trillion. Therefore, we spend over $900 million on interest every day. We send more to our bondholders in 3 days than we do to every man, woman, and child in Vermont over the course of an entire year.

The interest payment on our national debt is five and half times more than we spend on all education, job training, and employment programs combined. If one was to ask the question what should be the Federal priorities of this Nation? Should we spend more money on education for the future of this Nation, or more money on interest? Well, it is clear what our choice would be—education. Yet, we have precisely reversed our priorities because we have been imprudent with our fiscal policy.

Balancing the budget is what we need to do to ensure a brighter future for America. Lower interest rates will allow American families to purchase their first home, send a child to college, and buy a new automobile. The real benefits of a balanced budget will be realized in the increased standard of living for each American family.

Mr. President I would now like to take a moment to speak about some of the provisions in this agreement.

Medicare serves a 37.5 million elderly and disabled individuals in this country. For several years the trustees of the Medicare program have continued to send notice to Capitol Hill that steps needed to be taken or this program will go bankrupt. This budget resolution keeps this program solvent for the next 10 years. We now can take the steps to make fundamental changes to preserve and strengthen Medicare for the current recipients and future generations.

Through the effort of several of my colleagues, children's health was put in the forefront during these first few months of the 105th Congress. Senators came up with different proposals due to one fundamental thing—the need to provide health insurance to the estimated 10 million low income children. I commend both the administration and the leadership for realizing the importance of this issue and to providing the needed resources for these children.

In many families today, both parents need to work in order to get by. They work in order to give their children a chance at a better future. Dinner tables in the past were filled with lively conversation. Conversation centering on discussions of values and goals and the other important issues which bring a family together. These tables are now silent. Empty tables due to the fact parents come home from work just too tired.

It is time for we in Congress to take some steps to provide relief for the American family. The tax reduction package is not going to solve all the problems that each family faces in this country. But what it will do is leave some additional dollars in the pockets of our hard-working Americans in order for them to spend those funds on their family needs. As a member of the Finance Committee, I look forward to working with Chairman ROTH on the specific provisions dealing with tax relief.

One of the reasons I first got involved in public service was to make a difference in the educational system of our Nation. As chairman of the Labor and Human Resources Committee I feel that it is important that we continue to improve our school system. We have all read stories about children who go to class but just don't learn. Each day is a lost opportunity to shape and prepare these children for the future. A generation is leaving high school unable to meet the challenges that lay ahead.

When a high school graduate is unable to read, what we find is that we sent an individual into the world who will live a life of missed opportunities. Every year America becomes a more technological country. Distances which used to be measured in the time it took for a plane travel across this country are now measured in the time it takes for a signal to be bounced off a satellite. Children need to graduate from high school not just able to read but to understand the changing nature of the workplace.

Over my many years in Congress, I have championed educational opportunities for our children. This budget provides additional funding for programs that will help students throughout this Nation prepare for the future. Even though, for every dollar of increased spending for certain specific programs, this budget has made a $15 reduction in spending. Today we begin to prepare our students with greater educational opportunities and our Federal Government will lower deficit spending, both which will help meet the demands of a global economy.

Mr. President, in closing, the American people in 1996 sent a message to our Nation's Capital. They wanted an administration and Congress of different political parties to work together to solve common problems. Though this agreement is not perfect, and there are some in this Chamber that feel that we have gone too far and some who feel we have not gone far enough, it is an important step forward. This is not a budget based on party, or one that was written exclusively in the Halls of Congress or in the Oval Office, this is a budget of compromise. This is a first step toward a new millennium. A time where America is going to need the ability to meet the challenges that lie ahead.

I want to commend Budget Committee Chairman PETE DOMENICI and Majority Leader LOTT for their determination, their hard work, and their vision in putting together this historic budget resolution. This is the first step to ensure a brighter tomorrow for our nation.

Mr. President, I yield the floor.●

Mrs. MURRAY. Mr. President, I rise today in support of the conference report on the fiscal year 1998 budget resolution, which puts us on a path to a balanced budget by the year 2002. As a member of the Budget Committee, I am proud to have been a part of the process that created this agreement. While I recognize that it is not perfect and that the real work is still ahead of us, I still believe that it represents a legitimate and fair plan to ensure that we achieve a balanced budget.

This agreement builds on the historic and successful deficit reduction package enacted in 1993, which resulted in a real reduction in the Federal deficit. This 1993 package not only brought the deficit down from a high of $290 billion in 1992 to an estimated $70 billion for 1997, but it has achieved real economic growth and expansion.

The agreement before us today is another step in making sure that our fiscal house is in order. Developing this agreement was not an easy task, and required some tough choices, but the bipartisan approach succeeded.

Throughout the process, significant improvements were made to the original agreement. I believe that some of these improvements are essential to protecting the integrity of the agreement. I am pleased that most of these improvements remained in agreement throughout the conference process.

One of these improvements is an amendment that I offered to ensure that in meeting the deficit reduction target for Medicaid, the authorizing committees will not look to a per-capita cap as a mechanism for savings or for controlling future spending. I believe that this was an important message to send; a per-capita cap is not an acceptable mechanism for controlling Medicaid costs and could seriously jeopardize the quality of care for millions of children, senior citizens, and the disabled.

Along these same lines, I was pleased to join with my colleague from Missouri, Senator BOND, in support of an amendment that expresses the sense of the Senate, that any changes in the Medicaid disproportionate share hospital payments not jeopardize the ability of hospitals, especially children's hospitals to serve the most neediest and the most vulnerable. We have to be absolutely sure that the numbers do not drive the policy. If savings can be achieved through reforming DSH without jeopardizing access to quality health care for the most needy than these policy changes should be considered. But, if the motive is simply a number and develop the policy around the cut, than this is unacceptable.

Working with my good friend from Minnesota, Senator WELLSTONE, we were successful in including the family violence option amendment to the Senate resolution. This amendment simply recognizes the need to properly clarify the ability of the States to include a family violence option as part of their welfare reform plans without facing any penalty. During Senate debate on welfare reform in the 104th Congress, Senator WELLSTONE and I included this option as guidance to the States. Unfortunately, there is now some dispute as to congressional intent. The family violence option amendment that Mr. WELLSTONE and I offered to the budget resolution is intended to address this confusion. The amendment is simple: It allows the States to waive work or training requirements for victims of domestic violence and abuse without being forced to count these individuals as part of the 20 percent hardship exemption. Proper implementation of a family violence option guarantees that women who have been victims of domestic violence or abuse do not become victims of welfare reform. Placing barriers to welfare simply means that these women and their children are trapped in a violent and in some cases, life threatening environment. For many, welfare is the only way to escape the violence.

While I believe that this agreement is a major step forward, I am deeply concerned that efforts already underway would ignore the agreement. In developing the reconciliation bills, we must adhere to the goals and principles of this agreement. I am hopeful that there will be no effort to ignore the policy assumptions in this agreement. We must also be absolutely sure that any tax cut proposal is fiscally sound and does not explode the deficit. Not only would this be unethical, but it would be economically foolish.

I want to thank both Chairman DOMENICI and Senator LAUTENBERG for their efforts in bringing this conference report together and for working with me to improve the final agreement.

CHILDREN'S HEALTH INITIATIVE

Mr. LAUTENBERG. Mr. President, I would like to clarify for the record, a procedural point in the budget resolution. The budget resolution conference report currently before the Senate includes language which would permit the chairman of the Budget Committee, with the concurrence of the ranking member, to revise the reconciliation instructions to the Finance Committee and to adjust other budget resolution levels in amounts which are intended to reflect the children's health initiative. In this regard, I would direct the attention of our colleagues to the children's health section of the bipartisan budget agreement, which provides that the $16 billion in funding ''could be used for one or both of Medicaid (provisions) * * * and a program of capped mandatory grants to States.'' The agreement further provides that other possibilities for implementation of the child health initiative may be considered if mutually agreeable. Would the chairman of the committee agree that the budget agreement therefore requires the concurrence of all parties to the agreement—the majority and minority in Congress and the President—before other policy options may be considered?

Mr. DOMENICI. Yes, I concur with the Senator from New Jersey that agreement of the President and the majority and minority leadership in Congress are necessary to consider children's health options beyond the specified Medicaid and capped mandatory alternatives.

HIGHWAY RESERVE FUND

Mr. BYRD. Mr. President, I would like to engage in a colloquy with the distinguished Chairman of the Senate Budget Committee regarding the highway reserve fund in the conference agreement on H. Con. Res. 84.

Mr. President, as my colleagues know, I strongly support increased Federal infrastructure spending. This budget resolution, while providing for increased transportation spending, does not provide as much infrastructure spending as I would have liked. During floor consideration of this budget resolution, I offered an amendment to provide for a reserve fund for highways that would allow for increased spending on highways above the amounts called for in the budget resolution so long as appropriate offsets are found. I believe that, once the Senate begins debate on the reauthorization of the Intermodal Surface Transportation Efficiency Act or ISTEA, there will be strong interest on the part of many Members on both sides of the aisle to find additional resources to produce a highway bill that is balanced and meets the transportation needs of all regions of the country. As such, I am very pleased that the conference agreement on this budget resolution includes a highway reserve fund that is effectively identical to the one provided for in my amendment.

I wish to thank the distinguished Chairman of the Budget Committee for his cooperation on this matter and ask if I am correct that the main purpose of this reserve fund is to accommodate higher contract authority and outlays for highway programs if this additional spending is offset by direct spending reductions or revenue increases?

Mr. DOMENICI. Yes, the Senator is correct. We have provided $8.5 billion in outlays above the President's budget request for transportation. Even more critical, the bipartisan budget agreement and this budget resolution has as one of its primary discretionary assumptions that Congress will spend all of the highway trust fund receipts over the next 5 years. This will allow for increased highway obligations by the Appropriations Committee of $9.3 billion over the President's budget request for highways between 1998 and 2002.

Mr. BYRD. Would the Chairman also take a moment to describe how the reserve fund would be used to create this additional deficit-neutral spending for highways?

Mr. DOMENICI. I thank the distinguished Senator from West Virginia for raising this issue and would be happy to explain the operation of the reserve fund. As the Senator knows, the authority to fund highway programs is split between the Environment and Public Works Committee, which provides budget authority through contract authority, and the Appropriations Committee, which controls outlays of the highway program through annual obligation limitations.

The bifurcated funding nature of these programs made it difficult to design a reserve fund to allow for additional funding. I appreciate the Senator from West Virginia's assistance in crafting the highway reserve fund.

The highway reserve fund in this resolution has separate components to allocate funding from additional savings to the Environment and Public Works

Committee for additional contract authority and to the Appropriations Committee for additional outlays for highway programs.

The first provides a mechanism to increase budget authority levels in the budget resolution to accommodate additional highway contract authority. If legislation is reported to the Senate, or an amendment is offered on the Senate floor, that reduces nonhighway direct spending or increases revenues above the levels contained in the budget resolution, these savings will be made available for highway spending.

The savings would be captured by adjusting the budget resolution's levels to ensure these savings are not spent for other programs. Next, the budget authority levels in the resolution would be adjusted upwards to accommodate higher contract authority for highways. In order for the Budget Committee to determine how to adjust budget authority levels, the provision of the bill or the amendment must either provide the contract authority for highway programs or dedicate the savings in some fashion for highway programs.

These savings must be either direct spending savings—a reduction in mandatory spending—or an increase in revenues. Other changes, such as a reduction in an authorization of appropriations or the diversion of revenues from the general fund to the highway trust fund, will not qualify. In addition, the savings will qualify only if the committee of jurisdiction from which the savings are found is already within its section 602 ceiling. Savings cannot be used for additional highway spending if the Senate committee of jurisdiction has already used such savings to meet its reconciliation targets.

The second component of this reserve fund allows for these savings, once they have been enacted, to be reserved for future appropriations bills to accommodate additional outlays that would result from an increase in the obligational ceilings for highway programs.

When the legislation that generates the direct spending savings or revenue increases is enacted, I, as Budget Committee chairman, will submit to the Senate a document that will reflect the revisions to the budget resolution levels to ensure these savings are not spent on other programs. This document also would provide the amount on a year-by-year basis of the outlay adjustment that could be made to the discretionary caps for additional highway spending.

As with the adjustment for budget authority I have just discussed, these additional savings must be in addition to the budget resolution savings. It is my belief this reserve fund will allow for a deficit-neutral way of providing additional infrastructure resources.

Mr. BYRD. I thank the Chairman. Am I correct then, that an amendment on the ISTEA reauthorization bill or other legislation that makes the necessary savings and provides additional funding for highways in the manner you have described will not be subject to a Budget Act point of order in the Senate?

Mr. DOMENICI. That is correct. The reserve fund ensures that budget levels are adjusted to accommodate such legislation and avoid Budget Act points of order for exceeding committee allocations or budget aggregates.

Mr. BYRD. I thank the distinguished Chairman for taking the time to clarify this very important issue and I look forward to working closely with him to provide additional highway resources for our Nation during the reauthorization of the ISTEA or other legislation.

Mr. KENNEDY. I would inquire of the Senator from New Jersey and the ranking Democratic Senator for the Budget Committee, as he knows, on a vote of 51–49, the Senate passed the Coverdell amendment to the budget resolution, increasing aggregate budget authority in the year 2000 by $2.539 billion and function 500 budget authority in the year 2000 by the same amount. The stated purpose of the amendment was to permit States and local education agencies to create voucher programs that would take Federal dollars away from public schools and divert those Federal dollars to support private schools and religious schools. It is my understanding that the entire Coverdell amendment has now been dropped. Is that correct?

Mr. LAUTENBERG. The Senator is correct.

Mr. KENNEDY. Is there anything in the budget agreement or this budget resolution or the report, that reflects any language similar to the purpose of the Coverdell amendment?

Mr. LAUTENBERG. No, there is not.

Mr. KENNEDY. Does the final budget resolution include any of the numbers that were included in the Coverdell amendment?

Mr. LAUTENBERG. No, it does not.

Mr. KENNEDY. I thank the Senator for his response. Obviously, any such voucher program would be highly objectionable because of its serious harmful effects on the Nation's public schools. It's the wrong education priority, and I hope it will continue to be rejected by Congress and the President.

FOOD STAMP PROGRAM

Mr. DOMENICI. Mr. President, before we pass the final version of the budget resolution, on behalf of myself and the ranking member, Senator LAUTENBERG, I would like to engage in a colloquy with the distinguished chairman and ranking member of the Agriculture Committee.

Mr. President, the final budget resolution contains an unusual reconciliation instruction to the Agriculture Committee. Unlike the other committee reconciliation instructions, it calls for an increase in direct spending of $1.5 billion over 5 years. This instruction is designed to fulfill the bipartisan budget agreement between the President, the Speaker of the House, the Senate majority leader and the Senate minority leader. These parties agreed to add $1.5 billion in new spending for the Food Stamp Program for increased work slots and expanded waiver authority in the jurisdiction of the Agriculture Committee. The specific details of the bipartisan budget agreement can be found on page 89 of the committee print that accompanies Senate Concurrent Resolution 27.

Mr. President, I would therefore ask the chairman and ranking member of the Agriculture Committee about their intentions regarding the bipartisan budget agreement's provisions of $1.5 billion in new food stamp spending consistent with the details that can be found on page 89 of the committee print that accompanies Senate Concurrent Resolution 27?

Mr. LUGAR. Mr. President, I would respond to the distinguished chairman of the Budget Committee by saying that I intend to work with the ranking member of the Agriculture Committee, Senator HARKIN, to craft a bill that will comply with the bipartisan budget agreement's food stamp provisions.

Mr. HARKIN. Mr. President, I associate myself with the remarks of the chairman of the Agriculture Committee.

Mr. DOMENICI. I thank the Chairman and ranking member for these responses.

Mr. LAUTENBERG. Mr. President, I am very pleased to hear the distinguished chairman and ranking member of the Agriculture Committee commit to fulfill the bipartisan agreement's food stamp provision.

Mr. STEVENS. Mr. President, section 6005 of the conference agreement on H.R. 1469 contains a substitute for the original Senate prohibition on the expenditure of funds to advocate certain policies with respect to the recognition, validity, or management of rights of way established pursuant to section 2477 of the Revised Statutes (43 U.S.C. 932), more commonly referred to as R.S. 2477.

Section 6005 establishes a commission to recommend a long-term solution to the administration and Congress. The commission is bipartisan—6 Republicans and 6 Democrats—plus a retired Federal judge selected by the other 12 to chair the commission. The commission has representatives from the administration, Congress, and the States.

The commission is cost effective—the only new cost is the salary of the retired judge. All other members are Federal, State, or congressional employees who would serve on the commission within the scope of their existing duties. The Secretary of the Interior is responsible for payment of the chairman's salary and expenses, and for providing, and paying for any necessary staff, office space, and expenses out of existing funds provided for the Department of the Interior.

Based on concerns raised by the administration, the provision waives the

Federal Advisory Committee Act to avoid lengthy procedural delays. However the commission's hearings are open to the public, and a public record is required to be kept of those hearings. In addition, the commission must keep a record of its deliberations.

The commission is tasked with recommending changes in law to expeditiously resolve outstanding right of way claims under R.S. 2477. Those recommendations are to be made in consultation with the governors of affected States. It is my hope that working together this commission can reach consensus on this difficult issue.

This commission must make its recommendations by March 1, 1998, and must include with their submission any comments they receive from governors. The Secretary of the Interior must approve or disapprove the recommendations in their entirety by March 31, 1998. If the Secretary approves the commission's recommendations, then a fast track procedure is provided in Congress to ensure those recommendations are considered. If the Secretary does not approve the commission's recommendations, then the fast track procedure is not available. Under the fast track procedure only relevant amendments are allowed in the Senate during floor consideration of the bill, and any message from the House on such a bill.

The conference agreement leaves intact the permanent prohibition on the issuance of final rules or regulations on R.S. 2477 without express authorization of such rules or regulations by a subsequent act of Congress, and specifically states in section 6005(b)(5)(A) that this provision does not constitute such express authorization. Section 6005 does not repeal or modify any existing law, and takes no position regarding the legitimacy of the R.S. 2477 policy announced by the Secretary of the Interior on January 22, 1997.

Mr. LAUTENBERG. Mr. President, as we finish our work on the conference report. I want to express my appreciation to Jodi Grant, who has provided invaluable assistance to me and my staff. Jodi served as counsel to the Democratic staff before leaving us recently to work on the leadership staff of the distinguished Senator from Massachusetts, Senator KERRY. However, she has taken time from her busy schedule to give us the benefit of her special expertise on budget matters. I very much appreciate her assistance, and thank her for her willingness to help.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR 1997—CONFERENCE REPORT

The PRESIDING OFFICER. The hour of 6 o'clock has arrived. The question is on agreeing to the conference report on the supplemental appropriations bill, H.R. 1469.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Vermont [Mr. JEFFORDS] is necessarily absent.

I further announce that if present and voting the Senator from Vermont [Mr. JEFFORDS] would vote "yea."

Mr. FORD. I announce that the Senator from Connecticut [Mr. LIEBERMAN] is necessarily absent.

The PRESIDING OFFICER (Mr. BENNETT). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 31, as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—67

Abraham	Domenici	Moynihan
Allard	Dorgan	Murkowski
Ashcroft	Enzi	Murray
Baucus	Feinstein	Reed
Bennett	Frist	Reid
Bond	Glenn	Robb
Boxer	Gorton	Roberts
Breaux	Grams	Rockefeller
Brownback	Grassley	Roth
Bryan	Hatch	Shelby
Bumpers	Hutchinson	Smith (OR)
Burns	Hutchison	Snowe
Campbell	Inhofe	Specter
Chafee	Johnson	Stevens
Coats	Kempthorne	Thomas
Cochran	Kerrey	Thompson
Collins	Kerry	Thurmond
Conrad	Landrieu	Torricelli
Coverdell	Lott	Warner
Craig	Lugar	Wellstone
D'Amato	Mack	Wyden
Daschle	McCain	
DeWine	McConnell	

NAYS—31

Akaka	Gramm	Leahy
Biden	Gregg	Levin
Bingaman	Hagel	Mikulski
Byrd	Harkin	Moseley-Braun
Cleland	Helms	Nickles
Dodd	Hollings	Santorum
Durbin	Inouye	Sarbanes
Faircloth	Kennedy	Sessions
Feingold	Kohl	Smith (NH)
Ford	Kyl	
Graham	Lautenberg	

NOT VOTING—2

Jeffords	Lieberman

The conference report was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998—CONFERENCE REPORT

The Senate continued with the consideration of the concurrent resolution.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to vote on the budget resolution in just a moment.

I want to announce that the House passed the Senate budget resolution 333 to 99. We passed it 78 to 22.

I believe the reason we have not gotten a balanced budget in the past is we have not had a President and a Congress in accord. And I think we are going to get a balanced budget.

In recent years, however, the obstacles to the Federal budget have been primarily a question of finding a working consensus between the Executive and the Congress. Today we have a consensus on this issue. Of course, each of us along might have designed the plan differently, but then we might have had a consensus. Yes I personally think we should have done more in entitlement spending programs that still threaten the foundation of this house we build today, but for today we must do what we can to. And I ask you to vote as you did on May 23 and adopt this conference agreement.

Mr. LAUTENBERG. We yield all the time we had.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. STEVENS). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Vermont [Mr. JEFFORDS] is necessarily absent.

I further announce that, if present and voting, the Senator from Vermont [Mr. JEFFORDS] would vote "yea."

Mr. FORD. I announce that the Senator from Connecticut [Mr. LIEBERMAN] is necessarily absent.

The result was announced—yeas 76, nays 22, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—76

Abraham	Dorgan	Lugar
Akaka	Durbin	Mack
Baucus	Feingold	McCain
Bennett	Feinstein	McConnell
Biden	Ford	Mikulski
Bingaman	Frist	Moseley-Braun
Bond	Glenn	Murkowski
Boxer	Gorton	Murray
Breaux	Graham	Nickles
Brownback	Grassley	Reid
Bryan	Gregg	Robb
Burns	Hagel	Roberts
Byrd	Harkin	Rockefeller
Campbell	Hatch	Roth
Chafee	Hutchinson	Santorum
Cleland	Hutchison	Sessions
Cochran	Inouye	Shelby
Collins	Johnson	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kerrey	Stevens
Craig	Kohl	Thurmond
D'Amato	Landrieu	Torricelli
Daschle	Lautenberg	Warner
DeWine	Leahy	Wyden
Dodd	Levin	
Domenici	Lott	

NAYS—22

Allard	Helms	Sarbanes
Ashcroft	Hollings	Smith (NH)
Bumpers	Inhofe	Specter
Coats	Kennedy	Thomas
Enzi	Kerry	Thompson
Faircloth	Kyl	Wellstone
Gramm	Moynihan	
Grams	Reed	

NOT VOTING—2

Jeffords	Lieberman

The conference report was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.