

Office of Management and Budget, if one looks at long term savings, what one sees is the savings from the 1993 deficit reduction package are \$2 trillion over 1994-2002. The budget agreement that the Senate will consider tomorrow is about \$200 billion, about one-tenth as much. So if we go back and look at what made a difference here, the 1993 economic plan is the reason we have seen such dramatic deficit reduction and is the reason why we are in a position now to have tax relief for hard-pressed American taxpayers.

It is very interesting to go back and review the record of what has happened in this economy since that 1993 economic plan was adopted. By the way, it is the only economic plan that was adopted during that period. It was adopted without any help from the other side, and now we can look at the record.

The misery index. We used to talk a lot about the misery index. That is the combined rate of unemployment and inflation. The combined rate on July 14, 1997: 8.7 percent, the lowest average since the Johnson administration. That is a long time. Inflation: 2.8 percent per year, the lowest average since the Kennedy administration.

Employment. Our friends on the other side of the aisle said when we passed the 1993 plan—it is still ringing in my ears—I remember a Senator on the other side of the aisle saying this was going to crater the economy. It was going to increase unemployment. It was going to reduce economic growth. It was going to be devastating. Well, we can now look back and see what happened. Employment has increased by 12.5 million new jobs—the only administration to exceed 11 million in our history.

Deficit reduction. I have already talked about that. We have seen the unified deficit go from \$290 billion to this year perhaps as little as \$45 billion. Maybe even less. Business investment has grown at 10.5 percent a year, the fastest growth since the Kennedy administration.

The stock market. We all know what has happened to the stock market. It has gone from 3,242 on January 20, 1993, when this President took office, to 7,922 on July 11 of this year. Now we know it is over 8,000—the fastest growth since World War II.

And the poverty rate. The poverty rate in this country has declined from 15.1 percent in 1993 to 13.8 percent in 1995—the largest drop since the Johnson administration. Median family income has gone up \$1,600 between 1993 and 1995—the fastest growth since the Johnson administration.

Mr. President, I recall this history because I think it is important. It is important to understand what has worked in terms of economic policy. Some said in 1993, if you raise taxes on anybody in this country, that will have a devastating economic impact.

They were wrong. They were simply wrong. I believe the reason they were

wrong is because the benefits of deficit reduction to the economy far outweighed any negative consequences. No question, when you raise taxes that creates some drag in the economy. But it also had a beneficial component. The beneficial component was that deficit reduction took pressure off interest rates because we really did reduce the deficit.

The fact there was a move to ask the wealthiest 1 percent in this country to pay more in income taxes combined with the spending cuts of the 1993 plan meant the deficits came down. That meant there was less Government borrowing. That took pressure off of interest rates. Interest rates came down. In fact, we know every 1 percent reduction in interest rates takes \$128 billion a year off this economy. That is lower borrowing costs for businesses, lowering borrowing costs for farmers, lowering borrowing costs for individuals. And that made a profound difference in this economy. It helped this economy reignite. And, again, since 1993, we see the results—not only this dramatic decline in the deficit as a result of that economic plan, but also a remarkable resurgence of economic growth, savings, and investment. We've seen the lowest level of core inflation in 31 years, and in May the lowest unemployment rate in 24 years. That is a remarkable economic record.

Some who are listening will say, well, Senator, you can't attribute this all to the 1993 plan. Fair enough. You cannot attribute it all to the 1993 plan because economic conditions are a result of not only fiscal policy but monetary policy as well. But make no mistake, the accommodative monetary policy we have had as a result of Federal Reserve Board decisions, follows the fiscal policy decisions that were made in 1993. That is not just my opinion. Alan Greenspan, the head of the Federal Reserve, says that himself. He has indicated that much of the strength we have seen in the economy can be attributed directly to the 1993 economic plan.

I think if one is fair and objective one would say, no question, this economic resurgence in terms of Government policy is a combination of fiscal policy that was passed by Congress in 1993 and the monetary policy that the Federal Reserve Board has followed since that time. But what made possible those Federal Reserve decisions was the fact that we bit the bullet, that we took action to reduce the deficit. Because we took that action in fiscal policy and the Federal Reserve Board responded with accommodative monetary policy, the result has been this remarkable economic resurgence.

There are other factors as well, but in terms of Government policy, what Government can do to affect outcomes, there is no question. The record is absolutely clear. The 1993 economic plan worked and worked remarkably well to strengthen this economy.

Mr. President, I look forward in the coming days to discussing this eco-

nomic package that has now been agreed to by negotiators. I look forward to talking about the spending side of the ledger as well as the tax side of the ledger, the agreement that will be before us tomorrow.

I yield the floor, Mr. President, and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ALLARD). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, what is the pending business?

#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. The clerk will report S. 1022.

The assistant legislative clerk read as follows:

A bill (S. 1022) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kerry amendment No. 992, to provide funding for the Community Policing to Combat Domestic Violence Program.

Gregg (for Kyl) amendment No. 995, to provide for the payment of special masters for civil actions concerning prison conditions.

Gregg (for Coverdell) amendment No. 996, to require the Attorney General to submit a report on the feasibility of requiring convicted sex offenders to submit DNA samples for law enforcement purposes.

Hollings (for Dorgan) amendment No. 997, to express the sense of the Senate that the Federal government should not withhold universal service support payments.

Hollings (for Biden) amendment No. 998, to provide additional funds for the Violent Crime Reduction Trust Fund.

Mr. HOLLINGS addressed the Chair.

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

#### SANTA CLAUS IN JULY

Mr. HOLLINGS. Mr. President, pending the approach to this Chamber of our distinguished chairman and the original sponsors of some amendments, including the Senator from Minnesota, let me note the environment of Santa Claus in July.

It seems a lot of us are not here this morning. Instead, they are out selling their homes so they can make that \$500,000 and go back home and live comfortably. We have the so-called agreement for a balanced budget. What a wonderful instrument. Everyone with a home can make up to \$500,000 from this agreement. Couples in the \$110,000 bracket and below would get \$600. And,

of course, the rich will all get richer with the capital gains tax reduction.

My comment is to bring a note of reality. It is somewhat like when you are up to your neck in the swamp with the alligators and the original intent was

to drain the swamp. Here, the original intent, of course, is to balance the budget and get us out of the red and into the black. And, of course, let's see exactly where we are at the present time. I ask unanimous consent that the

CBO estimates be included in the RECORD.

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

#### HOLLINGS' BUDGET REALITIES

[In billions of dollars]

Pres. and year	U.S. budget	Borrowed trust funds	Unified deficit with trust funds	Actual deficit without trust funds	National debt	Annual increases in spending for interest
Truman:						
1945	92.7	5.4	-47.6	.....	260.1	.....
1946	55.2	-5.0	-15.9	-10.9	271.0	.....
1947	34.5	-9.9	4.0	+13.9	257.1	.....
1948	29.8	6.7	11.8	+5.1	252.0	.....
1949	38.8	1.2	0.6	-0.6	252.6	.....
1950	42.6	1.2	-3.1	-4.3	256.9	.....
1951	45.5	4.5	6.1	+1.6	255.3	.....
1952	67.7	2.3	-1.5	-3.8	259.1	.....
1953	76.1	0.4	-6.5	-6.9	266.0	.....
Eisenhower:						
1954	70.9	3.6	-1.2	-4.8	270.8	.....
1955	68.4	0.6	-3.0	-3.6	274.4	.....
1956	70.6	2.2	3.9	+1.7	272.7	.....
1957	76.6	3.0	3.4	+0.4	272.3	.....
1958	82.4	4.6	-2.8	-7.4	279.7	.....
1959	92.1	-5.0	-12.8	-7.8	287.5	.....
1960	92.2	3.3	0.3	-3.0	290.5	.....
1961	97.7	-1.2	-3.3	-2.1	292.6	.....
Kennedy:						
1962	106.8	3.2	-7.1	-10.3	302.9	9.1
1963	111.3	2.6	-4.8	-7.4	310.3	9.9
Johnson:						
1964	118.5	-0.1	-5.9	-5.8	316.1	10.7
1965	118.2	4.8	-1.4	-6.2	322.3	11.3
1966	134.5	2.5	-3.7	-6.2	328.5	12.0
1967	157.5	3.3	-8.6	-11.9	340.4	13.4
1968	178.1	3.1	-25.2	-28.3	368.7	14.6
1969	183.6	0.3	3.2	+2.9	365.8	16.6
Nixon:						
1970	195.6	12.3	-2.8	-15.1	380.9	19.3
1971	210.2	4.3	-23.0	-27.3	408.2	21.0
1972	230.7	4.3	-23.4	-27.7	435.9	21.8
1973	245.7	15.5	-14.9	-30.4	466.3	24.2
1974	269.4	11.5	-6.1	-17.6	483.9	29.3
Ford:						
1975	332.3	4.8	-53.2	-58.0	541.9	32.7
1976	371.8	13.4	-73.7	-87.1	629.0	37.1
Carter:						
1977	409.2	23.7	-53.7	-77.4	706.4	41.9
1978	458.7	11.0	-59.2	-70.2	776.6	48.7
1979	503.5	12.2	-40.7	-52.9	829.5	59.9
1980	590.9	5.8	-73.8	-79.6	909.1	74.8
Reagan:						
1981	678.2	6.7	-79.0	-85.7	994.8	95.5
1982	745.8	14.5	-128.0	-142.5	1,137.3	117.2
1983	808.4	26.6	-207.8	-234.4	1,371.7	128.7
1984	851.8	7.6	-185.4	-193.0	1,564.7	153.9
1985	946.4	40.5	-212.3	-252.8	1,817.5	178.9
1986	990.3	81.9	-221.2	-303.1	2,120.6	190.3
1987	1,003.9	75.7	-149.8	-225.5	2,346.1	195.3
1988	1,064.1	100.0	-155.2	-255.2	2,601.3	214.1
Bush:						
1989	1,143.2	114.2	-152.5	-266.7	2,868.3	240.9
1990	1,252.7	117.4	-221.2	-338.6	3,206.6	264.7
1991	1,323.8	122.5	-269.4	-391.9	3,598.5	285.5
1992	1,380.9	113.2	-290.4	-403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	94.3	-255.0	-349.3	4,351.4	292.5
1994	1,460.6	89.2	-203.1	-292.3	4,643.7	296.3
1995	1,514.6	113.4	-163.9	-277.3	4,921.0	332.4
1996	1,560.0	154.0	-107.0	-261.0	5,182.0	344.0
1997	1,622.0	110.0	-70.0	-180.0	5,362.0	359.0

Historical Tables, Budget of the US Government FY 1998, Beginning in 1962 CBO's 1997 Economic and Budget Outlook, May 19, 1997.

Mr. HOLLINGS. Mr. President, it was projected on May 19 by the Congressional Budget Office that the actual deficit for this fiscal year would be \$180 billion. Now, I hasten to add that the picture has improved. We find that the revenues are coming in even better than what was originally anticipated. So the actual deficit, if it stays on course, would be down to \$140 billion and, if it continues, let's say it would be right at \$100 billion next year. That is what I was told this morning by those at the Congressional Budget Office.

Now, the unified deficit that everyone refers to is down to under \$40 billion and could be balanced next year. The term "unified" is, of course, just a shibboleth for, "don't bother, we are

just running around spending all the pension funds, which we made illegal in 1990." We are spending the pension funds to allocate against the deficit itself.

So what is really happening is that we are on the course, under the unified deficit, toward getting into the black. But it is not on account of passing anything here this week in the midst of this wonderful jubilation atmosphere that everybody won this morning with the agreement last night. The truth of the matter is that we are on course as a result of the 1993 budget plan, whereby we on this side of the aisle, without a single vote on the other side of the aisle, voted for real deficit reduction that worked. I emphasize the fact that it was this side of the aisle, because we

were told that if we increased the Social Security tax, they would be hunting us down like dogs in the street and shooting us. I am one of the dogs to be shot in the street. They said that we were going to have a catastrophe and a depression, not just a recession, and all sorts of other things, which were totally off-base.

Without a single vote on the other side, we cut some \$255 billion in spending, increased taxes \$241 billion. We increased taxes on the highest income tax bracket. We increased gasoline taxes. We increased Social Security taxes. We eliminated over 250,000 Federal jobs and reduced the size of the Government itself, and it is working. I guess, by way of emphasis, the point is that the thrust here today and last

night is to stop the bickering and to show that we can get together. This Senator would say, in the extreme, of course, let's continue the bickering because, with the bickering, we are bound to get, under a unified budget, the Government back into the black. Stay the course.

In fact, I offered an amendment earlier this year to not cut any taxes and not increase any spending. Now, what has been done in this particular agreement? Well everybody admits we are spending more than \$100 billion more than we are taking in. If that's the case, what you want to do is cut spending and increase your revenues. Instead, we increased spending some \$52 billion, under this agreement last night, and we cut the revenues—instead of \$85 billion, we cut the revenues some \$90 billion.

So, as a result of the 1993 budget agreement and enactment, we are momentarily on course, having reduced the deficit each year for 5 years. Yet you are hearing shouts in the halls that, "this is the first tax cut since 1981." We ought to say we got the first tax cut since the disaster of 1981, because the result of 1981, of Reaganomics, is that we are still spending over \$100 billion more than we are taking in. So we are still in the red. The debt increases, the interest costs increase. So, under this so-called balanced budget agreement, the debt continues to grow, and our Government continues to borrow more and more money.

We are talking now about how we helped families with the child credit and by cutting taxes, but, in actuality, we have increased the taxes for children because we, the senior citizens, are going to move right along and leave them with the bill.

My distinguished chairman is here. I will be able to elaborate, Mr. President, in a more appropriate fashion at an appropriate time. I think there ought to be a note of sobriety with the "Santa Claus in July" that we are now experiencing here this morning that everybody won. The truth of the matter is that we have changed course, once again, to cutting taxes and increasing spending. Under a budget of that kind, there is no way for us to get really into the black and start reducing that debt and the carrying charges that are some \$285 billion more than back in 1981. We are spending \$285 billion more in interest costs than we were in 1981 for absolutely nothing.

As the chairman of the Appropriations Committee, the distinguished Presiding Officer, would realize, if we had that \$285 billion, we could satisfy every subcommittee chairman on the 602(b) allocation, we could build many bridges, we could do all the research at NIH we need, we could double the President's request on education; we could have better housing, highways, and everything else of that kind. So that is not the case. I think what we ought to do is look at the reality.

I yield the floor.

#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

AMENDMENTS NOS. 1024 THROUGH 1031, EN BLOC

Mr. GREGG. Mr. President, I send a managers' package to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], proposes amendments numbered 1024 through 1031, en bloc.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

##### AMENDMENT NO. 1024

(Purpose: To improve the bill)

On page 77, line 16, strike "\$1,995,252,000" and insert "\$1,999,052,000".

On page 77, line 16, after "expended", insert the following: ", of which not to exceed \$3,800,000 may be made available to the Secretary of Commerce for a study on the effect of intentional encirclement, including chase, on dolphins and dolphin stocks in the eastern tropical Pacific Ocean purse seine fishery".

On page 77, line 26, strike "\$1,992,252,000" and insert "\$1,996,052,000".

On page 100, line 24, strike "\$75,000,000" and insert "\$105,000,000".

##### AMENDMENT NO. 1025

(Purpose: To improve the bill)

At the appropriate place, insert the following:

Notwithstanding any other provision of law and pursuant to the fiscal year 1997 Emergency Supplemental Act (Public Law 105-18) Subsection 2004, funding for the following projects is to be made available from prior year carryover funds: \$200,000 for the Ship Creek facility in Anchorage, Alaska; \$1,000,000 for the construction of a facility on the Gulf Coast in Mississippi; and \$300,000 for an open ocean aquaculture project and community outreach program in Durham, New Hampshire.

##### AMENDMENT NO. 1026

(Purpose: To require the Attorney General to submit a report on the feasibility of requiring convicted sex offenders to submit DNA samples for law enforcement purposes)

At the appropriate place in title I of the bill, insert the following:

#### SEC. . REPORT ON COLLECTING DNA SAMPLES FROM SEX OFFENDERS.

(a) DEFINITIONS.—In this section—

(1) the terms "criminal offense against a victim who is a minor", "sexually violent offense", and "sexually violent predator" have the meanings given those terms in section 170101(a) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(a));

(2) the term "DNA" means deoxyribonucleic acid; and

(3) the term "sex offender" means an individual who—

(A) has been convicted in Federal court of—

(i) a criminal offense against a victim who is a minor; or

(ii) a sexually violent offense; or  
(B) is a sexually violent predator.

(b) REPORT.—From amounts made available to the Department of Justice under this title, not later than 180 days after the date of enactment of this Act, the Attorney General shall submit to Congress a report, which shall include a plan for the implementation of a requirement that, prior to the release (including probation, parole, or any other supervised release) of any sex offender from Federal custody following a conviction for a criminal offense against a victim who is a minor or a sexually violent offense, the sex offender shall provide a DNA sample to the appropriate law enforcement agency for inclusion in a national law enforcement DNA database.

(c) PLAN REQUIREMENTS.—The plan submitted under subsection (b) shall include recommendations concerning—

(1) a system for—

(A) the collection of DNA samples from any sex offender;

(B) the analysis of the collected samples for DNA and other genetic typing analysis; and

(C) making the DNA and other genetic typing information available for law enforcement purposes only;

(2) guidelines for coordination with existing Federal and State DNA and genetic typing information databases and for Federal cooperation with State and local law in sharing this information;

(3) addressing constitutional, privacy, and related concerns in connection with the mandatory submission of DNA samples; and

(4) procedures and penalties for the prevention of improper disclosure or dissemination of DNA or other genetic typing information.

##### AMENDMENT NO. 1027

(Purpose: To express the Sense of the Senate that the Federal government should not withhold universal service support payments)

At the appropriate place, insert the following:

#### SEC. . SENSE OF THE SENATE THAT THE FEDERAL GOVERNMENT SHOULD NOT MANIPULATE UNIVERSAL SERVICE SUPPORT PAYMENTS TO BALANCE THE FEDERAL BUDGET.

The Congress finds that:

(A) it reaffirmed the importance of universal service support for telecommunications services by passing the Telecommunications Act of 1996;

(B) the Telecommunications Act of 1996 required the Federal Communications Commission to preserve and advance universal service based on the following principles:

(1) Quality services should be available at just, reasonable, and affordable rates;

(2) Access to advanced telecommunications and information services should be provided in all regions of the Nation;

(3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advance telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services;

(4) All providers of telecommunications services should make an equitable and non-discriminatory contribution to the preservation and advancement of universal service;

(5) There should be specific, predictable, and sufficient Federal and State mechanisms