

So today, the court in Philadelphia affirmed our basic fundamental right to freedom of expression in this new mode of communication. I think it is a victory for those who support freedom of speech and for those who want to see this new dynamic communications technology develop safe from the chilling threat of Government control and censorship.

Mr. President, I yield the floor.

**CONCURRENT RESOLUTION ON  
THE BUDGET FOR FISCAL YEAR  
1997—CONFERENCE REPORT**

Mr. HOLLINGS. I yield myself 10 minutes.

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

Mr. HOLLINGS. Mr. President, the explanation of the conferees has come to my attention. It is a joint explanatory statement of the committee of conference on this particular conference report, and on pages 32 and 33, starting at the bottom of page 32, it reads:

The first use of reconciliation was for legislation that reduced revenues. In 1975, the applicable budget resolution, House Concurrent Resolution 466, provided an instruction to both Ways and Means and Finance to report legislation decreasing revenues. Notwithstanding the fact that the authors of this 1974 Budget Act were neutral as to the policy objectives of reconciliation, since 1975, reconciliation and reconciliation legislation has been used to reduce the deficit. The cited conferees notes while this resolution includes a reconciliation instruction to reduce revenues, the sum of the instructions would not only reduce the deficit but would result in a balanced budget by the year 2002.

On the last point, of course, Mr. President, we only have to turn, once again to the facts. This is almost getting to be an exercise in futility. Somehow this is the only place in America where the truth cannot be recognized, even when they print it for you in black and white.

I refer specifically to the concurrent resolution on the budget for the fiscal year 1997. At the top of page 4, you will see where they have listed deficits for the purpose of the enforcement of this resolution. "The amounts of the deficits are as follows," and it lists fiscal years 1997, 1998, 1999, 2000, 2001, and for the fiscal year 2002, where the distinguished conferees, and particularly the chairman of the Budget Committee, is using the expression "balanced budget," his own document, for fiscal year 2002, shows a deficit of \$103,845,000,000.

Reading further down the page to section 102 on page 4, you will find that in the fiscal year 2002, the amount of the increase in the public debt, subject to limitations, are for that year \$130 billion. So how do you balance the budget by the year 2002, and yet you have to go out and borrow \$130 billion?

My point here is to change this record with respect to reconciliation, because the truth, as stated by the distinguished Senator from New Mexico at that particular time—is shown here

on page S. 15351 of the CONGRESSIONAL RECORD of the U.S. Senate dated December 3, 1980—not 1975. And I read the words of the distinguished chairman, now chairman of the Budget Committee, Senator DOMENICI of New Mexico:

I think it is fitting that that last event signifies the possibility of a new beginning because, as a matter of fact, this is the first time in the history of our country that we will send a bill to the President that is called a reconciliation bill, and that means that some of the laws of this country have been reconciled with the budget. That means that they have been changed so that they come more into sync or more harmonious with a budget that is left unchanged. That is what reconciliation means. With all the years that our distinguished Republican leader, Senator Bellmon, has spent patiently working with the institution to bring some real support for this process into fiscal restraint reality, I think it is at least reaching fruition when we have a reconciliation law that will go to the President. I hope after the Senate votes today I commend him for that. Also obviously, it is an extremely fitting event for Senator HOLLINGS. He did not have the privilege of being chairman of the committee for very long, but he worked on the committee for years, and I think he must feel very good today knowing that under his leadership, this first reconciliation act will become a reality.

That is the record made by the now chairman of the Budget Committee in 1980 and not 5 years previous thereto in 1975.

Specifically, Mr. President, in 1975, and I read from page 40297, dated December 12, 1975:

Mr. MANSFIELD. Mr. President, for the information of the Senate, I have a few announcements. At 12 o'clock today, we will be proceed to the consideration of the conference report, of the defense appropriations conference report. After that, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the tax bill, H.R. 5559 that is to be laid before the Senate and be the pending business.

The majority leader called it a tax bill. A wrangle ensued. My good and very clever friend Senator Long, the former distinguished chairman of the Finance Committee, was trying to limit debate and limit amendments. He very liberally referred to it as a reconciliation bill, but it was not a reconciliation. It was a tax bill.

At that particular time, the former chairman of the Budget Committee, Senator Muskie, was momentarily misled trying to back Senator Long. But if you will read the RECORD, they finally ended up, Mr. President, by calling it a tax bill and entering into a unanimous-consent agreement requiring that all amendments be germane except for one nongermane amendment to be offered by Senator Hartke, the then-Senator from Indiana. The RECORD is clear that the bill was a tax bill despite the erroneous use of the word "reconciliation."

Having worked on that budget, having been a part of the process during the 1970's, having helped Senator Muskie on budget conferences, we know that the first reconciliation bill in the history of the United States was in December 1980.

That is not only supported by the statements made by the Senator from New Mexico, but also by the statements made by our House colleagues. I could refer to what Congressman Dick Bolling called it, Congressman Latta, Congressman Panetta, and others as well.

So the precedent relied upon by the Parliamentarian which we had to appeal quite simply misrepresents what actually happened. I hope that it will not have any standing whatsoever in this body because when they look at the facts, the truth will have out that reconciliation throughout its history has always been used as a budgetary tool to reduce the deficit, not increase the deficit.

My point is, Mr. President, that under this reconciliation bill, the Republicans have perverted the process in order to cut taxes somewhere between \$122 and \$180 billion. It is very difficult to estimate it at this particular point.

Mr. President, I ask unanimous consent that I be yielded 2 more minutes.

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

Mr. HOLLINGS. Mr. President, what they have in mind is to split up the reconciliation bill. To use the process for political purposes in sending the President a legislation that combines Medicaid and welfare reforms to pay for tax cuts. Even the casual observer should be able to see what's going on. The Medicaid cuts will have to be vetoed by the President because they take away the fundamental protection that we give children in the United States of America. Even the Governors do not want to do that.

Then it comes down to September and last of three bills that they will call a reconciliation bill. And in the heat of a national presidential campaign, they will come forward with the political gift of a tax cut.

But a tax cut for wealthy corporations, or for the poor, or for the rich, or for the middle class, or for anybody is sheer nonsense.

We are running deficits right now, according to this conference report that we are going to vote on. I started to say, they know no shame. But I have to amend that comment for the simple reason that the House Members know some shame. I say that because somebody over there has held the budget up that we were going to—bam, bam—put through the House, put through the Senate, and finish this afternoon. The reason we do not have it this afternoon—it increases deficits.

Under this conference report, for the year 2002, the Government will run, under a best case scenario, a deficit of \$103.8 billion.

In sum, Mr. President, we do not have the luxury of revenues to cut. We cannot go in two different directions at once, but that is exactly the road that this conference report takes us down.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent for 1 more minute.

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

Mr. HOLLINGS. We have to pay the bills. We have to stop playing games and telling the people that somehow you can get tax cuts, when the resolutions says that next year we will be running deficits in excess of \$227 billion.

Mr. President, it is obvious this is just a sordid political game that is totally shameless. They come in here with these political, long pass plays. Let us get rid of the gasoline revenues—but just temporarily until after the Presidential election.

Nobody ought to appear in the U.S. Congress where we are supposed to be responsible with that kind of nonsense. But they come in here with that. Now with deficits projected at \$227 billion for fiscal year 1997, they say, "We can get a tax cut and balance the budget." I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the sole issue before the U.S. Senate that is being debated this afternoon and voted on at such time as the House has completed action, is whether or not we accept a budget resolution agreed to by a majority of conferees on the budget.

Once again, we are engaged in debate in which the opponents of this resolution, without exception, give lip service to a balanced budget. But as has been the case this year, last year, in 1994, in 1993, and every year back through the 1970's, it is always a different balanced budget, not this one, not the resolution we have before us right now.

More taxes, says the Senator from South Carolina; more cuts in defense says another Senator; less in the way of a restriction on entitlement growth, says a third.

Mr. President, I am convinced that it is that kind of "I'm for a balanced budget, but not this one, not now, not this year, not this way," that causes us to have a national debt that exceeds \$5 trillion.

If I had my way, Mr. President, this would not be the balanced budget that we would be adopting. If the Presiding Officer had his way, this would not be the balanced budget we would be adopting. If my close and distinguished friend, the Senator from New Mexico, who chairs the Senate Budget Committee, had his way, it would not be this balanced budget that we would be adopting.

But I believe that each of us has said, even though he has not gotten his own way as against 99 other Members of the Senate, it is more important to take this step and to move forward in a correct and responsible direction than it is to say, "Not now, not this year, not this way. Do it my way or don't do it at all."

I listened with great sympathy to my friend on the other side of the aisle, the

distinguished Senator from North Dakota, and I listened to him with great sympathy because of his obvious and evident dedication to reaching this goal. He and I and the Senator who is now presiding all were a part of the bipartisan group to which he referred.

We worked for months on a proposal which would balance the budget and which could join together Republicans and Democrats. In spite of the opposition of the leadership in both parties and the President of the United States, we got 46 votes for our proposal. But 46 is not a majority of 100 Senators.

I believe that was superior to the resolution that is before us now, but I do not believe it was perfect. As the Senator from North Dakota pointed out, each of us who was involved in that set of negotiations gave up something for the greater good.

But we do not have that proposal before us right now. I must say that I am disappointed in my friend from North Dakota because the question is not whether or not there is a better way to do this—each of us can find something that he or she would use to improve this proposition—the question is whether or not we are going to do something that moves us decisively in the right direction or nothing at all.

I regret to say that, I guess, Mr. President, in the ultimate analysis we may do nothing. Oh, yes, we are going to pass this resolution. This is a responsible resolution which allows American working families to make at least a slightly greater judgment over how they spend the money they earn than they can do at the present time by lowering taxes on those families. That moves modestly, though not decisively enough, in the direction of reducing the growth of entitlement programs which are destroying the fiscal stability of this country and eating the heart out of the futures of our children and our grandchildren, and a resolution that deals responsibly with our need to fund something else through this Government than just a handful of huge income transfer programs and entitlements. We have that choice on one side, perhaps too modest on entitlements, too modest on tax relief for American working families, I think perhaps too stringent on much of our discretionary spending.

Nonetheless, we have a choice of doing that or saying, "Oh, no, this is not perfect. We will vote against it. We will do nothing. We will leave it until next year." Almost inevitably, a President of the United States running for reelection is going to end up vetoing all of the formal major statutory changes that would move us in this direction.

I can only be reminded in connection with his actions, most regrettably, Mr. President, by the supposed comment of Louis the XV of France on his deathbed: "After me, the deluge."

The President sees a Medicare trust fund report that says that the Medicare hospital trust fund will go bank-

rupt in the year 2001, and even if he is reelected President of the United States, that is after his watch is over. So we do not need to do anything now. We can continue on the status quo road, at least until after this next election. It is exactly that attitude, which certainly is not exclusively held by the President of the United States, "Let's wait until after the next election," that has given us this \$5 trillion in debt.

I hope against hope, Mr. President, of course, that in addition to a degree of responsibility of party discipline on this side of the aisle, we will have Members of the other party who say, "This is not exactly what I wanted, but it certainly moves us in the right direction as a country. It certainly provides a degree of relief for this Nation. It will certainly help generations who are going to come after us who cannot vote in the elections of 1996. So I will swallow some of my reservations, and I make that move in the right direction."

I hope against hope that the President will believe that is at least as advantageous as demagoging the issue. I will hope next year we come closer to doing something like the bipartisan budget that failed by so narrow a margin. I hope for all of those things, Mr. President, the only actual duty that I have right now and that every other Senator has right now is to say yes to this proposal that moves in the right direction, or, no, we can go another year without doing anything at all, letting the situation get worse and worse and worse.

Mr. President, the overwhelming argument is in favor of the passage of this budget resolution.

Mr. HOLLINGS. Mr. President I ask to be recognized for 10 minutes.

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

Mr. HOLLINGS. Mr. President, my distinguished colleague from Washington, who I have the privilege of serving with not only on the Budget Committee but on the Commerce Committee, and for whom I have the greatest respect, says that what we are hearing now is nothing but lip service from people who do not want to do anything. People who say, "Not this way, not that way."

The truth of the matter is, Mr. President, he knows otherwise. This particular Senator, his colleague, voted for a balanced budget in 1968, offered a freeze that they still refer to as the "Fritz freeze," and coauthored Gramm-Rudman-Hollings with cuts across the board. We passed that, got President Reagan to sign it. We followed that up in the Budget Committee with a bipartisan proposal to increase taxes because we found out that you could not choose this way or that way, but rather needed all of the above. We needed to freeze spending, we needed to make cuts, we had to withhold new programs, and we had to increase taxes in order to get a balanced budget.

That brings me to the point. Do not come here and blame the President, saying that he has put off the tough decisions until after the next election. In December 1994 the leaders of the new Republican majority appeared on "Meet the Press" and said the President was irrelevant, they didn't care what he said. But as this conference report lays bare, the Republicans have their sights set on the White House in 1996. That is why almost two-thirds of the tough choices under their plan are deferred until the Presidential election in the year 2000.

So the 7 year, "do nothing in two Presidential elections" approach was what the contract crowd proposed. That was the arrogance of the whole thing. This debate is not about President Clinton. In 1993, he proposed a budget that did something about deficits—the only President that has reduced the deficit in the past 30 years. He cut the deficit \$500 billion. He taxed Social Security and gasoline. He cut Medicare \$57 billion. And he did it without a single Republican vote.

The unmitigated gall of those who will stand on the floor of the U.S. Senate and say the President is tricky or the President backloads or the President does not care about deficits. There ought to be ashes in their mouths. They are the ones that caused this fiscal cancer. President Clinton has moved us in the right direction.

We are trying to get together and get something done. But to come and call this a balanced budget, where their own document shows that they have a deficit of \$103.8 billion in the year 2002, is a pure sham. It is all politics.

It is sordid legislation they are bringing up here in the months before the election. They ought to be ashamed of themselves.

I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, to be equally charged.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I might say to Senators—I am sure Senator EXON would agree with this statement—the hour of 3:30 is going to arrive and the House will not have sent us the resolution, so we cannot vote. The unanimous consent said we would vote at another time tomorrow, to be established by the majority leader in consultation with the minority leader.

I think, for Senators who might want to speak this afternoon, we are trying to get off of the resolution at 3:30, which was when we were going to vote, and then have a reasonable amount of time left, by agreement, for when we bring it up tomorrow. So, if other

things have to get done, they can today. Clearly, there is no reason to sit here without the resolution and using the Senate's time.

Mr. President, I think Senator HOLLINGS, the distinguished former chairman of the Budget Committee and ranking member for some period of time, has in his own way attempted to make a case against one of the reconciliation instructions in this budget resolution.

Frankly, I now have in my hands the second concurrent resolution on the budget for fiscal year 1976, Mr. Muskie, chairman, conference report. I just want to read it, and perhaps I might engage with the current Parliamentarian in a few parliamentary inquiries about the content of this resolution and what some of the content has been construed to be by the Parliamentarian. I do not know that it is earthshaking that we are doing three reconciliation bills. I do not believe we are going to change our mind. And I do not believe we have done anything to dramatically alter reconciliation or to offend the Senate and its processes in some irrevocable way. So we are going to continue down our path.

I am having a great deal of difficulty understanding how my good friend, Senator HOLLINGS, can say we have never heretofore reconciled a committee to reduce taxes when I read from a conference report that, among other things, says, "The Congress determines and declares pursuant to section 310(a) of the Budget Act of 1974 that for fiscal year beginning July 1, 1975"—and then I will move down to paragraph 4 and read the following:

The recommended level of Federal revenues is \$300.8 billion, and the House Committee on Ways and Means and the Senate Committee on Finance shall submit to their respective Houses legislation to decrease Federal revenues by approximately \$6.4 billion.

Now, there are other provisions, but I am just going to read that one. I think I am going to ask now, if I might, the Parliamentarian, if he has that language before him and the precedence of the Senate. Parliamentary inquiry. Was that provision not construed in that year to be a reconciliation instruction?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. You were not the Parliamentarian then, but is it recorded in the precedence of the Senate as a decision regarding a reconciliation instruction, Mr. Parliamentarian?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. What does the precedent say with reference to that parliamentary inquiry, Mr. President?

The PRESIDING OFFICER. On December 15, 1975, the Senate began consideration of H.R. 5559, which as passed by the House was not a reconciliation bill, and which contained only one substantive provision: to exclude from income certain earnings derived from

payments by common carriers for use of railroad rolling stock owned by foreign corporations. After the Senate began its consideration, and the chairman of the Finance Committee asserted that the bill as reported with a substitute was intended to carry out the reconciliation instructions contained in the most recently adopted concurrent resolution on the budget, the Chair stated that there would be 20 hours debate on the bill, 2 hours on first-degree amendments, 1 hour on second-degree amendments and motions, and that amendments, except those specified in an earlier unanimous consent agreement, would have to be germane. These were the conditions specified in the Budget Act for the consideration of reconciliation bills.

Mr. DOMENICI. I thank the Chair and the Parliamentarian.

Mr. President, I want to just take one more opportunity, while we wait for others who might want to speak and wait for clearance on the proposal that I have just stated to the Senate that we might try to accomplish—that is, try to get off of the resolution at 3:30 and save a reasonable amount of time, hopefully 1 hour on a side, for the time preceding the actual vote, which would be determined for tomorrow by the joint leadership.

I want to speak just about two issues one more time. Mr. President, in this budget resolution, there are discretionary appropriations for the Defense Department and discretionary appropriations for all of the rest of Government, the domestic portion of our Government. When I say discretionary appropriations, what I am talking about is program authority that must be passed upon and enacted every year. That is the way the current law is. So if you appropriate \$286 billion for the defense of our country, it is for 1 year. Come the next year, you have to appropriate again. Likewise, in the 10 predominantly domestic discretionary appropriations bills, whether it is the Treasury-Postal bill, the energy and water bill, the Labor, Health and Human Services bill, this is a 1-year appropriation of money. It lasts for 1 year. It must be passed every year. Without it, there is no money to spend for any of those programs and activities.

Now, last year, we got into a very big debate with our President over the domestic discretionary budgets, these various subcommittees that I have described. There were two big problems. One was that in both Houses we had put riders on the appropriation bill, which is not an uncommon thing.

Second, in some instances, some programs were cut more than the President wanted, and we got ourselves into a political hiatus, and Government was closed down and reopened and closed down and reopened and closed down and reopened.

Now, what we have done in this budget resolution is we have asked the Congressional Budget Office how much money do we need to have a freeze on

all of these domestic accounts—no cuts, a freeze. They gave us the dollar number that we needed in these bills to continue, without any cuts, a freeze on all of these domestic programs that require appropriations this year, for the fiscal year beginning October 1, 1996, through the end of September 1997.

So this budget does not propose any significant cuts in domestic programs. It proposes a freeze. What does the President propose? The President proposes in his 6- or 7-year budget that in 1997 those appropriated accounts go up \$15 billion. So while on the one hand we talk of balancing the budget, the President produced a budget that said let us spend \$15 billion more than we spent last year. Obviously, that gives the President for 1 year the latitude to say he is increasing education, he is increasing this, he is increasing that. We say freeze them, if you are serious about a budget. You can take a freeze, if you are serious about a balanced budget.

What is interesting about the budget differences—we do not have the President's budget before us because it was voted down in the Senate. Nonetheless, what is interesting is that the President's increases continue only for an election year and then start down. Then he produces two budgets, not one. He produces one using his own numbers, his own economics, and he says, "This is what I am going to do over the next 7 years." And it comes tumbling down in the last 2 years, and this is where you have the argument that Senator BOND is making that since the President wants to spend even during that downturn more money for certain areas like education and others, it is inevitable that the veterans' function gets cut dramatically. Many others programs get cut dramatically. The space program is disassembled for all intents and purposes. But the Cabinet members run around telling the constituency "We are not bound by that. The President has told us we will take it one year at a time." That is one budget. The President has another budget. That budget is the one, the second one, that permits him to say, "They told me to do it their way, and I have done it their way. I have a balanced budget." It is the same kind of balance as Congress has excepting that in that budget he has to really cut. He has to really cut the veterans. He has to really cut the domestic accounts, except you wait until the last 2 years and then cut \$67 billion out of those accounts. But that is not the budget he is telling the people about. He is telling them about the easier budget, the one where he uses his own economics and his own assumptions which is kind of the rosy scenario budget. Then in turn Cabinet people send out to our respective States how much has to be cut under our budgets with silence about how much has to be cut in theirs; in fact, disavowing that anything necessarily has to be cut because, if asked, they say, "We will take it one year at a time."

I believe it is only fair that we set the record straight here. We are going to deliver appropriations bills—it is not my responsibility except for one subcommittee—but our distinguished chairman, Senator HATFIELD, I am certain with the cooperation of Democrats is going to produce these bills that are very close to a freeze in every case. I am very hopeful that the public understands that it is really kind of phony to say we ought to spend \$15 billion more because this is an election year only to find as soon as the election is over we will start reducing them and actually 2 years after this President would leave office, even if he is reelected, is when we get serious about making some real cuts. So I think the freeze is fair.

My second point has to do, just for a minute one more time, about Medicare and the huge misrepresentation in the President's Medicare proposal. So let me tell Americans one more time how the President is handling Medicare.

First of all, I repeat that Medicare is going broke. I do not say this with any joy. I did not do the estimating. My committee staff did not. Three Cabinet members and the head person of Social Security are four out of the five people who review it annually and tell us the truth. Three of them work for the President. One of them is appointed by the President. What did they say? They said things are getting worse since last year when you did nothing and the fund is going to be bankrupt in 5 years. Let us throw out that word "bankrupt" and let us say what it means.

Each year the trust fund is spending more for seniors who are entitled to the coverage than the taxes coming in. There was a surplus, Mr. President. So we are still able to pay the bill. The surplus is disappearing and the money coming in is not enough to pay the bills going out. So in the fifth year they now say—5 years—there will not be any money to pay the bills. How else can we say it? Everybody's paycheck keeps having that money taken out of it for Medicare and it keeps going in. Nobody is cheating in terms of putting it in there.

One of the most enforced laws around is that for withholding for Social Security and Medicare. These trustees told us in the following language, and I do not quote but I paraphrase: It is imperative that you make the fund solvent by restraining and curtailing the costs of the program. What did the President do? The President finds a magic asterisk of \$55 billion, a master stroke of magic. He says let us take \$55 billion of the expenditures for our seniors and let us just take it out of there. Let us not spend it for seniors, \$55 billion. And the \$55 billion happens to be the fastest growing account in Medicare, home health care.

Now, watch, when this becomes an issue, and it is getting there, there will be some kind of argument. The argument will be, "Well, home care should never have been in there to begin with." The point of it is, when the

trustees write about this fund going bankrupt, they are writing about the fund and the expenditures and programs of today. It just happens we are paying home health care and hospitalization out of that trust fund; point No. 1.

Point No. 2, if that fund is going broke, the fastest contributor to it going broke is the home health care costs. So, is it not interesting, magically take out those costs and put them someplace else and, of course, you can say Medicare just got \$55 billion more solvent. What happens to home health care costs of \$55 billion and growing? The President says let the average taxpayer pay for it. He did not just kind of slip it through and say whatever you have been paying, taxpayers—struggling, working, both of you with a job, trying to make ends meet—whatever you were paying taxes for, I just decided to add \$55 billion more to that tax burden.

Frankly, I do not think that is right. I do not think the President ought to be able to say he has fixed Medicare without having to change the cost structure and save real money, just slip the payment over, change it around, move it someplace else onto the already burdened taxpayer and abracadabra, magic, the fund is now more solvent.

We had to do what the trustees told us to do. We had to restrain those costs, so instead of growing at 10.5 percent, they are growing at 7 percent. They are not getting cut, they are growing at 7 percent. We will be spending \$7,000 per capita under Medicare in 6 years, and it is \$5,200 now. It is not less, it is \$1,800 more. But we will reform the system, offer options, change the way we pay the various providers, and create a new, modern program where cost containment and restraints will benefit the senior in that the fund will become solvent as will the taxpayer, in that you will not switch \$55 billion of the program to the taxpayers of America.

I think it is imperative that everybody begin to understand the situation. Second, the second part of Medicare is an insurance policy. Back yonder, perhaps under Lyndon Johnson or somewhere around there, we said we ought to give seniors more than hospital coverage, so we gave them an optional insurance policy. When we started it we said we will pay 50 percent, the senior will pay 50 percent. We got generous some years ago and said let us make it 75 percent taxpayers, 25 percent seniors.

Six years ago we said let us let the senior pay a little bit more, 31 percent and the taxpayers pay the rest. It has now come back down to 25, because that number of years that we made the change has now expired. And we contend, in order to make that a reliable program, we must save \$44 billion over 6 years. Interestingly enough, the President says we need to do 44 billion dollars' worth, too. He does it one way,

we do it another way, but there is no argument on how much has to be done.

So, as we began to look at one of the major issues, and this is one, instead of an issue of making this solvent and getting rid of this disaster that is pending right around the corner, it has become the political issue that is who is doing best by the seniors, who is making the fund more solvent for a longer period of time, and who is doing it most fairly.

I submit it is pretty easy to fix the Medicare fund if you just want to take away its responsibilities and its liabilities and the costs imposed and just take them out, take them away and let somebody else pay for them like the general tax coffers, general taxpayers. That is essentially a substantial portion of the way the President chooses to solve it.

I believe a freestanding bill in this place, and in the U.S. House, and thoroughly aired across America, that said do you want the general taxpayers to pay \$55 billion of the health trust fund for seniors or do you want to continue with the trust fund and the payroll situation we have now—I do not believe very many people would vote to take general tax dollars and put them in that trust fund. We are doing it, kind of by just a slip of the pen here, just a turn of the page and write in something on a budget that says it is all changed.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Quickly, Mr. President, because the hour of 3:30 is arriving, the Senator from New Mexico and the Senator from South Carolina do not have a differing view with respect to the Finance Committee bringing out a tax reduction bill. There is no question they can do that, subject to the instructions, particularly back in 1975 where we had several budget resolutions. But not the reconciliation process, that is exactly what it was and that is what they stated.

Mr. Mansfield said, "I ask unanimous consent the Senate proceed to the consideration of the tax bill, H.R. 5559" on December 12. Then, on December 15, as the distinguished Senator referred, the assistant legislative clerk read as follows: "A bill, H.R. 1559, to make changes in certain income tax provisions of the Internal Revenue Code of 1954."

However, it was clearly obvious from the full RECORD, and we can make that RECORD here as a part of this RECORD if we wish, that Senator Long was trying to limit debate and not have the Hartke amendments, which were not germane. And in that discourse, even though Mr. Long had called it reconciliation, the chairman said, and I quote Mr. Hartke:

The chairman of the Finance Committee can make a statement but that does not make it the situation. The Committee on Finance has not acted upon this being a reconciliation bill. There is no record of its

being a reconciliation bill. There is no mention of it in the report as being a reconciliation bill. Therefore, I think the point of order would not be well taken in regard to any amendment because it is not a reconciliation bill. This is a tax reduction bill.

And finally, Senator Muskie, the chairman, and the rest of them, after a long debate, including Senator DOLE who was on Finance and supporting the position taken by Senator Hartke, allowed the Hartke amendments. And somewhat in defeat, when he finally was there, on December 15, Mr. Muskie said, "I wonder if I might not yield the floor. I think I have made whatever contribution I can with discussions of the problem." And he yielded to the whole thing whereby they brought the amendment up.

Now, Mr. President, I would hope the Senator from New Mexico would agree with his own words. We know Mr. Ullman, I have here; Mr. Panetta, Mr. Bellmon, Mr. REGULA, Mr. Bolling and the numerous Senators on this side, but particularly Senator DOMENICI. I quote, on December 3, 1980, where 5 years hence, and I quote him:

And also obviously it is an extremely fitting event for Senator HOLLINGS. He did not have the privilege of being chairman of this committee for very long, but he worked on the committee for years and I think that he must feel very good today, knowing that under his leadership this first reconciliation act will become a reality.

It was the first. And all reconciliation, as Mr. Pickle from Texas and everyone else pointed out—reconciliation was the process to bring the deficits down, bring the spending down into a particular budget target, not to increase deficits with tax cuts.

Mr. President, I ask unanimous consent that an article by Bill Dauster, dated May 30, in Roll Call entitled "The Day the Senate Died: Budget Measure Weakens Minority" be printed in the RECORD.

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

[From Roll Call, May 30, 1996]

THE DAY THE SENATE DIED: BUDGET MEASURE WEAKENS MINORITY

(By Bill Dauster)

The Senate died last week. At the very least, it suffered a blow that leaves it clinging to life.

You may be forgiven if you missed it. It happened while the Senate considered the budget resolution, a budget whose fiscal priorities pretty much repeat last year's endless budget failure.

But while most observers of Congress yawned, the Republican majority used the budget process to fundamentally alter the way the Senate works. From now on, the Senate will conduct much of its business at its hallmark deliberative pace only if the majority wants it that way.

It is the Senate's deliberative pace that has distinguished it from the House of Representatives and other parliaments. Yes, the Senate does apportion its membership by state instead of by population, but its true uniqueness flows from the way its rules preserve the rights of determined minorities.

Once the presiding officer has recognized a Senator, the Senate's rules allow the Sen-

ator to speak as long as humanly possible, unless 60 Senators vote to end the filibuster. The mere threat of filibuster—called a "hold" can detain legislation.

As well, when the Senate is considering one subject, Senators have the perfect right to offer amendments on entirely different subjects. These powers to debate and amend make every single-United States Senator a force to be reckoned with. They give dedicated groups of Senators substantial power. And they give 41 Senators the absolute right to kill a bill.

All that changed last week. Sen. Pete Domenici (R-NM), the Budget Committee chairman, brought to the Senate floor a budget resolution that markedly expanded the use of a procedure called "reconciliation." The reconciliation process creates bills that the Senate considers with only limited debate and limited opportunities to amend.

Because reconciliation bills limit debate, Senators cannot filibuster them. A simple majority can pass them. Because Senators may offer only germane amendments to reconciliation bills, Senators must stick to only the subjects chosen by the majority in the committee process. Because of the reconciliation process's power, the Senate has limited it solely to deficit reduction through the "Byrd Rule," named after the Senate's parliamentary conscience, Sen. Robert Byrd (D-WV).

This year's budget will generate an unprecedented three reconciliation bills—on welfare, Medicare, and tax cuts—designed to maximize partisan confrontation with the President. And in a marked departure from past practice, the Republican budget resolution devotes one of the three reconciliation bills—the one to cut taxes—solely to worsening the deficit.

On May 21, Senate Minority Leader Tom Daschle (D-SD), backed by Sens. Jim Exon (D-Neb), Ernest Hollings (D-SC), and Byron Dorgan (D-ND), formally challenged the procedure. The Republican-appointed Parliamentarian gave it his blessing.

In a series of exchanges with the presiding officer, Daschle demonstrated that the new procedure has few limits. Daschle appealed the ruling, but the Senate sustained the procedure on a straight party-line vote.

From now on, the majority party can create as many reconciliation bills as it wants. And the majority can use them to increase spending or cut taxes, worsening the deficit. From now on, the majority can use the reconciliation process to move its entire legislative agenda through the Senate with simple majority votes and few distractions.

The old Senate is dead. Some may say, "Good riddance." After all, as a Democratic Member of Congress once said, "In the Senate, you can't go to the bathroom without 60 votes."

If a simple majority can now pass important legislation in the Senate, perhaps a lot more will get done. Democrats will recall their frustration with Republican filibusters. Indeed, then-Budget Committee Chairman Jim Sasser (D-Tenn) once tried to convince Byrd to allow the Senate to consider the Clinton health care reform bill using the reconciliation process. Byrd did not want that done.

Also, the Parliamentarian at that time advised that it would not be in order for a budget resolution to instruct the creation of a reconciliation bill that solely worsened the deficit.

One can think about efficiency and Congress in two ways. The current conventional wisdom thinks in terms of legislative efficiency: How many bills become laws?

But as Nobel Prize-winning economist James Buchanan has argued, societal efficiency may be better served by a Congress

that has hard time enacting laws. Under those circumstances, laws would change less often, less frequently disrupting peoples' lives, less often intruding into them. If you agree with Thoreau that the best government is that which governs least, then the most societally efficient government is the one with the most checks and balances.

The Republican majority may thus have served legislative efficiency at the expense of societal efficiency. Good or bad, the Senate has changed.

As Daschle warned on May 21, "What goes around comes around." Democrats will remember the lessons the Republicans have taught them of how to use the power of the majority.

So say "bye, bye" to this slice of American pie. This'll be the day that it dies. This'll be the way that it dies.

Mr. HOLLINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

#### MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that we proceed in morning business, and that each Senator have 5 minutes to speak in morning business.

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

Mr. DOMENICI. I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

#### THE PERPETRATORS OF HATE CRIMES

Ms. MOSELEY-BRAUN. Mr. President, I will speak in morning business in relation to the rash of hate crimes that we have experienced in this country lately.

Mr. President, the perpetrators of the rash of hate crimes and church burnings in this country are no more than cowardly domestic terrorists. They work under cover of darkness and anonymity to intimidate some and encourage others precisely because they have neither the will nor the courage to be associated with the evil they seek to unleash on the land. It has been suggested that the objective of their actions is to start a race war. However, there is every indication that the arsonists are confused about the country in which their crimes are taking place.

Most Americans, Mr. President, are appalled and outraged. Our Nation as a whole, without regard to color or religion, is shamed by this horror. The outpouring of support and comfort for the victims of the terrorism has been consistent and has been multiracial. The religious community has closed

ranks with the targets of the arson in rejection and repudiation of the evil these crimes represent. From the President of the United States to the neighbors in areas which have witnessed these crimes, the leadership taken by individual citizens to affirm a climate of respect and community gives truth to the fact that our Nation will not fall prey to the forces of fear.

Mr. President, I recently talked with the victim of a cross burning in my own State of Illinois, who lives in Glen Carbon, IL. I spoke with Mr. Ellis who had been victimized by a cross being burned on the front lawn of his home. And the comment that I was most struck with is that he said how nice his neighbors had been. This is an integrated community. His neighbors, black and white alike, have come to the aid of this family that has suffered this heinous crime.

Mr. President, America will not go back. As we enter the 21st century, America is anxious to put the ugly legacy of racial divisions behind us. Unlike a century ago, the masses of people who make up our national community cannot be seduced by the messages of hate and conflict which consumed us in the past. Those messages lost their power with the moral victory of the civil rights movement, and our country has matured in ways which cannot be undone by racist terrorism. We are not intimidated, but embarrassed, and challenged by these criminals and their destruction.

Make no mistake but that they are criminals. The act of arson is a crime, when directed at a church it is a crime of unspeakable dimension. But that is precisely why we are called upon, each of us, to speak and act in ways which will demonstrate our collective intolerance of such hate crimes. Our community, as a whole, must dedicate itself to the rebuilding of the churches. We must engage our Government and law enforcement apparatus to investigate and uncover the perpetrators of this terrorism. No stone should be left unturned in our search for the truth. Federal, State, and local law enforcement must approach these hate crimes with the same vigor and sophistication as would be given the most heinous foreign threat.

My late mother would often say, "The Lord works in mysterious ways, His wonders to perform." And she was right. The resurrection of the burnt places of worship may well provide the kind of redemption which can only come of suffering. We will move our Nation forward to the elimination of racism if we dedicate ourselves to restore the symbols of love and unity, and in so doing put to rest forever the forces of division based on race which these acts of terror seek to unleash.

Mr. President, this is one of those historic moments for America, when the path of our future will be chosen. In our collective repudiation of domestic terrorism, in our aggressive prosecution of its perpetrators, in our vigi-

lance against hate and in the vitality of our response to it, we will build the New Jerusalem of a stronger, more moral, and more inclusive country.

With that, Mr. President, I will send later to the desk a resolution which I hope will be cleared quickly for action by this body and which I hope and pray will receive the unanimous consent of my colleagues. Thank you very much, Mr. President. I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. EXON. Mr. President, the Senator from California is a very valuable member of the Budget Committee. We had saved some time for her. I request we move back to the budget resolution, and I yield up to 8 minutes to the Senator from California, or whatever time she needs.

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

#### CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mrs. BOXER. Mr. President, thank you. I want to thank my leader on the Budget Committee, Senator EXON, who will be sorely missed when he retires. This is a man who has stood for a real balance in our Government, a balanced budget, and a balance in our priorities. I hope as America listens to him, and some of us who do not believe this budget is the right budget, I hope Americans will understand the fight over balancing the budget.

Mr. EXON. Will the Senator yield?

Mrs. BOXER. I am happy to yield to the Senator.

Mr. EXON. I appreciate your kind remarks, and I yield 5 hours to the Senator from California.

Mrs. BOXER. Mr. President, thank you so much.

As I was saying about the Senator from Nebraska, he has stood for real balance in the budget, both in terms of dollars in and dollars out, so that we do not add to a debt, but also a balance of needs. What is very interesting to me, in particular, Senator EXON, as the former chairman of the Budget Committee, and now as its ranking member, has always been one who has stood for the strongest possible defense that America must have. When I hear him stand up and talk about some of the excesses in that area, it means a lot to me.

What is interesting to me, when we had an opportunity to vote on budgets, we had three budgets. We had the Republican budget before the Senate today, coming back from the conference; we had the Democratic budget, which, basically, was President Clinton's budget; and we had the bipartisan