

UNANIMOUS CONSENT
AGREEMENT

Mr. DOLE. Madam President, I ask unanimous consent that prior to the close of business today, Senator DOMENICI be recognized to offer a substitute amendment, the text of which is President Clinton's budget; that no other amendments be in order during the pendency of the Domenici amendment; that a vote occur on the amendment at 10:45 a.m. on Friday, May 19, 1995, without any intervening action or debate; and that the time between 10:15 a.m. and 10:30 a.m. be under the control of Senator EXON, and 10:30 a.m. and 10:45 a.m. under the control of Senator DOMENICI.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Reserving the right to object, Madam President, and I will not object, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator may state the inquiry.

Mr. LEVIN. If the substitute offered by Senator DOMENICI is agreed to, is the resolution as amended by the substitute further amendable?

The PRESIDING OFFICER. Only with the amendments that are mathematically consistent.

Mr. LEVIN. So that the numbers may be changed.

The PRESIDING OFFICER. That is correct.

Mr. LEVIN. I have no objection.

Mr. DOLE. I add further, if the substitute is adopted, I will be out of work.

Mr. LEVIN. Was that a parliamentary inquiry?

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

Mr. DOLE. Madam President, I further ask that following the disposition of the Domenici amendment, Senators LAUTENBERG and ROCKEFELLER be recognized to offer an amendment relative to restoring the Medicare funds; that no amendments be in order to the amendment; that no amendments be in order to the language proposed to be stricken; and that a vote occur on the amendment at 3:15 p.m. Monday, May 22, without any intervening action or debate.

Mr. DOMENICI. Reserving the right to object, and I will not, do I understand that neither of these consents waive any Senator's right to make a point of order?

The PRESIDING OFFICER. That is not correct. They would indeed waive the right to make a point of order.

Mr. DOMENICI. On either?

The PRESIDING OFFICER. On either.

Mr. DOMENICI. I do not know whether there would be a point of order, but I usually make this proposal before every amendment, and I just forgot this evening. Nobody is waiving the right to the point of order. It is not that urgent, let it go.

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

Mr. DOLE. I thank the Senator from South Dakota for his cooperation.

Let me just explain to my colleagues, then, the Senator will lay down the amendment tonight, and it is my understanding at the end of the day there will be 40 hours left in today's session.

Then hopefully tomorrow we will be in long enough to take 10 more hours, and after tomorrow there will be 30 hours left. So we start Monday with 30 hours. We would like to complete action on this bill on Wednesday so we can take up the President's request on the antiterrorism bill and pass that before the recess.

So there will be one vote tomorrow. And first vote on Monday will be at 3:15. There may be votes after that vote on Monday.

So I urge my colleagues to not leave on the assumption that there will only be one vote on Monday. There could be several votes on Monday. I assume after the disposition of the Lautenberg-Rockefeller amendment, there will be an amendment offered on this side. I assume we are going to rotate back and forth.

So there could be several amendments, because again we will be in session at least 10 hours on Monday, maybe longer.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DASCHLE. Madam President, I share the understanding of the distinguished majority leader with regard to the schedule for the next couple of days. Even though there is only one rollcall vote tomorrow, we have a very important debate that will begin immediately after that vote. It will be on the issue of Medicare. And I urge my colleagues to use this time to the fullest benefit. That time will be lost, if we do not use it tomorrow. It is very important that all of our colleagues appreciate the time that we have available to us tomorrow and Monday to debate this important issue.

So I encourage our participation, and certainly hope that you will take full advantage of the hours that are available to us following the disposition of the first vote at 10:45 in the morning.

We will have another vote on Monday. It will be on the Medicare amendment, and between now and then I would hope that all of our colleagues will fully avail themselves of the opportunity that we now have to debate this amendment to the fullest extent possible.

So I think this is a good agreement that gets us off to a good start. I would certainly hope that between Friday morning and Monday afternoon we have no quorum calls, and that we use every moment available to us to participate in the debate on the Medicare amendment.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Madam President, I ask unanimous consent that following the conclusion of the remarks by the Sen-

ator from Pennsylvania that the Senator from Kentucky, Senator FORD, be recognized on this side for 20 minutes, and then we will continue the usual process of going back and forth.

I do not know who is scheduled. Senator LOTT will be scheduled after that for 15 minutes. Following the conclusion of the remarks by the Senator from Kentucky, Senator LOTT will be recognized for 15 minutes. Following that, Senator BUMPERS on this side will be recognized for 20 minutes. And then, if there is a speaker on that side, they will be next following Senator BUMPERS on this side, and Senator KERREY will be recognized after that for 15 minutes.

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

Mr. DOMENICI. I wonder if the distinguished minority leader might just engage in a little discussion with me about amendments.

We already are asking Senators on our side to submit amendments to me as floor manager to just see where we are. I know for many it seems early. But, frankly, time is going to be really moving. I think it would be helpful to all of us the sooner we knew. I am not asking for details. But the sooner we know, more or less, where we are, we will finish at a point certain, at a time certain. Everybody knows that. If there are amendments that we have debated, they will get a vote, if they want one. But there will be no discussion. The sooner we know maybe the sooner we might accommodate in some realistic way the Senators who desire to have a little time to speak.

Mr. DASCHLE. If the Senator will yield, the Senator is correct. I think it would be very helpful for all Senators to share with us their intentions with regard to amendments as soon as possible. We already have a list we are compiling. We would be happy to share it with you. I think it is our intention following the amendment relating to Medicare to offer an amendment relating to education, and following that an amendment relating to the EIPC. There will be an amendment relating to Medicare, and EIPC, and education.

So the order for our side will be that, and we will be able to give you more information as we go through the list.

Mr. DOMENICI. Thank you very much.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 15 minutes.

Mr. SANTORUM. I had the opportunity, Madam President, to be on the floor for just a few minutes when the resolution was laid down, and spoke about what a historic time this was for our country, and that a majority of Senators from the House and from the Senate—the House having passed their budget resolution earlier today—had the courage to come forward and present a budget resolution that brought our Federal budget into balance.

That is not an easy thing to do. If it was an easy thing to do, it would have

been done at least 25 times over the last 25 years, but it has not been done once.

I give a lot of credit to the Senator from New Mexico for his tremendous work on crafting the legislation; the Congressman from Ohio, JOHN KASICH, for the work he has done on the House side; and to all of the Republicans who are standing shoulder to shoulder to push this effort forward for the future of this country.

This is a historic time. This is a great opportunity for America as a country to face the realities of the future, to stop the endless political games of promising what we cannot deliver on, and letting other generations of Americans pay for our political expediency.

I am excited. I am excited to be here during this time. I think this will be one of the great debates in history. I think this will be one of the great defining moments of our time.

It is just unfortunate, it is truly unfortunate, that at one of these defining moments where the country can really face the future, it is going to be done without the Chief Executive Officer of this country. He has decided that he is going to take absence without leadership, AWOL on this issue. He has decided that he does not want to participate in the process. He has decided in debates with himself that he is not relevant to this process, and that he is going to sit on the sidelines and throw whatever he can at those who are trying to move this country forward to balance the budget.

It is a great disappointment to me and I know to many Americans that the Chief Executive Officer, the President, has decided to take this course.

What I have decided to do is to remind everyone here of the President's action or inaction on this effort. Starting today, the first day in which the budget resolution was laid down here on the Senate floor, I am going to bring this chart to the floor every day between now and October 1 of this year, when the next fiscal year starts, and going to tell the American public how many days it has been since the Republicans laid down a balanced budget resolution to get this country to balance, and how many days it has been since Bill Clinton has decided to leave town when it came to this issue.

The Senator from Massachusetts, in the last election for President had the rallying cry of "Where's George?" Well the question today is "Where's Bill?" I guess on day one, the answer is, as the Senator from Kansas the majority leader has said, he is AWOL. Absent without leadership.

Today is day one. I suspect, although I hope it is not the case, that over the next 135 days between now and the end of September, that I will be putting up day after day, numbers on this chart to show that the President truly is not serious about leading this country, about moving forward in a direction that will preserve this country's not just financial future but future as a society.

I am actually fairly sad to have to come here and do this. I think it is in a time of great courage that we are seeing in the Congress, a very sad state of affairs that we have a President who has decided not to participate.

By the way, this is the same President who in 1993 he and his budget directors and many on the other side of the aisle, were clamoring about how the Republicans were not putting up their plan.

Where was their plan in 1993 to reduce the deficit? We are not talking about just reducing the deficit here. We are talking about getting to a balanced budget. Something which the President's plan does not do.

I want to quote the President in February of 1993. The President's demand to the Republicans in Congress, "Not hot air, show me where."

Well, Mr. President, "Not hot air, show me where." If the President wants to lead, lead. That means the President has to propose, just for some instruction. The President has to propose something in order to lead somewhere.

The situation is the President being absent from this debate is not unusual when it comes to the budget this year. We have a President who has refused to put forward a balanced budget resolution, has refused to put forward anything that is going to reduce the rate of growth in the deficit. In fact, according to the numbers of the President, modest numbers he wants us to use, his deficit goes up over the next 7 years up to \$267 billion by the year 2002, according to the nonpartisan Congressional Budget Office of which the President said we should use in determining his numbers.

And his first chance this year, his first chance this year to put a downpayment on the deficit, is a \$16 billion rescissions bill, which yesterday in the Washington Post he said that he was going to veto; a \$16 billion rescissions bill.

There is a President who simply wants to preserve the status quo, and all you will hear over the next 5 days are people who created this Government here in the Congress and who want to defend every program, and if we touch a hair on one of them, the sky will fall, the Earth will erupt, and life will never be the same again here.

Well, let me just suggest that, if we do not touch some of these programs, literally thousands and thousands of programs, if we do not start consolidating, eliminating, reducing the rate of growth of some of these programs, truly the sky will fall and the Earth will open up because we simply will not have a future for our children. We will leave nothing for them.

So I would suggest that when you hear the gnashing of teeth that you will hear, you will hear about how hopeless things are in America—the previous speaker was talking about, the Senator from Washington, talking about how hopeless people are if not for

some Government program that is going to help them through their hopelessness, or how fearful people are, if it was not for the Government to take care of them.

I would just suggest that our job here in Washington is to provide opportunity and hope for people, to give them the chance to succeed.

I will tell you the best way that I believe you can give people a chance to succeed is by letting them keep the fruits of their labors, but not taking all of it from them, and when I hear this debate, it absolutely blows my mind. I do not know what budget they are working on. I hear all of this debate all day long, and from the White House how we are cutting Medicare, cutting all of these programs to pay for "tax breaks for the rich." I know a lot of you heard this. A lot of you have heard this.

Let me tell you what the budget resolution says. This budget resolution—I do not know what budget resolution they are talking about. It is not this budget resolution. It is not this budget resolution. In this budget resolution is a provision that 90 percent of all tax cuts must go to people under \$100,000; 90 percent.

I do not know. We may be redefining wealthy in America; and, that is, that people under \$100,000 are wealthy. People who make under \$100,000 are wealthy. Those are wealthy. But when you have 90 percent of any tax cut provision in this budget as it appears on the floor of the Senate today, going to under \$100,000, I do not know how you make that statement. I do not know how you make the statement the Senator from South Carolina made a few minutes ago that they are going to cut taxes now, and the spending cuts will not come until later. I do not know what budget he is looking at.

This budget, almost all of the cuts in taxes that occur come the last 3 or 4 years after we have shown that we can get on a glidepath, after we do cut spending first. Why does that come about? Why do we get this \$170 billion? It is a very important point. Why is it that the Congressional Budget Office gives us a bonus of \$170 billion? Let me explain why. It is very simple.

Because they believe, as I am sure every economist in this country would believe, and you can see it by what is happening already to the dollar and how the dollar is rebounding since we have introduced this resolution, how interest rates are coming down since we have gotten serious about balancing the budget here in this Chamber—the Congressional Budget Office believes accurately that, if we have in place a mechanism to balance the budget over the next 7 years, interest rates will come down; therefore, the cost to refinance the debt will come down, inflation will come down, and the economy will grow faster.

Those are all assumptions the Congressional Budget Office made in calculating this bonus of \$170 billion of

which we were going to take that bonus and return it to the people who work very hard to pay those taxes.

Think about this. Getting to a balanced budget will create more growth. That means more jobs. That means for opportunity, lower interest rates, which means lower payments on mortgages, more affordable housing, and other programs, lower debt costs which means lower deficits. This is what we are focused on, growth, low inflation, low interest rates. But that is a pretty good plan. That is how we get the deficit even further reduced.

What we are saying is that once we have established the plan to get us to zero, if we do get that bonus, if we do get that savings, then we are going to give you the dividend. You, the taxpayer of America, boy, I will tell you. By the way, 90 percent of that will go to people under \$100,000.

I do not know, folks. I do not know what budget they are reading over there. But if that is cutting Medicare to pay for tax breaks for the rich, tell the Congressional Budget Office because that is getting it right, balancing the budget, causing positive effects on the economy and letting people who work their tails off in this country keep some of the money they worked hard for.

You would think that the only people who care in this town are people who want to take your money and give it to somebody else to help them; that those of us who believe caring sometimes can mean letting you keep some of the money you worked hard for. No. That is not caring. That is tax breaks for these bad people who work; or these people who succeed.

I happen to think that rewarding people for doing what we all, everyone in this Chamber, want people to do in this country—work—is a good thing. It is a good thing.

So when you hear about these nasty things that we are going to do about, you know, helping the wealthy, substitute every time you hear "wealthy", substitute "taxpayer." If you are a taxpayer, you are the one they are after. They do not want to give you any relief up there. No, no, no. Those of you who pay taxes, you are bad. We have to make sure that you give us the money that you worked hard for so we can spend it, where we, of course, know best. That is just absurd. It is even an absurd statement here in Washington DC.

This is a good budget plan. This is a fair budget plan. I will talk over the next few days about how we are doing. I went to town meeting after town meeting after town meeting in the last 4 or 5 years. I was in Congress before being in the Senate this year. And every place I went, the comment I got was whether you want to get to a balanced budget but do not single out anybody, do not single out any group, spread it around. You know. Make it fair. We are willing to take our share. We understand we have a problem. We

are willing to pitch in. This is America. When we have a crisis in this country we are willing to step up to the plate. We are not going to run and hide. "Oh, no don't hurt us. Don't touch us."

That is what the other side would have you believe. We have a bunch of people who are not willing to sacrifice or put forward their piece to solve the problem. Of course, they are. Of course, you will. Do not let these people appeal to your weaker side. Appeal to the better angels of your nature. Appeal to the side that says America is a great country, if we all pull together and we stand shoulder to shoulder to solve problems.

That is what this budget does. It bridges us all in, everybody. It says let us all pull together. And we are not talking about radical stuff here folks. We are not talking about enormous pain here.

We are not talking about enormous pain here. We are talking about Government growth at 3½ percent a year, increasing at 3½ percent a year. Under this budget resolution, spending goes up 3½ percent a year. Some pain. Three and a half percent a year, that is just draconian; it is horrible. Again, the sky is going to fall if the Government only goes up 3½ percent a year.

This is the right medicine. It is absolutely crucial medicine. It is absolutely crucial that we pass this resolution and that we move forward to put this country back to where my grandfather, who came to this country back in the 1920's, before the Depression—he lived in a company town, in the hills of Appalachia, in Pennsylvania. He was a coal miner. And he came here not because he did not have a good job. He had a great job in Italy. That is where he came from. He had a great job. But he left there because he wanted freedom. He wanted to be able to collect the fruits of his labor, and most importantly he wanted to leave his sons and daughter better off than he was.

That has been the dream of every American who came on our shores. They came here because they wanted to leave the next generation better off and with more opportunities than they had.

We are sitting here and standing here as Members of the Senate, and we are looking at a future that will do just the opposite if we do nothing. If we fail, the next generation will not have what we have, will not have the opportunity to succeed. As I look around and see people in the gallery with their children, I know their one hope is that those children will be better off than them; that they love them so much.

Well, folks, love them enough to do the right thing. Love them enough to set this country straight and balance this budget so they can have a better future.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Under the previous order, the Senator has 15 minutes.

Mr. FORD. I think we are swapping back and forth. I have 20 minutes and then the Senator has 15 minutes. I think that is correct.

The PRESIDING OFFICER. Under the previous order, by a unanimous-consent agreement, the Senator from Kentucky is recognized for 20 minutes, and then the Senator from Mississippi for 15 minutes.

The Senator from Kentucky.

Mr. FORD. Madam President, while the Senator from Pennsylvania is still in the Chamber, I would like to make a couple remarks.

I have been in this Senate for 21 years now. In all of the hot debates, in all of the effort that is made here, I have never heard or seen the office of the President of the United States degraded like it has been here today. Never in 21 years have I heard Gerald Ford called Jerry, Jimmy Carter called Jimmy, Ronald Reagan called Ron, George Bush called George, and I have never heard a First Lady called by her first name. I think it is time we have some respect for the office if we do not have respect for the individual who holds it.

Now, when the Senator says "Bill" here, we have never done that. The Senator can smile if he wants to, but there is some decorum by people who have been here for a long time. This is an institution that has respect for the office if not for the individual. I would hope that the Members on the other side would be a little careful about the remarks they make and how they put forward their effort in this debate.

So I just call attention to the Senate that I hope from now on it would be "the President." I have never heard the majority leader in the Chamber refer to his party's President by his first name. I never heard him refer to the Democratic Party's President by his first name. It has always been "the President." So I would hope that we would refrain from using the First Lady's first name in the Chamber and that we be very careful about that.

Madam President, I hope that I say this constructively because I do respect the office of the President, even though another party from my choosing would be the occupant. I felt it important that I say that.

Madam President, what a difference 6 months has made. And I go back to November 6, 1994. "President Clinton and Vice President Gore are resorting to scare tactics, falsely accusing the Republicans of secret plans to cut Medicare benefits."

That was from the majority leader of the U.S. Senate, quoted in the Washington Post of November 6.

The outrage, as far as I am concerned, is the Democrat's big lie campaign that the Contract With America would require huge Medicare cuts. It would not.

Haley Barbour, Republican National Committee Chair, CNN's Late Edition, November 6, 1994.

The GOP budget speaks for itself. The GOP Senate budget plan includes

\$256 million in Medicare cuts. We go back to what the chairman of the Republican Party said, and he has been in the meetings here. He has attended the meetings when this budget was developed and the statements were planned. He said it is a big lie campaign. Six months later, it was the truth.

The GOP House budget plan includes \$286 billion in Medicare cuts, and the House budget includes and the Senate budget provides funds for GOP tax cuts that would give \$20,000 a year to the wealthiest Americans.

I heard the distinguished Senator from Pennsylvania say that this will reduce interest rates; that things are going to get better.

Well, in 1993, we struggled, and if I recall, after we passed that budget bill without a Republican vote, 50-50, in the Senate, and the Vice President broke the tie, the Fed had to increase interest rates six or seven times in order to cool off the economy because we reduced the deficit by \$600 billion. We reduced or eliminated 300 programs. And how many Republican votes did we get? None. Zilch. Zip. None. And we did pretty well.

When you say that we have not done the right thing, I think you have to go back and look at the 1993 votes. And if you also want to say something about 6 months later, there was a Congressman in the House that said it very well. "If we had come out with this budget in our contract, they wouldn't have voted us in." You would not have been elected. At least, he was honest. He was honest in making his statement.

Madam President, last year, the Census Bureau reported the widest rich-poor gap since the Bureau began keeping track in 1947. Business Week magazine suggested that "If this trend persists, it could tarnish America's image as the land of opportunity." In fact, it was a Republican strategist who said, "This stratifying starts to make us into a different country. It goes to the American notion of fairness."

And that is exactly why, when Democrats hammered out an economic plan last Congress, we made sure it not only dramatically cut the deficit, but also helped create an environment for strong growth, proven by the interest rates that we were called on to pay and increased by the Fed. We provided resources so all Americans—and I underscore "all"—could obtain the skills necessary to compete in a global economy. We accomplished those goals amidst the first investment-led recovery with low inflation in 30 years.

Today, Senate Republicans have put forth a budget that also looks to eliminate the deficit. But the similarities, Madam President, stop there. While Democrats sought to put in place an economic plan to further empower the hard-working families of this country and their children, the Republican plan appears to be driven almost entirely by the desire to cut taxes for America's most well off.

Middle-class Americans understand that balancing the budget requires the Henry Clay tactic—compromise, mutual sacrifice, negotiated hurt, as Henry Clay would have said. But while they are being forced to accept the biggest rate hike in Medicare history, those Americans making \$300,000 or more are walking off with a \$20,000 a year tax cut, low-income Americans are being forced to pay more taxes.

While low-income Americans are being forced to pay more taxes when the earned-income tax credit is slashed, those millionaire Benedict Arnolds spit on the flag, renounce their citizenship in the United States—we tried to prevent it and we could not because the votes on the other side would not let us—so they can get out of paying U.S. taxes. As we say down in western Kentucky, "Something about that ain't right."

And while middle-class Americans are being forced to pay thousands more to send their children to college, loophole after loophole remains intact for America's richest.

There is not a single Senator here who supports the status quo—not a single Senator. But on this side of the aisle, we do not want to see America's image as the land of opportunity tarnished. We want a budget that is balanced, not one that sends middle-class Americans home emptyhanded so that the richest Americans can pocket a \$20,000 a year goody.

While the 1 percent of Americans are trying to figure out how to spend their extra 20,000 bucks, middle-class Americans are trying to figure out how to care for their elderly, sick parents when Medicare is slashed by over \$250 billion. While the 1 percent of Americans are trying to figure out how to spend their extra 20,000 bucks, middle-class Americans will be trying to figure out if their dreams to send their children to college are impossible to obtain. And while the 1 percent of Americans are trying to figure out how to spend their extra 20,000 bucks, those hard-working families struggling to become middle class will try to figure out how to do so now that the earned-income tax credit that they enjoy is slashed and their taxes are raised.

Medicare: What are the cuts really for?

Madam President, there are 585,000 Medicare beneficiaries in my State of Kentucky. I hope many of them will follow this debate, follow it closely, so we can consider the Republican proposal to cut Medicare by \$256 billion over the next 7 years. I hope many of them will try to figure out what those cuts are really for. Why are they in this budget? Why \$256 billion?

There are \$170 billion in proposed tax cuts in this Republican budget, although they have tried to hide them in something called a tax reduction reserve fund. If these tax cuts are anything like we have seen from the House of Representatives, we know that they

will primarily benefit well-off Americans with high incomes.

Our colleagues on the other side of the aisle deny that Medicare cuts are being used to offset these tax cuts for upper income Americans. They have suggested that the Medicare trust fund is going broke and that we have a crisis. They have also suggested they do not know what specific steps should be taken to make the trust fund solvent, and that we should set up a commission—a commission—to recommend changes in the Medicare program to make it solvent.

I hope Republicans are prepared to answer the questions the 585,000 Medicare beneficiaries in my State have for them.

First, if we cut Medicare by \$256 billion, how much longer will the trust fund be healthy? Answer that. We have yet to hear the answer. If we are truly reacting to a crisis, then what will \$256 billion in cuts do to affect the crisis? If the proponents of these \$256 billion in cuts do not know the answer, this would appear to be further evidence Medicare cuts are being made to offset tax cuts for upper income Americans.

Second, and more puzzling, if Republicans are cutting Medicare to avoid a crisis in the trust fund, and if Republicans do not know yet what specific steps to take until a commission tells us, then how do they already know the specific amount to cut? If we need a commission to tell us how to make the trust fund solvent, do we not need to add up the changes they recommend before we know the total amount of cuts?

How can we know that \$256 billion in cuts are needed to make Medicare programs solvent? It sounds suspicious to me and a lot of Americans. Either Republicans already know what Medicare changes they will make and they will not tell us, or \$256 billion is simply the number they needed to offset the tax cuts.

I hope the 585,000 Medicare beneficiaries in my State will hear answers to some of these questions. Madam President, we have a Medicare crisis today and we had an even greater Medicare crisis in 1993 and 1994. The Medicare beneficiaries in my State want to know where the Republicans were then.

In 1993, the Medicare part A trust fund was projected to go broke in 1999, only 6 years out. Let us not forget how tough some of those decisions in the 1993 deficit reduction package were. More than \$1 out of every \$5 in deficit reduction in 1993 went to shore up Medicare. We cut \$56 billion in spending for Medicare over 5 years in the 1993 deficit reduction package. These cuts included \$23.3 billion in payments to hospitals, \$15.7 billion in payments to doctors, \$9.1 billion in payments involving both hospitals and doctors. These were tough cuts, and we did not get a vote from the other side of the aisle to make those cuts.

We also lifted the cap on wages subject to the payroll tax which funds

Medicare part A, and increased the amount of Social Security benefits subject to taxes on those making over \$44,000 a year. A tough choice, but we dedicated every penny of increase of revenues to Medicare. They went to Medicare. These were painful changes, hard votes. We made them; they did not.

Consider together they shored up the Medicare Program by more than \$100 billion over 5 years, and how many Republican votes did we get to help shore up Medicare? Not one. Zilch. Zero.

In 1993, when Medicare was projected to run out of money by 1999, how many Republicans said, "There's a Medicare crisis?" Not one. Zilch. Zero.

In 1994, when health care reform was being considered and Medicare was projected to run out of money by 2001, how many Republicans said there was a crisis in Medicare? None.

In fact, last year, many went out of their way to stress that there was no crisis—no crisis—in health care. More than \$1 out of every \$6 spent in this country in health care comes from Medicare. In fact, over 40 percent of health care expenditures nationwide comes from the public sector, and this is primarily Medicare and Medicaid.

When the Medicare trustees' report came out earlier this year, it actually extended by 1 year the projections of when the Medicare trust fund would run out of money.

Yet, my Republican colleagues, none of whom recognized the Medicare crisis in 1993 and many of whom denied the existence of any health care crisis last year, seized upon the trustees' report to justify now a crisis, a crisis worthy of \$256 billion in Medicare cuts.

I have 585,000 Medicare beneficiaries in my State. They should look behind these numbers. There are a lot of unanswered questions. How do we know from reading the trustees' report that \$256 billion in cuts are needed?

Let us take a look at what the report says. Part A pays for inpatient hospital care, skilled nursing facility care, home health care, and hospice care. Most Americans 65 or older are automatically entitled to part A protection. There are over 36 million beneficiaries nationwide, and Medicare part A is financed by the Federal hospital insurance trust fund. According to the trustees' report, at the end of 1995, the part A trust fund will have an all-time record balance of \$134 billion, which will grow slightly in 1996. However, the balance will decline, thereafter, to the point where the fund becomes dangerously close to being insolvent by the year 2002.

The trustees also reported on Medicare part B. Part B of Medicare is voluntary. It pays for doctors' services, other medical and health services, like laboratory and outpatient services, and some home health care services not covered by part A. Part B is financed by the supplemental medical insurance trust fund.

According to the trustees' report, this part B trust fund will have a bal-

ance of \$26 billion in the year 2002, even larger than the balance today and an all-time record. So if there is a trust fund crisis, it is in part A.

Yet, we do not know where the \$256 billion in Medicare cuts in the Republican budget will come from. Do our Republican colleagues view a crisis in part B, as well? How will the \$256 billion in cuts be allocated among part A and part B?

Madam President, I do not know what we need a commission for, but if we are to have one, this raises even more questions:

What will the instructions to the commission be? Could the Medicare crisis commission recommend tax increases, raising the current payroll tax used to fund part A? If so, are our Republican colleagues saying they will support those tax increases? What if the commission recommends less than \$256 billion in Medicare cuts? Will Congress be required to cut \$256 billion from Medicare anyway to offset the tax cuts for the very rich and the Benedict Arnolds in the Republican plan? Madam President, how do our Republican colleagues know that \$256 billion in Medicare cuts are needed?

They are very precise in this budget. They are very precise. Our Republican colleagues tell us Medicare is in a crisis. They tell us it needs to grow by 7.1 percent per year—not 7 percent, not 8 percent, but 7.1 percent per year.

They tell us we need to cut Medicare exactly \$12 billion next year, then \$22 billion, then \$27 billion, then \$36 billion, then \$44 billion, then \$53 billion and, finally, \$62 billion in the year 2002.

These are very precise levels of Medicare cuts year by year, yet we need a commission to tell us what to do about Medicare.

Let me talk a minute, if I have any time left, about education.

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

Mr. FORD. I was pretty close to it then, was I not, Madam President? I will have another day and another time, and I want to talk about education and the cuts in that. I hope I will be able to have maybe 10 minutes then just to talk about what the Senator from Pennsylvania was talking about, our children. We want our children to be educated, and if they are not educated, they will never make the middle class.

So I yield the floor, and I thank the Chair for her patience.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi. Under the previous order, the Senator is recognized for 15 minutes.

Mr. LOTT. Madam President, I am very pleased to rise in support of the concurrent resolution on the budget for 1996, and I would like to begin by congratulating the distinguished chairman of the Senate Budget Committee, Senator DOMENICI, of New Mexico, for all the hard work he has done and all of his staff work that has been involved in putting this package together.

It is large, it is complex, and it is a very complete document. Also, I want to commend the Budget Committee members because there were a lot of meetings, a lot of discussion, a lot of give and take. But in the end, we came together, worked together, and produced a budget resolution that, in my opinion, is a very critical document.

It will take the Federal Government to a balanced budget by the year 2002. Frankly, I had my doubts that we would ever bring a budget resolution to the floor of the Senate that would do what we said we would do, and that would be to get us to a balanced budget. But this document does it.

Is it perfect? Probably not. There never will be such a thing. Obviously, I would like to add some additional tax relief for the American people into this budget resolution. But this budget resolution does take us to a balanced budget in the next 7 years.

Let me respond just a little bit to some of the comments we have heard in the last few moments.

First, I think we should emphasize that it does not matter which party presents a balanced-budget plan, as long as it is done. The American people want us to get on with the job of controlling deficit spending and, some day, some day maybe even deal with the debt of this country. They want us to think about the future of our children and the future of our country. They understand that we cannot continue to have this profligate spending forever, without somebody paying the price, and they know that somebody is going to be our children.

Now, we have tried it other ways. I have been in Congress for 22 years. I have seen Republican Presidents, Democrat Presidents, Democrat Congresses, lots of those, and a Republican Congress, finally. Well, both parties have failed in allowing these deficits to go up year after year after year. But it is time for us to bring that to a stop.

(Mr. FRIST assumed the chair.)

Mr. LOTT. The American people do not want the status quo. They want us to get the budget under control. I will say this: This budget resolution shows the fundamental differences between the two parties. Oh, yes, we had a budget resolution in 1993 that not a single Republican voted for that the Democrats passed. Do you know what that budget resolution was? It was little more than monstrous tax increases.

This is a budget resolution that gets us to a balanced budget by cutting spending and by controlling the growth of programs throughout the Government. Surely, that is the preferred way to do it. The American people do not want us to raise taxes on them anymore. They want us to control the growth of Government, control spending—and, by the way, even let them keep a little bit of their hard earned tax money—their money. In Washington, when the people are allowed to keep their money, it is called a tax expenditure. The Government is giving it

away. Well, to the people that is their money that is being taken away by the Government.

One of the things that happened in that 1993 budget that I still have not gotten over—and the distinguished Senator from Kentucky mentioned it a while ago—was that it had a provision that raised taxes on Social Security recipients, and not just the wealthy. At one point, I think it was all the way down to \$19,000. We forced it back up to a little higher level. It raised the Social Security earnings threshold on people who are not wealthy, middle-income retirees, and moved the money over into other programs. The explanation was that this would help fund the inadequacies of Medicare.

Well, my colleagues, we all know that Social Security and Medicare are not the same. They are two different programs. When you raise the taxes on Social Security, it ought to go for Social Security if it is taxes are to be raised—and they should not be raised at all. At least the money should not be moved over and put into other programs.

The point was made in the past few minutes here about this terrible rich-poor gap. Well, why has something not been done about it? The party of the Senator who was speaking has been in control of the Senate for all but 6 of the last 40 years. Their party has been in control of the Congress. Obviously, their programs have not worked. They have failed. The rich-poor gap is there, it is bad, and we need to do something about it. But what we have been doing has not worked. It has failed. It is time for change. That is what this budget resolution will help move us toward.

One final thing. Gripe, gripe, gripe. Not this, not that, not mine, not yours, nobody's, do not cut this or that. I have heard everything about this budget resolution. You cannot cut this, you cannot touch that. We do not like your budget. I have been through that Kabuki dance before. We have been guilty on occasion where we have said, "We are not going to offer our budget resolution; we will just attack yours and offer amendments." And we were made fun of by the other side. Sometimes, though—and last year we did it—we were challenged and asked, "Where is yours?" Even while in the minority we said, "Here is what we will do." And it was a tough, good budget.

Here is what I have to say now to those that are whining about what is or is not in this: Where is yours? Put it up. Let us see what your approach is. Well, we know. It is just to raise taxes. Well, we tried that and it does not work. It just makes the gap between rich and poor worse.

Now, Mr. President, what I really wanted to address today—except I got so fired up from what I heard from the previous speakers that I got a little off my plan—was why we need to do this resolution, hopefully in a bipartisan way. Why are we making these tough choices? I think it is because we really

need to do it. We need to do it for our country, for our economy, and we do need to do it for our children. We have serious problems hanging out there that we cannot ignore.

Now, we have come up with a plan here to balance the budget, without touching Social Security or raising taxes. We limit growth in spending and cut needless Government waste.

We limit growth in spending. I keep emphasizing that. We have found a tough, but fair, course that takes us toward zero deficit. When I go home, people say, "When are you guys going to get that deficit under control," or "When are you going to do anything about the debt?" Well, this does it.

If you look at this chart that I have here, spending versus revenues, 1974 through the year 2004, as a percent of gross domestic product, you can see that we have had a chronic problem of what we spend exceeding what we take in. This cannot continue. Yet, it will unless we do something. The gap between what we are taking in and what we are spending is going to continue to grow. Every businessman, every individual, rich, poor, middle class, you cannot live like this—not even the Federal Government. This is the problem and this is what we are trying to address.

We must balance our books. It is that simple. This should be at the top of our agenda, along with returning resources and power back to the States, communities and families, ending useless programs, and fixing those important programs that need fixing.

Now, I know you are going to hear, "You could have cut some of these programs out in the past." Yes, maybe we could have or should have, but we did not. Now we have another chance. This is a time we should come together and make the difference. The problem is overspending that saps our country's strength and harms our families. If we do not stop spending, the problem will get worse. This budget resolution is the way to fix the problem. It will stop the Nation's slide into insolvency and preserve the American dream for us and our children.

We are in the last generation—and maybe this is the last Congress for a while—that can really make the changes we need to make. It has been a generation since this country has had a balanced budget. In the 1960's, deficits averaged about \$6 billion a year. In 1969, I think almost by accident, we had a balanced budget. In the 1970's, deficits averaged \$38 billion a year. Now, in the 1990's, deficits are averaging \$259 billion a year. Again, we have gone from zero balance to hundreds of billions of dollars in the red within a generation.

Why do we have this problem of deficits? What is the Government spending all this money on? It is not defense. We are going to have a tremendous debate on that. "Cut defense more; that is the solution." No, defense has been cut. Defense spending has been halved—cut

in half—over the last 30 years and has been going down every year for the last 10 years. Domestic discretionary spending has declined, too. It is not foreign aid. A lot of people think we can cut some of the foreign aid and solve the problem. There is not enough there. We do need to cut back on it even more, but it is a minuscule part of the budget.

The culprit—the culprit—is the Great Society programs—overblown, costly programs and bureaucracies that too long have been resistant to helpful change. These are well-meaning programs. They were at the time, and many of them still are. They are just not well-run. Many have outlived their usefulness and are bloated, inefficient, and they do not serve the people as well as they could or should and, without change, they will destroy our future. It is uncontrolled bureaucracy. I am talking about spending frivolously. These programs, combined with interest rates on the national debt, are a major part of our budget. This part is getting bigger, while everything else is shrinking.

In 1963, entitlements and interest were just 24 percent of the budget. Now they comprise over 56 percent of the budget.

If we do not slow the rate of growth of these programs and interest payments, Great Society spending and interest on the debt will take up 69 percent of the budget by the year 2003. And it gets worse.

Around the year 2011, all Government revenues will be taken up by just five things: Social Security, Medicare, Medicaid, Federal retirement benefits, and interest on the debt. All the revenue would go for just those programs.

That means no money for anything else. Our borders would be unprotected, our children untaught, our roads unrepaired, there would be no school lunches, food stamps, or farm programs. We have to get this under control. Even these five programs I mentioned will be in trouble if we continue to run deficits.

Clearly, we are heading down the wrong road. So we face the possibility if we do not change of only having enough money to pay interest on a huge national debt. We will not have enough money for much of anything else.

This might seem far-fetched. It might seem like we are using scare tactics, and I know we will hear a lot of scare tactics in the next few days. We do not need to make up stories to frighten parents and working people. The facts are scary enough.

We want to get the facts out to show the American people that we must change. The people said they wanted it last year. The President of the United States ran on that, and was elected in 1992—change. Now, we have a chance to really get it.

This budget resolution begins the change. If we look at this next chart, Federal budget deficits, President Clinton's budget versus Republican budget,

we see that the budget resolution I am discussing will get to a balanced budget in 7 years, while the President's budget runs up deficits in the range of \$200 billion as far as the eye can see.

Here is President Clinton's budget proposal for the year. It goes out to the year 2001. And here is the budget we are talking about here on a steady decline down to a balanced budget by the year 2002.

Now, the administration paints too rosy a picture. As we see in the next chart, Federal budget deficits, Clinton budget versus Republican budget, the purple line shows the Clinton budget actual, and then here is what he is claiming, and here is what the budget we are talking about here does.

The Congressional Budget Office revealed that the Clinton budget will actually lead to annual deficits of almost \$300 billion. This, of course will lead to bankruptcy, and I mean soon.

Now, that is gloom and doom talk, I admit. But deficits do have an effect on our lives today, too, not just in the future. Some people will say, what do they really mean? These billions and billions of dollars seem unreal. Deficits seem like something in Washington that those guys talk about and worry about.

Here is what it does: The Nation's debt hurts personal living standards now. Each American's share of our \$4.9 trillion debt is \$18,500. That is what it means for each one of the American people. According to the President's budget, this debt will rise by 1999 to \$6.4 trillion or \$23,700 a person. That is what every American will owe if we go with the President's budgets.

Deficits have lowered family incomes. A Concord Coalition study revealed that if the United States did not have deficits or a large national debt, average family income would be \$50,000 instead of \$35,000. Let me say that again. If we did not have these big debts, the average American family would be making \$50,000 instead of \$35,000.

That is what it means to individuals. I am trying to bring this down to numbers that we deal with on an everyday basis, not the big \$1 trillion debts. Because we have not controlled spending, each family in this country has lost \$15,000 smokes.

Deficits raise interest rates, too, making buying a home or a car more expensive for all Americans. If we balance the budget, the prestigious Wharton School of Economics says interest rates would drop 4 percent. The average homeowner would save \$500 per month on their mortgage payments. So we are talking about savings on interest.

Deficits cost Americans jobs. Maybe this is the cruelest part of all. We have lost 3 million jobs due to deficit spending over the last 10 years. Not putting that on either party, it is just a fact.

Most importantly, deficits put a penalty on our children. Our children are another reason and the main reason for

reducing this deficits. The National Taxpayers Union found that a child born today will have to pay over \$100,000 in extra taxes.

Mr. President, if my time is expiring could I ask for an additional 5 minutes of time?

Mrs. HUTCHISON. Mr. President, I yield 5 minutes to Senator LOTT.

Mr. LOTT. That is \$100,000 in extra taxes over the course of his or her life, just to pay the interest on the debt.

Also, every new \$200 billion in deficit spending, and President Clinton has that or more every year, in the budget a child has to pay an additional \$5,000 in taxes to pay the interest costs. Children would have to pay 90- to 100-percent tax rates to pay this kind of deficit spending.

We cannot do it. It is not right for our children to face these deficits for what we have not done. So, now it is time for us to really do something. What we are talking about is slowing the rate of Federal growth. This is how it really works. We do this, by the way, by 2002, without touching Social Security. We ratchet down the deficit by \$30 billion a year by slowing spending to 3 percent overall from 5 percent.

Spending will actually grow 3 percent a year. We just slow it down 2 percentage points. Spending will actually increase \$1.9 trillion in the year 2002. I have had people ask me why do we not do it sooner? Why are we waiting so long? Why do we allow all the spending to go up? The point is spending will continue to go up even though we are controlling the rate of growth.

In this budget, we shrink bureaucracy, over 100 departments, programs, and agencies are prudently eliminated. We consolidate, terminate, and improve efficiency, and we do protect our senior citizens by preserving the Social Security COLA and saving Medicare.

I would like to allow senior citizens between 65 and 75, who would like to continue to work if they make under \$30,000 a year, without having the earnings test kick in and take part of the money away from them.

This budget returns America to fiscal reality and will bring back prosperity and embolden, I think, the American people.

Let me digress by saying I think that the most egregious fear tactic I have heard employed so far on this was the suggestion that Republicans want to do damage to Medicare. Actually, the reverse is true. We want to preserve and improve and protect it. I have heard speeches on the floor that sound like speeches of a captain on a sinking ship, begging the passengers stay on just a little while longer, saying nothing is going wrong, knowing all the time Medicare has problems we have to deal with. There is a lot of hot rhetoric in this particular area.

Medicare will be bankrupt in 7 years if we do not do something about it. The President's own Medicare board of trustees have said this. And on that board are Cabinet Secretaries Reich,

Rubin, and Shalala. The President's own people say that Medicare cannot sustain its spending growth of over 10 percent a year. It is growing at 10 percent a year or more.

The care that senior citizens count on will not be there in 7 years unless we do something. Workers will be reimbursed less, seniors have to pay higher premiums and they get fewer benefits.

This will happen if we listen to the other side and do nothing. Do nothing. We want to preserve Medicare. What we will do is to call for reforms, and we would slow the growth to 7-percent a year. Still, more than twice the rate of inflation.

So instead of growing at 10 percent a year, through honest reforms that would make the program better, I think, and give some more options to our senior citizens, they would still have a 7-percent growth. And we can save Medicare by doing that.

We have identified the problem. Deficit spending and debt. We know what will happen if we do not change—bigger debts, less prosperity, and national bankruptcy. We have identified a solution. Slowing the spending growth starting with this budget resolution.

It does not matter which party does it as long as we do. We should fix it without so much finger pointing. We should balance our budget. We have a chance to do it. Many people then will be the beneficiaries if we will get away from the status quo.

So, Mr. President, I want to conclude by saying that I urge my colleagues on both sides of the aisle to look seriously at this budget resolution. Let us come together and support it. We have a unique opportunity, one that I have not seen in 20 years or more. If we let this opportunity go by, we will not have another one probably for 10 or 20 years, and the damage will be devastating. This is about our future. It is about our children. I worry about my own mother, 82 years old. She depends on Social Security and Medicare. I care about her. But I worry more about my 27-year-old son and my 24-year-old daughter. Will these programs be there when they need them? If we do not pass this budget resolution, if we do not know what to do, what needs to be done today, then the answer is no. These programs will not be there.

We have this golden opportunity, and we should seize it.

I yield the floor, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, first I want to pay tribute to my good friend from New Mexico, Senator DOMENICI, chairman of the Budget Committee, who has indeed made a monumental effort to bring a balanced budget to the floor of the Senate. I consider Pete DOMENICI a good friend. We seldom vote together, but we banter back and forth in a friendly way. And what he did in bringing this budget to the floor was not easy.

If you ask the American people, "Do you understand this budgeting process?"—the answer would be no. It is a very arcane procedure. People in the U.S. Senate do not understand it, let alone the 260 million people in America. But if you would also ask the people of America, "What do you want more than anything else?"—they would say, "We would like to hear a lot less partisan bickering between Democrats and Republicans. We would like to see those two parties hold hands for a change and provide a final budget." That is a nonnegotiable demand by the people of this country, and it is a legitimate demand.

But we have two parties. The reason we have two parties is because we do not agree.

I consider this budget to be a virtual assault on the most vulnerable, exposed people in America. It is an assault on education. It is an assault on working people. And above all, it is an assault on the elderly people who depend on Medicare, and who are terrified. When they hear us continue to talk about it, they wonder: Do they have a future? Is their health care going to be provided for, or is it not?

Before I go any further, Mr. President, I want to also say something to my friend, the junior Senator from Pennsylvania. I have never, in the 20 years I have been in the Senate, heard a Member of the U.S. Senate say, "Where is Bill?" "Where is George?" "Where is Ron?" I consider that to be the exemplification of the growing incivility of the people in this country towards each other, the lack of respect that people have for each other. Nobody could have disagreed with Ronald Reagan more than I did, and I stood right here in this spot. But you never heard me say, "Where is Ron?" The President of the United States deserves the respect of everybody. The office and the man who holds it deserve our respect. And, above all, he deserves not to be called in a denigrating way by his first name on the floor of the U.S. Senate.

He has been a good friend of mine for 20 years, and I might occasionally say "Bill Clinton."

But it would benefit all of us to show more respect for the Presidency of the United States.

Mr. President, I might also say to the Senator from Pennsylvania, who was saying, "Where is Bill?"—Where was the Senator from Pennsylvania when he was a Member of the House of Representatives in 1993, when President Clinton was cajoling, begging, pleading with both Houses of Congress to cut the deficit by \$500 billion which, incidentally, turned out to be a \$600 billion cut? Where was the Senator from Pennsylvania? Where was every single Republican in the House of Representatives and every single Republican in the United States Senate? Well, to coin a phrase, AWOL. You could not find them with a search warrant.

They said, "You are raising taxes." Everybody jumped under their desk on that side. And the Vice President had to come and cast the deciding vote. Every single one of the 44 Republican Senators voted no.

Do you think I enjoyed voting for a tax increase? I did not even enjoy voting for the budget cuts. But had it not been for the courage of President Clinton and the Democrats in this body and the House of Representatives, we would be here not debating a \$1 trillion cut between now and the year 2002; we would be debating a \$2 trillion cut.

Where were they?

Here we have this draconian budget which, as I say, is an assault on the most vulnerable people in America: Our youngsters who want to be educated, lower-class working people, and the elderly. Even Medicaid. Of the roughly 25 million people in this country who are eligible for Medicaid, 10 million to 12 million of them are blind, disabled, and elderly.

Oh, yes, and the Republicans are lining up the votes to cut those programs. Why? To preserve the Contract With America, in the House, which would cut taxes by \$371 billion by the year 2002, and in the Senate bill, \$170 billion very carefully set aside for a tax cut for the wealthiest, not for the people we are assaulting, but for the wealthiest in America, those who do not need our help.

We are always hearing what the American people want. Here is a poll by USA Today taken December 20, 1994: "If Congress is able to cut spending, where should it go?" Seventy percent say deficit reduction, 3 times more people than say they want a tax cut. It just shows you the American people are not selfish. They want a balanced budget. They would like a tax cut, of course. But given an option between the two they will take a balanced budget every time.

I heard the same arguments in 1981 that I have heard here all day today. In 1981, they said we will balance the budget by cutting spending, cutting taxes, and raising defense spending. And I said about an hour before we voted on that, "You pass this and you will create deficits big enough to choke a mule." And I was wrong. They were big enough to choke an elephant.

Senator BRADLEY of New Jersey, Senator HOLLINGS of South Carolina, and yours truly were 3 of only 11 Senators who voted for the spending cuts and against the tax cuts.

Mr. President, we would be sitting here tonight enjoying not only a surplus but drawing interest on it if 51 people in the Senate had voted that way. The herd instinct was flowing through this body like I have never seen it before. And so what happened? We voted to double defense spending. We voted to cut all other spending. We voted a massive tax cut, most of which again went to the wealthiest people in America. And here is what happened, the deficit exploded.

At the time we debated the 1981 resolution, the deficit was \$65 billion. And the Republicans said that if we would just adopt their resolution, in 1983, no later than 1984 or 1985, we will balance the budget.

That was the promise. That was \$3.5 trillion of indebtedness ago. The deficit went completely out of sight. And so today we have a \$4.6 trillion debt because that siren song was irresistible.

The Democrats have been criticized, and with some legitimacy, for not offering an alternative. We could offer an alternative. It would not pass. It would be defeated. But we have four important amendments. I will make an offer to that side of the aisle. You adopt our four amendments, which will still give us a balanced budget by 2002, and I will vote for your budget resolution. I will vote for that resolution. Put that \$170 billion that is very carefully set aside for a tax cut, and put it back in Medicare, Medicaid, student loans, and the earned income tax credit, and I will vote for it. And I will worry about reforming everything else later on. Now, if that is not a fair proposition, I do not know what is.

I heard a Congressman the other day say we are going to give welfare recipients a chance to become productive citizens by cutting them off. You tell me how you make productive citizens out of the 20 percent of the people in this country who are on welfare and who are dysfunctional, unemployable. You think you have a lot of homeless people in Washington, DC, right now? Wait until you pass this budget. Wait until you pass welfare reform as it is being proposed here. It is a death sentence for a lot of people.

These Medicare cuts, what do they do? They fall on the people who are totally dependent on Medicare. They fall on the rural hospitals in my State, which are totally dependent on being at least adequately reimbursed. And they fall, Mr. President, on the doctors who are also going to have to assume a good piece of the hit.

We all know Medicare reform is necessary. Everybody knows Medicare is going to have to face up to reform. But to cut Medicare to make room for tax cuts is absolutely heartless. Look at the capital gains tax cuts that have been passed in the House; 76 percent of the cuts go to people who make over \$100,000 a year. Is that what we believe as a people in this country, that 76 percent of a tax cut should go to people who make over \$100,000 a year?

Look at this chart. Here is the average tax cut per household by income category. If you make between zero and \$30,000 a year in a family of four, you get a whopping \$124 a year. That is a pizza every third Friday night. If you make over \$200,000 a year, you get a tidy little sum of \$11,266. Who here believes that is what America is all about?

Somebody once said that a progressive tax was something Karl Marx dreamed of. Unhappily, they did not

know about Teddy Roosevelt. He was the person who gave us a progressive tax system. You want me to vote for a bill that provides that kind of relief to people who make over \$100,000 a year and \$124 a year to people who make \$30,000 a year and in the process take away the earned income tax credit from them?

I am not going to embarrass anybody by reading quotes, but the last two Republican Presidents and the majority leader of the Senate today have all said the earned income tax credit is the best program ever invented to keep people off welfare.

Do you want to save the Government \$21 billion? Raise the minimum wage to \$5.15 and you can cut a lot of that investment tax credit out. But this is a tax increase on people who are making \$28,000 a year or less, while we give a cushy \$11,266 a year to people who make \$100,000 a year or more. It is heartless.

Education will take the biggest cut in its history. I would not be standing here, Mr. President, if I had not put in 3 years in World War II and gone to school on the GI bill. My father could not have afforded to send my brother to Harvard Law School, a classmate of the distinguished Senator from Rhode Island, who is standing in the Chamber tonight. He could not have sent me to a prestigious law school where the tuition would have been totally out of the question. So I am a champion of student loans and Pell grants.

The managers of the bill say, well, this does not cut student loans; this does not cut Pell grants. What does it say? You will cut a certain amount of money in these functional areas. And when you analyze that requirement, student loans and Pell grants are the only places you can find that amount of money within a particular functional area. CBO has said if you borrow the maximum of \$17,000 for undergraduate studies on student loans, your fees and interest rates will probably cost you an additional \$5,000. Mr. President, kids who have borrowed money to go to school are so saddled with debt they cannot breathe. Now we are going to sock another \$5,000 on them.

What else does this bill not do? This bill says you may not touch defense. There is \$255 billion next year that is off limits. It does not make any difference how much of it is squandered. Every person in the Senate read the lengthy article last week saying that for the past 15 years the Defense Department has spent billions and billions without knowing where it went and cannot until this day be traced—overpaid contractors without knowing what they were paying for. One of the saddest things I ever read in my life. We are not talking about \$700 coffee pots and toilet seats. We are talking about checks written that should never have been written, people being overpaid, nobody knows what for.

So what will this budget do? It will cut school lunches. It is going to cut

AFDC payments for the poorest of the poor, eliminate the investment tax credit which is an effective tax increase on the lowest income people in America, and there is a firewall around defense. You cannot take a penny. No matter how lousy a weapons system may be, you cannot kill it and put that money into student loans. You cannot put it in school lunches. Of course, if you want to put it in some other weapons system, that is just Jakey.

A House Member last week was quoted as saying he was not going to vote for any more foreign aid. You want to hear applause? Just say you are opposed to foreign aid and you will have people applauding. Most people just think if we eliminated foreign aid and welfare, we could balance the budget. Foreign aid is less than 1 percent of the budget. But the House Member said we give this money to Third World countries and they buy weapons and starve their own people. What are we doing, focusing attention on foreign aid when it is less than 1 percent of the budget?

What else did we not touch in this budget? Why, the space station. The biggest single boondoggle in the history of the world. We have spent over \$11 billion on the space station as of this moment, headed for \$100 billion—yes, \$100 billion—while we cut student loans, student lunches, AFDC, investment income, raise the taxes for people who make \$30,000 or less by reducing the earned income credit, and we leave the space station fully intact. The senior Senator from Texas was quoted in the paper the other day as saying, "Yes, I am going to go for a tax cut. I am going to offer an amendment to cut taxes in the Chamber."

We have not even begun to cut as much as we need to.

The other day I said to the junior Senator from Texas that I am not going to offer an amendment to kill the Space Station on this bill. But do not get too comfortable, because I am going to offer it later.

Mr. President I ask unanimous consent for an additional 5 minutes.

Mr. EXON. Mr. President, I yield an additional 5 minutes to the Senator from Arkansas.

Mr. CHAFEE. Mr. President, I wonder if the Senator could keep it to a couple of minutes.

Mr. BUMPERS. I say to the Senator, he has not waited nearly as long to take the floor as I did.

Mr. CHAFEE. You go ahead.

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

Mr. BUMPERS. So the space station, which costs \$160,000 per job, is safe and secure. It is only the most vulnerable, the elderly, the blind, the disabled, and the children, they are the only ones who bear the brunt of this.

What else was not touched? Why, mining laws. In 1988, I started trying to revise the mining laws of this country to keep the U.S. Government from selling billions of dollars worth of gold for

\$2.50 an acre and here it is 1995 and they are still selling America's land for \$2.50 an acre that has billions of dollars worth of gold and platinum under it. And what do the taxpayers of America get out of it? Zip. Not a penny.

Whoever is tuned into C-SPAN in America tonight would not believe that. It is a fact.

The Secretary of the Interior as recently as 6 months ago was forced by the courts to deed \$11 billion worth of gold to the Barrick Mining Co. for the princely sum of \$9,000. It is not mentioned in this budget. You talk about corporate welfare.

I can remember 3 years ago when the mining companies would say, "We might be able to afford a 2 or 3 percent net royalty," even though to private land owners that they mine on they pay 18 percent. They might find it in their heart to voluntarily pay 2 to 3 percent on Federal lands. That was when gold was \$333 an ounce. That was when platinum was \$354 an ounce.

And in this day, 1995, gold is \$384, \$51 an ounce more than it was then. Platinum is \$427, almost \$75 an ounce more than it was when they said they would pay 2 to 3 percent.

Today, guess what the argument is? They will still go broke if you impose a royalty on them.

Mr. President, that is the worst, egregious form of corporate welfare I have ever seen in my life. And yet I never get more than six Republicans to vote with me to stop the most outrageous practice going on in America.

The people who are assaulted by this budget cannot afford \$1,500 for a ticket to Washington, DC fundraisers. Do you know who they depend on because they cannot afford the 1,500 bucks? They depend on me. They depend on you. They expect you to be concerned about them. They expect you to see that they are treated fairly.

Why do we not drop this \$170 billion nonsense called the tax cut for the middle class which goes to the wealthiest people of America and keep faith with the people who sent us here to do their business?

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Under a previous order, a Republican Senator was to be recognized next.

Mr. EXON. Mr. President, I ask for 1 minute.

I just wanted to take a minute's time to compliment the excellent remarks, right on the point, by two of my best friends in the U.S. Senate with whom I have had the opportunity to serve with as a former Governor of Arkansas and a former Governor of the State of Kentucky. Governors, who have been through these difficult decisions of balancing budgets, should be listened to more than they are sometimes.

I just want to say to my friend from Arkansas and my friend from Kentucky, well done, well stated, and I hope that the American people are listening.

I thank you, Senator, and I thank you, Senator FORD, who will be back on the floor in a very short period of time.

I yield the floor.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I yield 3 minutes of my time to the distinguished Senator from Rhode Island, Senator CHAFEE.

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

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Wyoming for yielding me 3 minutes.

Mr. President, the challenge facing the Senate over the next few days is whether we will be able to muster the courage—there has been a lot of talk about courage out here tonight—but the question is whether we will have the courage to pass a budget resolution that, for the first time in three decades, 30 years, will bring the Federal budget into balance. It is a monumental debate involving the single most important step we can take this year to markedly improve this Nation's future.

We cannot continue on the path we are currently on, which is spending more money than we take in and sending the bill to our children.

Think of it. Of every dollar the Federal Government spends, 13 cents is borrowed. That is what is going on right now in this Nation of ours. Our current deficit, what we are budgeted for this year, is \$200 billion more—\$200 billion more—spending than we are going to take in. And this debt, this deficit, unless we take dramatic steps, will not stay at \$200 billion a year. It will grow to \$400 billion a year 10 years from now.

Because of the horrendous \$5 trillion debt our Nation has, 15 percent of our budget is solely devoted to paying the interest on the debt. Fifteen percent of all the expenditures, taxes, that are raised in this Nation go to pay the interest on the debt. Not a penny of that for principal, all of this for interest.

Interest currently constitutes the third largest expenditure in our budget. First is Social Security, second is defense, and third is interest on the debt. And that last item, interest on the debt, is going up steeply.

The resolution before us represents a fundamental shift in the manner in which the Federal Government is going to run its finances. Seven years from now, as a result of this budget, if it is adopted, we will end the practice of pushing the cost of today's Federal spending onto the backs of our children and our grandchildren. They are the ones that are going to have to pick up the tab.

I commend the chairman of the Budget Committee, Senator DOMENICI, for what he has done and for his excellent work. This budget does what he said he was going to do. It balances the budget by the year 2002, in 7 years. There is nothing dramatic about steep

declines. We have 7 years in order to bring this thing into balance. Senator DOMENICI has done this without resorting to any tricks or gimmicks. The Senate and the whole country owe Senator DOMENICI a deep debt of gratitude.

And I want to congratulate him for standing firm against any tax cuts.

There has been a lot of talk, the Senator from Arkansas was talking about the cuts, tax cuts that we are providing.

In this resolution, there are no tax cuts. This budget provides a mechanism which allows us to consider tax cuts only after we have enacted a viable and enforceable balanced budget.

I personally believe we are in too deep a hole to even think about embarking on any sizable tax cuts. If we do realize an economic benefit that comes from balancing this budget—in other words, there is going to be lower interest rates in the future; if, and most economists agree, this budget is adopted, that will occur—then we ought to use that to pay back our debt. Why use it for a tax cut, in my judgment, of any sizable nature? Instead, use it to reduce the debt.

Mr. President, I support the resolution that is on the floor that the Budget Committee has brought to us. Do I agree with every aspect of it? No, I do not. No one does, but it is very, very good in its totality. I obviously have grave concerns about the level of the Medicaid cuts that might have to occur if we adopt the rules, the duties that are imposed upon the Finance Committee. I am concerned about the cuts in Amtrak, for example.

But for those on the other side of the aisle who criticize what we are doing, come up with a better proposal. Do not just criticize what we are suggesting. Do something better.

When we debated and voted on the constitutional amendment on the balanced budget, they all said: "We do not need it; the true test of deficit reduction is our resolve. All we need to do is balance the budget if we have the courage."

Well, this side is showing the courage to do it, Mr. President. Here we are. We are taking these steps that are long overdue, and I am just happy to be part of this effort. I hope when all is said and done that this budget, or something very close to it, will be adopted by this Senate.

I want to thank the distinguished Senator from Wyoming for letting me proceed.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank my colleague from Rhode Island. At the end of this very first day of debate on the budget resolution, I come to the floor to offer a few observations. I do not think any one of us on either side of the aisle exaggerate when we say that we have the deepest respect for Senator PETE DOMENICI. I have heard my good friends on the other side

say just that. We have a great mutual respect for him.

I go on to say that the budget resolution crafted by my respected friend could well turn out, in my mind, to be one of the most historic and important and statesmanlike measures voted on during my 16-year tenure here in the U.S. Senate.

The chairman of the Budget Committee is one remarkable legislator. We here have long known him for his expertise, his integrity, and his dedication to lessening the burden on posterity—our children and grandchildren. So it is a pleasure to see so many here and out in the land giving a long overdue to this man and his work, and he is one of the most hard-working men I have ever met in my time in this place.

So the measure he presents to us would bring the annual deficit of the United States down to zero by the year 2002. People say, why 2002? I answer, because we may never, ever have another chance to do this.

In the future, we could see a war, God spare us, or a recession, and then the retirement of the baby boom generation. That is where the hit comes, the identifiable hit. If we cannot balance the books during this fleeting window of opportunity, I feel very deeply that it will never be done again. We would simply be consigning our children—"kids" is the phrase used here all day, those kids everybody is always talking about on the other side and our side all day long, the kids—the kids will receive nothing. We will not have to worry about cuts. There will not be anything. We will be consigning those kids to mounting deficits, crushing interest rates, and payments of fiscatory tax rates, payroll taxes. You talk about balancing something on the backs of someone, their backs will break from the tax load that comes if we cannot get this done.

Earlier this year, we voted on a balanced budget amendment, a very exciting debate, vigorous, spirited. Over and over in this Chamber, I heard the opponents of that amendment say, some in high-pitched endeavor, that we did not need an amendment to the Constitution of the United States; all we need is some political courage, some guts to do the job. Oh, magnificent speeches, they ring in my head.

And guess what? Now it is time to do the job, and now we shall see who has the political courage. Oh, indeed, we shall. I cannot wait for the debate.

I am very proud that the majority party in this body is coming forward and proposing a solution to this growing crisis. If you want a good definition of business as usual in Washington, DC, I would say it was the practice of assuming that the public will punish us if we did what was right and then pulling our punches accordingly.

The strategy on the other side seems to be to assume that business as usual will still prevail, to sit on the sidelines, chuckle, do high-fives, and criticize and whoop it up and hope, and, more

importantly, pray that our earnest effort to solve this problem will be punished by a furious and angry electorate.

That is a depressing and cynical view of the American citizenry, I believe, and I, for one, do not ascribe to it. We Republicans are, indeed, making a historic gamble. We are betting that if we do what is right, unheard of in itself in this city, if we, indeed, move toward a balanced budget, that the shrieking, and wailing and howling of the various special interests will be drowned out by the chorus of praise—yes, praise—from the vast majority of at least thoughtful Americans who are sick and tired of seeing the burdens of debt pile higher and higher and higher on them and on their children.

And who did it? We did it; we in Congress did it. Do not blame it on Ronald Reagan. Do not blame it on George Bush. Do not blame it on Jimmy Carter. Do not blame it on Bill Clinton. Blame it on us. We have performed superbly for the last 50 years. We have acted like pack horses in dragging the money back to our districts and preening our feathers to tell our constituents: "What did you want? We heard you and we went and got it for you, even though now it is 5 trillion bucks worth of debt."

Columnist George Will, a very bright and articulate man, made a rather telling observation, I think it was Sunday before last, on a national television performance. He noted there seems to be a key in the word processors in the Democratic offices on the Hill that automatically types: "We will not balance the budget on the backs of," and then you just leave the blank. "We will not balance the budget on the backs of," and then you fill in the blank: Senior citizens, the children, veterans, farmers, teachers, welfare recipients, "Masterpiece Theater." You name it, if it is affected by serious deficit reduction, and every form of spending must be, then the Democratic Party will oppose it. Guess what, folks; that is exactly why we have \$5 trillion in debt.

I am one who is going to balance the budget to get the debt off the backs of the children and the grandchildren. Curious adventure. I think that is what we should do when we are talking about what is on or off the backs. The debt will crush them. Washington must really be the last place in the world where it is realized if you want to get out of debt, you simply can keep spending more and more and more. Washington is also the only town in the world where you cut spending and it gets bigger.

I come from Wyoming. We must simply use a different language out there. We call it English. In that language, a reduction means something gets smaller, not bigger. So anyone who is watching this debate needs to remember that when we are attacked for savage cuts, we are indeed talking about increases in spending only. Only increases, however, that are not as big and as de-

manding of your hard-earned money as those or some of those in the other party would like.

Earlier today, I saw a chart brought out by the Senator from Massachusetts, my old friend, Senator TED KENNEDY. He and I do a little facing off every day. We do not get paid for that. It is purely a nonprofit activity. We do not agree on all things, but I enjoy him very much. He brought out a chart—a powerful chart—that said "working families pay for tax cuts for the wealthy"—a sinister preparation. Very interesting, and especially so, since there are no tax cuts in this budget resolution submitted by our colleague. There is not a tax cut in a car load, nowhere. The President, however, still wants \$63 billion in tax cuts, and we do not hear too much about that.

So all that we have done is said that if we succeed in balancing the budget, and if this produces a dividend perhaps in the form of declining interest rates, then that money should go to the taxpayers and not for us to spend.

Now, I have personally come out very strongly to say "no tax cuts" until the budget is balanced. But I find it extremely odd that Democratic detractors believe that tax cuts are irresponsible even if the budget remains balanced. That is the most curious view of budgetary responsibility that I know. But it is historically so with some of them. But here are the facts about the budget before us. With this budget, we achieve a balanced budget by the year 2002. In which category in this budget does spending grow the fastest? In Medicare. In the budget Senator DOMENICI is presenting to this Senate, the largest growing item of spending in this budget is Medicare; 7.1 percent per year, going from \$178 to \$283 billion. No other program in the entire budget is dealt with more generously than Medicare.

It is astonishing that even this huge rate of growth is greeted as "not enough" by the detractors. This is a measure of how serious and debilitating the addiction to spending has become. Under this budget, we are the toughest on the appropriated spending matters. Shrinking it not just relative to inflation, but shrinking it outright—\$548 billion in 1995 and \$518 billion by 2002. This is the kind of budget discipline that America seems to have been crying for.

On the other hand, huge increases could still occur and will still occur in Social Security—\$334 billion in Social Security going to \$480 billion; and in Medicare, \$178 to \$283 billion. And in Medicaid, from \$89 to \$125 billion, and all other mandatory spending which includes Federal retirement, welfare, agricultural subsidies, and all the rest grows, continually grows from \$146 to \$197 billion. And remember, we all took Social Security off the table. I did not. The Senator who is standing across in the Chamber did not either. The two of us have presented to the American public seven bills to bring solvency to the

Social Security system, and we will present that and we will have hearings on that, and we will proceed with that. It is very difficult to do what we really have to do, and it would be so much simpler. Yet, we did it out of political terrorism, that we not touch the item of the budget which is \$383 billion a year revenue. I am going to leave the details of that. I do not know what my colleague from Nebraska is going to say. But I can tell you this: Senator BOB KERREY is a very courageous person, and he has faced up to these problems before by being chairman of the Entitlements Commission, the bipartisan Entitlements Commission. That is why it is a great privilege and an honor for me to join him in a bipartisan approach to bring some eventual sanity to a system which goes into terminal decline in the year 2013 and then goes bankrupt in the year 2031, and that is the Social Security system. I do not want my remarks on that tied with this budget resolution or any part of it. Sever that. But I, as a Member of the Senate, will be proceeding to do something about that system.

So we cannot do better than to repeat this over and over and over again. The rapid detractors succeed in portraying these as cuts. If the American public really swallows that, maybe the detractors are right. Maybe then the public deserves exactly what it gets—permanent deficits and poverty for our descendants, all out of political terrorism, or, as my old friend Gary Hart used to say, "mow-mow politics."

I join Senator DOMENICI and the distinguished majority leader, BOB DOLE, in thinking better of the American public. I believe that though the special interests will cry out, the keening wail will sound like wolves in the Yellowstone with a full Moon—the keening wail of the special interests. But I think the vast majority of Americans want this job done and now—or at least for us to start. They want everyone who is benefiting from Federal largess to take a hit. It will not be easy, and there will undoubtedly be sacrifices that will be called for from every sector of society. I also believe they have grown tired of Washington telling them that no sacrifices are necessary. We do not have to touch senior citizens or the children or anyone else to get this job done. When you take that approach, spending never slows. Always up.

(Mrs. HUTCHISON assumed the chair.)

Mr. SIMPSON. It is incredible to me that our President and some on the other side of the aisle have chosen to ignore all responsibility in this challenge. AWOL—absent without leadership.

I certainly do not intend to include some others on the other side of the aisle. As I have mentioned, Senator KERREY has faced these problems alone and in an election year before. That takes real guts. But it astounds me, and I am sure my colleague, that given

everything we know with absolute certainty through the work of this commission and from the trustees of Social Security telling us about these things and the future of Federal spending, that the President would submit a budget that makes not even the slightest attempt to approach or deal with the problem, or to accept one word of the recommendations of the commission that he appointed, and then drop all reference to generational struggles that are coming in this country in the years very soon ahead.

Earlier this week, the President announced plans to veto a rescissions package of \$16 billion. That is less than 1 percent of the budget, and it was too much for the President to end. How in the world are we going to make the tough decisions on entitlements and other sensitive spending if we cannot even cut 1 percent of the budget?

That rescissions package contained various unauthorized appropriations, various GSA construction projects—true pork—and we all played that one. Certainly, there must have been spending in there the President favored, but I find it impossible to believe that this spending is so important that he would delete even the headway we would make on 1 percent of the budget.

It is a terribly strange way to take a stand, to defend every last bit, even that last 1 percent of pork-ridden discretionary spending. And we were all in that one. But that is not my idea of leadership.

There are many examples of what have been presented and what will happen. Let me tell you one exaggerated one, and I am going to wind up. Others are here, too. I was thinking how someone maybe in this administration might have conducted themselves in a cabinet meeting or something at various previous periods in our history—perhaps if in office at the time of the secession of the Southern States in 1861, can almost hear advisors turning to the President and saying, “Now, Americans might get upset if we ask for sacrifices, so better let the Congress institute a military draft and then we will criticize them for it because that would be better politically.” That is obviously a little exaggerated example, to be sure, but I think some appropriateness there.

This is a historic tune for this President to be the President who led the Nation out of debt and on the path of responsibility and solvency, again. He has a Congress also, even eager to do the job, but the best he can do is to hope that there will be a political cost, a deep political cost associated with the effort.

Let me say to the detractors, there is still the opportunity to contribute to this effort and to be part of the solution instead of part of the problem. I have heard criticism from some Democrats that this budget does not really balance the budget by 2002 because it only balances the unified budget, the one that includes Social Security.

Very well, then. Democrats wish to offer an alternative budget, balances the budget without counting Social Security, I would consider giving my support to that. While we have yet to see such a budget presented, criticism from the other side is about several million cubic feet of hot air.

We Republicans took a lot of guff last session because we did not vote for the President's budget. Of course, events since then have vindicated Republicans because the President's own budget forecast \$200 billion deficits as far as the eye can see. Clearly, that budget did not do the job, just as we said it would not.

At least at the time we proposed our own alternative budget to do the same job, that alternative reflected our differences with the President. We would have done it via spending cuts instead of tax increases but we did present an alternative.

Those of the other faith appear to have forgotten that. They have no alternative to offer that does the job as thoroughly as our own budget. The President's budget does not even try. It just allows deficits to climb and the debt to pile up ad infinitum.

I do not believe that that is good politics for the minority party. But do not take that advice from me. Undoubtedly, there will be political opposition to the measures we have to take to balance the budget, but once we do, I think Americans will see, once we do it they will see that the benefits will be coming to them. Declining interest rates, they will see the benefits of restored confidence in the market, in the investment in our economy, in the dollar itself. They will come to congratulate Members for the work we have done.

Perhaps even more importantly, we will then have a fighting chance to deal with the retirement of the baby boom generation when it does begin. There is absolutely no way we will be ready for that if we are still running the deficits in the hundreds of billions that those on the other side seem to advocate.

So we have a moral obligation to pass a form of this balanced budget this week. Future generations will not look kindly on Members if they fail. We should reach together on reaching a consensus on the best form of a balanced budget resolution. I pledge to do that.

I know my colleague from Illinois is here on the floor. I am yielding the floor in just a moment, but will say that I thoroughly enjoyed working with her, Senator CAROL MOSELEY-BRAUN, on the Entitlements Commission. It was a great eye opener for all Members.

I wish, in many ways, I had not been on it because it reminded me of that old movie, “The Man Who Knew Too Much,” because we learned too much. We learned where we are headed. Had a lot of good people from both sides of the aisle helping. If we can get through this necessary political posturing,

which I am doing a good bit of myself, and we all have to do this. This is very therapeutic. Then we will settle down and get something, because we all know what the stakes are, and we all know what the numbers are.

That has never happened before. It has happened because the Entitlements Commission and the great work of Senator KERREY and Senator DANFORTH. It has happened because the Social Security trustees have said exactly what is going to happen to the systems of Medicare, which will go broke. That is not something that floated in from the west coast. That is the Social Security trustees saying it. The Social Security trustees are Donna Shalala, Robert Rubin, Robert Reich, the Commissioner, and Democrat and Republican citizens of America saying it will go broke.

In the year 2016, the disability insurance fund will go broke. In 2031, the Social Security system will go broke. That doomsday date used to be 2063. It is now 2031. It moves up 3 to 5 years every year.

There it is. Fun and games all we want. I am ready to play it. I love it. So does the senior Senator from Nebraska who came here with me, and in who there is no more spirited and engaging men than Senator JIM EXON, and the Senator in the chair, and the Senator from New Hampshire.

We will do this, and then we should sit down after the shot and the shell and the smoke, because there is no smoke and mirrors in this budget. Everyone who has been here as long as I, 16 years, 10 years, 15 years, now know, no smoke, no mirrors. All hard tough votes. I cannot wait for the debate. We never needed a balanced budget amendment. Just need to cast those tough votes.

Well, hop in and get wet all over. Mr. SMITH. Madam President, I thank the Chair.

(The remarks of Mr. SMITH pertaining to the introduction of S.J. Res. 34 are located in today's RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

Mr. KERREY addressed the Chair. The PRESIDING OFFICER (Mr. SMITH). Under the previous order, the Senator from Nebraska is recognized to speak for up to 15 minutes.

Mr. KERREY. I thank the Chair.

Mr. President, first of all, let me begin this by saying that I believe that the Senator from New Mexico, Senator DOMENICI, chairman of the Budget Committee, has made a good-faith effort to produce a budget resolution that frankly few predicted was likely to occur. It reduces the deficit over the next seven years by \$961 billion, reduces spending, and at the end of that 7-year period, if you exclude Social Security, you have a balanced budget.

It results in a significantly smaller Government. It gives us the potential of having lower taxes as well. I must say, Mr. President, again, I believe this is a solid and a good-faith effort. I regret, as I have listened to the debate

today, that it has been considerably less than the sort of civil debate that I would have thought was possible given some discussions that are going on right now between a number of us on the Democratic side that would like to participate in supporting this budget resolution.

And I say that because what has happened is the dynamic has really changed. We are engaged in looking at an alternative that we I hope can get consideration to, I suspect sometime next week by the time it is all done. And we begin with somewhere in the neighborhood of \$700 billion of cuts over a 7-year period. That is a substantial shift. The President's budget, as has been commented on several times, contains no significant deficit reduction. Suddenly, you have under the leadership of the distinguished Senator from New Mexico and the distinguished Senator from Nebraska, the ranking Democrat on the Budget Committee, a big shift in the Senate and I think large numbers, well in excess of 60, who would vote for a budget resolution that got us to a point 7 years from now where the deficit would be zero.

I have come here this evening to identify a couple of problems, and I hope I identify the problems in a constructive fashion because, as I said, I would like very much and hope very much that the Republican chairman and Republican leadership will favorably view, as I said, a significant number of us who would like to participate in voting for a resolution that does approximately what the distinguished Senator from New Mexico is attempting to accomplish.

Let me say for those who doubt the power of deficit reduction, the most impressive number in all of the 7-year forecast is that net interest stays the same. Net interest has been the most rapidly growing line in our entire budget, and under the budget resolution before us net interest would flatten out. As an expenditure, Mr. President, it certainly benefits bond holders, but it does not benefit American taxpayers at all. It is a payment that goes out, that buys us nothing other than the capacity to service these bonds. It is the most impressive number and one that I think we should pay attention to as we look to try to develop some alternatives.

I begin in describing some concerns that I have about this sort of evaluating its impact upon me. Earlier today, I heard the distinguished senior Senator from Iowa talking about the fact that this budget resolution freezes congressional salary over, I believe, a 7-year life of the budget. I am impressed that that is in this budget resolution, but, Mr. President, I do not really feel for someone in the \$136,000 or whatever it is plus salary that is a comparable shared sacrifice. I am not one who comes to this floor and says that the problem in America is that rich people are somehow manipulating and abusing poor Americans.

I do not believe that at all. But I do believe if we are going to have \$1 trillion worth of deficit reduction over a 7-year period, it should be shared sacrifice, and it is reasonable to look at some alternatives, whether it is capping the deductions at 28 percent, which the Entitlement Commission recommended would get \$80 billion or \$90 billion over a 7-year period, or have me and others with incomes over \$100,000 having to pay a little bit as a consequence. Some would come up and say, oh, gee, that is a big tax increase. I do not view it that way at all. It is just an attempt to say we ought to pay a little bit in order to get this thing to go away.

It is not, Mr. President, just because there is a need for shared sacrifice, at least from my standpoint. It is also a consequence of coming and saying I am a little bit troubled, looking at some of the things that we are asking Americans to do because it seems to me, at least from my standpoint, I as one individual American am saying, well, gosh, now that I have mine, I want everybody else to do things that I did not have to do when I was in trouble or needed help. I have perhaps more than most kind of a schizophrenic attitude toward government. I have had it save my life. I have had it save my business. I have had it almost take my life and almost take my business. It can do both, Mr. President, but I have to say in the main, if I look at the 51 years of my lifetime the Government of the United States of America, though it can be a menace from time to time, has enable me to do an enormous amount.

Yes, individual initiative is important and my family has been important and my friends have been important, but there are many key points along my lifetime, Mr. President, where I have been given a great deal of help and I have been given opportunity in education, been given opportunity in health care, been given opportunity in my own business, and I cannot in good conscience come to the floor and say that as a consequence of my own experience I feel that I am participating very much in the shared sacrifice needed, that we are all conscious of what is needed in order to get this deficit eliminated.

So I begin with that, Mr. President. I hope again that the Republican leadership and the distinguished chairman of the Budget Committee will look to those of us who intend, if we can, to reach agreement, which is not easy to do. If we get an alternative, I hope it is given good, solid consideration. I hope the chairman of the Budget Committee will say that this is a big victory; we started off the year, nobody believing we could get much in the way of deficit reduction, Democrats really not very enthusiastic about it, according to at least what you would read, and now all of a sudden we have Democrats moving a long ways in our direction willing to accept—I think we will end up with close to \$700 billion over 7 years in real

cuts, asking only that we look to ways for all of us to share a little bit in this thing over the course of the budget.

There is a second problem, Mr. President. I do not know if it can be done in this budget resolution. I recognize the constraints of the Budget Committee and the Budget Enforcement Act really does not perhaps allow the Budget Committee to deal with these issues and maybe it has to be dealt with later on in the year. Earlier, the senior Senator from Wyoming [Mr. SIMPSON] commented upon it. But the Entitlement Commission—and I have heard a number of people talk about it—has identified what I think is a serious problem.

I am actually borrowing a chart from Senator BENNETT, the Senator from Utah, who had this chart up. But this really does describe the problem that the Entitlement Commission identified which is that mandatory spending and net interest are growing so rapidly that sometime around the year 2012, something like that, it is consuming all revenue that the Government of the United States is taking in. That revenue has stayed relatively flat. It is about the only thing that has stayed constant. We have collected about 19 percent of the GDP except in World War II and Vietnam; during those times it went higher. Most of the time it stayed about 19 percent. And unless we change that pattern of growth what happens is domestic discretionary continues to get squeezed down.

I appreciate the fact that Social Security was not addressed or retirement not really addressed in this budget resolution. I think it needs to be, not because there is a short-term budget problem. I am not arguing that we ought to look at retirement because it contributes to deficit reduction in the short term. But it unquestionably contributes to deficit reduction in the long term.

That is the problem we have. Some may say, gee, that will be good news, if we can get rid of all Government functions and turn the Federal Government into an ATM machine. I do not think that is good news. I believe not just in defense but as I hope I indicated earlier all of those things that have helped me have been in the domestic discretionary account. Everything I have received from the Government has come from domestic discretionary, unless you count the U.S. Navy, which was an enormous benefit to me as well. I leave out the world's largest and most powerful Navy. That was a wonderful experience, too.

All of the rest I have benefited from have come from this domestic account. I am troubled by the budget resolution because it allows that mandatory account to continue to grow. It slows it down somewhat, but the mandatory accounts continue to grow and continue to take larger and larger percentages of domestic discretionary. It must be understood the budget resolution improves the current trend, makes it somewhat better, but I do not believe—

and I must say honestly I have not extended it out beyond the 7 years, so I do not know exactly what it looks like out there 10, 15, 20, 30 years from now but looking at the 1996 and 2002 trend line, that appears to be the case. For emphasis, the one big change that has occurred is that net interest has flattened out, and that is a huge benefit to us.

So to solve this problem of mandatory spending, we have to look at the long-term situation, not the short term.

That is why I say it maybe that the Budget Committee, in looking at a budget resolution that deals with a 7-year period of time, may not have been able to address this mandatory problem.

Senator SIMPSON and I today introduced a piece of legislation that would complement the Budget Committees work. Maybe it cannot be considered as a part of this resolution, but it certainly, I hope, gets consideration. And I suspect, whether it is 54 Republican votes or whether the Republicans accept the alternative and we end up with Republican and Democratic votes, I do not know, one way or the other, we are going to get a resolution that requires committees to do a lot of reconciliation.

There are two things that I hope get considered. The first is one that Senator SIMPSON and I introduced today. What we say with Social Security, again, is that we have a long-term problem. The Social Security trust fund builds to 2012, then it goes down to about 2029 when it is completely depleted.

You may say, what is the big deal? Well, the big deal is our generation, the baby boomer generation, starts to retire around 2008, the largest generation in the history of the country, reducing the number of workers per retiree from about five down to about three. And we have big problems out there. The adjustments we would have to make are rather substantial if we postpone it, unlike what would have happened in 1983.

What Senator SIMPSON and I do is we change, for the most part, future benefits. We make some adjustments to CPI minus 5. I think the budget resolution is CPI minus 2. In the House resolution, we adjust it by .6 on the House side. We make the COLA more progressive with the cap reduction. We do some other things in our proposal that are short term. But most of them, including the extension of the normal eligibility age and the early eligibility age, most of those are pushed off into approximately the year 2030.

Those changes strengthen Social Security, Mr. President, because what it does, it says to all generations, every living American—every living American is a Social Security beneficiary at some time; they may not be eligible today, but they will be at some time.

So you have a 20-year-old and they look at the current situation. They

scratch their head and say, "Gee, I don't think there is going to be anything there for me." Under the legislation Senator SIMPSON and I introduced today, they would look at the thing and say, "There will be something there for me," because we bring the Social Security balance up to 350 percent of the annual payment and stabilize it there for 75 years. So every generation, every American would say, "OK, we now know that Social Security is going to be there for us."

The second thing that we do—and it has a big impact, I think, on this whole debate. One of the things we very often forget is that the deficit reduction action, one of the most powerful things about it is that it increases national savings. Deficit financing is an act of dissavings. Deficit reduction is an act of savings.

It is a fair argument to make that the distribution of it may not be terribly equitable. That is one of the reasons I am concerned about, as I said, what I am having to pay in this budget resolution and what I am required to contribute, because there is great inequity when you do deficit reduction. It does not necessarily benefit all Americans equally. You have to understand that.

If I own stocks and bonds, the deficit reduction looks pretty good to me. But if you do not own stocks and bonds, you may say, "Gosh, in the sort short term, there is not a lot of good there for me."

The second part of the Social Security proposal that we made today would also increase national savings, as does the Deficit Reduction Act, by establishing a 2-percent account for all Americans. It reduces the employee payroll tax by 2 percent, a \$40 billion a year tax cut, Mr. President. But not just a tax cut, a tax cut with the purpose of establishing for all 137 million American workers a real personal investment plan, similar to what we have in the thrift savings plan for Federal employees. It would increase saving over a 9-year period in excess of \$1 trillion, matching this deficit reduction.

This Deficit Reduction Act increases savings by almost \$1 trillion over 7 years. Our proposal would add another trillion to that, but not just add a trillion, it would add a trillion in savings spread across 100 million American households.

So the next thing that must be done, in addition to addressing retirement, if you want to control the cost of mandatory spending, if you are not troubled by the fact that we are squeezing domestic discretionary—Mr. President, I ask unanimous consent to speak for 5 additional minutes.

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

Mr. KERREY. The next thing you have got to do—and this gets, I know, right back into last year's argument—you have to reform health care.

Now the budget resolution addresses Medicare and attempts to begin the

process of health care reform but, Mr. President, I do not believe it does enough. In particular, it does not get at that long-term structural problem that will continue to plague us even if we were to bite the—I would not call it a bullet. I would call it more of a howitzer round of this budget reduction. But even if you bite this howitzer round, you are still going to be left with pretty substantial increases in health care costs when the baby boomers retire. So there is still going to be a need for us, if you want to control the cost of entitlements and stop this rapid increase, there is still going to be a need to get at health care reform and do more than this budget resolution would allow.

Again, I hope very much that it is possible for those of us on the Democratic side that would like to vote for a budget resolution to get full consideration by Republicans to have shifted the argument of full consideration to two facts. One, we are not really sharing the burden. It really is not an equitable sharing of the burden.

All you have to do is ask yourself, as a Member of Congress at \$136,500, or whatever the number is, "Gee, what is it going to do to me over the next 7 years?" The only thing you can really say is it has frozen your salary for 7 years. And I do not think you would really get an audience out there paying more for Medicare, getting less for Medicaid, having college loan restrictions, and many other things going in this budget, I do not think you will get a lot of sympathy from Americans saying, "That's right. You guys have really put your shoulder to the wheel here and shared the burden of sacrifice."

That is No. 1. I think that there are ways for us to make it much more equitable, much more fair, if you do not mind using that word.

And, second, Mr. President, I believe whether we do it in this budget resolution or we do it after the budget resolution, we still have a problem of mandating spending. We still have a problem of mandating spending, that if you do not want to convert the Federal Government into an ATM machine, you have to address retirement and you have to address health care and you have to do more than just reduce the size of the deficit and increase national savings, as a consequence.

Mr. President, as I indicated, I watched the early part of this debate and it seemed to me to be going in the wrong direction. It was very uncivil and very partisan and very unfortunate. I do not mean that about the distinguished Senator from New Mexico or the distinguished Senator from Nebraska. I thought their opening comments were, you know, quite calm and quite reasoned. But it deteriorated in a hurry into accusations from that side of the aisle, from some who say, "Gee, you Democrats don't want to do anything."

Not true. There are a lot of us who are willing to do an awful lot.

And I heard on this side, as well, some accusations that Republicans are heartless and they are trying to cut the heart out of the American family, on and on and on. I think, in fact, our rhetoric was in excess as well.

I do not know, Mr. President, if we are going to be able to reach a point where we have a Republican and a Democratic resolution here. I sincerely hope that we are able to do it, because I will predict to my Republican friends on the other side of the aisle, once we get to the tough task of reconciling these numbers, you are going to say, "Oh, my gosh, will you guys help us? Will you stand with us and lead this country in the right direction?"

Because it will not just be a vote, Mr. President. We have got a lot of leadership to exert if we are going to take this country in a different direction than the one that it is currently headed.

So, again, I thank both the Senator from New Mexico and the Senator from Nebraska, who I think have made a good-faith effort. Both of them I know are deeply troubled by the deficit financing this country is doing. I sincerely hope that between now and Wednesday or whenever it is that we vote on final passage that we are able to reconcile the obvious differences that we have between our two parties and put together a bipartisan budget resolution.

Mr. President, I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER (Mr. JEFFORDS). Who yields time?

Mrs. HUTCHISON. I yield 5 minutes to Senator FRIST.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, my message is a brief one. If we are to restore the American dream, we must change the way Washington does business, and we can change the way Washington does business by passing the first balanced budget plan in almost 30 years.

The plan has been laid out over the course of today, and it is before us here. This chart shows Federal budget deficits by year—1995, 1996, out to the year 2002. In red is the Clinton budget, approximately \$200 billion in 1995, increasing every year to the year 2000 to over \$250 billion. Yet we have a choice, and that choice is the Domenici balanced budget plan put before us today. That balanced budget plan results in a decrease in the deficit every year, 1995 to 1996, 1997, down to the year 2002, where the budget will be balanced; we will have zero deficit.

We heard a lot about children today. Mr. President, I want to talk just a minute about why the Republican budget, the Domenici balanced budget, is the most compassionate thing we can do for our Nation's children. It is the most morally responsible thing that we can do for our Nation's children.

Today, we are asking impossible things of our children. I am the father

of three young boys, Harrison, 12; Jonathan, 9; and Bryan, 8. Many people—even today—ask me why would you run for the U.S. Senate? And my answer is very clearly, I ran to now serve in the U.S. Senate because I was concerned about the future of their generation, a future in jeopardy because of the projected Clinton budget deficits to increase year after year.

But today, we have a choice. We expect today's young people to finance Federal deficits of staggering proportions. A young child born today is born into this world and given a bill of \$19,000, a bill that he or she did not ask for. We give that young child—and it could be your child or my child or a grandchild or a neighbor's child—we give that child a lifetime tax rate today, unless we act, of 82 percent. We give that child today an obligation to pay over \$187,000 in taxes over that young child's lifetime just to pay interest on the Federal debt, and that child did not ask for this Federal debt. We have given it to him or her.

At 7 years of age, when that child would start elementary school, Medicare is going to be bankrupt unless we act, and act today. When that young child is 17 years of age, when he or she graduates from high school, spending on Medicare, Social Security, Medicaid, Federal and military pensions, and interest on the debt will consume the entire budget, leaving no money for defense, education, roads, or any other purpose.

We are asking that young child today to pay for a health care system in the future whose projected costs are running out of control. But the Domenici balanced budget plan will reverse that trend. We are trying hard to stop the repeating and ongoing flow of Government red ink, and like a family gathered around the kitchen table, Republicans have made difficult choices needed to protect our future.

Mr. President, this budget plan will benefit our children by building a more prosperous tomorrow, a tomorrow of greater opportunity. The Congressional Budget Office reports that each percentage point of growth will result in 600,000 new jobs, and that same budget office has said that balancing the budget will result in additional growth of 2 to 3 percent a year. This means greater opportunity for our children, greater possibilities. They will be able to find better jobs and they will be able to work, and someday they will be able to support their own children.

Lower interest rates will help them in everything that they do. The CBO has told us that interest rates will come down by as much as 2 percent, and this means that they will have to pay less to buy their first home. It will cost them less to finance their cars, to finance their education, to be able to start—even start—their own small businesses if they want to. Lower interest rates will have a ripple effect throughout their lives.

Mr. President, the Concord Coalition has told us that the average family income would be not \$35,000 but \$50,000 if that family was not burdened by the massive Federal debt.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. FRIST. I ask unanimous consent for an additional 3 minutes.

The PRESIDING OFFICER. Is time yielded?

Mrs. HUTCHISON. Yes, I yield an additional 3 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator is recognized.

Mr. FRIST. The GAO predicts that if we balance the budget by the year 2002, the average American will have a real growth in income of 36 percent by the year 2020.

Mr. President, the best thing we can do for our children is to increase productivity. That will bring higher incomes. The American dream is fading for the generation of my young sons unless we act. During their lifetime, incomes for our young people, those under 24, have fallen by more than 15 percent. A balanced budget will reverse those trends. It will restore the American dream.

So I close by saying that we, indeed, have a moral obligation to do this for our children. We must leave them a world of expanding opportunities, a world where they can achieve their American dreams. Enacting the Republican balanced budget proposal is the responsible thing to do. Now is the time to do it.

Thank you, Mr. President.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield whatever time is needed to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Ms. MOSELEY-BRAUN. Mr. President, thank you very much. I thank the Senator from Nebraska.

Mr. President, according to some of my colleagues, this debate is about whether this Congress should set out a framework for balancing the budget over the next 7 years. They argue with great fervor that the choice before the Senate is a choice between a budget submitted by the President of the United States that does not balance the budget anytime in the foreseeable future, or the resolution now before us. That, however, is a false choice. The real issue is not whether to begin the task of restoring fiscal discipline. The real issue is how. The real issue is whether this budget resolution, in its current form, is a blueprint that this country can and should follow.

The first step toward answering that question involves asking another; is it fair? Unfortunately, the answer to that question is no.

This resolution is not fair to the working poor. American families with incomes of under \$28,000 would see an

effective increase in their taxes of \$1,400 over the next 7 years under the changes in the earned income tax credit [EITC] this resolution proposes.

It is not fair to seniors. It will likely cost retired Americans about \$900 per year in higher premiums, copayments, and deductibles—\$3,200 over 7 years. For a senior couple, that totals an extra \$6,400 in out-of-pocket costs. And yet, there is nothing in the resolution that will do anything about the inflation in medical costs that is one of the principle factors driving the increases in Medicare spending.

It is not fair to students. Four million college students could see their costs go up by as much as \$4,920. Perhaps as many as half a million or more children would be denied access to preschool education, and two million more elementary and secondary school students would see their math and reading funding cut.

It is not fair to maintain sacred cows like defense, which seem immune from reexamination even though we have won the cold war and the Soviet Union is no more.

And it is not fair to the American people to propose cutting taxes by \$170 billion in a budget that shreds the social safety net and decimates needed investments in our future.

This budget resolution cannot be fair—and it can not work—because it does not accurately portray the Federal budget, and because it does not accurately reflect the interests of the American people. This budget resolution is all about numbers—\$256 billion in Medicare cuts, \$14 billion cut from the EITC, \$190 billion cut from welfare, nutrition, retirement programs, and other mandatory spending—and on and on and on. But the numbers do not add up—and they are not guideposts to the future we can count on—because they reflect an abstract accountancy approach to the Federal Government, with little or no understanding of what the numbers really represent. One number represents the opportunity for young children to participate in Headstart, so that they can enhance their chances to succeed in school, and, therefore, to succeed in life. Another number represents access to health care. Yet another represents retirement security for older Americans. Yet another protects the ability of family farmers to stay on their farms. And others are about opening the doors of economic opportunity by creating incentives to work and to save.

What is behind the numbers are the American people—their lives, their opportunities, and their hopes for the future. People are not economic abstractions, and we cannot afford any budget that treats people as mere numbers. Instead, we need to think about budgets the way American families think about them.

When a family decides to cut its budget because they owe the bank or the credit card company or the car dealership, they sit down at the kitchen

table with a calculator and talk numbers. They also talk about what is important to them, what their actions will mean for their children, for their parents, for them when they retire. That family at the kitchen table decides to spend money on some things and not others. They decide to pay off their debts a little more slowly so that they can continue to pay for what is essential to their well-being.

They may talk about why it is important to cut spending in the first place, so that everyone in the family understands their situation, and why they have to act, so they can all agree that it is a priority. They try to have all the facts about how their money is actually spent, so that each person understands where the money is going. They discuss priorities, talking about expenses they need to continue to meet, and activities they can afford to cut back. They think and talk about how the proposed changes in family spending will affect each member of the family. And they budget with the future in mind, so that they can meet critically important long-range goals, like ensuring that the children in the family are educated, that there is money for things like braces, and that they have the cash they need to make a downpayment on a home. They look at how their choices will affect them and their grandchildren on down in the future.

Establishing family budget priorities often involves some very tough decisions. Families could decide to risk their future to support vacations or a new car, or a big-screen TV. The family could stop paying medical insurance premiums. The family could take their kid out of college. They could even sell their house. The family could decide to divest themselves of all of their savings and net worth.

But the American family realizes that keeping their daughter in college is important to her achieving the American Dream. And they want to be sure that grandmother has adequate healthcare and that she can enjoy her retirement years. They know that not having health care coverage means risking a catastrophe. Having a car to go to work and a house to live in are also critically important to families. After all, without a car, there are no jobs to support the family, and without a home, they are out on the street. The American family, therefore, would not make cuts that would endanger their ability to secure what is really important to them, their own piece of the American Dream: Health care, transportation, education, jobs, housing—these are the essentials.

To deal with the Federal budget, the American family—all of us, together—must sit down and decide what is important. What it is we need to save, and what it is that can be cut. As a nation, we must do what any sensible family would do to get themselves back on their feet financially. We must come together; we must look at the

numbers, and most importantly, we must consider what each of the numbers means for people, and for our individual and collective futures.

I. IMPACT OF BUDGET DEFICIT ON ALL AMERICANS

We all know that the budget deficit has an impact on all Americans. The national debt has quadrupled since 1980, growing from \$1 trillion to over \$4.7 trillion, as it is increasing as a share of our overall economy as well. These debts are crippling our ability to meet important national priorities, like education. They are jeopardizing future economic opportunity for our children, and the generations that will follow.

The budget deficit put pressure on interest rates. Higher interest rates make it more costly for Americans to buy homes and cars, and to educate their children. Consider what a change in interest rates can mean to the ability of Americans to buy their own homes. If a family buys a house for \$100,000 and the interest rate is 9 percent, that family is paying \$9,000 per year in interest alone. If we balance the budget interest rates should fall. If interest rates drop even 1 percent, that would put an extra \$1,000 in the pockets of the family that bought the house. On the other hand, if we do not act, and interest rates go up, that takes money right out of that family's pockets—or makes it impossible for them to buy the home at all.

Persistent deficits not only affect the costs of homes, it also creates inflation pressure. And inflation disproportionately affects moderate and low-income Americans. Since 1980, for example the average price of a home has tripled in the Midwest. But the incomes of Illinoisans did not even double. What that means is that more and more Illinoisans—and their counterparts in every other state in the union—are being priced out of the American Dream.

II. WE NEED TO KNOW WHAT WE ARE SPENDING MONEY ON

Americans know that, for all too many of them, the American Dream seems to be slipping out of reach. And years of discussions of big government have convinced many of them that the Federal Government's profligacy is a big part of the reason why. Seemingly endless debates on "pork barrel", waste, fraud, and abuse, and foreign aid have many Americans convinced that is where the Government spends its money. The truth, however, is that foreign aid is less than 1 percent of the budget, and that appropriated spending, whether "pork barrel" or essential, is shrinking both as a percentage of the Federal budget and as a percentage of the economy. The truth is that the major increases in Federal spending are not due to "pork barreling," but to increases in what is called entitlement or mandatory spending.

By the year 2012, unless appropriate policy changes are made, spending for the major entitlement programs—Medicare, Medicaid Social Security, and

Federal retirement, together with interest on the national debt—will consume every single dollar of Federal revenue.

By the year 2002, unless there is change, the Medicare trust fund will go broke, and by the year 2029, Social Security will not be able to meet its obligations.

III. RESOLUTION MUST BE CAREFULLY CRAFTED

With problems like this looming in the not too distant future, it is clear that we must balance the budget. The thing is, we must keep the interests of all American families in mind when we craft a deficit reduction package. How we make the cuts is as important as the numbers that we are cutting.

IV. MEDICARE

The Republican plan seeks a \$256 billion cut in Medicare funding. If this cut is implemented, all States will suffer. In Illinois for example, over 1.6 million Illinoisans who are covered by Medicare would have to pay an additional \$2,770 over 7 years, and an additional \$784 in 2002 alone in out-of-pocket expenses. On an overall basis, Illinois would lose \$9.3 billion in Medicare funds over the next 7 years, \$2.6 billion in 2002 alone. Other States face similar cuts.

Now, changes need to be made so that the Medicare trust fund will not go bankrupt by 2002. But the changes should not be made at the expense of healthcare access. And changes that do not focus on the real Medicare problem—health care inflation—make no sense at all. The costs of obtaining quality health care are on the rise. Cutting the Medicare budget by an arbitrarily chosen \$256 billion is not the answer to this problem. It does nothing to deal with the overall inflation of health prices or the fact that many more people are becoming eligible for benefits each year.

The budget resolution does not really propose anything to reduce health care inflation. Rather, all it does is raise the cost of health care to older Americans—83 percent of Medicare users have an annual income of under \$25,000—or reduce their access to health care. Last year's health care debate was all about improving access to health care. This year's budget resolution is all about decreasing access to health care. Seniors will have to pay more or go without healthcare. This is not right. We cannot retreat from our commitment to ensuring that elderly Americans have access to high-quality, affordable health care.

Cutting Medicare does not only impact on elderly Americans, these cuts will have direct impacts on all American families. Families will have to shoulder increasing costs for insuring that their loved ones receive proper care if Medicare does not cover the expenses. Cutting Medicare by such a record setting amount is essentially equivalent to a tax increase since families will have to pay more for adequate health coverage.

V. EDUCATION

As we work to ensure that all Americans have access to adequate health care, we also have to work to ensure that all Americans have opportunities to pursue the American Dream. We have an obligation to our youth to provide them with the education to attain the American Dream. The budget resolution, however, seeks to stifle that dream, with changes such as more costly student loans. In Illinois, for example, almost 200,000 students would see their monthly student loan payments increase by 18 percent. If the goal of balancing the budget is to reduce the debt burden on future generations, what sense does it make to increase the debt burden on future college graduates?

In fact in a study cited in Sunday's New York Times, the Census Bureau for the Federal Department of Education found that increases in workers' education levels produce twice the gain in workplace efficiency as comparable increases in the value of tools and machinery. The findings are based on interviews with about 3,000 businesses owners and managers. It found that a 8.6 percent increase in productivity could be had from a 10 percent increase in educational attainment. These kinds of statistics demonstrate once again how important education is to our economy's productivity, and overall success. Making it more difficult for our children to obtain proper training and education will only hurt our nation in the long-run.

VI. EITC

Not only does this budget resolution seek to increase the debt burden on our future college graduates, it also scales back the earned income tax credit for working families. The EITC is a refundable tax credit for working families with low incomes. The goals of the EITC are first, to encourage families to move from welfare to work by making work pay and second, to reward work for working families so parents who work full-time do not have to raise their children in poverty—and families with modest means do not suffer from eroding incomes. By providing an offset against other Federal taxes, the EITC increases disposable income for workers and their families.

The EITC has long enjoyed bipartisan support; it has been viewed as a non-bureaucratic way to make work pay better than welfare. President Reagan called the EITC "The best antipoverty, the best pro-family, the best job creation measure to come out of the Congress." So why is it being cut?

The Senate Budget Committee would reduce EITC by \$13 billion between fiscal years 1996 and 2000 and by \$21 billion between fiscal years 1996 and 2002. About 7.8 million EITC recipients—nearly half of the EITC recipients with children—would be affected by this proposal. On average their EITC would be cut by \$270. Families with two or more children would be hit hardest by this proposal. In Illinois 500,000 working

families' taxes will be essentially increased by \$1,520 over the next 7 years due to the EITC cut.

Our goal should be to encourage families to move from welfare to work, not the opposite. As the minimum wage has not kept pace with inflation, low-income families need all the help they can get to make ends meet. From every added dollar a low income worker earns, payroll taxes take 15.3 cents while food stamp benefits decline by 24 cents. For a low-wage family with two children, the EITC fully offsets these effects by providing a 40-cent credit for every dollar earned.

American families are the key to our country's success. It is our duty to especially help those families that are working hard yet have trouble making ends meet. By helping them succeed we make them stronger and in turn our country stronger.

VII. TAX CUTS

If the budget resolution's goal is to reduce the deficit to make our country stronger, it does not seem fiscally responsible to be discussing cutting taxes. This is the wrong time for cuts. Right now our priority should be deficit reduction. Tax cuts now would only hinder our ability to reach a balanced budget. If a family was facing financial problems, they would not voluntarily give up a part-time job or turn down overtime just when they desperately need the extra income. Providing a tax cut now just when our country needs to address our financial problems is the wrong thing to do.

VIII. OBLIGATION TO OUR FUTURE

The budget debate is really about our obligation to the future. We need to open the door of economic opportunity for all Americans. We need to invest now in areas like education on which our future success will ultimately depend, and we have an obligation to be honest.

AFDC for example, cost \$4 billion in 1970 and served 7.4 million people. In 1993, it cost \$22 billion and served 14.1 million people. That sounds like a big increase, does it not? When you adjust for inflation, however, benefits are not higher than they were in 1970, they are actually 47 percent lower. So when we talk about reducing the rate of growth of Medicare from 10 percent to 7 percent, we must acknowledge that the result of that kind of change may mean significant increases in out-of-pocket costs for Medicare beneficiaries, 83 percent of whom have incomes of \$25,000 or less. We cannot pretend that is not so.

We also have an obligation to try to open the door to economic opportunity to Americans who are now locked out. It is the right thing to do, and it is the smart thing to do. If we can use all of the talents of all of our people, we are all better off. That means we need welfare reform designed to bring welfare recipients into the mainstream of our economy, not just welfare reform designed to cut spending in the short run. That means we need job training, and housing, and nutrition reforms that

make sense, and that we need incentives to boost jobs and investment in communities that continue to suffer unemployment levels above those last seen nationwide in the Great Depression.

IX. TIMEFRAME TO ACHIEVE BALANCED BUDGET

As we go forward, it is worth keeping in mind that there is no magic associated with the idea of balancing the budget in 7 years. We could balance it in 9 or 10 years if we are really committed to change. If we are honest and we give up gamesmanship and tell the truth to the American people, adding a couple of years to the timeframe will not undermine our ability to achieve the objective. What is important is maintaining our priorities and not retreating from our obligations to American families.

X. CONCLUSION

We have to keep in mind that what is at stake is our future. We are all in this together. We need to make our decisions together, like an American family would. We need to base our decisions on the truth and the fiscal realities that we face. When we sit down at the kitchen table and begin to look at what needs to be done, we need to consider our core priorities—education, housing, and quality health care for all and we ought to make certain that in any event the balance is achieved in the burden sharing, and that the shared sacrifice is fair to everyone.

We can only make those decisions if we keep in mind our core priorities. That is what common sense dictates and that is what I hope this budget debate will give us an opportunity to do.

That is what any sensible family would do to get themselves back on their feet financially. And that is what we need to do.

I hope that we can come together in the spirit of bipartisan cooperation to do what Americans expect of us. Both parties need to tell the truth about what is actually in the budget and what the changes will mean for the American people. We need to use honest numbers and economic assumptions and put everything on the table. Unfortunately this budget resolution looks only at the numbers, and not at the people. For that reason I can not support it in its current form.

But we have to always be mindful that in the final analysis these abstract numbers and the figures that get thrown around in the millions and billions of dollars really have very real realities for very real people. And we will not rest easy if the result of the work of this body is to encourage the pain or to put the burden on small groups of Americans at the expense of to the benefit of everybody else.

A balanced budget based on an unbalanced burden is a disservice to the American family.

Mr. President, I thank you very much.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself such time as I might need.

I wish to first thank my friend from Nebraska for his comments on the budget, and also the excellent comments just made by my friend and colleague from the State of Illinois for keeping these things in proper perspective, which we are trying to do. I appreciate very much the constructive, thoughtful remarks by my colleague from Illinois and my colleague from Nebraska. I hope that we can continue to move forward.

As I said when I started out the debate this noon, I think possibly we could still work out a bipartisanship approach to this. I certainly hope and encourage all to keep an open mind as best we can.

I would just like to finish up the first day of debate, which I think generally has been an informative one, by emphasizing once again the very hard hit that the Medicare cuts proposed in the budget that I think must be alleviated as we have maintained all day long.

I would like to read a letter into the record from the Nebraska Association of Hospitals and Health Systems. This letter was written to me by a man that I have known for a long time, Mr. Harlan Heald. Harlan is the President of the organization known as the Nebraska Association of Hospitals and Health Systems. I think his letter, which is not a very long one, really sets up the major concerns that all of us who have, and rural areas in our States should be particularly concerned about.

The letter is dated May 10. It is addressed to me. He said:

On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a serious potential problem.

Clearly, the United States must work its way out of debt. To do that, Federal spending must be cut. It is my understanding that the Senate Budget Committee Chairman's mark is set at an overall reduction of \$1.5 trillion by the year 2002. I further understand that in order to achieve a savings of that magnitude, Medicare is targeted for \$256 billion reduction in spending over the same seven-year period.

Here's the problem. For fiscal year 1993 (FY '93) (the most current completed year), Nebraska hospitals had a net operating margin of -7.5 percent for care rendered to Medicare recipients. Based upon the Chairman's mark for Medicare spending, in the year 2000 Nebraska hospitals would have a net operating margin of -23 percent for Medicare patients. This figure is expected to improve by the year 2002 to a net operating margin loss of only 14.5 percent, because the reductions are "front loaded."

Putting this into financial terms, in FY '93 Nebraska hospitals lost \$383 per case caring for Medicare patients. Based upon the Chairman's mark, in the year 2000 they would lose on average \$1,339 per case and in 2002 they would lose \$983 per case caring for Medicare patients. This is all compounded by the fact that Nebraska is a state with a higher proportion of elderly citizens in its population.

How can hospitals respond to the cuts of this magnitude? Hospitals are caught in a catch-22. They can: (1) shift more costs to

the private sector—this is no longer a viable option in today's managed care environment; (2) slash wages and lay-off employees; (3) cut back on the scope of services provided—all of which threatens the quality of care, will close rural hospitals and restrict access. It is a lose-lose situation for community hospitals. Reimbursement reductions of this magnitude in a state with a disproportionate share of the elderly population, a state in which Medicare patients account for 60 to 70 percent of hospital admissions, clearly threatens the health care system upon which all of us depend.

Medicare needs to be fixed. There is an opportunity for Congress to change Medicare, but the change must be driven by sound health care policy, not budgetary or political imperatives. The Senate Budget Committee's proposed Medicare reductions would crush Nebraska hospitals.

As always, Nebraska's hospitals look to your leadership.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

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

NEBRASKA ASSOCIATION OF
HOSPITALS AND HEALTH SYSTEMS,
May 10, 1995.

Hon. J. JAMES EXON,
U.S. Senate, Washington, DC.

DEAR SENATOR EXON: On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a serious potential problem.

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As always, Nebraska's hospitals look to your leadership.

Sincerely,

HARLAN M. HEALD,
President.

Mr. EXON. Mr. President, we are going to be finishing I believe debate very shortly. The distinguished Senator from Texas I know has some remarks. I know of no other speakers seeking recognition on this side. I have been advised likewise by the Senator from Texas.

Mr. President, I thank the Chair.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President.

Mr. President, this is the end of a long day. It is the end of a very important day for this country. We have heard so many arguments. The numbers are running in people's heads. They are conflicting. One person says there are cuts. The next person comes in, and says they are not cuts, they are just fewer increases. But in fact, it really comes down to the basic commonsense arguments that the people of America understand.

The debate today is for the soul of America. It is for the future of our children. And what we do over the next 50 hours is going to determine whether our children and grandchildren in fact will have the right to inherit the same kind of America that we have been able to grow up in and for which we have known such great advantages.

The House of Representatives tonight has taken the first bold step. They have passed a budget resolution that will balance the budget by the year 2002. The Senate is starting on the road that will have the same result.

I was talking to a group of leaders from all over the world today. They really had one basic question. Does America have the guts to balance the budget? Will they really do it? Do they really have the guts to set a course over the next 7 years that will be very tough but will make the difference in the economy for our country, and for the whole world? And I said emphatically the answer is yes. We do have the guts. We do have the courage. We do have the will. And we will set on the course.

Will it be easy? No. But we are going to do it because the people of this country made a statement in November 1994. They asked for courage, and we are going to give them the courage that they had in the vote they made last November, and that they deserve from the people they elected and put their faith in.

We have heard so many statements on this floor that I think we must try

to correct, as best we can, some of the misstatements that were made.

First of all, it was said that this budget resolution has tax cuts for those making \$200,000 a year. Well, the fact of the matter is this resolution does not have tax cuts at all. This budget resolution does not speak to tax cuts. But it does have a sense of the Senate that, if there are tax cuts that result from cutting spending, they will be targeted and focused to people making under \$100,000. There are no tax cuts for the rich in this resolution. That is a smokescreen. That is put out by people who do not want us to pass a balanced budget. Then there was the talk about defense spending. There was ranting about the firewall put up for defense spending so that we would have domestic spending and defense spending. Well, in fact, there is a firewall, Mr. President. Thank goodness there is a firewall. People talk as if, when the cold war was over, the world was a safe place.

I am on the Armed Services Committee, and I am on the Senate Select Committee on Intelligence. I am scared to death about the proliferation of nuclear, chemical, and biological weapons all over the world right now. We have as much danger in the world today as we did when Russia was at the height of its strength.

It is a different kind of problem. It is a different kind of terror we are seeing in the world today, but nevertheless the greatest superpower in the world is not going to let down.

We are going to have to understand what happens when sarin gas is let out in a subway killing people before our very eyes, and when you can make bombs from fertilizer and fuel oil, and we see the loss of over 100 lives in our own country, and when we see the capability to produce missiles that could take these gases, the biological and chemical weapons and the nuclear weapons anywhere in the world. You bet we have a firewall in this budget resolution. Thank goodness we do for the defense spending, because I think the defense cuts are too much in this resolution, and I hope we can fix it because I wish to be on the leading edge of technology.

When our young men and women give their lives to protect our freedom in our armed services, you bet I want them to have the tanks and the fighters and the bombers they need to make sure that they do it as safely as possible for themselves and with the strength they need to protect us.

So, yes, there is a firewall. Thank goodness there is. And I hope that we can correct even right now in this budget resolution what, I think, is a woefully inadequate amount for defense. But we are not going to pass a resolution saying we increase defense spending without looking at the priorities and saying where is it going to come from and making those priority judgments. That is what we are here to do.

Does this resolution cut school lunch? No, it does not cut school lunches at all. That is an absolute smokescreen.

Does it cut the earned income tax credit? No. In fact, the earned income tax credit will remain. That is a good program. It is a program for the working poor. For someone making \$20,000 or \$18,000 a year, that has one or two children, they do get a tax rebate in this budget resolution just as they do today, and in fact that amount increases by the year 2002 because we want to encourage people who are helping themselves. So there is no cut in the earned income tax credit. There are only increases. It is important that we set the record straight on that.

Now, it has been said that Medicare is going to be cut. Once again, Mr. President, that is not true. Medicare spending will increase 7 percent a year in this budget. Does that mean Medicare is going to be the same as it has always been? I hope not. I hope we can get efficiencies that make Medicare more cost conscience because it has been increasing at a much greater rate than 7 percent per year.

We are not cutting Medicare. We are going to try to put some innovative solutions in Medicare so that our seniors who need Medicare will have it available, and they will have other options, and there will be incentives for them to save money, incentives that they will earn for themselves and for the taxpayers of America. We are going to have some innovative solutions, but we are not going to cut Medicare. We are going to try to save Medicare. That is going to be one of the key missions of this budget resolution, to save Medicare, so that when our future generations grow old it will be there for them.

The President's own cabinet officers who sit on the Medicare trust fund board have said it is going bankrupt, and it will be bankrupt by the year 2002 if we do not take steps right now to save it. And that is one of the key purposes of this budget resolution.

Now, it has been said that the space station has not been cut. I wish it had not been cut, because I do think the space station is one of the technologies that is going to provide jobs for our future, but it is cut. It takes its fair share. It is cut \$3.5 billion over the next 5 years. It is taking its fair share of cuts. It is going to be more efficient, just like everything else in Government, and hopefully we will have a space station that will provide the new technologies and the new industries and the new jobs for our future. But everything is going to have to be more efficient, and it is going to have to meet a number of tests to make sure that it is right for the taxpayers and for our future generations.

There is a test that I have, and I am going to use it on everything that we vote on when we come to appropriations bills in the next few months. It is going to be the \$100 test. If you take \$100 and you put it on the kitchen table

and you say, now, would you like to have this wonderful program that is going to cost \$100 for your family? Most people would probably say, yes, I would like to do good things. Sure, I would like to have that program. But if the choice is for you to keep the \$100 on your kitchen table and spend that money for what you want to spend it for for your family, what is going to be your choice? Are you going to send the \$100 to Washington to spend on a program that sounds very good or are you going to want to keep that \$100 to make the decisions for your family yourself. We are going to try to keep that \$100 on the table for your family, so that you can decide what your priorities are rather than letting someone in Washington, DC, you have never met make those decisions for you.

Two economists developed a model for the future called generational accounting. This model calculates how much short-term budget policies will cost future generations. It looks beyond 5-year budget projections and was developed from the help of the President's Office of Management and Budget.

These two prominent economists have produced some shocking forecasts. On the day a child is born, that child owes \$19,000 in Federal debt. When that child's sibling is born in 4 years, the baby brother or sister will be \$24,000 in debt. There will be fewer jobs available for that child. And when it comes time to take out a personal loan to buy a new car or to own a home, our children that are being born today will find that Federal deficits have driven the interest rates up 2 percent. But borrowing money for a home will be just a dream for those children. If we continue at the rate we are going right now, what we are really going to give our children is not the ability to buy a home at all. They will not be able to buy a home because their tax rate will be 82 percent—82 percent is what we will be giving to our children and grandchildren if we do not take steps right now to correct the runaway spending that this Congress has had for the last 40 years.

And yet, this administration has refused to abandon the practices of Congresses for the last 40 years. In fact, this administration has dealt itself out of this debate. The President submitted a budget but it does not balance. It does not balance in the year 2000 or the year 2002. The President abdicated that responsibility and has left it to Congress.

Now we are going to get a chance to vote on the President's budget that does not balance. In fact, the President's press secretary said on Tuesday that that will be a good place for us to begin.

In fact, Senator DOMENICI has decided that that is indeed a good place to begin. So, when I finish my remarks, on behalf of Senator DOMENICI, I am going to submit the President's budget. That will be the first vote of this bud-

et debate and we will get a chance to see if people want to vote for a budget that may have fewer decreases than increases, but does not balance at the end. We will see who is willing to cross the line that will be drawn in the sand to say, we will take the responsible course for this country and we will do what the people asked us to do last November.

In fact, we are in the toughest debate that we may ever have. No one, probably even Senator DOMENICI, agrees with everything in this budget resolution. I do not agree with everything in it. Not one person in this country probably agrees 100 percent with everything in it. Because, you know, Senator DOMENICI compromised. He tried to work with people and their priorities. He may not have liked everything that is in this resolution even though he is the prime author of the resolution. But we are going to rise above our small differences. We are going to try to set the priorities. We are going to have amendments.

We may vote for some of those amendments, but in the end, Mr. President, the people who are doing what is responsible for this country are going to vote a balanced budget out of the Senate just as they have done in the House today. And we are going to make history. We are going to begin to turn the ship of state that started going in the wrong direction in the 1930's when we started building up spending and big Government until in 1994 the people said, "I know I'm going to have to sacrifice. I'm ready." The people of this country said that. They understood what they were doing.

And when I go home, people say to me, "You hang tough. Don't back down now."

This is our chance to save our country. And if we miss it, the people of America know that we will not have this chance again maybe ever but certainly not in the near future.

There is a new spirit in this country. The spirit of the Americans who went to the polls in 1994 and caused a revolution in the way that our Founding Fathers provided them to have a revolution. And that was the ballot box. The people had a revolution and they took their Government back. They have experienced the right of democracy. And now the people of America have said, "We want you to do what is right. We understand that it will be tough. We understand that we will have to sacrifice. But we are ready. We are ready to do what is right for our children and our grandchildren."

Mr. President, it is time for us to look to the future, not to the next election.

If we do what is right, everything else will take care of itself and we will create the jobs and the future for our children and that is what we are going to do.

AMENDMENT NO. 1111

(Purpose: To propose the President's budget)

Mrs. HUTCHISON. Mr. President, on behalf of Senator DOMENICI, I send to the desk the President's budget and ask that the President's budget be put on the table for consideration beginning tomorrow morning on Friday so that we will be able to have our first vote on the President's budget and we will see who wants to balance the budget and who is willing to take the steps that are necessary to do it.

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

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. DOMENICI, proposes an amendment numbered 1111.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that when the Senate resumes the concurrent budget resolution on Friday there be 40 hours remaining for debate under the statutory time limit.

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

MORNING BUSINESS

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

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

REPORT ON THE NATIONAL EMERGENCY WITH IRAN—MESSAGE FROM THE PRESIDENT—PM 49

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on developments since the last Presidential report on November 18, 1994, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979, and matters relating to Executive Order No. 12613 of October 29, 1987. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c). This report covers events through April 18, 1995. It discusses only