its previous commitment to deficit reduction and sensible public investment.

Today, while supporting President Clinton in opposing the cruel and counterproductive Republican budget resolutions in the House and Senate, I also wonder why the White House has let the Republicans seize this issue.

Though the Administration is right to criticize plans that would cut spending for the most vulnerable Americans to help finance tax breaks for the well-off, it will not rally much support by hypocritically attacking cutbacks in Medicare and Medicaid or by resisting the idea of balancing the budget altogether.

Last week, the White House chief of staff, Leon Panetta, said that the Republicans would ''make Medicare a second-class health care system for our seniors.'' The Administration's 1993 economic plan, ''A Vision of Change for America,'' struck a different note. In it, the Administration hoped to ''control the growth of Medicare and Medicaid spending in the long term, and thereby supplement the deficit reduction in this economic program.''

Assuming ''health care controls,'' the plan estimated that the deficit would decline to $87 billion in the year 2003—from what otherwise would have been $399 billion. Bringing down the combined annual growth rate of Medicare and Medicaid was the single most important factor in the reduction.

This slower growth would have meant saving about $66 billion yearly on average over a 10-year period. The Republican Senate budget resolution, by contrast, calls for savings that average $65 billion yearly over seven years, while the House resolution calls for $69 billion yearly over the same period.

It's hard to understand how a goal the Administration considered reasonable only two years ago can seem unthinkably draconian today.

Nor is the Republicans' aim of balancing the budget by 2002 as dangerous for the economy as the Administration suggests. Mainstream economists generally agree that reducing the deficit by the equivalent of 0.5 percent of the gross domestic product per year can be reliably offset by the Federal Reserve (for example, by lowering interest rates). With the Congressional Budget Office forecasting the deficit at 2.5 percent of the gross domestic product in 1995, that would mean a five-year path to a balanced budget by 2000 would be reasonable.

In any event, it would be far better policy and better politics for Mr. Clinton to take the lead by offering his own plan to balance the budget rather than merely sniping at the Republicans.

The GOP resolutions would slash basic research, investment in infrastructure and in education, while leaving untouched most of the welfare for the well-off that permeates the budget. While families struggling on $35,000 a year would continue to bear a disproportionate tax burden, for example, $30 billion in health and pension benefits would still go every year to senior citizens who have incomes above $100,000—giving these retirees far more back than they paid into the system.

Yet all of the Administration's well-taken criticisms will be ignored if President Clinton does not renew his commitment to addressing the problem of the deficit. The Republicans' methods may be misguided, but the goal they have embraced is the right one. Mr. Clinton should waste no time in taking back an issue he claimed as his own from his first days in office.●

THE 23RD ANNUAL JEWISH HERITAGE FESTIVAL

● Mr. BRADLEY. Mr. President, our country is a remarkable mosaic—a mixture of races, languages, ethnicities, and religions—that grows increasingly diverse with each passing year. Nowhere is this incredible diversity more evident than in the State of New Jersey. In New Jersey, schoolchildren come from families that speak 120 different languages at home. These different languages are used in over 1.4 million homes in my State. I have always believed that one of the United States greatest strengths is the diversity of the people that make up its citizenry and I am proud to call the attention of my colleagues to an event in New Jersey that celebrates the importance of the diversity that is a part of America's collective heritage.

On June 4, 1995 the Garden State Arts Center in Holmdel, NJ began its 1995 Spring Heritage Festival Series. This heritage festival program salutes many of the different ethnic communities that contribute so greatly to New Jersey's diverse makeup. Highlighting old country customs and culture, the festival programs are an opportunity to express pride in the ethnic backgrounds that are a part of our collective heritage. Additionally, the spring heritage festivals will contribute proceeds from their problems to the Garden State Arts Center's Cultural Center Fund which presents theater productions free-of-charge to New Jersey's schoolchildren, seniors, and other deserving residents. The heritage festival thus not only pays tribute to the cultural influences from our past, it also makes a significant contribution to our present day cultural activities.

On Sunday, June 11, 1995, the Heritage Festival Series will celebrate the 23d Annual Jewish Festival of the Arts. Co-chaired by Amy Schwartz of Springfield, NJ and Martin Hacker of Metuchen, NJ, this year's event promises to be a grand show featuring many talented entertainers including: the Golden Land Klezmer Orchestra, singer Mike Burstyn, and comedian Freddie Roman.

On behalf of all Jewish New Jerseyans, I offer my congratulations on the occasion of the 23d Annual Jewish Festival of the Arts.●

EXPLANATION OF SELECTED VOTES TO THE SENATE BUDGET RESOLUTION

● Mr. ABRAHAM. Mr. President, just prior to the Memorial Day recess, the Senate considered a near-record number of amendments to the Senate budget resolution. Since many of these amendments were offered after time had expired and voted upon without debate, I want to take some time now to offer explanations for several of the more critical votes about which I was unable to comment at the time.

During the budget markup in committee the focus of many amendments was the so-called fiscal dividend reserve fund. This fund was established to incorporate the estimates of the Congressional Budget Office regarding the benefits of balancing the budget. According to the CBO, if Congress successfully balances the budget over the next 7 years, we will experience lower interest rates and lower costs to the Government—about $170 billion over the next 7 years. It was the position of the chairman—a position I strongly support—that any fiscal dividend resulting from balancing the budget should be given back to the taxpayers in the form of tax cuts.

One amendment offered on the Senate floor was the Feingold amendment to strike the budget surplus from the resolution. Instead of using the surplus for more spending—as previous amendments had—this amendment would have killed it outright, striking at the heart of efforts in the Senate to provide tax relief for American families. I opposed it for that reason. Over the next 7 years, the Federal Government will spend approximately $12 trillion. Much of this spending will take the form of transfer payments from those people who are working and paying taxes to those less fortunate. I believe it is important for a compassionate country to take care of the elderly and the poor, and I support many of these programs. However, I also support those families who are not receiving Federal assistance but rather are working hard and paying taxes. The fiscal dividend is about 1½ percent of total Government spending over the next 7 years. In my mind, this tiny surplus belongs to the taxpayers who make all the other Government programs possible.

One amendment I did support was the Hatfield amendment to restore $7 billion in spending reductions to the National Institutes of Health by cutting all other discretionary accounts across-the-board. As Senator HATFIELD made clear during the debate, the United States is suffering from epidemics of cancer, Alzheimer's, and AIDS. The research conducted by the NIH is instrumental in fighting these diseases, and it is important that their efforts be fully funded.

Another amendment I supported was the McConnell amendment to restore funding for the Appalachian Regional Commission. Under the Senate budget, all funding for ARC would have been eliminated over 5 years. Rather than eliminate the entire program, this amendment will reduce the program's funding by 35 percent in 1996 and 47 percent overall. I believe it strikes a careful balance between cutting spending and hurting economic development in specific regions of the country. In recent weeks, I have been working on a task force to determine the efficacy of Federal agencies. Should that effort conclude that the Appalachian Regional Commission is duplicative, wasteful, or has attained its objectives,

then my position regarding funding for ARC may change.

One budget area where I have special concerns is education. As reported out by the committee, the budget reduces mandatory education spending by a considerable amount—and these reductions could affect student loan programs. Although I had previously supported restoring education funding through offsetting spending cuts, I did not support any amendment that attempted to increase education spending through tax increases. This opposition included both the Dodd and Kennedy amendments. These amendments would have restored $28 billion in education spending over the next 7 years by raising taxes. While the authors argued that the offsetting tax increases would only come from the elimination of certain tax preferences targeted at large corporations, their practical effect would be to instruct the Senate Finance Committee to raise tax revenues by $28 billion through any means, including the elimination of tax provisions which I support, such as the home mortgage interest deduction. As I have stated previously, while I am willing to establish education spending as a priority, I believe its enhancement should be achieved by reducing spending in other budget areas.

Similar reasoning was behind my vote against the Bradley amendment targeting so-called tax expenditures. The underlying premise of this amendment is that the Federal Government, not the taxpayer, has the first right of refusal to all income. In my judgment, the whole concept of tax expenditures is misguided, since the logical conclusion of the argument is that all income not taxed still belongs to the Government. I believe the real purpose behind the tax expenditure concept is to provide ammunition for those Members who wish to raise taxes. As I have said before, I support reviewing corporate tax loopholes within the context of overall tax reform. However, I do not support targeting these loopholes if their result is to increase spending elsewhere.

One of the more positive signals coming from the budget debate was the rejection, across-the-board, of numerous amendments to reduce our defense budget. It is important to note that the bipartisan rejection of these amendments represents the Senate's recognition that investment in our national security is as low as it can possibly go. In my opinion, it is already too low to ensure the continued security of the country and, for that reason, I oppose amendments to reduce it further and supported efforts by Senators THURMOND and MCCAIN to raise defense spending above the President's levels.

One extremely close vote took place on the Baucus sense of the Senate amendment to encourage the use of the highway trust fund to support Amtrak. While the issue of Federal subsidies for interstate passenger rail service is extremely contentious and involved, using the highway trust fund to support Amtrak clearly undermines the integrity of the fund and should be opposed. If Congress chooses to continue its support for Amtrak, it should be done through general revenues and subject to the same review process to which other discretionary spending is subject.

Two substitutes were offered during debate of the budget which I believe merit comment. First, Senator CONRAD offered his substitute to balance the budget over 10 years without assistance of the Social Security surplus. While I applaud Senator CONRAD's commitment to the Social Security system, his budget falls short of the standard established by the Republican budget. Under the guise of balancing the budget, this amendment is old-fashioned tax-and-spend politics.

The Conrad budget raises taxes by $228 billion over 10 years. We don't have a budget deficit because Americans are under-taxed. We have a deficit because the Federal Government spends too much. Yet the Conrad budget ignores the history of over-spending by concentrating on the revenue side of the ledger. At the same time, discretionary spending under the Conrad substitute will be $190 billion higher than under the Republican budget while mandatory spending will be allowed to grow at several times the rate of inflation. In other words, the Conrad substitute would allow Government spending to continue to grow unchecked by raising taxes on Americans—just the opposite of the limited Government message sent to Washington by last November's election.

The second substitute was offered by Senator BRADLEY. The Bradley amendment balances the budget over 7 years through a combination of spending freezes and tax increases. It raises taxes by $197 billion over the next 7 years while reducing discretionary spending by $25 billion. In other words, while the Bradley amendment reduces Government discretionary spending a little, it raises taxes a whole lot more. And we witnessed with the earlier education amendments, many Senators still find it easier to raise taxes than to cut spending.

Finally, Senator BRADLEY also offered a sense of the Senate amendment expressing support for eliminating tax loopholes and using the money to lower individual tax rates. While I agree with the premise that our current Tax Code is hopelessly complicated and that a major reform of the Code was in order, Senator BRADLEY's amendment would preclude certain deductions which I support. Efforts to target tax benefits at depressed or blighted areas through enterprise zones—or tax free Renaissance Zones recently announced by Governor Engler—would not conform with the Bradley amendment and it jeopardizes the home mortgage interest deduction that homeowners rely upon in order to make the payments on their homes. For those reasons, I opposed it.●

RECESS UNTIL MONDAY, JUNE 12, 1995

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 12 noon, Monday, June 12, 1995.

Thereupon, the Senate, at 4:34, recessed until Monday, June 12, 1995, at 12 noon.