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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear Lord and Father of mankind
Forgive our feverish ways
Reclothe us in our rightful mind,
In purer lives thy service find,
In deeper reverence, praise.
Take from our souls the strain and stress,
And let our ordered lives confess
The beauty of Your peace.—Whittier.

O God, You have promised to keep us in perfect peace if we allow You to stay our minds on You. This is the peace we need today. The conflict and tension of these days threaten to rob us of the holiday spirit. It is easy to catch the emotional virus of frustration and exasperation. Then we remember that Your peace is the healing antidote that can survive in any circumstance. Give us a peace of a cleansed and committed heart, a free and forgiving heart, a caring and compassionate heart. May Your deep peace flow into us calming our impatience and flow from us to others claiming Your inspiration. In the name of the Prince of Peace who whispers in our souls, ''Peace I leave with you, My peace I give to you. Not as the world gives, give I to you. Let not your heart be troubled, neither let it be afraid.'' In Jesus' name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, we will immediately go to House Joint Resolution 132 regarding the use of the CBO economic assumptions. There will be 60 minutes of debate equally divided with an amendment ordered to the resolution. There should be a rollcall vote around 10:30, 10:35.

Also, this morning we will take up the veto message to accompany H.R. 1058, the securities litigation. It may also be that we will take up the welfare reform conference report today. It just arrived.

There is objection to taking up the resolution concerning application for veterans' benefits unless we can add to it a CR to open up the Government. So that may or may not come up today.

There are other time lines that we need to address concerning AFDC recipients, and other groups, that unless we have a CR, we will take specific action on. I will try to determine what that is during the day.

I have not had a report on the meeting this morning between Chief of Staff Leon Panetta, Senator DOMENICI, chairman of our Budget Committee, and Chairman JOHN KASICH of the House Budget Committee. I understand there was some progress made.

It is my hope that sometime today we can meet again with the President of the United States and see if we can resolve some of the major differences still outstanding. There really are not that many big ones, but there is Medicare and Medicaid and tax cuts. I mean there are some very, very important provisions that need to be addressed.

Whether or not that meeting will occur, I think it is too early to tell. I know the Speaker and I are prepared to meet with the President at any time during the day.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, leader time is reserved.

BASING BUDGET NEGOTIATIONS ON MOST RECENT TECHNICAL AND ECONOMIC ASSUMPTIONS OF CONGRESSIONAL BUDGET OFFICE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consider House Joint Resolution 132, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 132) affirming that budget negotiations shall be based on the most recent technical and economic assumptions of the Congressional Budget Office and shall achieve a balanced budget by fiscal year 2002 based on those assumptions.

The Senate proceeded to consider the joint resolution.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, the night before last there was an effort to bring this resolution to the floor of the Senate for debate and vote under a unanimous-consent request. There was objection to that request. My understanding is that those who objected did so because the full text of the previous language from the continuing resolution that was passed 30 days ago was not included. The resolution only contained language dealing with the the requirement that the President submit to the concept of a 7-year balanced budget using real numbers as generated by the Congressional Budget Office. That was the resolution.

As I understand it, there will be an effort this morning to add additional language to the resolution. Frankly, I have no objection to this proposal. The additional language provides for the protection of various programs, including: ensuring Medicare solvency, something that we have all been working toward; reforming welfare, which clearly

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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I think we are on the verge of accomplishing; and the adoption of tax policies that help working families and stimulate economic growth.

So I suspect there will be strong support for this resolution. But it is unfortunate that the Senate has to spend its time this morning on this issue. It is unfortunate that the Congress has to take this time to remind the President of the commitment which he made over 30 days ago.

There is a real question as to why the President of the United States has not submitted a 7-year balanced budget plan. The President has submitted a number of budget proposals this year. I think it is three. I could be wrong about that. Some indicate that the President has submitted four. However, not a single one of those four budget proposals has eliminated the deficit in the seventh year. The President's budget plans still accumulates a tremendous amount of debt. They maintain many wasteful liberal programs that have failed—that people throughout the country recognize as having failed, but not one single budget proposal that the President has submitted reaches a balance by the year 2002.

There are many people who would expect me, a Republican Senator, to say these kinds of things. But I think there is evidence to indicate that Senators on both sides of this aisle—and clearly the Members in the other body—have rejected the President's proposals because, frankly, they do not meet the test of a balanced budget as scored by the Congressional Budget Office.

I do not remember the date or the exact vote in the Senate, but I remember bringing the President's first budget proposal to the Senate for a vote. As I recall, not a single—well, maybe there was one Senator who voted for the President's proposal. But it was soundly rejected by both sides of the aisle. And the reason that it was rejected was because it did not reach a balanced budget by the year 2002.

Just a few days ago the other body brought the most recent of the President's proposals to the floor of the House and it was also soundly defeated. In fact, I believe there was absolutely no support, again, on either side of the aisle for the President's budget proposal.

Let me give a little explanation as to what that budget proposal was.

The fourth submission by the President which the administration claimed to be in balance was finally scored by the Congressional Budget Office and was, in fact, $116 billion short in the seventh year. Again, the administration wants to create the impression that it is for a balanced budget but continues to fail to come forward with a plan that balances the budget in 7 years with CBO numbers.

Now, I am under the impression, or I have been given information which indicates that the minority leader has a proposal now that would, according to their numbers which we have been told are based on CBO assumptions reach a balance in the budget by the year 2002. I think this is a helpful first step.

But again, the President just absolutely refuses to come forward with a plan that balances the budget. Let me give you my perspective as to why he will not do it. He simply does not want to tell the people in the country those things that he supports. He does not want to choose those Federal programs which he thinks are so important that they need to be protected. Oh, clearly he has made his statement with respect to Medicare and Medicaid, but he has not talked about any other programs in the Federal Government that he wants to continue in force. Because in order for the President to keep those programs in force, to keep them growing, to keep them as part of the Federal budget, he has to indicate what other programs he is willing to cut. And he does not want anybody to know what programs he is willing to cut or eliminate.

It is time. The country is waiting. The country is committed to a balanced budget in 7 years. Eventually, the polling data is going to indicate that. Eventually, the President is going to get the message.

There is one other indicator that I think will get the President's attention as well. I do not know whether this is a record, and my colleague, Senator EXON, may be aware of whether it is a record or not. But I understand that yesterday while the President was announcing that there would not be a meeting between himself and the leaders of the House and the Senate, the market fell 50 points in somewhere between 10 and 15 minutes. I have been told that that is a record.

I have a feeling that what is happening in the markets, a decline of 100 points 2 days ago, or 3 days ago and a decline yesterday of an additional 50 points, probably has the President's attention. I say this because the point which we have been making on this side is that one of the benefits derived from a balanced budget is lower interest rates. This means lower mortgage payments. This means more affordable student loans. This means lower taxes for American families. Everybody benefits from a balanced budget. But when the market heard that the President was not going to meet with the leaders of the House and the Senate, the market dropped 50 points in about 15 minutes. I would suggest to the President it is time now to get serious about balancing the budget, doing it with real numbers, using CBO, and getting it done over a 7-year period.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, the matter before us is one that I think does not require a great deal of debate and consideration. I think probably it is going to be overwhelmingly approved if we have a voice vote on the matter. I simply say that I am not sure at this particular juncture, when the Government is shut down, when there is great anxiety in America that we get on with this matter of balancing the budget, it is particularly helpful to go on another diatribe and sharp debate in the Senate on scolding the President or scolding other people.

I noticed with interest the manager of this measure on the other side indicated that we never have come forth. We have a program, of which this Senator was a chief author, that does, indeed, balance the budget in 7 years, does, indeed, balance the budget based on CBO numbers, period, without any caveats whatsoever.

So in total keeping with the cooperation that has come forth from the Democratic side, we are in basic agreement with what we are attempting to do here, and therefore it is simply a statement of what once again is the obvious.

What I am attempting to do at this time is to restrain our rhetoric, to restrain our differences of opinion as to how we reach that goal of a balanced budget in 7 years using the conservative scoring techniques of the Congressional Budget Office, which, I might add, has been proven wrong. The figures by CBO have been wrong the last 2 years by a very large proportion and all other scoring outside of CBO has been right with regard to what the economy has been doing. There cannot be any question about that.

Regardless of that, I simply say that I think this is the time of coming together rather than to try to blame everybody else for what has or has not happened up to date. The facts are that it is a national disgrace that here we are in a situation 2 or 3 or 4 days before Christmas Eve, people are being sent home and laid off, the Government is being shut down, while at the same time I see certain leaders rushing to the floor or rushing to the microphones to say, ''Well, all you employees that have been sent home because of the impasse that we have created, regardless of whose fault it is, do not worry; you are going to be paid. We are going to have the taxpayers pay you even though you are not at work.''

That is one of the reasons, Mr. President, that as far as this Senator was concerned and many others, I kept each and every one of my employees at their post during the last Government shutdown when others were rushing to send them home in the spirit of shutting down Government. I knew that was a ridiculous proposal because I knew that if I had sent my good associates and coworkers, over which I have control, home, they would be sitting at home twiddling their thumbs, doing nothing, wishing that they were at work with the full realization that they were going to be paid even though we sent them home. That is part of the phoniness, I suggest, of this whole process that we are going through. If we cannot come to an understanding of

a continuing resolution to keep Government fully operating between now and Friday, which is 2 days from now, then it shows how ridiculous all this impasse has been, meant to create something, I guess, from the standpoint of a revolution, a revolution that is taking place without due consideration for all others.

With regard to the President of the United States, I have not agreed with the original budget presented by the President of the United States as the Democratic leader on the Budget Committee, but I think the President of the United States is not all right or all wrong. I do not know whether I am all right or all wrong in our proposal. I believe the Democratic leader, Senator DASCHLE, does not claim that the plan that we have put together and offered that does, indeed, do exactly what has been demanded by some, balancing the budget in 7 years, with CBO scoring—we have met all those commitments in the plan we offered yesterday—is all right or all wrong.

Our plan has not been universally blessed by the President of the United States, but I believe the President of the United States realizes and recognizes there is going to have to be some give and take, there is going to have to be some compromise, there is going to have to be some understanding, there is going to have to be something more than political rhetoric back and forth on both sides. If we are to come together, as I think we must, as reasoned adult people, to recognize with 535 Members of the Congress of the United States, there is no way we are going to write a budget that each and every one of those 535 Members says, ''Boy, that's fine. That's just what I want.''

So I would simply say, Mr. President, that we are working very hard in a bipartisan fashion to try and come together, and I am not sure that a great deal of rhetoric on this measure that probably is not going to be seriously contested from either its intent or its language, because we generally agree.

I yield whatever time is necessary to the Democratic leader.

Mr. DASCHLE. I thank the distinguished Senator from Nebraska.

AMENDMENT NO. 3108

Mr. DASCHLE. Mr. President, I have an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 3108 as follows:

On page 2, line 2, strike office''; and insert the following: ''Office, and the President and the Congress agree that the balanced budget must protect future generations, ensure Medicare solvency, reform welfare, and provide adequate funding for Medicaid, education, agriculture, national defense, veternas, and the environment. Further, the balanced budget shall adopt tax policies to help working families and to stimulate future economic growth.''

Mr. DASCHLE. Mr. President, the purpose of this amendment is simply to restate the principles that we outlined on November 19, when we passed the last complete continuing resolution. In that continuing resolution, we did two things. We asserted again our belief in the need to find a way to balance the budget within 7 years, ultimately scored by CBO, but to also protect the priorities that we as Democrats have been talking about for a long period of time; Medicare, Medicaid, reforming welfare, education, agriculture, defense, veterans, the environment. These are fundamental investments that this country has made in our people, strengthening the nation and enhancing our security.

So as we debate the importance of a balanced budget in 7 years, we also must debate the consequences of that we make toward that end. And so this amendment—in my view, improves upon the resolution that is pending. And I hope that it will enjoy unanimous support given the fact that the continuing resolution received such support on November 19.

The distinguished Senator from Nebraska said a number of things with which I wish to associate myself. Most importantly, while this is a fine resolution in which we again assert our support for a balanced budget, the more pressing resolution ought to be the one that funds the Government. We should take care of the immediate and unnecessary crisis before us, as we proceed with negotiations for a 7-year balanced budget.

The taxpayers are getting cheated, Mr. President, when tens of thousands of Government employees are not at work. They are not getting the services they deserve and expect when people are sent home. And the sad tragedy of it all is that it is not necessary. There is no direct connection between funding the Government through these appropriations bills and passing a budget resolution. It has been the design of some to make that connection, but there is none. And people should not be confused by it.

So I hope that sometime today we could pass a continuing resolution putting people back to work, making sure that the taxpayers get not only what they expect in a 7-year budget resolution, but also the services that they pay for with their tax dollars every day.

I might just say one other thing with regard to this particular resolution. I am sure that many of our colleagues will continue to insist that whatever we agree upon be scored by the Congressional Budget Office. CBO has been a very important institution within the Congress now for over 20 years. We have turned to the CBO time and again for objective analysis in the hope that we could project with as much clarity as possible the economic repercussions that will result from the decisions we make.

In the past, every single CBO director has had strong bipartisan support—bipartisan support—prior to the time he or she has taken office. Unfortunately, that was not the case this year. In the past, on a bipartisan basis, Members have acknowledged the authenticity, the clarity, and the integrity of CBO numbers, even when they worked against us.

I can recall so vividly the health care debate 2 years ago where CBO argued with us vociferously about our projections with regard to the impact of the health care reform bill. We didn't like what they had to say, but we had to deal with that. We had to accept that because the director at the time was the appointed official in charge of making those projections. And while we disagreed, we accepted his authority.

I must say, Mr. President, I am disturbed this year about the credibility of this particular director and CBO's activities in the last 7 months. I hope in the future that they will be especially careful to not in any way reflect a partisan bent in the work that they do. Because I am troubled by the very difficult time we have had in getting responses and getting information. And I am troubled by the manner in which much of the information has been presented to the Congress.

I am also troubled, frankly, by the projections themselves. While I would like to believe that these projections are not driven by a partisan motivation, I am concerned when I see the very esteemed blue-chip forecasters agreeing virtually down the line with the Office of Management and Budget about what happens when we actually achieve what we say we want in this resolution.

We have all made our speeches about the importance of a balanced budget in terms of bringing down the rates of interest, about the effect it will have on unemployment, about the effect it will have on corporate profits, about the effect it will have on the economy itself. And it has been that expectation that has driven my support for a balanced budget.

So it is troubling to see CBO projections predicting just the opposite, predicting a decline in real wages, a decline in corporate profits, a decline in economic growth, a decline in overall economic activity and vitality within the economy. These issues ought to be a very central feature as we debate this overall resolution.

Do we expect to see better economic performance than CBO now projects? I think we will. If we do not, what does it say about the impact of a balanced budget? Democrats all expect good things to develop. I believe that under a balanced budget they will develop. And it is one of the reasons we have fought so hard on this point, because we think that the economy will do a lot better than CBO now projects. So this issue should remain on the table, and the very positive effects of our actions ought to be something that remains a part of these negotiations.

So, today, once again we will express our support for a CBO-scored resolution at the end of all of this, not at the beginning, not during the debate, not during the negotiations, but at the end. We expect that CBO and the blue-chip forecasters and OMB can give us the best information available about what this means in terms of the policy ramifications, and we look forward to receiving that information when we have an agreement.

So it is with a caveat that we say, yes, we will score our numbers with CBO, as we have done for more than 20 years. But let us be realistic about projections and be a little more optimistic about what all this may mean, for I fear that we are going to send exactly the wrong message if we do not.

But perhaps of all of the considerations to be made, as we vote on this resolution later on this morning, is the insistence that these priorities be identified and be assured as we consider how we balance the budget in 7 years.

I yield the floor.

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

Mr. MACK. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. There are 21 minutes 55 seconds remaining.

Mr. DASCHLE. Mr. President, because the amendment amends the preamble, I ask unanimous consent that the amendment be in order at this time.

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

Mr. MACK. How much time is remaining on the Democratic side?

The PRESIDING OFFICER. There are 15 minutes 31 seconds remaining.

Mr. MACK. I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. NICKLES. Mr. President, I was interested to hear my friend and colleague, Senator DASCHLE, express concern about the integrity and the accuracy of the Congressional Budget Office. I could not help but be amused because earlier this year Senator DASCHLE offered a balanced budget constitutional amendment on behalf of the other side of the aisle that wrote the Congressional Budget Office's authority in these matters into the Constitution. I just find kind of interesting that now he is questioning their methods or partisanship.

I am very supportive of the resolution before the Senate. I am optimistic it will pass. A similar resolution has already passed overwhelmingly in the House, and I hope this one will pass overwhelmingly in the Senate today. Maybe the President will pay attention to it. It has been very, very bothersome to me, after the Government shutdown of a month ago when the President signed on to a resolution that agreed to a balanced budget in 7 years using CBO numbers, that he still has not done so. One would think if he signed that law, he would comply with it. He has yet to do so.

President Clinton has now submitted four budgets, none of which are in balance as scored by CBO, none of which are even close to being in balance.

His first budget had deficits increasing from $200 billion up toward $300 billion. His second budget, which came out in June, had deficits of $200 billion forever, as scored by CBO. His third budget, which came within the last month, had a deficit of $115 billion in the seventh year. It may be better than $200 billion, but it is still $115 billion. That is not even close to being balanced.

His fourth budget submitted last week still has deficits very close to $100 billion. It also has a back-door tax increase. The President says, ''Well, if we don't meet our deficit targets, we'll have automatic tax increases.'' What Congress has done in the past if we did not meet our deficit targets is have automatic spending reductions. But no, the President does not want to reduce the amount of money Washington spends; he wants to take more money from individuals. That was his approach under his fourth budget.

Even given the President's automatic tax increases in the last couple years, he still does not come up with a balanced budget. So now Congress feels it is necessary to remind the President, ''The current negotiations between Congress and the President shall be based on the most recent technical and economic assumptions of CBO and that we are going to reach agreement this year.''

You would think the President's common sense would say, ''Let's submit a balanced budget using CBO numbers.'' He still refuses to do that.

A lot of people are asking, ''Why did we have the breakdown in talks yesterday?'' Speaker GINGRICH and Leader DOLE come out of a meeting with the President the day before and they said, ''Everyone agrees to use CBO numbers. We're going to work hard. We're going to be the principals, with the President of the United States, and we're going to negotiate the agreement. We're going to try to get it done this year.'' That was the statement made by the leaders.

Shortly after that, the Vice President came out and said the President did not agree to that. They said the final agreement may be scored by CBO, but they never said the President would be willing to submit a balanced budget. The House of Representatives, understandably, became quite upset. Many House Members said, ''Wait a minute, this sounds like the same reaction we got when we thought we had an agreement with the administration a month ago,'' and they have yet to comply.

Then last night, the President went on TV and said, ''I thought the Speaker and the Republican leader gave their word that we would continue funding Government. And who can I deal with if they can't keep their word?''

That bothered me, because I remember the President of the United States standing in the well of the House before a joint session of Congress and the entire American public and saying, ''We're not going to hassle over which numbers and which economic assumptions to use, we're not going to use smoke and mirrors, we're going to use Congressional Budget Office numbers and we're going to work together to get the deficit down.''

He has not done that. He has not kept his word, and that bothers me. For the last month, he has yet to submit a balanced budget. We are trying to negotiate, we are trying to enact a balanced budget, and yet the President is on a different playing field. We are trying to work out our differences. We want to compare apples to apples, and yet he will not agree to the same assumptions, and it is impossible to do.

I compliment my colleagues on the other side of the aisle who evidently today are going to submit a balanced budget using CBO numbers. I compliment them for that. They are on the same playing field. We can work out the differences, even though that is not easily done. I know it is not easily done. So, again, I compliment my colleagues who are willing to do that. Let us work together. There are a lot of us who want to make this happen. We are not just interested in Republicans scoring points or the Democrats scoring points or who is going to win.

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

Mr. NICKLES. Mr. President, I ask unanimous consent for an additional 1 minute.

Mr. MACK. I yield the Senator 1 additional minute.

Mr. NICKLES. Mr. President, for us to have success, it cannot be a Republican victory or a Democratic victory or a Presidential victory, it is going to have to be an American victory. It is going to have to be a victory where we unite, where we curtail the growth of entitlement programs, where we make responsible decisions and both sides can declare victory. A victory on behalf of Congress, a victory on behalf of the administration and, most importantly, a victory on behalf of the American people. It needs to happen, and it needs to happen this year.

Mr. President, I yield the floor and thank my colleague from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, once again, I say that I am tempted to answer word for word, charge for charge what is being made on the other side. I will be restrained. When I get up in the morning, I go through a few exercises, maybe take a little walk and then have breakfast. My main desire when I get out of bed in the morning is not to come to the floor of the U.S. Senate to bash the President of the United States.

I will simply say, while the President of the United States has not always come up with the numbers with regard to a balanced budget that this Senator would like to see, as I said a few moments ago, I simply say that the record is pretty clear that this President has done a better job than most Presidents of the United States in modern times with regard to trying to restrain the deficit.

The fact of the matter is that in 3 straight years under President Clinton, we have had a significant reduction of nearly 50 percent in the annual deficits. That is the first time that has happened since the administration of another Democratic President by the name of Harry S. Truman.

So I do not know that Clinton bashing—although it is vogue in some quarters today—is particularly helpful at this juncture when we are trying to come together rather than split ourselves further apart. I yield 7 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 7 minutes.

Mr. WELLSTONE. Thank you, Mr. President. Mr. President, let me, first of all, thank the Senator from Nebraska. I do not think there is probably one Senator here, Democrat or Republican alike, who does not have tremendous respect for the work that he has done. I am really sorry to see him leave the Senate. I think it is a great loss for the country.

When I came here, I only knew about the Senator from Nebraska. Boy, as I had a chance to watch him, if you want to talk about a marriage of personal integrity with commitment to people and commitment to country, there is not anybody who does any better than the Senator from Nebraska.

Mr. EXON. May I interrupt for just a moment and thank my friend from Minnesota. I only yielded him 7 minutes, but with the tone he is following, he can have about 5 hours. [Laughter.]

Mr. WELLSTONE. Mr. President, first of all, just to try to cut through all the rhetoric—and we are trying to get past all of that—the fact of the matter is, and we all know it, this is not just a debate about numbers. We are talking about policies that will dramatically affect people's lives, the quality or lack of quality of people's lives, depending on what we do. We do not just disagree about numbers. There are major policy differences in the health care area, in children's issues, environment issues, in terms of what constitutes fair taxes—you name it.

The fact of the matter is—and people in the country know it—there should not be some rush to recklessness. These differences are not going to be worked out in 4 days. Nobody can force that or make a threat to make that happen. We all ought to be serious about the negotiations, and I think we all are. We should have difficult and substantive negotiations and debate, not hate. But you cannot shut the Government down and say, ''If we do not get exactly what we want when we want it, the Government will stay shut down.'' This does not serve the country well or serve any of us well. That is my first point.

My second point is that I would like to thank the Senator from Nebraska, and others. I have been involved in many of these meetings, and many of us have worked very hard. I think there is much in the Democratic alternative that makes sense. That is to say, it is clear to me that there is no question when laid alongside what the Republicans have proposed, what the Democrats have proposed, I think, at least comes much closer to meeting the Minnesota standard of fairness. It does not make any sense when my colleague from Oklahoma says, ''We want to do something that benefits the American people.'' The question becomes: Which people?

If you are going to have huge numbers of tax cuts, several hundred billion dollars of tax cuts, which, in the main, flow to the people who are most affluent, to the largest corporations, multinational corporations, and at the same time you have reductions in health care programs that are so important to seniors or children or working families, I am not sure that it does benefit most of the American people. To have zero in tax giveaways makes a great deal of sense. To make a strong commitment to medical assistance and children—everybody has heard our priorities—I think makes a great deal of sense. To do a little bit better in terms of asking some of the larger corporations to pay their fair share to eliminate some of the tax loopholes and outright tax giveaways, I think, meets a standard of fairness in this country.

So, Mr. President, I think that this budget, compared to the Republican budget, comes much closer to meeting a basic standard of fairness. I congratulate colleagues for their work on this.

Mr. President, there is, however, one question that I still have about all of this. That has to do with why it is that there is not more on the table in terms of where we can make cuts. There was a book written by Donald Barlett and James Steele, called ''America: What Went Wrong.'' It won a Pulitzer Prize. Then this book came out, which is called ''America: Who Really Pays the Taxes.''

On the first page, the sentence that caught my attention says: ''That when members of Congress talk about cutting entitlements, they mean yours—not theirs.''

Then they go on and they talk about tax law and they say there is ''one for the rich and powerful—call the Privileged Person's Tax Law; another for you and everyone else—call it the Common Person's Tax Law.''

Now I jump to a letter that the Senator from Massachusetts sent in response to some ads that have come out by some of the leading corporate executives calling for resolution of this budget crisis where the Senator from Massachusetts calls on them to agree that tax subsidies for wealthy individuals and corporations should bear their fair share of the reductions needed to reach a balanced budget.

I now read from one paragraph I think is extremely interesting:

> I make the following proposal, the Republican plan would provide a reduction of 17 percent in the Federal budget in the next 7 years, exclusive of defense spending and Social Security. Reducing the $4 trillion in tax subsidies by 17 percent would achieve savings of $680 billion. If we applied the 17 percent reduction to only one-quarter of the tax expenditures, we would save $170 billion, a huge step toward providing the additional savings needed in the current impasse to balance the budget fairly in 7 years.

This is the disconnect between Washington and the rest of the country that I do not understand, because 70 to 80 percent of the country will say, ''Look, if you are going to ask everybody to tighten their belts, look at some of these tax giveaways to some of these huge multinational corporations and ask them to be a part of the sacrifice. Why focus on nutrition for children, or Medicare for seniors, but not these subsidies for oil companies, or tobacco companies, or pharmaceutical companies, you name it?''

Mr. President, I do not understand why it is we cannot do more. As Senator KENNEDY said in this letter, we are talking about a tiny percentage, which can net $170 billion. It seems to me that what explains the difference is sort of power in America. I really think if this deficit reduction is going to be based upon a standard of fairness, this corporate welfare has to be on the table, and we have to do a better job in terms of plugging some of these loopholes and doing away with some of these tax giveaways.

The second point is the Pentagon budget. Mr. President, let me simply say that by a conservative estimate, over 10 years, you could have $114 billion of reduction in Pentagon expenditures. I have a chart of a variety of different ways. Many people have said, my God, can we not also look at the military contractors and have some reductions here? Mr. President, I remind my colleagues that the real national security is not more B–2 bombers that the Pentagon says it does not need, to the tune of $1.5 billion each. The real national security is when we invest in people in our own communities. I would argue that the corporate welfare and some of the military contracts ought to be on the table and that we can do better in terms of meeting the standard of fairness, since we all agree that we have to balance the budget.

I yield the floor.

Mr. MACK. Mr. President, I yield 4 minutes to the distinguished Senator from Michigan.

Mr. ABRAHAM. Mr. President, I want to make a couple of comments today in response to some issues that have been raised and then focus on what I think we are about here.

Earlier, concerns were raised with respect to the manner in which the nonpartisan Congressional Budget Office scores the various polices and economic projections that make up the budget. In response to these remarks, I would like to say this: In my State of Michigan, people are concerned with the way Washington does its bookkeeping. For them, the principal criticism of the Congressional Budget Office, leaving aside the issue of whether it is partisan or not, is that it is too optimistic.

In Michigan, and other States as well, average working men and women think Washington has been way too liberal in our bookkeeping for way too long. Too often in the past, we relied on rosy economic projections to make it appear as if we were taking action, whether it was in deficit reduction or in any other area of Federal Government activity, only to see those rosy scenarios unrealized.

For that reason, it is in our interest to have a budget office that scores our legislation on a conservative basis. Mr. President, I have very little fear that Congress will have difficulty figuring how to spend the surplus, should the Congressional Budget Office's numbers prove to be too conservative. On the other hand, I am confident, based upon the last 25 years of behavior, that Congress will have a very difficult time making additional spending cuts, if we use too optimistic projections that result in future deficits.

I should point out that the Congressional Budget Office is taking the same kind of conservative approach that the average American family takes when it projects how it is going to handle its finances. I know in my family, and in families across the country, nobody sits down and says, ''I think there is a good chance I am going to get a big raise in 2 years or 4 years,'' and base all of their spending decisions on that assumption. Instead, they try to be, if anything, conservative in their expectations so that they do not end up in debt. So I applaud the Congressional Budget Office for its efforts to finally bring a conservative, practical approach to the way it does its business.

Second, Mr. President, I think it is important that this resolution brings us back to what we are about. What we are about is balancing the budget and reducing the growth of Government. We are about trying to make sure that Government does not consume so much of our wealth so that the people in America, the families in this country, find themselves spending too much of their time working for us in Washington instead of the other way around.

In addition, Mr. President, what we are about is allowing those families to keep more of what they earn. This resolution—and I think we should not lose sight of it—includes provisions for reducing the tax burden on families and stimulating economic growth. That is important.

We learned in previous budget deals that increasing taxes on this country's job creators hurts families. I believe there was a significant luxury tax on boats that was imposed 5 years ago. What happened? To no one's surprise, at least to people who look at these things in the economic sense, the number of boats being produced in this country quickly and dramatically dropped. Numerous boat builders went out of business, and thousands of jobs were destroyed. So that luxury tax was repealed. A whole industry of working people with families found themselves suffering because we thought you can tax and tax and not have repercussions that affect average people. Instead, as this resolution makes clear, we should reduce the tax burden on families and businesses alike.

In conclusion, Mr. President, what we are about is balancing the budget, letting people keep more of what they earn, and putting our priorities in the right order. That is why this resolution should pass. I urge its adoption.

Mr. MACK. I yield 4 minutes to the distinguished Senator from Georgia.

Mr. COVERDELL. Mr. President, I rise in support of the resolution as well. I want to reinforce the remarks that have just been made by the distinguished Senator from Michigan.

I point out that since the Congressional Budget Office began forecasting in 1976, it has been more accurate than OMB private forecasters on the four economic indicators most important to the budget: inflation, economic growth, 3-month Treasury bills, and 10-year interest rates. In long-run forecasts, CBO has outpurchased OMB for 12 of the last 15 years. In fact, both CBO and the past five administrations have been more likely to be too optimistic instead of too pessimistic. As June O'Neill says, it is CBO's view that erring on the side of caution increases—increases—the likelihood that a balanced budget will actually be achieved in the time desired.

Mr. President, I want to respond to my colleague from Nebraska, Senator EXON's remarks, about acrimony. Certainly we have seen that, but the President does not escape the admonition of the Senator from Nebraska. If you watch any of the newscasts or any of pronouncements that have been made by the President with regard to the balanced budget, you would see immediately that he is engaged in the very practice that you suggested that we should not.

Today, because of paid advertising and the President's remarks about our proposals for Medicare, a majority of Americans believe that our budget either freezes the investment per beneficiary, or a third of the Americans believe that our budget cuts the payments—cuts them. That is not true. But the President continues to say that over and over and over. Now, in time, I am not concerned about it because the truth will come out. The fact that we are increasing our spending on Medicare by 71 percent—actually a bit more than suggested by the First Lady in the health care debate last year—that is not true, but it is repeated despite the fact that even Washington Post editorials have called his comments shameless. If you talk about the demeanor of the Senate, I hope that you would address some of those remarks to the White House itself.

With regard to the balanced budget, I think it useful from time to time to review the lineage of the debate, Mr. President. It began with the effort to pass a balanced budget amendment which failed in this Senate by one vote. Had the President supported the balanced budget amendment, I believe it would have passed with 75 votes in the Senate, because clearly a number of Members on the other side of the aisle changed their vote over the President's admonition or suggestion that we not have a balanced budget amendment.

At the time, the argument made was that the Congress simply had to have the will. We did not need an amendment to the Constitution, we needed the will. For the first time, this Congress in almost three decades has developed a will and passed a balanced budget.

I rise in support of this. I hope all my colleagues will come to the table for a Balanced Budget Act this session.

Mr. EXON. I yield 2 minutes to the Senator from Kentucky.

Mr. FORD. I thank my friend.

Mr. President, I am a little bit older than some in this Chamber and going back to the years when I was growing up, my grandfather would not make any kind of a contract on Sunday. He never had to worry about signing a paper during the week; we always shook hands. A handshake was our bond, and our word was our bond.

I hear a lot about all the blame on the President. I listened to the majority leader say now we are finally going to get some adults to negotiate the balanced budget—some adults. Well, the President calls to get the adults together, I guess. That was the majority leader, the Speaker of the House of Representatives, and the President of the United States. They shook hands after 2½ hours, or better than 2 hours, I understand, on what they would do.

The Democratic Caucus in the Senate voted unanimously under those circumstances to give to our minority leader, our Democratic leader, the ability to go and represent us. I assumed from the remarks of the majority leader that he had the same respect and admonition from those on his side. But, lo and behold, the Speaker of the House could not get his caucus to agree to sit down and work out a CR, to develop the framework, to arrive at a balanced budget in 7 years.

We hear the CBO is conservative and OMB is optimistic. Let me just say, something happened to CBO. They got optimistic and increased their projection by $135 billion and got them closer to OMB. I yield the floor.

The PRESIDING OFFICER. The Senator from Florida has 7 minutes and 25

seconds, and the Senator from Nebraska has 1 minute.

Mr. MACK. I yield 4 minutes to the Senator from Wyoming.

Mr. THOMAS. Mr. President, I rise in support of the resolution. It seems to me it is a very important restatement of where we have been.

I appreciated the enumeration of the Senator from Kentucky of what has happened here. One of the difficulties is that the Vice President came on TV and said there is no agreement, and that caused people to have some concern.

I take my 3 minutes to get away a little bit from the numbers and put myself back in Cody, WY, where I grew up, and say, what is the responsibility here to do something about balancing the budget as a citizen? It seems to me there are several that are very meaningful.

No. 1, it is personal, it is parochial, it is selfish, I suppose.

I think if we can balance the budget, it means that every family that has loans on their home, every family that has loans on their car, every family that has educational loans will find, because of lower interest, there is a benefit of $2,500 or $3,000 to many families.

I think, second, it has something to do with responsibility. If we are going to enjoy some benefits, those of us who are enjoying them, we should pay for them. This idea of enjoying the benefits and putting it on the credit card for someone else does not fly. This is a democracy. This is freedom that we protect. With that goes some responsibility to do some things.

Concern about our kids—we have to be concerned about the future, when interest becomes the largest single line item in the budget, interest on the debt, and we simply pass that along, along with $5 trillion in debt.

I think we have to have some consideration for change in the direction of Government. I really believe most people say the Federal Government is too big and it costs too much and we need to change that. That is a fundamental change we are seeking to do here. Balancing the budget and doing something about containing the growth of entitlements is a fundamental issue. It is not arithmetic. That is what is going on here. I think it is terribly important.

Credibility—I think there is a certain function of credibility in this body. We have said we are going to balance the budget. We have said, in a resolution some 30 days ago, we are going to balance the budget in 7 years, using CBO numbers. We ought to do that. Many of us came here—we have not been here as long as some others—and we said one of the things we want to do is we want to be responsible in spending and balancing the budget. There is a credibility question here for all of us.

So, Mr. President, I certainly think we have a great opportunity to move forward, not only this morning but in this total matter of balancing the budget. We can do it. We have an opportunity, the first opportunity in nearly 30 years. It would be a shame not to take advantage of it.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MACK. I inquire how much time remains.

The PRESIDING OFFICER. There remains 4 minutes and 30 seconds.

Mr. MACK. I yield 1 minute to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 1 minute.

Mr. CRAIG. Mr. President, let me reminisce, if I could, with the Senator from Wyoming. When we talk numbers, we talk people. If we do not believe our actions here and if the President does not believe his actions have consequences on people, then we are not thinking very straight.

We watched the stock market bounce around this week as the Congress and the President tried to come to a budget agreement. While the stock market is a reaction of people, it is also a barometer of the economy and how people think the economy will work. The economy in our country clearly translates to jobs and incomes, spendable incomes, and the security of a home and a family and food on the table—and it always has.

What we are talking about in a balanced budget and a tax cut is 32 billion dollars' worth of real, disposable income. That is family income. That is food on the table. That is a college education. Mr. President, $66.2 billion of consumer expenditure, that is what the stock market was reacting to yesterday.

My time is up. Let me close.

Mr. President, our actions have consequences and a balanced budget and a tax cut going with it create the kind of economic vitality in this country that is good for people, working people, families, income, security.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

The Senator from Nebraska.

Mr. EXON. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 1 minute and 12 seconds.

Mr. EXON. I understand there is some talk about a unanimous consent agreement to extend the time. Does the manager on the other side know about this?

Mr. MACK. I was under the impression what we were going to do was to have the vote at 11 o'clock; we were not extending the time on the debate.

Mr. EXON. I think that would be the best of all worlds. Let me conclude, then, on the remainder of the time that I have.

Despite the temptation that has been offered me by those on the other side, trying to bait this Senator into rancorous political discussions, I said at the outset that was not my goal. I just received a call from Leon Panetta, the Chief of Staff. Some progress has been made. We are going to have a meeting at 1 o'clock today and another meeting at 5 o'clock. Then the chief negotiators on the Senate side, Democrat and Republican, will make presentations of how well we are going forward to the White House in the morning, as I understand it, in front of the big five.

We are trying to move things along. So, despite the baiting, I am not going to become involved in a partisan debate at this time to pick each other apart. This is a time to come together, and I hope, if we extend the time for the vote, we do not extend the debate.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Florida.

Mr. MACK. Mr. President, again I state it is my intention to conclude the debate. I believe we are extending the time for the vote to accommodate Members of the Senate, but I do not see any need to continue the debate.

Mr. President, let me close then with my remarks in asking the Senate to support the resolution that is before us. As I said a moment ago, it is unfortunate the Senate would have to spend this time to remind the President of a commitment that he made over 30 days ago.

I can remember the excitement that occurred when there was an agreement on the part of the President to a 7-year balanced budget scored by the Congressional Budget Office, thinking that that really set us on the road toward an agreement. We have now seen, again, over 30 days go by and the administration has failed to put forward a budget that balances in 7 years.

Several speakers on the other side spoke about the failure to have a continuing resolution. Frankly, I believe the House has failed to provide a continuing resolution because they have looked at the actions on the part of the administration and, based on what they perceived their promises to be over 30 days ago, they in fact feel that they were fooled. One of the things that people have learned over the years is, if you get fooled one time, you do not fall for the same trick a second time. So the House has said they want to see a balanced budget before they extend Government activities.

There is, in fact, a fundamental difference between our approach and that of our colleagues on the other side of the aisle. Our first objective is getting a balanced budget. Then Government will proceed. Their first concern is getting Government to move forward and then we will discuss a balanced budget. To us, the No. 1 concern is balancing the budget.

The reason we are concerned is because we think that as a result of that balanced budget, everyone in America will have greater opportunities—greater opportunities for jobs, there will be more businesses created, we will see interest rates come down, we will see lower payments on mortgages, on automobile loans, on student loans and so

forth. America's opportunity will be tremendous if we can just get to the point where we agree that we should not spend more than we are taking in, that we ought to let hard working men and women keep more of their earned income.

There were some remarks made with respect to corporate welfare. It is interesting, my colleagues on the other side of the aisle talk about the moneys earned by individuals and corporations as if it were the Government's and we were going to decide how much they get to keep of their money, as opposed to the other way around.

I yield whatever time I have.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Idaho.

Mr. CRAIG. May I inquire where the Senate is at this moment, with the time having expired?

The PRESIDING OFFICER. Under the previous order, the Senate is supposed to adopt the amendment of the Senator from South Dakota and then proceed to an immediate vote on the resolution.

The Senator from Florida.

Mr. MACK. Mr. President, I ask unanimous consent the vote occur on adoption of House Joint Resolution 132 at 11 a.m.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. Mr. President, reserving the right to object, I would like to agree with my colleague on this. I would like to offer a substitute by asking unanimous consent that the vote occur on the adoption of House Joint Resolution 132 at 11 a.m., with the time between now and 11 a.m. equally divided as in morning business, with the time remaining on this side under the control of the Senator from North Dakota.

The PRESIDING OFFICER. Is there objection?

Mr. MACK. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. I suggest to my colleague that we just, since there seems to be some interest in this issue, since we are going to have the vote at 11, that we now just continue the debate with time equally divided.

Mr. EXON. No objection. Whatever you want.

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

Who yields time? The Senator from Nebraska.

Mr. EXON. Mr. President, how much time do I have remaining under my control, under the new arrangement?

The PRESIDING OFFICER. The Senator from Nebraska has 9 minutes and 40 seconds.

Mr. EXON. How much?

The PRESIDING OFFICER. Nine minutes and 40 seconds.

Mr. EXON. I yield 9 minutes and forty seconds to the Senator from North Dakota, with his allotment to any other Senators on our side wishing to speak out of that time.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 9 minutes and 33 seconds.

Mr. DORGAN. Mr. President, I appreciate the Senator from Nebraska providing me the time. If it is the intent of some on the other side who want to speak in the middle of this, I would be happy to accommodate that as well. I know the Senator from Idaho is waiting to speak. I will speak for a couple of minutes, and then I would be happy to let the Senator from Idaho speak, after which I would like to reclaim the balance of the time.

Mr. President, as I was listening to the debate this morning, it occurred to me that it is time, on December 21, to turn down the volume just a bit on the discussion that has been held on these budget issues, especially on the floor of the Senate and here in Washington. It is appropriate for us to be struggling to find a way to put this puzzle together. The pieces do not always seem to fit just right. It has been difficult to find a way to put it together to make it work.

On the other side, we hear that they say the top priority is a balanced budget. It is a priority. I have said two or three times—let me say again this morning—that I give the majority party credit for pushing for the balanced budget. They deserve credit for that. But it is only one of the goals. Let us balance the budget and at the same time protect other important priorities. In other words, let us balance the budget and do it the right way. If one says the only goal we have is to balance the budget, you fall short, it seems to me. Balance the budget, and do it the right way.

As we struggle to do this the right way by cutting spending, protecting Medicare and Medicaid, and trying to make sure those who are vulnerable in this country are not going to be hurt, I ask that as we sort through the menu of how we get to a balanced budget that we do it thoughtfully. And at the end of the day when people turn the page on the plan, if there is a plan that is agreed to—and I hope there is—that you do not come to a page that says, ''Wait a second. What is this? What is this deal? Who put this in? Why on Earth would this be part of the plan?''

The plan was passed here that balanced the budget. It includes a little thing called repeal of 956(A). I will bet there are not four people here in Congress who know what this meant or what it did or why it was done. I do not know whether the other Members on the Senate floor know about the repeal of section 956(A). It is only $244 million.

So when I say only in the scheme of the billions of dollars that are put into these agreements, $244 million probably does not seem like much to somebody who wrote this. What is repeal of Section 956(A)? It says to U.S. companies which have moved their jobs overseas—manufacturing plants that might have been closed in America and moved the jobs overseas—that we will give you a tax break to do that and we will make the tax break even a little more generous by about $244 million by repealing section 956(A). If anybody thinks there is a reason to make it more attractive to move American jobs overseas at taxpayer expense, about $244 million, I would like to hear the reason for that.

I only use this as an example of the things that are in a plan that, in my judgment, does not make sense. Let us decide that we will put a plan together that balances the budget, score it with the Congressional Budget Office and do it in 7 years, but do it in a way that all of us can go home and talk to people and say, ''We protected Medicare. We protected Medicaid. We are not going to hurt the vulnerable people in this program. We will protect programs that make this a better place.''

If we can do all of that, then we will have succeeded in doing something important for the future of this country. The difference, it seems to me, is that for the moment someone on the other side says we have only one goal and that is balance the budget. You need to expand that to a goal of balancing the budget while protecting the things that are important and are priorities to our country.

I understand the Senator from Idaho has a time constraint. If you do not mind, I will relinquish the floor with the intention of reclaiming the floor when the Senator from Idaho is completed.

Mr. President, I yield the floor.

Mr. MACK. Mr. President, I yield 3 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank my colleague for yielding.

Let me respond in part to the Senator that has just spoken because so many have been arguing for so long. Balancing the budget is fine. I happen to be one of those who for well over a decade has argued that this country must come to grips with its spending habits, that we are indebting a future generation in such a dramatic way that the consequences will be incalculable.

Now, there is an interesting drumbeat down at the White House amongst some who, while they will argue they support a balanced budget by concept, say let us do so without any consideration of tax cuts. The Senator happened to suggest one that is offered. I think he is right. Few would know all the details of that particular tax cut, but there is one thing that becomes very clear in the whole of what we try to do with a balanced budget.

To reduce Federal spending alone—because Federal spending has become such a very large part of the U.S. economy—does, in fact, have economic consequences that in part can become negative unless there is an appropriate stimulus on the other side that balances it out so that you get accelerated

growth in the private sector, the job-creating kind of stimulus that offsets some of that expenditure. And I happen to think that it is a more positive kind of expenditure if it is going on out in the private sector and not necessarily money being taken from the private sector funneled through the public sector and allowing us to decide how it gets spent.

There is no doubt that a pure pattern of spending reductions by Government with no consideration for economic stimulus on the outside—by recognizing some capital gains, by assuredly recognizing the ability of the individual wealth-creating, job-holding family to properly invest and to have more money to spend—might not have the right kind of economic consequences in the macro sense of the economy.

That is why we have tried to couple some tax cuts along with it to middle and lower income Americans and to some of the economic job-generating sectors of our country to create positive stimulus all the way around. There are few economists that will disagree with what I have just said; that as you offset one side of the overall large economy of Government, you have to stimulate the other. That is exactly what we are trying to do at this moment.

I have spoken enough on this. I think it is important that we talk about linking the two together. Balancing the budget is something I have strongly supported, and will, but let us also talk about the value of leaving money in the private sector and stimulating it for economic growth purposes and job creation.

Mr. DORGAN. Mr. President, I want to continue this discussion because I think it is a good discussion. I have enormous respect for the Senator from Idaho. He has been faithful to the issue of wanting to balance the budget. He and I would disagree as to whether it makes sense to propose a very significant tax cut at the same time you are trying to balance the budget. I happen to think first things first: cut spending and balance the budget. When you are done with that job, then turn to the Tax Code and talk about cuts for those who need it.

Every time I hear someone, especially on the other side, talk about a stimulating tax cut, I always look at who they are stimulating. The wrong people get stimulated. It is interesting to me that the changes that the majority party would propose in their plan on the earned income tax credit—I do not think there is any great dispute about this—would result in a higher tax burden than is now experienced by many Americans, millions of Americans who earn less than $30,000 a year.

So if one is stimulating some of the folks in this country who have the largest incomes but saying to those who have $20,000 or $15,000 in income, ''By the way, the stimulus does not work for you, you are going to have to pay a little more in taxes,'' I say, ''Gee, I think those folks might want to be stimulated a while by the majority party as well.''

I would like to yield for just a moment for a point that the Senator from New Mexico wants to make, Senator BINGAMAN.

Mr. BINGAMAN. Mr. President, I did want to ask the Senator from North Dakota a question. He referred to the old phrase ''first things first,'' and I have tried to read Peter Drucker and Steven Coffey and some of these people who advise us on proper management procedures, and they all make that same point—first things first. It seems to me the first thing we ought to be doing in this Congress is to be passing a continuing resolution to fund the Government.

My question relates to an article that is in the morning paper where it says, ''GOP Pledges to Pay Furloughed Workers.'' It says, ''Congressional Republican leaders promised yesterday that the 260,000 Federal workers idled by the budget battle would eventually actually be paid for their days they are furloughed.''

Then it goes on to say, ''At a GOP meeting yesterday, House Speaker NEWT GINGRICH persuaded party members to agree to pay employees for days missed. The employees are losing about $40 million a day in wages, according to the administration.''

The question I get most from people in my State is, if you promise to pay these people, why not send them to work? It is one thing to charge the taxpayers $40 million a day for their services—and you can argue whether that ought to be done or not if you do not like the Government—but why are we paying people and not letting them work? It just does not make any sense to the people I represent.

It seems to me that this place is becoming more Alice in Wonderland every day, and that is a classic example. If the Senator has a comment on that, I would be interested in hearing it.

Mr. DORGAN. Mr. President, I heard Ted Koppel ask one of the Members of the House last evening twice the same question: What kind of leverage are you getting if you say to Federal workers you cannot come to work but we will pay you anyway? Are you not just penalizing taxpayers? What kind of leverage do you think you are getting with that?

He asked the question twice, and, of course, there is not an answer for it. It is a case of someone having an argument with their relative and deciding, well, I am angry at my uncle here who I just had an argument with. I think I will walk across the street and punch my neighbor.

What sense does it make to suggest the Government ought to be shut down so the American taxpayer can pay Federal workers who are not allowed to come to work? That just makes no sense to me at all. And that is first things first. The Senator from New Mexico is correct. We ought to pass a clean funding resolution, a funding bill right now, within 20 minutes have those people come back to work, and at least solve that issue first.

But, second, then we ought to go to the balanced budget amendment. I am hopeful that these talks at the White House will bear some fruit. I do not believe I have the time to continue to talk about how you get to a balanced budget.

How much time is remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 29 seconds.

Mr. DORGAN. But I was going to make the point about those who say, here is the menu, including all kinds of special little deals. Let us give a $7 million tax cut each to 2,000 corporations by changing the alternative minimum tax—a $7 million check to 2,000 corporations. And I am asking myself—I happen to think we ought to balance the budget—is this the way we ought to balance it?

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

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. The time remaining, please.

The PRESIDING OFFICER. The Senator has 6 minutes 30 seconds.

Mr. MACK. I yield 6 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 6 minutes.

Mr. GREGG. I thank the Senator from Florida.

I rise in support of the resolution. I guess the real question here is why we have reached the point where we need this resolution, which once again states that we want to have a balanced budget in 7 years and that we want to use CBO figures.

The reason we have arrived at this point is because there has been an inconsistency from the administration, specifically from the President, as to what his position is on a balanced budget, as to what his position is on a timeframe for a balanced budget, as to what his position is on how we will account for getting to a balanced budget.

We have had four different budgets sent up here by this administration. Not one of them has been in balance. Every one of them has been rejected by their own party within this Senate, if not on a formal vote, at least informally, a couple at least with formal votes, and we have an administration which has one day been in favor of a welfare reform bill which was passed by this Senate and then a few days later been opposed to the welfare reform bill passed by the Senate. We have an administration, the chief spokesman of which on health care, the wife of the President, has said that she wants to see a rate of growth in Medicare at 6 to 7 percent and the President in the same basic timeframe excoriating Republicans because we have proposed a rate

of growth in health care, in Medicare, which is 6 or 7 percent.

The inconsistency that comes forth from this administration is consistent. That is about the only consistent thing about this administration—its inconsistency.

So we are once again calling on the administration to commit to what we thought they committed to 3 or 4 weeks ago but which they have backed off of, which is to balance the budget in 7 years and use CBO figures.

We have heard a lot of discussion about why this is important, but I just want to reiterate that unless you look at the issue of how you are balancing the budget off the same baseline, unless everybody is looking at the same numbers, you can never get to any agreement assuming an agreement is possible. But there is a big issue here also, and that is that the few times we have been able to get any definitive direction out of the White House, it has become very clear that there are some deep philosophical differences between the two parties.

We believe that borrowing from our children to pay for the costs of operating the Government today is wrong, that it is fundamentally wrong. I heard the Senator from North Dakota talk about the vulnerable people in our society. Who is more vulnerable than our children, people who are being asked, even though they do not have any ability to confirm this decision, to take on the debt which our generation is running up? We have, as Republicans, said this is not right, and therefore we put together a real budget that reaches balance in 7 years.

Second, we have said you cannot run a system to assist our senior citizens if we know the system is going to go bankrupt in 7 years. We have been told by the trustees of the Medicare trust fund that it goes bankrupt in 7 years unless something is done, and so we have stood up and made a proposal which puts that system into solvency.

We have done it in a way which gives seniors more choices than they have today, which gives seniors the same options essentially as Members of Congress in choosing their health care. We have done it by using the marketplace.

We have further said that if you have a welfare system which says to people, you can stay on welfare all your life and then you can have your children on welfare, whether they are legitimate or illegitimate, and they can have their children on welfare, that is wrong; that people should not be on welfare for the remainder of their existence in this country but they should be asked to participate in the system of productivity which creates the ability to benefit those who are in need, and it is called work.

So we have proposed under our welfare proposal that people be required to go to work after a reasonable amount of time, 2 years, and after 5 years of being on welfare they not be any longer a charge to the State but be required to be out in society being a productive citizen.

These goals which we have—balancing the budget so that our children do not get the bills for this time but have an opportunity in their time to be successful; creating a Medicare system which is, first of all, solvent and, second of all, gives our seniors the same choices in the marketplace as citizens who are in the private sector; which allows a welfare system which is really directed at caring for the people who need support, not for the people who are abusing and using the system—these basic goals which we have put forward have been essentially rejected by this administration. They have either been rejected out of hand or they have been rejected in indirect ways through the manipulation of the numbers or the proposals that they have brought forward.

Underlying this administration's basic philosophy there appears to be a goal, or maybe it is their philosophy that is the goal, and it is called reelection. That is what is driving the basic decisions which we hear from the White House. There is no desire for substantive change for the purposes of improving the Medicare system or improving the Medicare system and getting our Government into balance. There does appear, however, to be a substantive drive for reelection. And that drive for reelection has caused this administration to time and again put forward proposals which are superficial, inconsistent.

The PRESIDING OFFICER. Time has expired.

Mr. GREGG. I thank the Chair for noting that. I will just simply wrap up by saying if we are going to accomplish a balanced budget, we have to get this administration to agree to a balanced budget, to do it in 7 years, to do it with CBO figures, and to do it by addressing the spending that the Government is presently involved in.

The PRESIDING OFFICER. All time has expired.

Mr. MACK. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been.

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senate adopts the amendment of the Senator from South Dakota, Senator DASCHLE.

So the amendment (No. 3108) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the joint resolution.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read a third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall the joint resolution pass?

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

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM], the Senator from Indiana [Mr. COATS], and the Senator from Delaware [Mr. ROTH] are necessarily absent.

I also announce that the Senator from Missouri [Mr. ASHCROFT] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Missouri [Mr. ASHCROFT] would vote ''yea.''

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

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

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 611 Leg.]

YEAS—94

Abraham	Ford	Mack
Akaka	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Grams	Moynihan
Bond	Grassley	Murkowski
Boxer	Gregg	Murray
Breaux	Harkin	Nickles
Brown	Hatch	Nunn
Bryan	Hatfield	Pell
Bumpers	Heflin	Pressler
Burns	Helms	Pryor
Byrd	Hollings	Reid
Campbell	Hutchison	Robb
Chafee	Inhofe	Rockefeller
Cochran	Inouye	Santorum
Cohen	Jeffords	Sarbanes
Conrad	Johnston	Shelby
Coverdell	Kassebaum	Simon
Craig	Kempthorne	Simpson
D'Amato	Kennedy	Smith
Daschle	Kerrey	Snowe
DeWine	Kerry	Specter
Dodd	Kohl	Stevens
Dole	Kyl	Thomas
Domenici	Lautenberg	Thompson
Dorgan	Leahy	Thurmond
Exon	Levin	Warner
Faircloth	Lieberman	Wellstone
Feingold	Lott	
Feinstein	Lugar	

NOT VOTING—5

Ashcroft	Coats	Roth
Bradley	Gramm	

So the joint resolution (H.J. Res. 132) was passed.

The preamble, as amended, was agreed to.

Mr. BENNETT. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

SECURITIES LITIGATION REFORM ACT—VETO

Mr. BENNETT. Mr. President, I understand the veto message with respect to the securities litigation bill has arrived from the House.

The PRESIDING OFFICER. The Senator is correct.