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Senate

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Almighty God, Ultimate Sovereign of this Nation and of our lives, we commit this week to seeking and doing Your will. We all desire to do what is best for our Nation. Help us to wait on You and listen patiently for Your voice whispering in our souls solutions for the complexities we face. Guide us to express our convictions with courage but also with openness to others. We have in common our trust in You and our dedication to serve our Nation. We relinquish our desire simply to win in a contest of wills or party loyalties. If we all seek You and Your righteousness, we know You will show us the answer. For Your name's sake and the good of America. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. HAGEL. Thank you, Mr. President.

SCHEDULE

Mr. HAGEL. Today the Senate will be in a period of morning business until 1 p.m., at which time the Senate will resume consideration of the budget resolution. As previously announced, there will be no rollcall votes conducted during today's session. However, the managers do expect amendments to be offered, and the next rollcall vote will occur on Tuesday morning at a time to be determined by the majority leader. As always, Members will be notified as to the time of those votes.

In addition, today the Senate may consider any executive or legislative business cleared for Senate action. In regard to the balance of the week, the Senate is expected to complete action on the budget resolution and the supplemental appropriations conference report, if available, prior to recessing for the Easter holidays. Therefore, Members can anticipate a very busy week of floor action.

As a reminder to Members, the next rollcall vote will occur on Tuesday at a time yet to be determined. It will be announced later.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business.

SPENDING AND TAXES

Mr. THOMAS. I will take some time, and I think I will be joined by at least one Member, to talk just a little bit about spending and taxes in general.

We are coming into a time, of course, this week, and I suspect now for a number of weeks, when the focus of this Congress will be budgets, on appropriations, on spending, as it should be. I want to talk a little bit about at least my perception of some of the broader objectives that go into debate that extends beyond mathematics, that extends beyond the dollars—actually measures these dollars, about how spending really impacts on the philosophy of government, how spending impacts upon the priorities that we have here in the Congress, how spending impacts upon our whole philosophy of whether or not we want to increasingly have a larger Federal Government delving into all activities of our lives, or whether, in fact, there is a limited role for the Federal Government as opposed to State and local governments, and if so, then what does our decision reflecting spending have to do with that.

It does seem to me that one of the real issues that we have is the extent and the role of the Federal Government's involvement in all the activities in our country. Many would argue, and I argue, that the Constitution clearly defines that there is a limited role for the Federal Government. As a matter of fact, I think it says in the 10th amendment that those things not precisely and clearly described in the Constitution are left to the States and to the people. I take that part of the Constitution very seriously.

As we talk about problems that arise throughout the country, some of them are appropriate to take care of in the Federal Government, some are not. We find on almost everything we talk about, not always recognized, not always defined, but I think if you look through the things we talk about, it is the basic first decision that probably should be talked about.

We talk a lot about balancing the budget. We balanced the budget last year for the first time in, what, 25 years. That was when income reached expenditures for the first time in 25 years. That is an excellent start. I think it is something this Congress ought to be particularly proud of. It is an excellent start.

But you can balance the budget at almost any level if you continue to increase revenues, increase taxes, increase the burden of taxes on the American people. You can increase revenues and spending can go on and still be balanced, and it gets away from the

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

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philosophy of having a smaller Federal Government. So the choices that we make and the choices that we take are very often directed by spending.

I think we find ourselves in an interesting situation, talking about surpluses. First of all, there is no surplus at this point even though there is an expectation of one. So we find ourselves in great debates over spending a surplus that has not yet appeared. Further, almost an indication that if there is a surplus, by gosh, we have to find some way to spend it. Now, that really doesn't necessarily need to be the case. We could apply it to the debt. We have a little debt, remember—$5.7 trillion I believe it is—a debt that we could be paying. When we don't, pages like those sitting here before the Senate will be paying for it. We put it on the credit card and the credit card is maxed out. There are places to do something with surpluses besides spending them.

The Senator from Massachusetts last Friday arose with four or five problems he talked about: We need school repair. Of course we need school repair. We need more teachers. I suspect we need more teachers. Nobody would argue with the idea there ought to be improvements in education. There ought to be more money spent in education, but there is a philosophy and there is a question as to where that money should come from. Schools have basically been under the control of the States and local school districts and local governments. As a matter of fact, out of all the billions of dollars we spend in education, only about 7 percent is contributed by the Federal Government. That is almost all in special education. Each time there is a problem defined, it doesn't automatically mean that the best solution is to take Federal money and spend it, and spend it along with the Federal regulations that inevitably go with it.

Mr. President, I think as we go through this next several weeks of debates and discussions about budgets and about appropriations some of the first decisions we make ought to be philosophical decisions as to what is the role of the Federal Government, what is the role of the Federal Government with regard to the taxes?

I don't know about the rest of you, but I spent at least part of this lovely weekend doing some things that weren't that much fun, and that was doing my income taxes. I didn't complete it, by the way. I got to that page with 59 questions on capital gains, and I gave up for the weekend. There is some philosophy as to what we do about that, what the level of taxation ought to be, and we ought to be dealing with that. There are lots of things that we are talking about. We are talking about highway funding. A great debate is going on in the House. We have generally completed our debate here.

We intend to spend more money on highways. Why? Because there is a need, but because there are the Federal taxes where we raise the money for highways. There was quite a large TV story the other night—on ABC, I think—about pork-barrel highway spending. They failed to mention during the whole 10 minutes that the dollars that came from there all came from the taxes you and I pay on a gallon of gas—the Federal tax that is raised for highways. There was no mention of that. I was a little distressed.

So I would like to think, Mr. President, that as we go forward here, we give some thought to the appropriateness of programs, whether they should be at the Federal level, whether they should be at the State level, and how much government we want at the Federal level and centralized government and the things that ought to be there that are more properly done at the local level, more properly done at the State level. I have a bill that I think is very important which carries out the idea of contracting in the private sector. We have had, almost for 50 years, a policy of taking those activities within Government that are commercial in nature and giving the private sector an opportunity to bid and to contract those. We have not done it. There has been a policy, but it has not been implemented. In doing that, we would keep more activities in the private sector, we would have a smaller centralized Government, and, indeed, save money.

These are the kinds of philosophical issues that seem to me to be important as we move forward to try to determine what size of Government we think we ought to have and is necessary at the central level—to talk about the level of taxation and the variants of taxation among the American people. These are very important issues. Also, we talk about being responsible, in terms of the $5 trillion debt, and being responsible in terms of balancing the budget, being responsible in terms of having Medicare and Social Security that will continue, which is essentially and fundamentally based on sound economics. These are the things we talk about. I know the politics of it is different. Increasingly, our politics and our governance are driven by the media, by polling. It has almost become a sideshow of political activities rather than really talking about governance, which is what politics is all about.

Mr. President, I have been joined on the floor by my friend, the Senator from Montana, and I would like to yield to him as much time as he might use to talk some about taxation and some of the areas of taxation that are of concern to him.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. I thank my friend from Wyoming.

Mr. President, the 45th parallel up there is the only thing that keeps us apart, and we get arguments over that. Nonetheless, we get along pretty well as neighbors. A lot of what I am going to talk about today is what we have in common. Our agriculture is similar, and a few other things that one might not recognize at first. Montana and Wyoming are watershed states, Wyoming is the only State in the country where the water runs from it from all four directions. There may be a reason for that, maybe not.

My colleague talked about dealing with a $5 trillion national debt. I would take that another step forward and remind the American people and my colleagues who make decisions based on history that we have almost double that number in a little fund, an unfunded liability, when we talk about Social Security. So in our dealings with doing something about the national debt, we are in essence dealing with the problem that we have in Social Security.

I thank my friend from Wyoming for allowing me to edge in on his time here.

Mr. President, I have another subject on which I want to speak.

The PRESIDING OFFICER. The Senator from Montana is recognized.

(The remarks of Mr. BURNS pertaining to the introduction of S. 1879 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. THOMAS. Mr. President, let me close by saying I hope that, as we go into this all-important time of budgets and spending, we really take a long look at how it impacts where we are going in the future and how it impacts the size and composition of Government. I hope it is not just driven by polls. I hope we don't find ourselves trying to get some political advantage by standing up when there is a problem somewhere and declaring that it is the Federal Government's obligation to fix everything by spending Federal money. I hope we don't live by sound bites indicating that these are the political things that people want, but, rather, talk really about how it impacts our future and our kids' future and our debt. I hope we don't contribute to the cynicism of Government by making it show business and sales promotion.

Politics is the way we govern ourselves. Politics is how we take to our precincts the decisions of what kind of government we are going to have, what our spending matters will be, what our taxes will be, and what our debts will be. I think this administration has perfected the idea of using sales promotion and sound bites. I think polling has become sort of the direction for the White House and for this administration.

Taking all the issues that people care about—of course they care. Who doesn't care about child care? Who doesn't care about education? Who doesn't care about school buildings? Who doesn't care about insurance for everyone? Social Security? Those are issues that everyone embraces. The question is how do you best deal with it?

The White House tends to talk about the issue and declare their interest in

the issue with no plans to resolve it. It is sort of triangulation. If somebody in the Congress finds some sort of a resolution to it, then the White House claims success. If it fails to happen, then the White House criticizes Congress but never has a plan of its own. I hope we move away from that. I hope we really address the legitimate question.

There are those who support more government, more Federal Government, a larger Government, and more taxes. It is a belief—and an honest belief, I think sometimes—that that is the best way to govern, that the best way is to take the money from people, bring it here, and then spread it out as they see fit. They believe that. I happen not to share that notion. I happen to share the notion that the better government and the stronger government is closer to the people who are governed; that in fact a smaller central government and a more efficient central government is better and leaves the ability to govern closer to the people.

Mr. President, I hope those are some of the issues and some of the really basic fundamental things that we include as we talk about budgets and as we talk about spending.

I thank you for the time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 1999, 2000, 2001, 2002, AND 2003

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. Con. Res. 86, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 86) setting forth the congressional budget for the United States Government for fiscal years 1999, 2000, 2001, 2002, and 2003 and revising the current resolution on the budget for fiscal year 1998.

The Senate resumed consideration of the concurrent resolution.

Pending:

Murray amendment No. 2165, to establish a deficit-neutral reserve fund to reduce class size by hiring 100,000 teachers.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ABRAHAM. Mr. President, thank you very much.

For the information of the Senate, we will now, as indicated, begin consideration of the budget resolution. Although there are not any votes scheduled for today, it is certainly the hope of the majority leader and of the Budget Committee that we can begin the process of hearing from those who wish to bring amendments so they can be fully debated and discussed. I urge any colleagues who might be thinking about offering amendments to join us today. We have heard that a couple may be coming in a little bit. We will welcome them and begin this process of trying to sort through them in the hours ahead.

At this time, it is my understanding that the Senator from North Dakota has opening comments to make. I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair.

Mr. President, today is a historic day. For the first time in 30 years, the Budget Committee is able to present a budget that is balanced on a unified basis. I think all of us have looked forward to the day when we would be able to say to our colleagues, ''The deficit has been erased.'' That is what we are able to come to the floor and say today.

We all understand that there is more to do, because we all understand we are continuing to use the Social Security trust fund surpluses. So that is the next challenge that faces us. But on that front, we are making progress as well, because in this budget resolution, we are saving the surpluses until Social Security can be strengthened, and we are doing it on both sides. The Republican budget resolution and the alternative Democratic resolution will both be balanced on a unified basis and also preserve all of the surpluses generated by the 5-year spending plan until Social Security is strengthened.

I thought it might be useful to recount for our colleagues and those who might be watching how we got to the position we are in today, what it took to get here, what is the history, how did it happen, because I think it is an important story.

In 1993, President Clinton was inaugurated, came into office and laid down an economic plan to reduce the deficit. It was a controversial plan, one that cut spending and also raised income taxes on the wealthiest 1.5 percent of the people in this country. Many said that plan would not work. In fact, our friends on the other side of the aisle said it would crater the economy.

How well I remember the debate we had on the floor of the Senate. How well I remember the description that came from our colleagues on the other side who told us, ''If you pass this plan, it will not reduce the deficit, it will increase the deficit.'' They said it would increase unemployment; that it would increase inflation; that it would increase the debt; that it would stifle economic growth. Mr. President, the record is now clear. Our friends on the other side of the aisle were simply wrong. They were wrong on every single count. The plan that we passed in 1993 not only reduced the deficit, it has done it each and every year since the 1993 plan was passed.

It has also led to a remarkable economic resurgence. It has led to the lowest unemployment in 24 years, the lowest rate of inflation in 31 years, the strongest business expansion in any of our memories, and put this country on a sound financial footing.

But, again, I think we must all recognize the challenge is not over, because the next step is to stop using the Social Security trust fund surpluses. Again, the budget resolution offered by our friends on the other side of the aisle this year and the alternative that will be offered by our side recognize the Social Security surpluses should no longer be used in the calculation of the budget deficit and that we will preserve all budget surpluses until the time Social Security is strengthened.

Mr. President, this first chart shows that the unified budget is balanced for the first time in 30 years. Here is the record since 1969. Thirty years ago is the last time we were able to achieve unified balance—30 long years ago. And in between, we saw deficits rising inexorably, until in 1992 they reached $290 billion. Then, as I indicated, President Clinton came into office and proposed the 1993 budget plan, a 5-year economic blueprint that has made dramatic progress. You can see what has happened since: The deficit has been in steep decline, until this year when we anticipate we also may run a small unified surplus, but clearly we are on the right track.

I thought I might also help to put in perspective what has happened in the last three Presidencies, what the record has been on the question of budget deficits, because those budget deficits weighed down on this economy and prevented the kind of economic growth that we have now enjoyed since progress has finally been made.

This chart shows from 1981 through 1999 the budget deficit record. We can see during the Reagan administration, he came in and inherited a deficit of $79 billion. That promptly skyrocketed so that we were running on almost a consistent basis deficits of $200 billion a year, absolutely unheard of before that time.

In the last years of the Reagan administration, some improvement was made. We were still running budget deficits of $150 billion a year.

Then we had the 4 years of the Bush administration, and the deficits took off like a scalded cat. Deficits went up, as I indicated before, so that at the end of the Bush administration, the deficits were running $290 billion a year. And with the election of President Clinton, a Democratic Congress passed a budget plan in 1993 that has succeeded in reducing the deficits every year of that 5-