

conference report to accompany the budget resolution and, when the Senate reconvenes on Thursday, there be 5 hours remaining for debate as provided under the statute. This has been cleared on the other side.

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

CONCURRENT RESOLUTION ON  
THE BUDGET FOR FISCAL YEAR  
2000—CONFERENCE REPORT

Mr. DOMENICI. Mr. President, I submit a report of the committee of conference on the concurrent resolution (H. Con. Res. 68) establishing the congressional budget for the United States Government for fiscal year 2000 and setting forth appropriate budgetary levels for each of fiscal years 2001 through 2009, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 68) have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of April 13, 1999.)

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, I would like to announce to the Senate that the budget resolution, which we have called up and which is being considered, was approved just a while ago by the House, passed there by 220-208. So the remaining real business before we leave for this weekend is to get our budget passed here. I will say, if it is passed today, it would be historic. If it is passed tomorrow, it will still be historic, because we will have produced our budget resolution through both Houses, setting the blueprint for the year before the 15th, which is the statutory date. I will say to the Senate, we have only done that once in the 24-plus years history of the Budget Act.

I think our commitment to the Senate was helped by our various committee members, and help came from our ranking member, Senator LAUTENBERG, to get the job done. No use to

delay it. We have been on the floor, gone through it. Yesterday we took a number of votes that we don't normally take, with Senators exercising their prerogatives to make us vote again on some of the issues. Today there will be a vote on final passage.

I remind Senators who might want to speak, whether they are on this side of the aisle or that side of the aisle, we have a unanimous consent agreement already entered into, with the full concurrence of the minority, that whenever we finish this evening—and that could be any time—there will be 5 hours remaining tomorrow. That is because there is a statutory mandate of 10 hours unless agreed to to the contrary.

That means that tomorrow we will be on for 5 hours and then vote. If Senators do not make it to the floor in the next hour or so—obviously, they can come down here, and if they want to make it easy on everybody, maybe they can tell Senator LAUTENBERG when they want to come and tell me when they want to come on this side, and we will accommodate them so they don't have to stay down here and wait a long time while others speak.

Having said that, I probably will reserve most of my time to answer what others might say about this budget resolution, but I would like to give a summary of where things are. I do not think that will take over 10 or 15 minutes. Then I will yield to Senator LAUTENBERG. I have already told my friend that I have to go across the hall for a Republican policy conference, and I will try to do that as soon as my remarks are completed.

Mr. President, let me briefly outline the conference report on the year 2000 budget before us this afternoon. The conference report before us is very similar to the Senate-passed budget resolution back on March 25 on a roll-call vote of 55-44. A similar but different House-passed budget resolution required a conference. That conference resulted in some modifications to the Senate-passed resolution which I will highlight later in my remarks. The basic outline for entering the millennium with a fiscal policy and a tax policy and a defense policy and an education policy, the basic content of that with some modifications is, indeed, what the Senate has before it again today.

First, this is a 10-year budget resolution. We have done a 5-year resolution and 7-year resolution, but this year is the first time we have used 10 years to make our projections and upon which to build the building blocks for the first part of this new millennium.

Now, we have done 5-year budgets and we have done 7-year. Why did we do 10? Well, the President's budget presentation in February was very unique, very different than any President has ever done before. The Presi-

dent and his staff tried to use 15 years, and that is 15-year numbers, and in some cases, 15-year estimates. This 15-year timeframe was a very convenient way to shade the fact that they were and are counting on raiding the Social Security surplus in the early years by \$158 billion over the first 5 years of the President's budget. Without any attempt to obfuscate, clearly it uses \$158 billion of the Social Security surplus for programs, for expenditures, so it was, indeed, a raid on that Social Security surplus, and then leave it to future Presidents and future Congresses to reimburse that trust fund for this administration's early spending plans which would have used some of Social Security's surpluses.

That is most interesting, especially because the President will be claiming that he is trying to save the Social Security surplus. I put out the challenge to anyone who wants to review the President's proposal and this proposal and see if anybody is entitled to the claim that we are saving Social Security's trust fund accumulations, exempting it, can't use it for taxes, can't use it for appropriated accounts. If you would like to look at it and see which does the most, I think you will find that the President puts \$400 billion, that is "billion," less in the trust fund during the next decade, or let me put it another way, on a 10-year basis, it shortchanges the trust fund by \$400 billion.

That is as compared with what really ought to be in the fund. We put in what really ought to be in the fund, and that is all of it, all of the surplus year by year, not a portion of it over 15 years.

So we think we can properly say the first responsibility of this budget was to make sure that we did everything possible to protect the Social Security trust fund and to make it available for those who might want to reform, or in a major way change the Social Security program to add to its longevity and perhaps its fairness. But only for that purpose can any of that trust fund be used. That is the first big item. The conference agreement accomplishes that first objective, protects Social Security trust fund balances. Then we go on to three other major items.

Two, we didn't see any way that we could produce a budget to enter the millennium that did not maintain the fiscal discipline of the 1997 budget agreement. The distinguished occupant of the Chair, a distinguished member of the Budget Committee and other committees, knows that it wasn't very long ago that we set a fiscal discipline pattern which has brought us a great deal of success. We said we are only going to spend so much over the next 5 years. It wasn't over a prolonged period, just 5 years. That, plus some other good fortunes that are attributable to economic growth and prosperity, has brought us the best fiscal policy of any

industrialized Nation in the world—sustained growth, manifold numbers of jobs, low inflation, and low interest rates.

We thought it was best that we stay on that path. So the second point is that the fiscal discipline is retained from the 1997 agreement. Why shouldn't it? There are those who say it is too tough. There are those who say we can't live by it.

There are those who say the President is going to force us to break this budget. Well, we aren't going to let the President do that. If that is what he thinks we ought to do, we will have to hear from him. We are going to try hard to live within those prescribed limits, which brought such credibility to the fiscal policy ideas of this Government that I believe we ought to stick with them for awhile.

Now, the third is another idea that somehow or another has been challenged here in the Congress, and that is that we want to return to the American taxpayer their overpayments to the Federal Government. Now, what we on our side of the aisle—and we hope some Democrats join us before the year is over—would like to say is that when you have an economy like this one, with surpluses that we have, you should not just be thinking about spending money; you ought to be thinking about the taxpayer, too. In fact, maybe you ought to say let's look at government and let's look at the taxpayers and let's make sure we have as little government as possible, so that we consider the taxpayers to the maximum extent and have them paying the lowest taxes possible within a good, sound policy.

So while some will say, "I would like a tax cut but not this one," or, "I would like a tax cut, but not now; I would like it later, but I would like a little bit now and then wait for 5 or 6 years," we say the policy is a clear one. The United States succeeds when we have low taxes and we exceed our competitor countries in the world predominantly on the premise that our businesses and our individuals pay less taxes than those competing with us. That is a truism with regard to all of the European countries that try to compete. They are heavily taxed; we are taxed at a low level. They have huge burdens on business to take care of social welfare programs; we have far less.

As a result, business is flourishing in America and we are adding, if not hundreds of thousands, then in a few of the past 6 years, even a few million new jobs. And it is interesting to note, Mr. President, as we consider this budget, if a poll were taken of American businesses, in particular the medium-sized businesses that are flourishing in our country, and we were to ask them, "Can't you grow a little more?" they would all answer, "Yes." And then if

we said, "Why aren't you?" the No. 1 answer would be, "We can't find enough skilled workers to add to our workforce to grow as we could."

Now, that is a very interesting thing for America, and it does mean that there is one long-term problem we ought to be concerned about, which is the validity of our education system to give basic-skill education and basic-skill development to more and more of the young people and those who would like to be retrained in America.

I guess, as an aside, if that doesn't happen, then I know we should not be talking about how we will be able to meet the needs of our businesses. But I surmise that if we don't create more educational skill opportunities for more and more of our people within a decade, we will be looking at an American policy that is going to let more people come in from outside our country to take our jobs.

I hope everybody listening to these remarks knows in what sequence I have said it. Clearly, I would like very much to get to the next point in our budget, because within these fiscal restraints we have taken a look at where the priorities for the expenditure of money, even in this crimped manner, the budget following this fiscal restraint, should be.

I believe Americans would agree with us that we ought to increase spending on education. In fact, if you looked at the President's budget, you would probably say that is not enough; it is sort of a nominal increase. We have said that, and we have increased our recommendations for public education assistance significantly over the President's. In fact, if the recommendation of the Budget Committee were accepted, we would increase, over the next 5 years, spending on education by \$28 billion.

Everybody should know, we don't pay for a lot of public education. Local expenditures are, by far, most of it. Perhaps our country pays 7 percent of the bill; 93 percent is paid by local school districts, States, et cetera. We asked that we put more in, but we expressed a big concern—that in doing that we not provide targeted U.S. Government programs mandating the school districts to do things our way, but rather that we have accountability and flexibility built into the education programs that we add money for. So our budget does that.

Next, we created a non-Social Security surplus of about \$92 billion for unexpected contingencies, that is, we didn't spend it for tax cuts or on anything else. It starts in the fifth year. It is \$92 billion for unexpected contingencies. That could be used for transitional costs for implementing fundamental reform in Medicare. Or if we did not use it for any of those things, that is, contingencies and/or Medicare reform, then they would further reduce the national debt.

Understanding that I started my remarks by saying we set aside \$400 billion more than the President in the first decade of the Social Security trust fund and lock it in a box that we are going to vote on later, all of that is used to reduce the public debt until we use it for Social Security. It dramatically reduces the public debt. That is one of the best things we can do, and we did \$400 billion more of debt reduction during the first decade than the President.

We are proud of that and we think it is the best use of the surplus, and the second best use is to return it to the taxpayers, so we return to them a substantial amount in tax reform, tax cuts, which is \$778 billion. So there will be no confusion, add up all of those numbers I speak of and you keep the Social Security trust fund intact, you leave \$102 billion for expected contingencies, and you cut the taxes of the American people by \$752 billion over a decade.

I don't want anybody to be surprised, but the Republican tax package will not be big at the inception; it will be small. But in one bill, we will pass tax changes that will wedge out and grow each year, and in the fourth, fifth, sixth, and seventh years, you will be providing significant tax relief to the American taxpayer. Frankly, I believe that is just about perfect.

Some are fearful of it because we provide it over 10 years. But I think the American economy is experiencing a tremendous boon right now. I think these tax cuts are going to trigger in—I don't mean "trigger in" in the sense that anything will have to happen. I will use another word. It will come into play at just about the time when we need tax cuts for the American people and American business, so we can continue the prosperity, growth, and opportunity that is so prevalent today.

In summary, those are the things we tried to do, and those are the things that show up in this budget resolution. After conferring, almost all of those principles that started here in the Senate are kept. I am pleased to indicate that some of the other things the Senate had in its budget resolution are kept in this resolution. So let me tell you a couple of those.

First, the conference adopted the Abraham-Ashcroft-Domenici sense-of-the-Senate framework for protecting Social Security surpluses through a mechanism for retiring debt held by the public and made it a sense of the entire Congress. That means that both the House and the Senate will use every effort possible to try to pass what we will nickname here today "lockbox" legislation, which would be statutory preservation of that fund, requiring a majority vote to dip into it. We will have more to say about that. It will then be perfected and introduced soon, after consultation with more experts. We think we will have one that

is flexible enough, yet rigid enough, to make sure that we don't spend that money.

In addition, yesterday afternoon, for the second time, the Senate voted on a child care proposal that had passed the Senate with a 57-40 vote, including 15 or 16 Republicans. Yesterday, in revisiting it, more Senators expressed their will for that.

While in conference, I was not able to get the House to give on it in its entirety. We got \$6 billion. Half goes for the block grant that Senator DODD and Senator JEFFORDS discussed, and half is indicated in the tax package and should be used for tax relief that is child care oriented for as many families in America as possible.

Now, I believe that the leadership of both the Senate and the House have made a commitment in this conference report to go beyond the resolution before the Senate today to try to pass legislation to make sure for the first time in history we truly have made it almost impossible in the future to spend the Social Security trust fund for the ordinary expenditures of our budget as a "basket" from which we borrow for overextending our receipts.

This resolution maintains the fiscal discipline required by law. Statutory caps cannot be changed by a budget resolution, and they are now written into the law. It does not assume any firewalls between defense and non-defense discretionary spending. We are not trying to protect defense from domestic spending in this era of great demands on both. We will just let the good judgment of the Congress, in its collaborative efforts, do its will with reference to the defense spending and the domestic spending.

However, in our recommendations, we do substantially increase defense beyond that which the President requested. We do that forthrightly and openly. We believed, even before the Kosovo situation, that the U.S. Department of Defense was being underfunded. We finally asked the Joint Chiefs what they really needed. They expressed genuine concern, so we added most of their requests to the defense assumptions.

This resolution makes no decision on the expansion or extension of the caps beyond 2002. It assumes, on the other hand, that discretionary spending will grow over the decade, increasing at a rate of about half the rate of inflation and expanding to a total of \$2.9 trillion over the next 5 years and \$5.9 trillion over the next decade.

Within the aggregate numbers on the face of the resolution, and again as required by law, the level of appropriation is distributed by budget function for illustrative purposes, but everyone should know the final decision will be a matter for the Appropriations Committee and the subcommittees. Everybody is beginning to understand that

the budget resolution was not intended to be a determiner of how much money each program gets, but rather the total that they must not exceed.

The conference report assumed the priorities I mentioned. I will add one clarification on elementary and secondary education. In the first year, we increased it \$3.3 billion in our allocation assumption and \$28 billion over 5 years. That would be over and above the estimated \$100 billion that would be expended for these programs during the same time period.

We assume full funding of transportation programs adopted last year. We assume full funding of the violent crime trust fund next year. We also have assumed \$1.7 billion in additional veterans' health care benefits over the President's request for this year.

Within the spending restraints, it is assumed that the historic pay equity between civilian and military pay will be maintained. It assumes that the Congress funds the President's request for the upcoming census, and it assumes we double the request for the National Institutes of Health—double his increase.

I think that clearly puts us on the side that most Americans desire. We increase defense, we increase education, we increase those functions of our Government that take care of crime and criminal justice in our country. In addition, we take care of our veterans. The President did not even increase, to any extent, the veterans' medical appropriations. We added about \$1.7 billion.

Adding those up, and adding a return of tax dollars to the American people with the kind of protection for Social Security and Medicare that we have provided, I believe we have a very good format to begin the millennium, the year 2000 budget.

To maintain the fiscal discipline of the caps and reorder spending toward these and other national needs, it is clear that the Congress will need to set priorities. If not, then some of the proposals I have outlined will likely not be possible.

What are some of those lesser priorities on the Federal taxpayers' dollars?

First, last year we appropriated over \$106 billion for programs whose authorizations did not exist. A good place to start looking for lower priority programs in the Federal Government might be in those areas where no authorization exists.

In addition to the unauthorized programs, as I have stated previously, it would be helpful if the Congress reviewed the GAO's recent high-risk series which lists 26 areas this year—nearly 40 percent which have been designated high risk for 10 years—areas that GAO has found to be vulnerable to waste, fraud, and error.

Second, it is clear that some programs will not grow, will remain at

their 1999 level, and some will have to be reduced below a freeze as the President's budget suggested. I would suggest that committees and the administration take to heart the Government performance and results act that specifically identifies low performing and inefficient programs.

Some programs, such as various transportation projects funded last year outside TEA-21, were one time and we should not assume continued funding of such programs next year.

The conference assumes that Ginnie Mae will become a private operation and its auction creates nearly \$2.8 billion in offsets next year.

And yes, the conference resolution assumes, some of the administration's proposed offsets, fees, are assumed for various agencies in the Federal Government—FISIS and the President's proposed \$200 million broadcasters lease fee.

In the area of mandatory savings. The resolution does not assume any of the President's nearly \$20 billion reductions in Medicare over the next 5 years. Medicare spending will indeed increase from \$195 billion this year by over \$200 billion to a total of \$395 billion in 2009, an annual increase of 7.3 percent.

And the resolution assumes \$6.0 billion in additional resources will be allocated to the Agriculture Committee to address the issue of depressed incomes in that sector.

The Senate-passed resolution assumed that expiring savings provisions in 2002, that were enacted in the 1997 balanced budget agreement, would be extended. This applied to all such provisions except expiring Medicare savings provisions. Between 2003 and 2009 these provisions would save \$20 billion.

In conference the Senate ceded to the House position that did not assume any of these savings provisions. In part this accounts for the fact that the non-Social Security surplus over the next decade has declined to \$92 billion.

The Senate-passed resolution included the Dodd-Jeffords amendment to add \$12 billion to child care spending over the next decade. The spending was offset with a reduction in the reconciled tax cut. The House had no such assumption.

The Senate voted yesterday to instruct the conference to adopt this provision. The conference assumes half of these resources for families with children to cover child care expenditures—\$6 billion. These expenditures reduced the non-Social Security surplus and did not reduce the reconciled tax reduction.

For revenues the conference resolution assumes that tax reductions will be phased in and over the next 5 years will return overpayments to the American public of nearly \$142 billion and \$778 billion over the next 10 years. For 2000, paid for tax cuts of up to \$15 billion are possible.

How these tax reductions are carried out will, of course, be determined by the Finance Committee and ultimately the Congress and the President.

However, I believe elimination or reduction in the marriage penalty could easily be accommodated within these levels as well as extension of expiring R&D tax credits, self-employed health insurance deductions, certain education credits, and or general reductions in tax rates phased in over time.

Finally, the resolution, being cautious, over a 10-year period, projects a non-budget surplus of over \$92 billion. This money could be needed for unexpected emergencies or contingencies, it also could support the cost of funding transition costs for Medicare reform, or if nothing else it will continue to further retire debt held by the public.

Two procedural issues need to be noted—a rule change as it relates to defining emergencies and a clarification that when there is an on-budget surplus, those amounts are not subject to pay-go rules.

The Senate-committee-reported resolution included a provision to make emergency spending items subject to a supermajority point of order. This provision was adopted by the conference, while exempting Defense spending.

Let me close by saying that under this resolution, debt held by the public will decline by nearly \$463 billion more than under the President's budget.

This is true even if one treats the President's Government equity purchases as debt reduction.

Why do we reduce debt more than the President?

First, the President spends \$158 billion of the Social Security surplus over the next 5 years. In contrast, the conference resolution saves the entire Social Security surplus.

And second, let me remind the Senate of one other thing about the President's spending proposal which may surprise many—his spending costs more than the resolution's assumed tax reductions. This is true over both the 5-year and 10-year period.

The President's budget spends 35 percent of the Social Security surplus over the next 5 years on programs unrelated to Social Security or Medicare.

That is why we can save the entire Social Security surplus and why he can not.

Let me summarize. The conference report does four things: It protects 100 percent Social Security surpluses; it maintains the fiscal discipline this Senate overwhelmingly supported in 1997 and was most recently reaffirmed by the minority leader; it returns to the American public their tax overpayments; and finally, it prudently and cautiously projects on-budget surpluses for further debt reduction or for supporting unexpected emergencies, and possible transition costs for true Medicare reform like the one recently voted

on by 11 of the 17 members of the National Commission on the Future of Medicare.

It is a good resolution to close out the Budget Act's 25-year silver anniversary this year.

It is a good fiscal blueprint for the next century.

Commenting for a minute about the tax proposals in this bill, in the next 5 years Congress will be permitted under this budget resolution to reduce taxes on the American people by \$142 billion, and in the second 5 years the total will be \$778 billion.

The first and second year cannot be very big, depending on what loopholes are closed by the Finance Committee and the Ways and Means Committee. We can have a goodly tax in the first 2 years, moving up in a "wedged" manner to some very substantial return of taxes to the American people over this next decade.

There may be remarks on the floor about what these tax cuts will look like. Certain Republican Senators, including some of our leadership, may say what they prefer. That permits the Democratic leadership and Democratic Senators to get up and say they don't think we ought to give tax cuts to the rich, that we ought to spend it elsewhere rather than giving it to the rich people of our country.

This budget resolution gives the Congress of the United States and its committees full latitude to have a tax cut bill of whatever type the Congress and its committees ultimately approve and, hopefully, that the President will sign. I am quite sure when that package is finally put together the good judgment of the tax-writing committees, with Congress exerting its concerns, it will be a balanced package, focused on average Americans and on continuing the economic prosperity of our country.

If we do that, then I believe there may be disagreement between Republicans and Democrats, but I do believe it will not be the package that is constantly suggested by Democrats—that we are going to take care of only the high-bracketed people, instead of spending it on programs that are good.

I can do no better than that. I don't know that I will answer every time we are accused of having a tax cut that takes care of only the wealthy in our country. The facts are as I have indicated. Whether or not Senators have taken to the floor or given stump speeches or otherwise saying what they would prefer, we probably ought to give some serious consideration to reducing the brackets, with taxation more proportionally on every group of people. I am sure the package will be fair in building American prosperity by cutting taxes in the right places for economic growth.

I make one last comment about the return of tax dollars to the American

people. I have been heard to say that as a Budget Committee member and chairman somehow or another when we finally get to that place where we can have surpluses for as far as the eye can see—according to those who estimate for us—I have been heard to say that maybe it is harder to manage surpluses than it is deficits. Yesterday my good friend, Senator LAUTENBERG, indicated that probably that is how it should be, because it is human nature that when you have real assets, you fight over them; with deficits you do the best you can.

I have found it more difficult to give taxpayers tax relief when we have had a surplus than I found as a budget chairman to give tax relief when we had deficits. That is rather incredible.

But I think the history will indicate that we have had many tax cuts, giving back money to the taxpayers, when we had deficits. Now we have a criticism of Republicans who want to give back tax money to those who have overpaid, because we have more money than we need; that we should not be doing it now. If you cannot do it when you have a surplus, when can you? If you cannot do it with a surplus, when should you?

It seems to me the answer is we probably ought to have a major tax reduction bill. I would think before the year is out the President of the United States will get into the act. He is probably still looking back to his first campaign, before he was elected, when he promised a middle-income tax cut. I know, in reading about the politics of the White House during the intervening years, that some of his consultants brought up that issue regularly during his campaign and first year in office—what about the tax cuts? Maybe they were not right in his scheme of things then, but I submit, with this kind of surplus, they are right now.

We look forward, after this budget resolution is passed—and hopefully that will be tomorrow—to working within the Congress—and hopefully Congress with the Executive—to take care of our public needs and take care of our taxpayers' needs. But we will always be vigilant that we not put one over the other, since it is the taxpayers who make our Government capable of doing what it does.

With that, I yield the floor and repeat to Senators, if you do not get to speak this evening, there are 5 hours tomorrow. We will be glad to start taking names for tomorrow. It will be better than tonight. We can get through early tomorrow and early tonight and still have a lot of debate time if most of you will sign up for tomorrow, which means we could get out of here rather early this evening.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I want to respond to the analysis just

given us by our good friend and colleague, the chairman of the Senate Budget Committee, Senator DOMENICI. One thing about Senator DOMENICI, he is always direct. He always calls it like he sees it. And therein lie, perhaps, some differences.

The expression, "beauty is in the eyes of the beholder," is one that fits well, I think, because I see it quite differently than Senator DOMENICI. As we begin consideration of the conference report, for the benefit of those who do not know how we work here, the conference report is that report on the budget that has been agreed to by the House of Representatives, their Budget Committee people, and the Senate Budget Committee people. So I have to say at the outset that it is quite obvious that it is the majority's report we are looking at. Even though there are 45 Democrat Senators here, the fact is, with rare exception, all of the Democrats voted in opposition to the initial Budget Committee report and my view here is that we are probably going to see at least something as strong in opposition to the report that has now been agreed upon by the House representatives on the budget and the Senate representatives.

Look at this. Here we have a budget resolution, one that says this is the way we ought to be spending our money. Mr. President, I remind those who are in earshot, this is a toothless tiger. It does have the force of a Senate-House conference committee agreeing that is what we ought to be spending, but it is without law to support it, and it is now an instruction to the various committees that have the jurisdiction to set up the spending as recommended by the Budget Committee.

But what a time this is. The economy has never been stronger. I have been around a long time—thank goodness, for my kids and me—but we have never seen an economy like this. Unemployment is low, inflation is almost unheard of, the stock market is booming, people are able to invest in housing and education and plan their future and vacations. Our fiscal house is in order. We are now running surpluses, having come a long way from 1992 when President Clinton took over, when we were running annual deficits in the high \$200 billion. Now we are running surpluses. So we have done something good. I commend my colleague, the chairman of the Budget Committee, for the hard work that he did—that we did bilaterally, with the President of the United States—to get a balanced budget in place. That, I think, has had a large effect on how it is we got to this current period of prosperity. But at the same time we face serious long-term challenges. Most importantly, the baby boomers' retirement is going to put tremendous pressure on Social Security and on Medicare in the years ahead.

The key question facing Congress is whether we will meet those challenges and prepare for the future at this time or whether we are going to yield to short-term temptation at the expense of the longevity of these programs. Democrats are committed to focusing on the future. Our top priority is to save Medicare and Social Security for the long term by reducing our debt, keeping our debt in control, and increasing national savings.

We also want to provide targeted tax relief for those who need it most and that is the middle-class families, those who work hard for a living, those who are dependent totally on wages and salary for their living. We want to invest in education and other priorities that will enhance the lives of those who are not yet university age but who are looking forward to having a job and career that gives them a decent lifestyle.

The Republicans, our friends on the other side of the aisle, have a different view. Their plan as embodied in this conference report focuses on huge tax breaks, largely for the wealthy. I want to give an example of what it is I am talking about because so often our Republican friends get irritated when we say "focused on the wealthy." But if you are in the top 1 percent of the income earners—that is starting at \$300,000 but averaging \$850,000 a year—if you are one of the lucky ones, one of the skilled ones, or one of those who inherited wealth, and your income is \$800,000 a year, you get a \$20,000 tax break in this budget that is proposed before us.

On the other hand, if you work hard and you go to work every day and you worry about how to educate your kids and you worry about how to pay your mortgage and you earn \$38,000 a year, you get \$100—oh, \$99, I am sorry; it is not even \$100—a \$99 tax break. Somehow or other that doesn't seem right to me: \$800,000 on the one hand gets a \$20,000 tax break and on the other hand, if you make \$38,000, slightly over \$700 a week to support your family, you get \$99 and you can spend it in any way you want, the \$99; buy a yacht, buy a vacation—whatever you want to do with the \$99. So it does not seem right to me.

These tax breaks on top of the unfair balance between those who are the wealthy and those who work hard for a living would cost the taxpayer enormous sums in the future. It would absorb funding that is needed to save Medicare. And that, when you get right down to it, is really the main issue this conference report presents to the Senate.

Question: Should we provide huge tax cuts, many of which will benefit the wealthy? Or should we use that money to save Medicare?

Of course, there is a lot more to the conference report before us, so I will take a little time now to explain why I

strongly oppose and intend to vote against the acceptance of this conference report. There are four primary reasons.

First, it does not do anything to increase Medicare's life. In other words, in 2015 Medicare is ready for bankruptcy, if things go as they are.

I have suggested that we ought not use funds needed for Medicare for tax cuts that are primarily for the wealthy.

Secondly, it threatens Social Security because it fails to extend Social Security's life, but it allows the use of surpluses generated by those who currently pay about 13 percent of wages; that is the worker and the company, for purposes other than Social Security.

Thirdly, it is fiscally dangerous. I used to run a big corporation, and I will tell you that this is not the way to plan the long-term future. It proposes tax cuts that do not cost much in the beginning, as the distinguished chairman of the Budget Committee said, but he said it is going to cost over \$700 billion. In 10 years, over \$750 billion will be used to provide that tax break.

Fourthly, it proposes extreme and unrealistic cuts in essential programs that are necessary for the well-being of all our citizens. It would devastate public services on which so many depend. Moreover, Congress will be unable to pass the bills that provide the funding that these programs need, and it could lead eventually to a repeat of a terrible experience that we had a few years ago—a Government shutdown. These are the kinds of programs that would be affected.

Medicare's hospital insurance trust fund is now expected to become bankrupt in 2015. It is critical that we address this problem and do it now. There is no doubt that we have to modernize and reform Medicare to make it function more efficiently, but whatever reform process we pass, we still need more resources—more money, to put it bluntly. In an attempt to find an overall solution, President Clinton proposed allocating 15 percent of projected budget surpluses, that is, the unified budget, for surpluses for Medicare. This would extend the life of the Medicare trust fund for another 12 years. Our Republican colleagues deride this proposal. They say it amounts to adding meaningless IOUs to Medicare, but they are wrong.

First, the President's proposal would reduce the debt that the public holds in bonds and investment in Government securities, which would significantly reduce interest costs in the future, which would help us actually pay for Medicare with the real dollars saved.

Unfortunately, the Republican budget resolution we have in front of us totally rejects the President's proposal to extend Medicare solvency. Instead of directly using these surpluses for Medicare, it uses almost all of that money

for tax cuts. The document we have in front of us—that was prepared exclusively by Republicans, I remind you—does not specify how we are going to provide those tax cuts. They will be drafted later in the Finance Committee. However, based on the comments of the chairman of the Finance Committee, it is fair to assume that most of the total benefits will flow to the wealthiest Americans. Mr. President, these GOP tax breaks would come at the direct expense of Medicare. It is wrong.

Under the Republican plan, not one penny of projected surpluses is guaranteed for Medicare—not one cent. The resolution claims to reserve about \$90 billion for unspecified uses over 10 years and suggests that maybe we can take some of that \$90 billion for Medicare. However, that is far less than the \$350 billion the President wants to put into Medicare over a 10-year period. And none of this \$90 billion is actually reserved for Medicare.

In any case, there is nothing left for the Medicare program after these funds are used up for unexpected emergencies. For example, emergency spending now averages \$9 billion a year. That is emergency spending for natural disasters or some other disaster—fire, whatever you have—in a community that is needed each and every year. It is reasonable to assume that future emergencies will consume all of this so-called reserve.

Mr. President, the Republicans' refusal to provide additional resources for Medicare would have a direct impact on the millions of Americans who will depend on Medicare for their health needs in the future. The resolution almost certainly would mean higher health care costs, higher copayments—that means for the beneficiary. If you have an incident or a matter that can be reimbursed by Medicare, you will have a higher copayment, you will have higher deductibles, lower quality health care services, and probably fewer hospitals, all because the Republicans insist on providing these huge tax breaks.

Beyond Medicare, the second major problem with the Republican resolution is that it poses a direct threat to Social Security.

Just yesterday, I offered a motion to instruct the conferees, those from the House and those from the Senate—but particularly it applied to the Senate because that is where we give our directions—that they ensure that all Social Security surplus is used only to extend the life of Social Security. It was not a close vote. The motion was adopted by a 98-0 vote. Ninety-eight Senators said, yes, this is the right kind of attitude we want to see. Ninety-eight out of 100 Senators said, yes, we want to use all of our Social Security surpluses to extend the life of Social Security.

But within just a few hours of that vote—the vote took place here, then it went to conference over there in the House, and the conferees, the group that was sitting around the table, our Republican friends, approved a provision that would allow Social Security surpluses to be used for other purposes. I find it astounding and, frankly, it is outrageous that 98 Senators stood up and voted aye, yes, we want all Social Security surpluses to be spent on Social Security, and it went in the wastebasket within a few hours. Quite incredible.

The conference report establishes, as we heard, a lockbox that supposedly protects Social Security surpluses. But it does not do that. It establishes a largely meaningless 50-vote point of order against future budget resolutions but has a huge loophole for any legislation that “enhances retirement security.”

We do not know what the definition of “retirement security” is. What does it mean to enhance retirement security? It does not say “Social Security.” This is a word game we play here. We say one thing, but it has a different meaning when we say it over here. Just a change of a word or two: “Retirement security” versus “Social Security.” Presumably this retirement security plan could mean a wide range of purposes.

Mr. President, it is unacceptable, it is outrageous, it deserves to be condemned in the strongest possible terms. Social Security surpluses should not be used for “retirement security” or anything that we do not understand clearly. Sure, it should not be used for tax cuts. They should not be used for risky new schemes and programs. They should be used to pay Social Security benefits, period.

The third problem with the conference report is that it is fiscally irresponsible. The resolution calls only for small tax cuts in the first year or two. We heard the chairman of the Budget Committee say so. But the cost of these tax cuts explode in the future.

Over the first 5 years, the total tax cuts that we would have would cost \$142 billion, but over the second 5 years that cost increases to \$636 billion, about 4½ times as high as the first 5 years. And that is another way of getting at things. It is kind of a little bit sleight of hand, I would say. That is to say, “Oh, we can give these tax breaks, give these tax cuts, and it's not going to cost anything.” No, not while most of us are still Members of this Senate. But 10 years hence, when we add up the scorecard, we will have spent almost three-quarters of a trillion dollars for tax cuts.

Mr. President, the final problem with the Republican plan is that it forces extreme cuts in programs for Americans here at home. Tax cuts, on one hand, cost something for the ordinary Americans on the other hand.

I want to point out something. We Democrats are not opposed to tax cuts that are targeted, that means something for middle-class people, that means something for hard-working people who have to watch if not their pennies, at least their nickels. That is the way we want to do our tax cuts. We want to encourage savings, we want to encourage child care, we want it so people can have child care in case they do want to work. We want to make sure there are funds there for long-term health care for an elderly person. That is the kind of tax cut that we seek, not this broad, across-the-board tax cut that will give these \$800,000 wage-earners a \$20,000 tax cut. So we will be losing, as a result of that—programs that are here called nondefense discretionary programs—about 7½ percent in the first year. But the real cut in most programs would be much deeper.

Keep in mind, the Republican leadership has said they will increase or maintain funding for a handful of favored programs like new courthouses, the transportation bill for the next half dozen years—we call it TEA-21—the census, the National Institutes of Health, and some crime and education programs. That leaves other unprotected programs facing cuts of about 11 percent.

I want to point out what we are talking about. This is not just an amorphous discussion about arithmetic. When we say 11 percent, we are talking about everything from environmental protection to the National Parks and the FAA. The FAA is responsible for the maintenance of our aviation fleet and working hard to keep up with the new technologies and the needs as aviation expands its marketplace.

The Coast Guard. My gosh, everyone knows the Coast Guard is one of the most important branches of service that we have in this country. They do everything. They do drug interdiction. They maintain waterways. They are out there picking up illegal immigrants who are trying to float their way to the American coast. They are on pollution patrol. They watch it all. You want to cut that down? I do not think so. Eleven percent—that would be devastating.

I heard our Senators from States that border Central America about the inadequacy of the number of Border Patrol members that they have. This would take a big slice out of that so that we could no longer do even the protection of our borders as efficiently as we do now.

We would be losing lots of FBI agents, NASA would be hurt, our space program, job training, head Start, the program that gives kids who come from a disadvantaged background a little bit of a head start.

So what would it mean in real terms? Here are a few examples based on the

administration's estimates: 2,700 FBI agents would be lost; 1,350 Border Patrol agents; 780 drug enforcement agents would be lost; 90,000 fewer dislocated workers would receive training for new jobs, job search assistance, and support services; 34,000 low-income children would lose child care assistance—what a devastating thing that would be to lots of families—over 1.2 million low-income women, infants and children—we call it the WIC Program—would lose nutrition assistance each month.

How can we face our conscience?

FAA operations would be cut by almost \$700 million. It would lead to travel delays, weakened security, lack of critical modernization technologies. The Superfund Program that cleans up these toxic waste sites left by our industrial past—unusable ground—that raise potential dangers to those who live nearby; we would lose 21 opportunities to clean up Superfund toxic waste sites, needlessly jeopardizing public health.

Up to 100,000 children would lose the opportunity to benefit from Head Start; 73,000 training and summer job opportunities for young people would be lost.

Mr. President, these types of cuts clearly are unacceptable. They are not what the American people want.

Unfortunately, under this resolution the problem gets dramatically worse in later years. By 2004, these nondefense cuts—again, defense, on one hand, non-defense on the other. Defense is a very favored account in this place, and I support a strong defense. And, boy, if we ever doubted our need to fund it, we see now that we have to do it. But we do not have to give them all of the new resources that we have.

By 2004, the nondefense program cuts grow to 27 percent. There isn't a Senator here, who, when faced with reality, is going to vote for those kinds of cuts. But they put their heads in the sand. They are not looking at what the longer consequences of this budget resolution are going to be. And it does not even include any effects of inflation.

Mr. President, you really have to wonder whether our Republican friends are serious about cutting domestic programs by 27 percent. It is hard to believe, especially when they are not giving us any details about where those cuts would come from. Some Republicans have argued that these cuts are required because of the discretionary spending caps which remain in effect through 2002. But that is not true. "Spending caps," again, is part of the vernacular here. Those are the levels of spending that we agreed we would adhere to until 2002. But we are now in surplus. We are out of debt because of the good fiscal policies that we have had here. That occurred because Democrats and Republicans and the President worked together.

Much of the problem for domestic programs is created because the conference report increases military spending significantly over last year's level. Since all discretionary spending is now under one cap, that extra money must come directly from the other programs that we talked about.

Cutting domestic programs by 27 percent in 2004 is not realistic. It is an extreme decision. When it comes time for cutting specific programs, Congress sure will not likely follow through.

In other words, this budget resolution is a roadmap to gridlock. If we can't pass the appropriations bills, the funding bills, we face the prospect of a horrible nightmare that we once experienced here, and that is a Government shutdown.

Why, then, are we considering a budget resolution that even some Republicans admit can't be enacted into law? The answer is simple. Republicans are desperate to claim that they are for tax cuts. And they see that as the "Holy Grail." That is what they say Americans want. I tell you, I see it differently. I see an America where someone comes from a home that is not wealthy, sometimes widowed. I had the experience personally. My mother was widowed at age 36. My father died when he was 43. There was not a chance at all that I was going to be able to get an education or progress in life. But, fortunately, I served in the military—World War II—and I was able to get my education under the GI bill. It is an incredible thing that we offer when we propose to young people that they have a chance to get a job and to progress and to live a life that is better than their parents in most cases. Here we are saying, well, tax cuts will take care of it all. No. Tax cuts won't take care of it all. Some tax cuts will help, but some tax cuts are just giveaways to wealthy people. The result is that we can create stresses in our society that make living uncomfortable.

Right now we see violent crime going down in the most unlikely places. Why? Because we have more police on the streets? Yes. Because we put more criminals in jail? Yes. Because the judges are tougher? Yes. But it is also because people see a way to make a living legitimately and they do not turn to criminality. It is because there are education programs and there are job opportunities that have been created. That is the difference.

In one case you have a stable society. Those of us—and I include myself, having had a successful business career—who can afford to pay for the privilege of living in this country ought to step up and pay for it and not be looking for tax cuts but be looking for harmony and stability in our society. That is what it is all about.

Here we have the tax cut proposal, the Republican tax cut proposal. They think it is politically going to keep up

their majorities here. It is not going to happen, because we do not have a clue on how to pay for them. And as long as we don't know how to pay for them, we can only expect the worst.

Mr. President, we are left with a budget that can be described a little bit as show business, fantasy, a budget that almost everybody knows isn't worth the paper on which it is written.

I have to say that some of the other provisions in the conference report as well are highly problematic. The conference report establishes a new process, a 60-vote point of order against all emergency spending except for defense.

Now I pose a situation. Take a volcano in the State of Washington or an earthquake in the State of California or the floods that hit Missouri or the droughts that hit other States or the storms that hit the Northeast or the Southeast. If we say, well, these are emergency conditions, it disturbs the community, it destroys their economic viability; we want that to be taken care of by programs that we have in the Federal Government. Now we are saying, well, it is not enough to have 51 votes. Let's make sure you have to have 60 votes so that 41 votes can stop any program they want.

Let's suppose that there is a political problem existing in a campaign for President or Senator, and one party is in power here. They know that State X, Y or Z has a stronger possible voting block than the other party; 41 Senators can get up and stop it cold. Emergency spending is emergency spending. We ought to leave it to a majority of the Senate to decide that, not require 60 votes.

It flies directly in the face of the Senate-passed resolution. That is the way we did it. We left it 50 votes. So not only do I strongly disagree with it as a matter of policy, but I think it is an abuse of the conference process.

If 59 Senators think that we need to pass emergency assistance to help those ravaged by a flood or earthquake, we can't let 41 Senators block it.

Why should we be buying new weapons with a higher priority than saving the lives of Americans who are suffering from a natural disaster? We know there have been abuses of the emergency designation, but the Governmental Affairs Committee developed a reasonable approach to cutting down on those abuses. They established a new definition and a new process for extracting new emergency items that were added at the last minute in conference reports. The Senate approved that approach, and the House didn't have anything about this in their resolution.

Yet, when they got together in conference, the conferees on their own decided that they would delineate a new and entirely different approach. It is not right. That is not the way the system is supposed to work. We talk about majority rule.

I am also concerned that the conference report rejected yesterday's Senate vote in support of the Dodd child care amendment. It was supported, in part, by our Republican friends, but the amendment that was carried through this body called for \$12.5 billion in new funding for child care on top of any new related tax cuts. Instead, what the conferees did is provide only \$3 billion in child care funding. We had 66 votes for the proposal yesterday at \$12.5 billion. Today, it is down to \$3 billion. That is not what the 66 Senators voted for, and it is a sad commentary on our commitment to families in need.

Finally, I am also disturbed that the conference report includes a provision saying that any reestimate of our budget surplus can be used only for tax cuts. I think it is a mistake. I think it is wrong. Why should tax breaks for wealthy people be given a higher priority than education or Social Security or Medicare or defense or veterans' needs?

Mr. President, I do not think we should be spending any surpluses until we save Social Security and Medicare. And I certainly do not think that surpluses should be reserved only for tax cuts, especially when we know that many of those cuts are going to go to wealthy folks.

There are many serious problems with this conference report. Before I close, I want to quickly recount the four problems that are most fundamental.

First, it doesn't guarantee a single additional penny for Medicare, even though Medicare faces bankruptcy in the year 2015. Instead, it takes money needed for Medicare and uses it for tax cuts that will benefit the wealthy.

Second, it threatens Social Security. It doesn't extend Social Security's solvency by a single day, and it calls for using Social Security surpluses for purposes other than Social Security directly.

Third, it is fiscally dangerous. It calls for huge tax cuts, the costs of which explode in the future, just when the baby boomers will be retiring.

Finally, its cuts in domestic programs are extreme. If they were ever enacted, they would seriously disrupt important public services.

More likely, Congress will never approve them, and we will again be facing the disastrous threat of a Government shutdown. The people who voted for it, for the most part, know very well that this is not a budget that is going to survive. It is too bad that we are taking all of this time and expending all of this energy to produce this sleight-of-hand budget proposal that we see in front of us.

I am strongly opposed to this conference report, and I hope that it will be more than a party-line vote that votes against it.

With that, I yield the floor.

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

Mr. LAUTENBERG. How much time do we have, Mr. President?

The PRESIDING OFFICER. The Senator used 44 minutes of his 2 1/2 hours.

Mr. LAUTENBERG. I would be happy to yield to the Senator.

Mr. WELLSTONE. Mr. President, this is an inquiry. I gather my colleagues are on the floor, the Senator from Missouri and others, to speak on the budget; is that correct?

Mr. BOND. Yes.

Mr. LAUTENBERG. He has the right to use the time. He is the manager.

Mr. WELLSTONE. Mr. President, I will wait to get some time in morning business to introduce a bill with Senator DOMENICI. Why don't we go on with the process.

Mr. LAUTENBERG. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, on behalf of the chairman of the committee, I yield 10 minutes to the Senator from Missouri, Mr. ASHCROFT.

The PRESIDING OFFICER. The junior Senator from Missouri is recognized.

Mr. ASHCROFT. Mr. President, I thank the senior Senator from the State of Missouri. I rise to commend, thank, and praise Senator DOMENICI for crafting a budget resolution that we can stand up for and speak about and be grateful for. I appreciate it.

The conference report balances need for responsibility, the need for setting priorities. When families gather around the kitchen table to make budgets, they set priorities. They say: If we are going to get the new car, we don't take the same vacation; we can't spend the same money twice.

For too long, I think the U.S. Government, thinking that it could always just go further and further into debt or raid the Social Security trust fund, didn't have to set priorities. This is a budget that sets priorities. It sets priorities that are important.

The conference report reduces the debt of this country. It will increase funding for education, it will reduce taxes, it will increase funding for national defense, and it will maintain the spending caps that are so very necessary if we are going to have the kind of discipline that keeps us from further invading the province of the next generation and their desire to be able to build their own future, instead of paying for our past. That is the real question when we decide whether we are going to have discipline in spending. It is a question of whether we will let the next generation build its dream or pay for our past.

This in great measure is due to Senator DOMENICI's great efforts. I especially appreciate his willingness to

work with his colleagues. At the start of this process, several other Senators and I sent Senator DOMENICI a letter asking for a budget that saved Social Security surpluses, that reduced the \$3.8 trillion public debt, that pursued at least \$600 billion in tax relief over the next 10 years, that maintained the statutory spending caps, and included increases in funding for both education and national defense. These were specific items that we requested in a letter addressed to the chairman of the Budget Committee, Senator DOMENICI. I know the occupant of the Chair understands what was included in that letter and endorses that as well.

What is gratifying about what the chairman of the Budget Committee did is that the budget that has been prepared both meets and exceeds these goals. It calls for the following: A substantial Federal tax relief package, \$142 billion over the next 5 years, \$778 billion over the next 10 years. The resolution requires the Senate Finance Committee and the House Ways and Means Committee to report out their tax cut plans by mid-July, a major step forward for the American people, to say to them, "You earned it, we returned it"—instead of, "You sent it, we spent it." For so long the Congress has said, "You send it, we will spend it." No matter how much they sent, we spent. We viewed the American people as somehow our "sugar daddy" for more and more programs and greater and greater spending.

I think it is high time we said to the American people: We believe in you for the future of this country, we believe in families more than we believe in bureaucracy, we believe in the private sector. You have earned so much, you have worked so hard, that we have an operating surplus down the road and we will share it with you by way of tax relief.

Second, it stays within the spending caps. The spending caps have enabled us to bring the budget into balance. I am happy that this budget maintains those caps.

It increases spending for education and defense. This is most important. We understand the ability to defend the country from foreign aggression and the ability for the country to have the kind of intense vigor and vitality that comes from well-trained, bright citizens. These are the two cornerposts of our existence. Education spending goes up 40 percent. The budget fully funds the \$17.5 billion in defense spending requested by the Joint Chiefs of Staff over the next 5 years. We accommodated both of those by setting priorities. Senator DOMENICI and the Budget Committee, including the senior Senator from the State of Missouri, have done a good job.

The conference report contains an amendment which I introduced directing that this new education resource be

directed to the States and local education districts and not new Federal bureaucracy. We do need to increase the bureaucracy. We need to elevate the students' performance levels; their achievement levels need to soar. We don't do that by building bureaucracy in Washington. We need to get that resource directly to the classroom. I am pleased that the conference report will contain this amendment which I proposed, saying that the increase will go to school districts in schools where parents and teachers, principals, and school administrators will make decisions—instead of bureaucracy directing it from Washington.

The conference report also reduces the debt by \$450 billion, \$450 billion more than the President's proposal would have reduced the debt. It is time for us to reduce the publicly held debt of this country.

Perhaps most importantly, this budget saves \$1.8 trillion over the next 10 years for our Nation's elderly. This money is vital to shoring up the Social Security system. This stands in stark contrast to the President's plan, which spends \$158 billion over 5 years of Social Security surpluses for non-Social Security purposes. On the one hand, we save \$1.8 trillion over the next 10 years for our Nation's elderly; the President's program over the next 5 years alone would have spent \$158 billion of Social Security surpluses for non-Social Security spending.

In addition to the money that this budget saves for Social Security, the budget also takes procedural steps to build in onbudget surpluses from the year 2001 and beyond. In other words, there are Social Security surpluses saved, then there will be other surpluses that relate to the rest of the budget—and the budget is careful to make sure that those surpluses will materialize beginning in the year 2001.

This is setting priorities. This is kitchen table economics. This is understanding that in order to make some things work, you have to adjust other things and you have to work them together. It is not just a wish list, this is a real spending plan. It is a spending plan that honors the next generation and the future of this great country.

Under these new important procedures, Congress could no longer spend billions of dollars on so-called "emergencies" that were not really emergencies. These new procedures stop the mislabeling of ordinary expenses in the category of "emergencies" so that you could invade funds or take Social Security surplus and spend, which happened last year. There will be a point of order in this budget that says you cannot do that, you cannot mislabel, you cannot automatically categorize things as emergencies.

Last year, the President and the Congress together spent \$21 billion from the Social Security trust fund on these

so-called emergencies. We need to stop that. We must stop that. This budget will stop that kind of practice.

The conference report contains a 60-vote point of order ensuring that emergency spending will be limited to actual emergencies. In addition, surpluses that are accumulating in the Social Security trust fund will no longer be used to finance onbudget deficits in governmental operations. It is a fundamental first step of Social Security reform that the Social Security surpluses should not be used to funding deficits in the rest of government. This budget stops that.

In order to establish this first step, Senator DOMENICI and I introduced legislation that would establish a 60-vote point of order against any budget when the Social Security surpluses are used to finance onbudget governmental deficits.

I rise to say how much I appreciate the work of the chairman of the Budget Committee, the members of the Budget Committee, and their cooperation with the Members of the House to work together to bring a budget that really does what family budgets do—sets priorities, looks to the future, understands we cannot have everything all the time, but protects Social Security and its surplus, protects our budget generally from mislabeling that gets us into emergency spending which puts us into debt or raids the Social Security surplus, keeps the caps in place, elevates the capacity for spending for education, and strengthens the military. These are the fundamentals that are important to America's strength in the next century. This budget does that.

There have been a number of years in which I have not voted for the budget. I haven't been able to in good conscience. I voted against last year's budget with the \$21 billion raid on the Social Security trust fund. However, I will be able to vote for this budget. This is a budget for which we ought to be grateful. This is the kind of budget that we are grateful to have the opportunity to vote in favor of. I commend Senator DOMENICI and the other members of the Budget Committee and the House for its cooperation in getting us to a place where we can present this kind of spending plan to the people of the United States of America, for it is their money that we spend. This is a budget that they would be proud to develop, were they to sit around the table and make those kinds of hard-nosed judgments about the Nation that they make regularly about their families.

I thank the Chair and I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, before Senator ASHCROFT leaves the floor, I thank him for his kind remarks. I, too, agree we have a very good budget.

Mr. President, I am going to yield to Senator BOND who wants to manage the bill for me for a while. He has a lot of time this afternoon. But I ask unanimous consent for 1 minute to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 796 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOMENICI. Mr. President, I say to Senator DODD, here I got a half loaf, maybe a quarter loaf—but we got something.

Mr. DODD. Mr. President, if I can have the floor for just a second, because I don't know who has the time to yield to me?

Mr. LAUTENBERG. I have the time to yield to the Senator.

The PRESIDING OFFICER. Does the Senator from New Jersey yield time?

Mr. LAUTENBERG. I yield so much time as the Senator from Connecticut needs.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, let me thank my colleague from New Mexico on the child care effort. There was obviously, strong bipartisan support for this measure. As the Senator points out, as is normally the case, you do not get everything you want, but it is a major bipartisan step forward and will make a lot of difference in people's lives. We had to fight very hard and there was a lot of objection on the other side. Without his efforts, it would not have happened.

I also thank Senator JEFFORDS, Senator CHAFEE, Senator HATCH and the many others who deserve to share the credit for achieving this result, but I particularly want to thank my colleague from New Mexico and my colleague from New Jersey, who has obviously been a champion of all this for a long time. I thank them for their efforts to make a difference in the lives of working families who struggle to find safe and affordable child care.

Mr. DOMENICI. Mr. President, let me respond. We left last night from our place in the Senate from work on this without the conference report being signed—and that was the only issue. And about 10:30 last night signatures were necessary and we got half a loaf.

Mr. DODD. Thanks. I appreciate that.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I yield myself such time as I may require. I join Senator DOMENICI in thanking my colleague, Senator ASHCROFT, for his very thoughtful comments on the budget. Those of us who work on the numbers sometimes get lost in the trees and fail

to see the forest. But I thought the Senator from Missouri did a very effective job in explaining why this budget is so important to the working American in the average family who sits around the kitchen table and tries to figure out how to spend their money and wonders why those of us in Washington cannot spend our money with the same kind of discipline.

Today is April 14. It is an ideal time for us to consider this final version of the budget resolution. While so many of our constituents will be staying up late tonight to finish their own income taxes before tomorrow's deadline, we look like we are going to be able to meet an April 15 deadline of our own. The Congressional Budget Act created a deadline of April 15 for Congress to adopt its budget for the upcoming year, and this year looks like it will be only the second time since the Budget Act was adopted in 1974 that we in Congress will meet the deadline and will deliver a budget on time. I am sure many of our friends and colleagues and neighbors back home will be astonished to hear that. Taxpayers, those who are carrying the load that we are distributing, have to meet their April 15 deadline every year. I can understand their amazement, why we cannot seem to meet our April 15 deadline. Meeting the deadline is a major step forward in demonstrating to our fellow Americans we can be responsible in spending their tax money. I commend Chairman DOMENICI and all the conferees on doing whatever it takes to make that happen.

Senator DOMENICI is responsible for the discipline that this budget imposes on spending. Through his good efforts and with the cooperation of the colleagues on the other side of the aisle, they even met the time deadlines that were required as well. But, as our constituents put the final touches on their tax forms, it is important they be able to read in the papers about how their taxes will be spent next year. Adopting the budget at this time amounts to full disclosure. Taxpayers are sending in their checks. We need to deliver the details of what they are buying. This year I think the taxpayers will have less cause for buyers' remorse than in the past.

I think, when the American people heard what the President proposed in February, they probably wished their tax forms carried a money-back guarantee. Just think of what the President sent us and look how far we have come. The proposal made by the President would destroy the budget discipline that has helped us balance the books. It would have actually broken the spending caps by \$22 billion in new budget authority and \$30 billion in actual cash outlays. The conference report we have before us keeps to the caps and keeps to the discipline the taxpayers demanded.

When you listen to the President's budget, someone might get the idea that it really presented a sound fiscal plan. That is patently false. This budget that the conferees presented us saves more of the surplus than the President over the next 5 and 10 years. That is why we will have lower debt levels than the President's proposal, from the year 2000 to the year 2009, even if one adjusts for Social Security equity purchases.

This means the President's new spending is larger than our tax cuts. You do not hear too much about that, but that is what the President proposed. We have heard great complaints about leaving options in the budget for tax relief for American families, but the President proposed to spend more than that, new spending already above what we already do. The President would spend 35 percent of the surplus over the next 5 years on programs unrelated to Social Security or Medicare. To do that, he would have to use \$158 billion of Social Security's money to pay for them.

Our tax cut that we empower in this budget is smaller than the President's new spending, which is why we felt it was essential that we save the entire Social Security surplus. The President's budget talks about 15-year budget estimates and talks about how much he would save over the extended period. When you talk about saving money down the line and spending it in the short term, I do not think you have to tell the American taxpayer what that is all about.

There is an old saying about "a bird in the hand is worth two in the bush." The President front-loads his spending and says leave it to a future President to come up with more savings. I do not believe that dog hunts in my State or any other State in the Nation. That is not the way to go.

That is why I believe, when I introduced the President's budget as an amendment, for those who did not like the budget presented by the majority, the Republican budget, that the President's budget got a whopping two votes on the floor of the Senate. That was the President's budget, all his assumptions, what he wanted to do. People who said ours was so bad, our friends on the other side of the aisle, two of them voted for it. It was not a viable option. What we have presented is a good option.

The conference report, as I said, will save Social Security surpluses for Social Security. It keeps to the contract we have with our seniors and puts the "trust" back in the Social Security trust fund. I look forward to working with Chairman DOMENICI and, I hope, with colleagues on both sides of the aisle, to create a formal lockbox to enforce this approach.

At a time when tax revenues are at their highest level since World War II,

and income taxes are at an all-time high relative to our gross domestic product, the President proposed not to reduce taxes, but to increase them. The President's budget requested increased revenues \$82 billion over the next 5 years.

That is 80 different revenue raisers, 80 different increases in taxes or fees or revenues. The conference report which we have before us today goes in the opposite direction by permitting Congress to fashion responsible tax policy. We could leave in the pockets of the people who do the work, who create the jobs, who create the products, the goods and services, some \$778 billion between 2000 and 2009.

I have my ideas on how we need a flatter, simpler, fairer tax that will encourage economic development, but that is not going to be debated until we get around to the actual tax provisions.

I think, however, that all taxpayers should welcome the news as they work on their tax forms today and tomorrow that there is a hope there might be a little less taxes to pay in future years. It is also important to note that not a dime of that tax relief will come at the expense of Social Security. All of it will be funded from the non-Social Security portion of the surplus.

Let me cite one specific example of where this conference report makes a significant improvement over the President's budget. On a specific program that is of great concern to me, to the people of my State of Missouri, and I believe to people throughout the country, people who are concerned about a healthy environment, who want to see clean water, who want to clean up the wastewater that could carry pollution, that could carry damaging and dangerous illnesses that despoil our natural environments and put us at risk of waterborne diseases, the President proposed to whack \$550 million out of the Clean Water State Revolving Loan Fund.

This program is not a very trendy one, it is not an environmental boutique program that sounds good in a press release, but it affects Missourians whether they drink water, whether they swim, or whether they fish. It means in the future that citizens in every State of the Nation can expect cleaner water. The funding is imperative for public health protection, for environmental protection, and economic growth.

During the Budget Committee markup of the budget resolution, I said these cuts would not stand. Chairman DOMENICI was able to restore a good chunk of the President's cuts, and I thank him for that. But in this conference report, I am hopeful we can restore even more of this crucial funding.

The conference report puts an additional \$1.1 billion in the overall funding category for natural resources and environment for 2000. I will be working to

try to get a good part of that for the State revolving funds. That is money that goes back to the people who are building the facilities, who are operating the facilities, who have had hands dirtied cleaning up the wastewater in this country and assuring that we have safe drinking water.

As chairman of the appropriations subcommittee that handles the EPA budget, I am confident that the additional funding will be a crucial resource in restoring the funds the President slashed.

Mr. President, I am encouraged that as our constituents finish their tax returns and pay off their taxes, we do not have to be ashamed of how we will be using the money they worked so hard to provide their Government. In fact, we are going to be letting them keep a bigger portion of their money through tax relief in the future. We will protect our children and our grandchildren from the debts that come from excessive spending. We will keep our promises to retirees who depend on Social Security—all of this signed, sealed, and delivered by the April 15 deadline.

This budget will put the trust back in Social Security. If there is any surplus remaining, we can give needed tax relief to working families. It will say that we need to rescue Medicare by making the structural changes in it that are needed, not by putting in the pot more IOUs that will be future debt burdens on our children.

We also made a commitment to reform education, to put decisionmaking back in the hands of parents, teachers and local schools.

We are able to have this debate about what to do with the surplus because we have some good things going for us in this country. Our overall economic activity is good. We have relatively low unemployment. We have steady growth. We have a stock market, for those people who are interested, that has gone out of sight. Why is that so? First, I think a sound monetary policy. We have had good monetary policy. We have kept inflation under control. We have avoided the hidden tax of inflation.

Secondly, after fighting long and hard, this Congress, through its majority, has gotten the President to accept the discipline on spending, to put caps on spending so that "if we don't got it, we ain't gonna spend it," to put it in the vernacular. We have caps that keep spending under control. That means, like most Americans, we will not be spending money we do not have.

Congress and the President have to sit down and decide what our priorities are going to be, to take care of priorities without saying yes to every spending opportunity that comes along. It is going to take some tough decisions, and many of those tough decisions are still coming down the pike. But you tell a family that has to live

within their budget that we have to make tough choices, and they will tell you, "So, what's new? What's different between what we have to do and what every American family has to do?" We have to establish that discipline.

Now is not the time to abandon the discipline and go back to the old ways of runaway spending. It seemed easy in the past to spend money that we did not have, to run up the debt, but when you think about it, we were running up the debt on our children's and our grandchildren's credit cards. That debt was building up for them to pay in the future, and it had a tremendously harmful impact on our Nation's economy. Poor fiscal discipline was holding our economy back.

With the Federal Government's budget under control, with sound monetary policy, with a promise that we are going to allow the taxpayers to keep more of their money that is not needed for the work of the Government, we have the conditions to allow the strong, free market economy to continue to grow, to create jobs, to create wealth, and to provide for the families of America, for the individuals who work hard and who are the people we are to serve in this Government.

Mr. President, I am proud to have worked with Senator DOMENICI. I appreciate his leadership. I hope that my colleagues will vote on both sides of this aisle for the budget so that we can get about the business of developing spending plans that comply with the discipline of a balanced budget, one that augers well for the future of this country.

I yield the floor and reserve the remainder of my time.

Mr. ASHCROFT. Mr. President, I commend the chairman of the Senate Budget Committee for the decisions made in this conference report that will protect the Social Security trust funds. First, it will be an honor for me to vote for this budget resolution which, for the first time in 30 years, balances the Federal budget and does so without using the Social Security surplus. Second, this budget further protects Social Security by creating a point of order against future congressional budgets which use Social Security surpluses to pay for budget deficits of the federal government.

These are great first steps to take to protect Social Security. Americans who have devoted a lifetime of working and paying their Social Security taxes deserve to have their Social Security reserved for nothing but their Social Security. That has not happened in recent years. Without reform, this practice of raiding Social Security would continue. In fact, President Clinton's budget for next year proposed using \$158 billion of the Social Security Trust Fund to finance new government spending. We must stop these raids on Social Security.

The point of order included in this conference report is similar to legislation I have introduced with the chairman of the Senate Budget Committee. The Ashcroft-Domenici bill writes into law the Social Security protection point of order. This conference report puts the point of order in the House and Senate rules for this year and next, the maximum amount of time allowed under House rules. This is a wise decision, and the right step to take now. Because a budget resolution does not become law, the only option available to the budget conferees to protect Social Security was to amend House and Senate rules. I support this action.

Later this year I will seek Senate passage of my bill to put this point of order into law, to make it permanent and to strengthen it by requiring that it can only be waived in the Senate with 60 votes, a super majority. I will also support the efforts by Senators DOMENICI and ABRAHAM to win passage of their Social Security lockbox bill which uses the debt limit as an enforcement mechanism to make sure neither the President nor Congress can use Social Security to finance new deficits.

I am also pleased that the conferees included in the final bill a resolution I offered and the Senate passed expressing the Sense of the Senate that the government should not invest the Social Security Trust Funds in the stock market. The President has proposed investing as much as \$700 billion of the surplus in the stock market. This is an unwise gamble to take in my view, in the view of the Senate and, in light of its inclusion in this conference report, the Congress of the United States.

Mr. DOMENICI. Mr. President, I say to the Senator from Missouri, I appreciate your leadership in protecting Social Security. After the President's budget was released and it proposed to raid \$158 billion from the Social Security trust funds, you told me that Congress needed to protect Social Security. You were right. If memory serves me correctly, you introduced the first bill in the Senate this year to protect Social Security by using a point of order mechanism. I was pleased to be your first cosponsor. The inclusion in this conference report of the point of order is the first step to protect Social Security. I look forward to working with you, Senator ABRAHAM and other Senators in putting into law, not just the House and Senate rules, provisions that will further protect the Social Security trust funds.

Mr. LOTT. I join Senator DOMENICI in thanking the Senator from Missouri for his leadership on Social Security. I recall a lengthy letter Senator ASHCROFT sent me earlier this year advocating that walling off Social Security should be the top budget priority for this Congress. I also remember the bill he introduced earlier this year creating the Social Security point of order

that is similar to the one in the conference report and his advocacy during Senate debate and when the bill was in conference for the final bill to include the point of order. With passage of this budget which, for the first time in 30 years, balances the budget without using Social Security and puts procedures in place to protect Social Security in the future, the Senate has made protecting Social Security a high priority. I commend Senator ASHCROFT for his efforts in protecting Social Security.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

#### ORDER OF PROCEDURE—S. 767

Mr. LOTT. Mr. President, this is an important time with a lot of very serious matters before the Senate. Obviously, we are going to be working on the budget resolution. But also, we are very much concerned about what is happening in the Balkans, we are concerned about what is happening in Kosovo, we are concerned about the impact that that is having in Macedonia and the Montenegro area, as well as countries that are not as directly impacted from a standpoint of refugees, but the impact on Albania, which obviously is housing a number of refugees, and even countries such as Romania are being affected by what we see happening there.

I think it is important that we work together in a bipartisan way to express our support for our troops, to express our support and appreciation for countries that are dealing with this influx of refugees and providing haven and humanitarian assistance working with international organizations, with military representation that has been trying to deal with this tremendous influx of refugees.

We are going to work over the next 24 hours to see if we can come together with an agreement on a bipartisan resolution expressing our appreciation and recognition for the outstanding work that is being done by our men and women of the military, by all the organizations that are helping with the refugees and for the countries that are dealing with a tremendous burden right now. But I think we should begin here at home also.

Mr. DODD. Will the leader yield to me on that point?

Mr. LOTT. Yes.

Mr. DODD. I thank the leader for those comments. It is very, very helpful, particularly coming from our leader. People who watch these floor proceedings should take note that it was a very important statement he just made. I believe he expresses the feelings of all of us here. Whatever other differences there may be, I think there is a deep sense of appreciation first and foremost for our own men and women

in uniform; secondly, for the organizations that are trying to do a good job.

I particularly commend him for his comments regarding these front-line states of Montenegro, which is showing great courage in light of some very difficult pressures; Albania, which is so poor—I think about \$600 a year is the annual earnings of the people—Macedonia, about \$1,300 a year, a small country with almost 200,000 refugees now. And particularly he mentions Romania and Bulgaria, which is very important as well.

This ought to be heartening news to these governments and to the people of these countries that it has not gone unnoticed in our country what a tremendous job they are doing handling a problem they did not ask for, flooded by a sea of humanity that needs a lot of help. We are deeply grateful to them. And I am hopeful the leader is right. I certainly want to work with him and anyone else who is interested to see if we can put some language together which would enjoy unanimous backing by all of our colleagues, to speak with one strong, solid voice about how much we appreciate their efforts, the efforts of our service men and women, and the common determination to end this crisis and get these people back to Kosovo.

So I thank him.

Mr. LOTT. Mr. President, I thank the Senator from Connecticut. I always enjoy working with him. He is absolutely right in repeating the need for us to express our appreciation to our military men and women and to continue our commitment to the humanitarian effort that is underway and express our appreciation to the front-line states that are there dealing with this problem and the cost of the problem in a very serious way. We will work to see if we can express that appreciation and concern.

But I want to emphasize that we have our own military men and women who are doing a magnificent job. All of our Senators and House Members who have gone to the region, who have gone to Brussels and have gone to Aviano or been in Albania or Macedonia, have come back saying what a magnificent job our military men and women have been doing.

But it has gone now beyond our active-duty pilots and men and women who are involved in the exercise there. It now involves Reserve unit members, National Guard, volunteers. We have Air Guard members that are now flying the refueling aircraft that are helping in that effort. And they have been called up unexpectedly with very little notice.

Now you have spouses that are in the region that did not have time to file their income tax return, and tomorrow is the infamous day. Tomorrow is April 15. And like so many Americans, I will file my return tomorrow and send my

check along with the return, which is a very unhappy situation. But we have military men and women who are doing their duty for their country that were unexpectedly, and on very short notice, called up. And you have their spouses now scrambling, trying to perhaps deal with filing their income tax returns tomorrow, the 15th.

We have legislation now moving through the House that has been through the Ways and Means Committee that will be coming to the Senate later on today or tomorrow, and we have legislation that has been prepared in the Senate now that would give, I believe, a 60-day extension on filing returns to our military men and women that have been called up for this service to our country.

There may be some other provisions that have been cited, too, that should be outlined. It exempts U.S. troops serving in the Yugoslavia theater from being taxed on the hazardous duty pay. It grants our troops a 180-day filing extension on their 1998 income tax returns after their return from duty in the combat zone designated by the President and exempts our troops from the 3-percent excise tax levied on long distance telephone calls, which I am sure they are making now to assure their families that they are in the area and they are safe and they are doing their job. So it is more than just a 60-day extension.

I think it is the right thing to do. It is the fair thing to do. And it is important we do it today and make it clear that we are going to complete this action when the House bill comes over. That may be later on today or tomorrow. But if we do not make it clear that we are going to do it today, and if we do not get it done tomorrow, these families are going to be under the duress of either not filing on time, as the law requires, or asking for an extension, which a lot of Americans are hesitant to do.

So I think it is important that we prepare the way to get this legislation completed today, or not later than tomorrow, and make it clear to the families of our service men and women that are in the zone that they are going to have these benefits and this extension of time.

In that vein, then, I do have a unanimous consent request that we have been trying to get cleared, I hope we can get cleared, because we need to do this. And then we can get this behind us and we can move on to another resolution.

So I ask unanimous consent that—

Mr. DODD. Before you do that—

Mr. LOTT. I would withhold.

Mr. DODD. Can I make a suggestion? There is one Member, I think, who has some questions they may want to raise—let me put it in those terms—before you propound it. I would personally prefer if you could hold up for a