

THE BALANCED BUDGET RECONCILIATION ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1357, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1357) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996.

The Senate proceeded to consider the bill.

Mr. DOLE. I ask unanimous consent that Senator DOMENICI be recognized for up to 60 minutes for debate only and Senator EXON for up to 30 minutes for debate only.

Mr. EXON. Reserving the right to object, I would like to make a clarification on this, if I might, and I do not think we have a difference of opinion on this.

It is the desire of the majority to move as quickly as we can into the amendment process, and as Senator DOMENICI knows—and I suspect he has told the majority leader—we are working to try to cut these down to move this proposition along. However, since we are limited to 10 hours each, as I understand the unanimous-consent request that has just been offered by the majority leader, there would be 1 hour off of the Republican 10 hours, if we agree to this, and a half an hour on our side, which would mean that you are giving up an hour; we are giving up a half an hour of our 10. Is that right?

Mr. DOLE. We would like to have you give up more but we will settle for that.

Mr. EXON. Let us not press it at this time.

Mr. DOMENICI. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object.

Mr. DOLE. Let me just say—and I am going to depart here. I first want to say I hope we can work out some agreement so that we are not having 50 votes here before final passage when you do not have any time to debate the amendments. And I think I could speak for my colleagues on this side that we would be prepared, if there were a number of basic major amendments the Democrats wanted to offer period, we might be able to convince our colleagues not to second degree those amendments, if there were no other amendments following that. And I know that is being worked on, and we hope to reinvestigate that shortly after noon.

I now have to leave, but I would be happy to work with the Senator from Nebraska. We have in the past. Maybe we can this time around.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, we have no objection to Senator EXON's restatement of the proposition so long as it is not intended to in any way change the allocation other than this hour and this half-hour.

Mr. EXON. No, no.

Mr. DOMENICI. We are not agreeing on different allotments of time or different treatment of amendment times. I have no objection.

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

Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, would Senator EXON like to proceed with part of his time?

Mr. EXON. For clarification of all, I was advised the chairman of the Budget Committee, and Senator ROTH, the chairman of the Finance Committee, would be speaking, as I understand it, during part of the 1 hour that the Senator has reserved. As a result of that, I have alerted Senator MOYNIHAN, the ranking Democrat on the Finance Committee, and basically I would simply say that the opening remarks beginning on this side would be essentially 15 minutes for myself and 15 minutes for the ranking Democrat on the Finance Committee, which I think will basically take up most of the half hour. Then it is up to the Senator to allot the time on that side.

Is the chairman suggesting that he would like to have me proceed with my opening statement at this time?

Mr. DOMENICI. Yes, I think so other than if the Senator would give me 3 minutes for a little kind of house-cleaning work.

Mr. EXON. Yes. And I would ask unanimous consent that this house-keeping work not be charged to either side.

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

Mr. DOMENICI. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that the following staff of both the majority and minority on the Budget Committee be permitted to remain on the Senate floor during consideration of S. 1357 and that the list be printed in the RECORD.

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

MAJORITY STAFF

Karen Bilton, Lisa Cieplak, Jim Hearn, Keith Hennessy, Bill Hoagland, Carol McGuire, Anne Miller, Roy Phillips, Denise G. Ramonas, Cheri Reidy, Ricardo Rel, J. Brian Riley, Mike Ruffner, Melissa Sampson, Jennifer Smith, Austin Smythe, Bob Stevenson, Beth Wallis.

MINORITY STAFF

Amy Abraham, Annanias Blocker, Bill Dauster, Kelly Dimock, Tony Dresden, Jodi Grant, Matt Greenwald, Joan Huffer, Phil Karsting, Jim Klumpner, Daniela Mays, Sue Nelson, Jon Rosenwasser, Jerry Slominski, Barry Strumpf.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators, as we have done heretofore, be permitted in the Chamber during the consideration of this measure.

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

Mr. DOMENICI. Mr. President, 1 minute off my time at this point and

then I will yield. To Republican Senators, this is, as I understand it for the last few weeks, a very important couple of days. Many of you want to speak on subject matters before the Senate and some want to just speak about a balanced budget. I want to say to all the Republican Senators I am going to do my very best to accommodate you, but I would tell Senators that it is not easy to just give you a time when you want it. So I would hope that Senators would be flexible, and if we call on you, if you turn in your names, if you really want to speak and if we call on you, you be able to do it on a half-hour's notice or so because I just cannot arrange the floor in any other way.

Having said that, I yield the floor at this time.

The PRESIDING OFFICER. The Senator in Nebraska.

Mr. DOMENICI. Before the Senator proceeds, will the Senator engage me in a little dialog about our efforts to see if we can better manage?

Mr. EXON. Yes.

Mr. DOMENICI. I believe, Senator EXON, we are going to have some time during this hour and a half, you and I, and perhaps your leader and I understand you have a small task force.

Mr. EXON. Yes.

Mr. DOMENICI. I have asked our leader if we could use his office, so I wonder if maybe looking at the clock, if you could arrange a meeting at maybe 20 after, 25 after. You would be finished speaking. And we would have our side start going. Could we meet in the leader's office about trying to reduce the number of amendments and make some accommodation?

Mr. EXON. It sounds reasonable. Are you suggesting the timeframe of 11:20?

Mr. DOMENICI. Yes. I said 10 but let us say 11:20.

Mr. EXON. Agreed.

Mr. DOMENICI. Let me make sure in this dialog, in this exchange that everybody understands—

Mr. MOYNIHAN. Will Senator ROTH have spoken by then?

Mr. DOMENICI. I hope so. We have sent word for him to come.

I thank the Senator very much.

Mr. MOYNIHAN. I thank the Senator.

Mr. DOMENICI. Everybody knows hopefully that the Senator from New Mexico on most matters coming before the Senate that he has anything to do with tries to be fair, and I truly intend to do that. But I do want to state right up front that there are many Republican Senators, if not every one, who do not want to have the Senate go through 50 or 60 votes on single targeted issues.

I might just suggest right up front, for those who are going to do that and insist, with the Senator's leadership, that they are going to do that, they will not get a vote on their amendment. I mean, they can be assured that they will not, because we will indeed

second degree those kinds of amendments. And we have as much stamina, I think—I do not know—as much stamina as the other side of the aisle.

Mr. EXON. And more votes.

Mr. DOMENICI. And more votes. The Senator got it. That is very important. We only need 50. Let us make sure that is understood on both sides.

On the other hand, we are meeting to try to see if we can accommodate a more amicable approach. And let us hope that we can. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend and colleague. I want to continue to work together. We have sharp differences on these things, but I think over the period of time for the 18 years that we have served on the committee together we have been accommodating to each other. I think that is the desire.

I will simply say that the chairman of the committee has indicated that people on that side are very much concerned about how we proceed on this. That is true on this side. Unfortunately, with the time constraints that we have, with the mammoth bill we have before us, the Senator from Nebraska is going to have to be an unpopular traffic cop, trying to direct traffic to say no, since we do not have time. But at this time I yield myself 15 minutes, and ask that I be notified if I exceed that time.

Mr. President, there was a marriage on Monday, a marriage that did not quite make the wedding notices. As my colleagues know, the Republican majority on the Budget Committee generously provided \$224 to \$245 billion in tax breaks for the wealthiest Americans and wedded it officially to the \$270 billion in Medicare cuts. The seniors of America paid for that wedding, and they will pay and pay and pay again over the years. The Congressional Budget Office issued the marriage license. In an October 20 letter to me, CBO Director O'Neill wrote that without the drastic cuts in Medicare, the tax break for the wealthy would not have been possible.

I ask unanimous consent that her letter be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. EXON. The happy couple of tax breaks and Medicare cuts are now before the Senate in the form of the reconciliation bill. They are asking for our blessing. We should not give it. This marriage should be annulled. Had the question been asked, "Is there anyone present who objects to the joining of these two, speak now or forever hold your peace?" I would have objected.

Mr. President, it has been almost 4 months since the Senate passed the conference report on the budget resolution which begat this reconciliation bill, a bill that has now grown to grotesque proportions.

This reconciliation bill was created behind closed doors. It is the first of the illegitimate births of this union. By comparison, it makes "Rosemary's Baby" look like a dream child. They brought it out into the light of the day for the first time at midday last Friday. There were no hearings on Medicare. There were no hearings on Medicaid. There were no hearings on the cuts of the earned income tax credit. There were no hearings on the cuts in education. There were no hearings on how this budget cuts a huge swath like a tornado through rural America.

Last Friday, during the markup of this reconciliation bill, I asked if we could not hear from just four witnesses who could describe how this Republican budget would do great violence to their lives. I asked for an hour. That is just 1 minute for each \$4.5 billion in Medicare cuts. But my offer was spurned.

Why the hurry, Mr. President? Why is the majority so breathless about sealing the deal on this budget? Why are they now moving in convoy fashion to pass this bill? The great pitcher, Satchel Paige, might have had the answer. He once said, "Don't look back. Something might be gaining on you." Something is gaining on the Republicans. They are hearing footsteps. They are hearing the American people gaining on them. More and more Americans are finding out what is in this monstrous bill. And they feel deceived and betrayed.

Mr. President, I will speak in a moment about the particulars of this reconciliation bill and the terrible hardships that it inflicts. But I would like to take a moment to discuss what I believe is the large picture here.

When we get into these debates about budget resolutions and budget reconciliation bills, Senators can all too easily lose sight—lose sight—of the ordinary Americans. The stage overshadows the people on it. In this same vein, my colleagues on the other side cannot see beyond the gesture of the moment. They cannot see beyond the scaffolding they have erected in this reconciliation bill. They cannot see the people that they will harm. They cannot see the Nation that they are tearing apart. This Republican budget does not speak to the American values that I know and the ones that I cherish, values that I see every day in my fellow Nebraskans. The greatest of these values are shared sacrifice, fairness, and compassion for our neighbors. That is the social fabric that runs through our great Nation. But this Republican budget is tugging at every thread to unravel it.

In spite of the inflated rhetoric, the Republican budget reached a shallow bottom in no time at all. Some have called it social Darwinism at its shabby worst, I say, where citizens are pitted against citizens, young against the old, rural Americans against urban Americans.

Last week Speaker GINGRICH feigned that he wants no class warfare. What

nonsense. It is this bill that fires the first shot of class warfare. It is this bill that goes to war against the working people on behalf of the wealthy.

Mr. President, the more this budget is exposed to the sunlight, the more we are finding that this is not the right key to open a complicated problem which we all agree is necessary—balancing the budget.

I am one of the few Senators who has actually balanced budgets and used the line-item veto to do it. I did it for 8 years as Governor of Nebraska. But I say to my colleagues today, this Republican budget is not the way to do it. Tax breaks for the wealthy are writ large all over this reconciliation bill. Tax breaks for the wealthy have riveted the attention of the Republicans to the exclusion of everything else. Tax breaks for the wealthy have established primacy over time-honored commitments to provide a safety net for our fellow citizens.

Medicare became the most convenient laboratory for conducting these tax breaks. The Republican Medicare plan cuts the program three times more than necessary to keep it solvent through the year 2006, just to pay the freight for the tax breaks.

The Republican reconciliation bill doubles the premiums under part B Medicare. It doubles the deductibles under part B. It increases the Medicare eligibility age from 65 to 67, all for the tax breaks.

And on October 2, in an editorial in the New York Times, the Times states, and I quote:

Right now, Medicare makes up less than 12 percent of the Federal budget. But Medicare cuts account for more than twice that percentage of the lower spending in the Republican approved budgets over the next 7 years. Notwithstanding Mr. Gingrich's appeal, the facts clearly demonstrate that health programs for the elderly are bearing a disproportionate share of the austerity pushed by the Republicans.

Mr. President, I ask unanimous consent that the full editorial that I have referenced in the New York Times be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. EXON. Mr. President, the shocking truth is that more than 88 percent of the Republican mandatory cuts come from means-tested programs, those which serve predominantly low- and moderate-income Americans, and from Medicare, where three-quarters of the beneficiaries have annual incomes under \$25,000.

A Joint Economic Committee study also concluded that the poorest fifth of Americans would shoulder fully half of the proposed program cuts, for an average loss of nearly \$2,500 per family in the year 2002. There are no breaks for these folks in this Republican bag of tricks.

The Republicans trumpet that their tax breaks will benefit all Americans, especially the middle class. The truth, however, sounds a different note, and it is definitely sour.

Last week, the Joint Committee on Taxation confessed that families making up to \$30,000 a year—and that is about half of all taxpayers—would actually see their taxes go up under the Republican tax plan. Yes, Mr. President, their taxes would go up. They would pay more for increased Medicare premiums and deductibles. They would pay more for new student loan fees. They would pay more for higher taxes on State and local employees. They would pay more for higher contributions for GI bill benefits.

What about the other side of the gilded reconciliation bill? The Treasury Department estimates that nearly half—nearly half—of the Senate's tax breaks would go to 12 percent of the American families making \$100,000 a year or more.

The New York Times also said, and I quote:

The Republicans are rushing through Congress the greatest attempt in modern history to reward the wealthy at the expense of the poor.

Earlier in my statement, I mentioned that the Republicans are not only pitting young against old and rich against the middle class, but our rural areas against urban industrialized centers throughout the many States of our great land.

This Republican reconciliation bill is a cruel joke, above everything else, upon rural America. More than 9 million rural Americans will pay higher out-of-pocket costs for second-class Medicare programs. The typical rural hospital could find its annual budget cut by a third, forcing many to close and causing many physicians to leave and to never return. Medicaid cuts will eliminate coverage for 2.2 million rural Americans, including 1 million children. Net farm income will decline by \$9 billion over the next 7 years. And for what, Mr. President? Once again, for the almighty tax breaks for the wealthy.

The evidence clearly keeps mounting. It is compelling. It is heart-wrenching. This reconciliation bill is wrong for our great Nation. For the good of our Nation, it should be defeated. At a time when we should be formulating a balanced budget that unites America and unites its people, this one only seeks to divide us.

We know that this reconciliation bill will be vetoed by the President. Those of us who reject the extremism of the day, both Republicans and Democrats, should be looking beyond this doomed reconciliation bill. We should be looking to a workable alternative, a compromise. We should be looking toward building on the structures and values of our great Nation, not tearing them down.

I have offered before, and I offer again now, to my Republican colleagues: Come, let us reason together

and develop a true and workable compromise. If we can stop this Republican juggernaut and stop it now, we can get on with fashioning a reasonable formula to balance the budget.

The PRESIDING OFFICER. The Senator has used his time.

Mr. EXON. I allocate myself 2 additional minutes.

Mr. President, if we pass this bill, it will certainly receive a Presidential veto, and we will belatedly start all over again.

The American woman of letters, Lillian Hellman, once commented: "I cannot and will not cut my conscience to fit this year's fabric."

Nor will I, Mr. President. I will vote against this budget, and I urge my colleagues to do the same.

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

EXHIBIT 1

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 20, 1995.

Hon. J. JAMES EXON,

Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR: Pursuant to Section 205(a) of the budget resolution for fiscal year 1996 (H. Con. Res. 67), the Congressional Budget Office on October 18 provided the Chairman of the Senate Budget Committee with a projection of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee as of that date. As stated in the letter to Chairman Domenici, CBO projected that there will be a total-budget surplus of \$10 billion in 2002, using the economic and technical assumptions underlying the budget resolution, and assuming the level of discretionary spending specified in that resolution. If the estimated Medicare savings in 1996 through 2002 resulting from the legislation submitted by the Finance Committee were excluded from the calculation, CBO would project a deficit of \$82 billion in 2002. Similarly, if any other savings submitted to the Budget Committee were excluded from the calculation, CBO would project a higher deficit.

CBO also stated in the letter to the Chairman that the estimated deficit reduction would likely reduce federal interest costs and increase revenues by an amount similar to the fiscal dividend that CBO discussed in its August report, *The Economic and Budget Outlook: An Update*. If deficit reduction in each year were lower by the amount of the estimated Medicare savings (and the associated debt service), the fiscal dividend would likely be lower than the estimated CBO published in August.

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney, who can be reached at 226-2880.

Sincerely,

JUNE E. O'NEILL.

EXHIBIT 2

[From the New York Times, Oct. 22, 1995]

CLASS CONFLICT IN WASHINGTON

How touching it was for House Speaker Newt Gingrich to appeal for brotherly love at the end of the titanic debate over Medicare last week. "We want no class warfare," he declared. "We want no conflict between generations." Even by Mr. Gingrich's standards, this was a remarkable statement. The Republicans are rushing through Congress the greatest attempt in modern history to

reward the wealthy at the expense of the poor. They are also sacrificing the health needs of the elderly to pay for a tax cut for the affluent. Incredible, Mr. Gingrich was accusing the *Democrats* of formenting class and generational resentments by pointing this out. President Clinton can do no less than veto the Republican legislative package that is roaring toward passage in Congress.

We have long argued that Medicare, the health insurance program for elderly Americans, is in need of reform. Many Republican ideas for introducing competition into the health care system and forcing providers to deliver care more efficiently are sound. But the cuts being pushed through Congress are so big they threaten to dry up money for medical training, devastate nursing homes and drive hospitals and doctors away from taking care of Medicare patients. Right now, Medicare makes up less than 12 percent of the Federal budget. But Medicare cuts account for more than twice that percentage of the lower spending in the Republican-approved budgets over the next seven years. Notwithstanding Mr. Gingrich's appeal, the facts clearly demonstrate that health programs for the elderly are bearing a disproportionate share of the austerity pushed by the Republicans.

The charge that Democrats have been playing on American resentments has also been sounded by Bob Dole, the Senate majority leader, who recently accused Mr. Clinton of encouraging "envy and class warfare." He made it sound almost Marxist to discuss which classes gain and which lose in any legislation. True, the Democrats are playing the politics of winners and losers, but their criticisms are rooted in a certain reality.

It was the Republican-controlled Joint Taxation Committee that acknowledged last week that families making up to \$30,000, about half of all taxpayers, would actually see their taxes go up under the tax package heading toward approval in the Senate. The reason is that the Republicans are insisting on scaling back the earned-income tax credit, which goes to low-income workers to keep them out of poverty. The Treasury Department estimates that nearly half the Senate's \$43 billion in tax cuts, meanwhile, would go to the 12 percent of Americans in families earning \$100,000 or more.

On the spending side, it takes ideological blinders to argue that Republicans are not waging their budget wars on the poor. The budget bills racing through Congress embody a gargantuan \$1.1 trillion in spending cuts over the next seven years, according to the nonpartisan Congressional Budget Office. Out of this sum, the Center on Budget and Policy Priorities, a liberal group, estimates that welfare, Medicaid, food stamps, housing and other programs for the poor are being cut by 37 to 47 percent. That is far more than seems fair given that only 21 percent of the Federal budget is spent on the poor.

Another way of looking at this is to see how the Republicans are approaching the two biggest health care programs in the country. Medicare is for everyone and Medicaid is for the poor. Both have been growing out of control and have to be reined in. But cost estimates of the Congressional Budget Office show that Medicare is being kept by Republican legislation at a 6.4 percent growth rate in the next several years and Medicaid is being kept as a 4 percent growth rate. There is no way to see this except as a deliberate effort to inflict greater hardship on those delivering health care to the poor.

The Republican Congressional handiwork of the last week provides a reminder of a grim truth. It is much easier to destroy something than it is to create it. Reform of many of these programs is surely in order.

But reform is certain to be undermined if it is coupled with a reactionary redistribution of government resources.

In the coming weeks and months, the House and Senate will be struggling to reconcile their differences and put them in one massive piece of legislation, possibly attaching it to a measure keeping the United States out of default. Mr. Clinton must not be rattled by the threat. If he stands firm, the Republicans will be forced to scale back their assault and confront the reality that a huge and regressive tax cut is inappropriate as a matter of social equity and fiscal common sense.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, under the unanimous-consent agreement, we have almost 1 hour on this side?

The PRESIDING OFFICER. Fifty-nine minutes.

Mr. DOMENICI. I yield myself 15 minutes, and then I am going to excuse myself for a half hour or so and see what we can negotiate with the Democrats in terms of a more orderly process than confronts us today.

Mr. President, to all those interested in today's debate, let me suggest the other side, including my good friend, Senator EXON, plays very loose with words like "truth" and "right." As a matter of fact, before this debate is finished, I believe most of the contentions about the poor and about the rich will be dispelled and be disposed of. I think the Joint Committee on Taxation will acknowledge before this day is out that their estimates of the tax bill were wrong and based on erroneous assumptions. I believe we will prove that this is a fair budget.

Frankly, for those who think only of 10 days and of the next election, obviously they can come up with something much easier. But we are not talking about 10 days and the next election; we are talking about 10 years, we are talking about 50 years, and we are talking about our children and grandchildren.

Anybody who does not want to do that and wants to just say to America, "Don't worry about it, seniors, don't worry about it; we have amendments that will leave everything status quo," just listen. That is how America will fall. That is how America's money will become worthless. That is how interest rates will skyrocket. That is how our standard of living, which is already in jeopardy for a lot of things, will come falling and tumbling down. Because if we do not tell the truth about the fact that we are incurring debt at such an outrageous amount, we are saying we are talking about only 10 days or 6 months, do not worry about 10 years, do not worry about the future, worry about politics.

I believe when we are finished and when the President of the United States finally agrees to a real budget, the seniors are going to say, "What was this argument all about?" Medicare will be intact. Seniors will be taken care of across the land and, yes, they may be even surprised. They may de-

cide to join some institutions that will deliver services differently, and they may save money. As a matter of fact, they may find in the next 2 or 3 years that they get more care and better care than under the Medicare Program we have today.

Let me dispose of two items. The distinguished Senator from Nebraska says we are doing all these things to the poor people of the country. I assume he is suggesting that we are cutting food stamps, child nutrition, AFDC, and that he really means they are being cut.

I want to insert in the RECORD just one simple chart. Food stamps, AFDC, child care, child nutrition, SSI, Medicaid, and EITC. In the year 1996, we will spend \$195 billion on those programs. The next year, \$202 billion; the next year, \$211 billion; the next year, \$221 billion; the following year, \$235 billion. In summary, by the year 2002, these programs, which today are at \$195 billion, will be \$253 billion. Now, that is not contending anything. It is merely stating the facts of this reconciliation bill, as found by the Congressional Budget Office.

How about hearings? Just one little statement about hearings. The last time the Democrats controlled this body, they did the President's bidding. I believe some of them are sorry they did because, of late, he has suggested they had been duped. He did not want all those taxes you all voted for—only \$270 billion, the largest tax increase in history. He is suggesting that somebody made him do it. As an aside, I want to say to the Democrats in this institution that that is not only bunk, he actually asked for \$360 billion; you reduced it to \$270 billion, because he had the Btu tax in there.

Mr. MOYNIHAN. Against my better judgment. We reduced it against my better judgment.

Mr. DOMENICI. Senator MOYNIHAN wanted to keep it higher. This is the chronology for the budget process. When they were in control, the number of hearings held by the then Democrat Budget Committee was 7; the number we held was 22. The number of witnesses who offered testimony in the Senate Budget Committee, throughout their hearings, was 10; we had 110. The number of days the Budget Committee spent in markup, they had 3; we had 4, giving them more opportunity to express themselves. The number of days spent in conference, they had 6; we had 18. We make no apologies with reference to hearings. We had plenty of hearings and the Budget Committee set the targets.

Mr. President, I want to suggest, by using just two quotes, what this issue is about. Thomas Jefferson said:

The question of whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts and are morally bound to pay them ourselves.

That is what this debate is about. Do we want to pay our debts, or do we want our children and grandchildren to pay for the Government we want to give to people that we cannot afford?

To put it another way, a modern lawyer and thoughtful person on America's Constitution, Laurence Tribe, philosophically a liberal lawyer from Harvard, said:

Given the centrality in our revolutionary origins of the precept that there should be no taxation without representation, it seems especially fitting in principle that we seek somehow to tie our hands so we cannot spend our children's legacy.

Now, we are bent today and tomorrow on this floor to decide what kind of legacy we are going to leave our children—a legacy of debt, of diminished standard of living, a legacy which says to them, "We want you to work perhaps 30 or 40 percent of your working lives to pay our bills," for they will have to do that. It is estimated, Mr. President, that every child born today will spend at least \$100,000 in new income tax to pay just the interest on the national debt. What kind of legacy is that? Is that a legacy that should permit us to hide from reality and to say to our seniors and our young people and our veterans and our students—every American—"You do not have to worry about it, we are going to leave everything alone. Whatever you are getting from your Government, you can keep getting." The legacy for that kind of leadership is a bleak future for the greatest Nation on Earth—\$4.7 trillion in debt, and rising at the rate of \$420 million a day; \$420 million a day, just tick it off, tick it off. We will be here for 2 days, so that is \$420 million times two while we decide a Republican proposal that says we have to stop it.

Now, before you pass judgment, fellow Senators and fellow Americans, about the bill and the summaries that will be given from the other side, hear from those who put the package together and put the programs together on our side. Somewhere you can pass judgment upon whether we are being fair or unfair. I believe you will come down on the side of saying that this is fair to our children and to our children's future, and everybody has to be part of the change that will bring that into fruition a couple of nights from now.

I must say to the President of the United States that veto and veto threats, as you might want to issue them day by day, do not get you a balanced budget; nor does it get you close to eliminating a legacy for our children and grandchildren of servitude, or perhaps a partial servitude of that next generation to ours, for they will work to pay our bills. Mr. President, is that the kind of leader you want to be? Democrats on the other side, is that what you want to be? You are going to bring before us, one at a time, amendments to strike pieces of this, and each

one is going to sound neat, sound worrisome. I hope every single one of them is defeated, and I hope we take this budget resolution to conference and then to the President of the United States and let us see what he does; let us see what he offers. Mr. President, we extend that to you now, and we say it is going to happen. So get ready, Mr. President. Be prepared for what you are going to do when we give you this package. Fellow Democrats, we understand you differ with us. We will try our best to be truthful and to point out where you are wrong. In many of the statements made to the American people you are wrong on the facts. We will try to get them before you.

Having said that, I assume I have used 15 minutes, is that correct?

The PRESIDING OFFICER. The Senator has used 11 minutes.

Mr. DOMENICI. I do not want to re-spend any of my time.

Mr. KENNEDY. May I have 15 seconds for a question?

Mr. DOMENICI. Sure.

Mr. KENNEDY. I am wondering when the Senator is going to explain the justification for the tax cuts. I have been on the floor listening to the justification that the Senator has given, without a single word about what the justification is in this bill for the tax cuts for the wealthiest individuals. I have not heard a discussion about the implications of that in those terms.

Mr. DOMENICI. You can rest assured that we will answer that. Many issues have been raised, and I am trying to give an overview. That will be answered a number of times.

Mr. MOYNIHAN. Could it be that you delegated that joyous task to the chairman of the Finance Committee?

Mr. DOMENICI. My friend knows that each committee does their work. He is in charge of that work. I will not take a back seat to anybody on explaining the tax bill. I do not know it in detail, but I think it is a very good tax bill. When the American people understand where the tax cuts really go, they are going to find out that what we said we would do was get a balanced budget, and we did; and then the economic dividend that comes from that, we would use to give American people back some tax dollars so they could spend it themselves. We think the tax writing committee has come very close to doing that in a way that almost all of that money will go to middle-income Americans, making \$110,000 and under. We will show that unequivocally, and I believe the Joint Tax Committee will be saying that, too.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. EXON] is recognized.

Mr. EXON. Mr. President, point of inquiry; how much time does the Senator from Nebraska have under the unanimous-consent agreement in place now?

The PRESIDING OFFICER. The Senator from Nebraska has 14 minutes.

Mr. EXON. Mr. President, upon his seeking recognition, I ask unanimous

consent the Chair recognize the Senator from New York, and the remaining time under my discretion is allocated to the Senator from New York.

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

Mr. DOMENICI. Mr. President, one observation, please and then I yield the time that Senator BROWN desires, with the Senator from Michigan controlling our time after that.

Mr. President, I forgot to mention on the tax cuts, obviously the President thinks the taxes were raised too much last year under his proposal. One way of looking at it, we are getting set to right that wrong which the President complained about in Houston, about which he was beginning to say he should not be blamed for that tax increase.

We will accommodate and reduce some taxes so that maybe he can support us on that.

I yield to Senator BROWN.

Mr. BROWN. Mr. President, I rise for just a short comment because I think it is important for the American people to keep this perspective in mind.

This package has been attacked by those opposed to it. That is the privilege and indeed the obligation of Members who find this unacceptable. No one should be fooled as to the contents of this package. This package ensures that Federal spending goes up 3 percent a year instead of 5 or 6 percent.

Now, some Members find that unacceptable, some find that cruel and inhumane. As a matter of fact, the description that was just given by the Democratic Budget Committee leader compared the package to "Rosemary's Baby"—a look-alike dream child."

Mr. President, indeed, there are some Americans, particularly in Congress, particularly on the spending side, who think that increasing spending only 3 percent a year is the worst thing that has ever happened in Western civilization. We will hear a lot about that in debate.

The American people ought to keep in mind what this is. This is a plan to increase spending 3 percent a year instead of 6 percent a year. The difference is our future. By controlling the increases to a moderate rate we are able to offer a future to our children and our grandchildren. We are able to focus on the deficit. Mr. President, without doing that we consume their future with debt, deficits, and economic stagnation.

Mr. President, I simply want to make one other point that I think is relevant to this debate and very important. I hope the American people who listen to this, who listen to the rhetoric that has been made about this budget plan, will understand that we are not talking about cuts in most programs. What we are talking about is slowing the rate of increase.

In the discussion of tax cuts, let me simply mention that I hope Members will be on guard, or Americans will be on guard, as they listen. I have heard the most incredible debate of the tax

cuts that I have ever heard or I ever thought I would hear in my life. Pinocchio's nose would be a world-record length if he had to listen to the discussions that we have had put on.

Let me give an example. I have heard of tax credits that are not yet implemented as being called increases in taxes. That is ludicrous. I have heard welfare programs that are being controlled in the rate they spend money as being increases in taxes.

Mr. President, an increase in spending is an increase in spending. A cut in spending is a cut in spending. Frankly, the American people have the good judgment to see through this kind of rhetoric.

What we need are real valid estimates. What we need is a solid budget that gets us where we want to go.

Mr. President, there is only one budget that is considered here today that will do that. There is only one budget that has been certified by the Congressional Budget Office as meeting those targets. There is only one alternative that brings us to a real balanced budget. That is the budget before us. This is the only game in town.

Are there critics? Of course there are critics. Are there people who simply cannot live with limiting growth of Federal spending? Of course there are.

Everyone knows this country does not have a future if we do not do the kind of things that are in this budget.

The question is whether or not we will act for blue smoke and mirrors, for invalid assumptions that the President suggests, or whether we will opt for the real thing.

Mr. President, this is the real thing. It offers a future to Americans. I retain the balance of our time.

Mr. MOYNIHAN. Mr. President, we are awaiting the arrival of the distinguished chairman of the Finance Committee who will set forth the proposals of the tax cut in this measure.

I say to my friend from Colorado that it might surprise him, there are those on this side of the aisle who see the debt crisis in the same crisis terms that he does and have a feeling that we know when it arose in the 1980's, and it was not from this side of the aisle—and we want to get hold of it.

We do not think you can solve a deficit problem by cutting taxes.

Mr. BROWN. Mr. President, I simply observe—and I greatly respect the distinguished Senator from New York, both his intellect and his integrity—from this Member's viewpoint, I believe an objective review of the programs that have risen in increased spending would indicate that the programs that are in question were not adopted during the 1980's.

I think any objective review of the question of the deficit will indicate that.

Second, I observe that there were valiant efforts made during the 1980's, a few by this Member. I am not sure I describe my efforts as valiant but they

were persistent and they were consistently rejected by Democratic majorities in the House of Representatives where I served.

At least from this Member's point of view, if you want to talk about the history of the deficit, you look at when those programs were passed and who put them on automatic pilot.

Second, I think you cannot but look at the record and recognize that the Democratic-controlled Congress, at least in the House of Representatives during the 1980's, consistently opposed efforts to control that spending and limit the increase in spending.

I retain the balance of our time.

Mr. KENNEDY. Mr. President, where is the current time being charged?

The PRESIDING OFFICER. The time is under the control of the Senator from Michigan and the Senator from New York.

Mr. KENNEDY. Mr. President, who is being charged with the current time?

The PRESIDING OFFICER. If neither side yields time the time is distributed equally between the two sides.

Mr. KENNEDY. Could we have the attention of the Senator from New York?

As I understand, the time is being charged against us at the present time. I just had a question for the Senator from Colorado for 15 seconds.

The PRESIDING OFFICER. Time is running equally at this time.

Mr. MOYNIHAN. Mr. President, I yield 15 seconds to the Senator from Massachusetts.

Mr. KENNEDY. Could the Senator from Colorado, regarding his review of the period of the 1980's—does the Senator understand every year what was actually appropriated by the Congress, with the exception of 1 year, was less than what was actually requested by President Reagan during that period of time?

Mr. BROWN. Let me say to the Senator, at least from this Member's viewpoint, that the relevant facts are not what was appropriated in the original. It was what Congress ended up spending.

If you look at what is totally spent by Congress versus what they did with the congressional budget, you come up with a much different viewpoint.

The fact is during that period Congress continuously overspent its own budget; so to compare it with official budget requests I think does not give the accurate picture.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. I yield the Senator from Iowa 10 minutes.

Mr. GRASSLEY. We ought to be very proud, Mr. President, of delivering in this Congress on a promise that Congresses have made probably for the last 15 years and maybe even longer than that, that we are going to balance the budget and that we have a nonpartisan Congressional Budget Office certification that we are balancing the budget.

Balancing the budget is the most important goal that we have accom-

plished since I have been a member of the Budget Committee, and I am glad we are able to do that.

Some people question whether or not we ought to decrease taxes as well as balance the budget. There are people that might say we ought to decrease taxes and forget about balancing the budget; there are other people that would say we might balance the budget and forget about decreasing taxes.

To me, it is a question of priority. The priority is to balance the budget. And if we can have tax cuts, and they are paid for, and the nonpartisan budget office will certify that we have a balanced budget, then it seems to me we ought to give the people back some of the money that the President took in OBRA '93. He said that he understands that he raised taxes too much 2 years ago. This will not give back all the money obtained when the President raised taxes then, but it will go a long way toward correcting that inequity.

So, in a very historic way—at least historic as far as the last 15 years is concerned—we have a chance today and tomorrow, during this 20 hours of debate, to show the people that the promises of the last election are delivered, those are the promises of a balanced budget and of a paid-for tax decrease. It seems to me that a balanced budget will go far in making our children's and grandchildren's futures much brighter and more hopeful.

I think this is a very, very good national program. It is good for all 50 States. But I can look at it and say it is good for my State as well as it is for the country as a whole. I look at the \$500-per-child tax credit. This credit will bring approximately \$300 million back into the pockets of Iowans, the pockets of middle-class working families in my State.

For the first time since 1986, students in my State, as well as those in the Nation as a whole, will be able to claim a tax credit for the interest on student loans because this bill provides a credit for 20 percent of the qualified interest, up to \$500 per student.

This legislation is not partisan. This legislation is bipartisan because it is identical to the bill that I introduced earlier this year with my distinguished colleague from Illinois, Senator MOSELEY-BRAUN. The Joint Committee on Taxation estimates that this credit will send over \$1 billion to young people all over the country who are just starting out in life after college. This change should especially aid young people who plan to stay in rural America instead of having to seek high-paying jobs in the cities to meet loan payments.

In addition to that, for the benefit of the country as a whole and the benefit of people in my State, there is a capital gains tax cut that will reduce an individual's effective capital gains tax rate by 50 percent. In Iowa we will be able to watch and see a lot of farmland and a lot of other capital assets that have been tied up begin to change hands.

People have been waiting for the correct incentive and opportunity to sell because they naturally do not want to pay a high tax on inflation because that is not taxation, that is confiscation. You are going to see formerly less productive property change hands at record rates. This is going to be very beneficial for families passing on to younger generations the fruits of their labors and their investment in that business or that farm. Of course, when property is tied up in the Tax Code, that means our farm population is going to continue to get older, the average farmer in my State is 62 years old. Young people are not going into farming because they cannot. Only 3 percent of the farmers in my State are under 30 years of age. We have lost a whole generation of farmers because of bad tax policy and depression in agriculture in the 1980's. This will help that.

The same for the changes we are making in the estate tax; especially it is going to help family farmers and small business people. Family-owned businesses and farms do not have to be sold anymore in order to just pay the Federal taxes. The estate tax system will now serve small businesses instead of consume them.

While we are fixing the business of taxing small business, this bill also ratchets up the unified credit exemption equivalent all the way from \$600,000 to \$750,000. It has been at \$600,000 since 1980 and, of course, it has been depleted considerably by the inflation of the last 15 years. The legislative move from \$600,000 toward \$700,000 recognizes both the fact of inflation and the fact that every asset in Iowa is not a member of a qualified family-owned business.

For my colleagues who are going to rant and rave about an estate tax exemption helping rich people, I hope they will take a little bit of time to understand that when you are talking about a family farm operation, operated just by family members who are providing the capital, providing the labor, providing the management, that you do not provide a job on a family farm for the same cost that you do in industrial America, about a \$50,000 investment. For the American service industry, you can create a job for about \$10,000 to \$15,000 a year. Jobs on farms in America are created by the investment or the borrowing—and in most cases to get started it is borrowing—of hundreds of thousands of dollars in land and machinery to create one job, or an income for one family. I am not talking about hiring a lot of labor in the process. I am talking about the family doing the labor.

So you have, after a life of work, one half million dollars invested in land and machinery to create one job and one family income. Some people in this body might think small farmers are rich. Maybe a lot of America will think small farmers are rich. But, remember,

small farmers create income for one family. It is not like the economy does in an industrial job, one income for a family with \$50,000 investment and somebody else is investing it, somebody else is managing it; or in a service job where the economy needs only \$10,000 or \$15,000.

We are also providing, in this bill, tax changes that are meaningful in ending the marriage penalty for non-itemizers. We are answering the pleas of a lot of young people everywhere who want to know why their Government is penalizing them for exchanging marriage vows.

This bill says we are not going to tax reasonable dues to farm organizations. This IRS ruling, as stupid as it is, creates a lot of problems for a lot of co-operatives and nonfarm organizations out there. Just like the President's tax increase last year—albeit in that instance it was something passed by a Democrat controlled Congress, and not some uninformed ruling by the Internal Revenue Service.

Finally, I would like to highlight that this bill also improves and expands IRA's. We are reinstating an IRA to which working people can make tax-deductible contributions. Even homemakers and even nonworking spouses will be able to make contributions for the first time ever. There will be penalty-free taxable withdrawals for qualified uses.

Everyone knows that we need to double the current savings rate of 4 percent. Young people in my State know that they will have to save for their own retirements while they are financing the retirements of baby boomers, and the IRA incentives in this bill will provide the opportunity. Expanding and strengthening the individual retirement accounts is something I supported for many years. I am glad to see those efforts bear fruit, and I compliment the new chairman of the Finance Committee, Senator ROTH, for getting that job done.

The PRESIDING OFFICER. The 10 minutes of the Senator has expired.

Mr. GRASSLEY. I am going to yield the floor. I am not done, but I want to inform my colleagues I have spoken all I wanted to on the tax provisions. I do have something I want to say on the Medicare provisions, and I will get time on that later on.

Mr. MOYNIHAN. Mr. President, I yield myself the balance of the opening Democratic time. I had hoped to speak in response to my good friend, the distinguished chairman of the Finance Committee. He is unavoidably detained. So I will go ahead as if in rebuttal.

But first to continue the exchange I was having with the Senator from Colorado, there are those on this side of the aisle who are deeply offended by the continuing deficits which have increasingly produced stalemate in our Government. This sequence began in the late 1970's, early 1980's, and there was an idea behind it—the idea was that, if you wanted to paralyze the

Federal Government you simply put it into a paralyzing debt by the reduction of revenues and simultaneously increasing spending on defense and such matters. Indeed, that happened. We forecast it. We tracked it. And we are here today to say that it is the case.

Just a few years ago in a wonderful book "The Deficit and the Public Interest," Joseph White, and the late revered Aaron Wildavsky, said: "Strife over the deficit has affected procedure as well as policy, monopolizing the congressional agenda, encouraging paralyzing and deceptive legislation like Gramm-Rudman, frustrating our public officials, and stalemating the Government."

As regards deceptive legislation, Mr. President, I have to place this present proposal in that category. We are not balancing the budget. We are adding \$700 billion to the debt in the next 7 years. One of the ways we are doing it is, while talking about the deficit, while talking about the debt, we are going to cut taxes. Well, no. No, Mr. President. I correct myself. I correct myself. We are going to raise taxes on half the population, and cut taxes on the other half.

Mr. President, here is a table from data produced by the Joint Committee on Taxation, which is an authoritative, intermittently nonpartisan, body which calculates the effects of tax measures taken by the Committee on Ways and Means and the Committee on Finance. In the course of our markup, as we say, voting out the tax bill, I requested that the Joint Committee give us the distribution of the \$245 billion tax cut, and they did, including the reductions in the earned income tax credit which are tax increases, in my view. If you have to pay more tax, you have had a tax increase.

Sir, here is the data: 51 percent of American taxpayers will have a tax increase; 49 percent will have a tax decrease. How we can do this, and then talk about fiscal responsibility eludes this Senator.

Now a second table from the Treasury, showing the actual distribution of the tax cuts and tax increases across the population of taxpayers, by income. It shows a tax increase for taxpayers with incomes of \$30,000 or less. I should point out that according to the analysis of the Joint Committee on Taxation, 51 percent of American taxpayers make \$30,000 or less. Once we get above \$30,000, then we see tax cuts for everyone.

I am embarrassed for my friends on the other side of the aisle. This is a caricature. A comic Democrat might have come along and have said, "Let me show you what a Republican tax cut looks like."

Families with incomes above \$200,000 will have a tax cut of \$3,416. Families with incomes under \$10,000 will have a tax increase. That simply is unacceptable.

Mr. President, the distinguished chairman of the Budget Committee earlier spoke about what Thomas Jef-

erson had to say on the subject of debt. I have not met Mr. Jefferson, but you can sense his presence in these precincts. The Senator said what Laurence Tribe has said about the accumulation of debt. I taught at the same university, and I know him well. And the legacy of debt of which the chairman spoke—we are the ones appalled by that legacy. We did not create it.

At the end of the 1970's, at the end of the administration of President Carter, the national debt was in the neighborhood of \$800 billion. That was at the end of nearly two centuries in this Republic. After 15 years it is now approaching \$5 trillion. That did not happen accidentally, and it did not happen as a consequence of activities on this side of the aisle.

To the contrary, 2 years ago the Democrats put together, in the Omnibus Budget Reconciliation Act of 1993, a combination of program spending cuts and "tax increases"—I do not forbear to use the term—of \$500 billion. And we brought a deficit, which in that year, in fiscal 1992 was \$290 billion. We started a glidepath down to where this fiscal year just concluded, the deficit will be somewhere between \$160 and \$170 billion. We cut the deficit in half.

In consequence of what we did, the so-called deficit premium on interest rates was reduced. The deficit premium is simply that extra charge which lenders exact when governmental deficits are running very high—because in the end the way governments typically have handled their debt was through inflation, to wipe it out, wipe out the currency, and wipe out the society frequently. But it happens. It happened enough that this premium exists. The "deficit premium" being charged on interest rates went down, and resulted in a savings to the Federal Government of about \$100 billion more. So in total we achieved deficit reduction of \$600 billion as a result of the 1993 legislation—passed without a single Republican vote.

What have we to show for that? First, let us say that the average length of recovery for 10 postwar business cycles has been 50 months, but the current recovery has now lasted 55 months and is still going. The annual rate of growth in real gross domestic product has been 3.3 percent, more than twice what it was in the previous 4 years. Unemployment has fallen to 5.6 percent, which is very close to full employment. The annual inflation rate has dropped to 2.5 percent.

If you correct for the CPI overstatement, you may have something very close to zero inflation. The New York Times this morning devotes a lead article in its business section to it. "Has inflation finally been whipped?" It did not just happen. It was made to happen by what we did in 1993, and we do not apologize for a thing. We would rather state we have shown the way—shown what you can do, if you have the courage to govern. There are things in this

present proposal from the majority with which I would disagree. There are things with which I would not disagree in the least. I do not object in the least to the statement of the Senator from Colorado that a reduction in the rate of increase is not a cut.

However, to cut taxes is an act of unforgiven irresponsibility. I did not say "unforgivable." I said the consequences will be unforgiving at this moment in our business cycle expansion. We do not need to do this and, Mr. President, we would not be doing it save for the House of Representatives.

In our hearings on this subject, in the Finance Committee, one Republican Senator after another said no, we have to bring the budget into balance. This is no time to cut taxes.

We do not have to stimulate the economy. The economy is in its 55th month of expansion; we are practically at full employment; inflation has practically disappeared. Business investment is at the highest rate in 30 years—investment savings is at the highest rate in 30 years. This is not the time to get into an inflationary stimulus. We know enough about our economy to know that.

One Senator after another from the other side of the aisle said no, certainly not; we would never pass a \$245 billion tax cut. And then we learned that—and I do not mean in any way to seem to ridicule, but it turns out that the Contract With America written in the other body required this tax cut. And so here it is today. But it is not a tax cut for all. It is a tax cut for half the population and a tax increase for the other half. That surely is something we would not wish to do in ordinary circumstances.

Has the prospect of a Presidential election brought us to this? I hope not, Mr. President. I hope we would not be doing things we are doing in the process of cutting, cutting Medicare as much as we do, cutting Medicaid as much as we do.

Mr. President, before this decade is out, we are going to have a crisis in our teaching hospitals and our medical schools because of the measures in this bill. We currently have in Medicare a provision to provide medical schools and teaching hospitals with some extra support. We currently have a provision on disproportionate share which in effect compensates those hospitals, including teaching hospitals, that treat large proportions of the uninsured. They are already in a precarious financial position, and the bill before us will exacerbate their problems. They will be in genuine jeopardy if this bill becomes law. At the greatest moment of medical science for this country's institutions, we are decimating their finances in order to give a tax cut to people with incomes over \$200,000.

Sir, I believe my time has expired.

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

Mr. MOYNIHAN. I thank the Chair for its courtesy, and I hope I will have

the attention of my friends on the other side of the aisle. It is not too late to do the right thing.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Could I inquire as to how much time is remaining?

The PRESIDING OFFICER. Thirty minutes of the 1 hour remains.

Mr. ABRAHAM. Mr. President, I will take 2 minutes on our side and then I will yield the remainder of our time to the Senator from Delaware. I use my 2 minutes very briefly to be responsive to some of the comments that have been made here already about the nature of the tax cut. I am sure the Senator from Delaware, the chairman of the Finance Committee, will elaborate in more detail. But I was very concerned recently when I began to see this chart appear and some of the comments related to it that suggested somehow the tax cut that is being proposed as part of this reconciliation bill would disproportionately fall on the shoulders of the less affluent and tremendously benefit the wealthiest among us which is the frequently used term that we hear.

So I said to myself, gee, that does not sound like the tax bill the Finance Committee passed. And indeed, I then began looking into the tax bill the Finance Committee passed, and according to the Joint Tax Committee calculations, in the first year of this tax bill 90 percent of the tax cuts will go to people whose earnings are below \$100,000 a year. Over three-quarters or 77 percent of the proposal's tax cuts will go to those making under \$75,000 in the first year. Less than 1 percent of the proposal's tax cuts will go to those making over \$200,000 in the first year. Over four-fifths, 84 percent, of the proposal's tax cuts will go to those making under \$100,000 in the first 5 years; 70 percent of the proposal's tax cuts will go to those making under \$75,000 in the first 5 years, and so on and so on.

Indeed, charts and statistics can always yield certain kinds of inferences, but those are the actual numbers that the Joint Tax Committee produced when it evaluated this plan.

I said maybe there has to be a discrepancy here. What could it be? Let me look at the individual provisions of this tax cut and see. In order to fulfill the numbers we have been hearing, they must all be tax cuts that benefit the wealthiest people in America. So I looked and I found a \$500 per child tax credit; \$141 billion of the total tax cut is the child tax credit, and it is phased out for people beginning at family incomes of \$110,000.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. ABRAHAM. I would yield myself 1 additional minute.

In addition, we have an adoption credit, marriage penalty relief, student loan interest deduction, individual retirement accounts, and countless other provisions in the bill that are aimed at

people in the income categories I have already referenced, primarily people making under \$75,000 a year and to a large extent, approximately 85 percent of this tax cut to people making less than \$100,000 a year. It is a middle-class tax cut.

That is why yesterday, in describing the reconciliation bill, the Washington Post in referencing the tax sections described it as family friendly. It is family friendly to middle-class families, to people who have felt the squeeze for so many years. That is why it is part of this legislation and why we are supporting it.

Mr. President, at this time I yield the remainder of our side's time to the Senator from Delaware, the chairman of the Finance Committee.

ORDER FOR MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN addressed the Chair.

Mr. ROTH. Mr. President, I would like to make a further unanimous-consent request to finish my statement as in morning business for up to 10 minutes, and have my remarks appear in the RECORD as uninterrupted.

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

Mr. ROTH. I would say, morning business will be until 1:15.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Delaware.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Mr. Andrew Eschtruth, a detailee to the Senate Finance Committee from GAO, be granted Senate floor privileges for the duration of the Senate's consideration of the budget reconciliation legislation.

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

A MOMENTOUS TIME

Mr. ROTH. Mr. President, this is certainly a momentous time. Change is the order of the day. And it is a time to renounce old and unworkable programs and philosophies and adopt those that will move America forward, those that will offer prosperity, security, opportunity, and growth to our families and to our communities.

As Henry George once said, "The sailor who raises the same sail regardless of changes in the direction of the wind will never reach his port."

In this Congress, we have not only trimmed the sails but we have set a