

if it fails to prevent additional atrocities by the police and paramilitary units under its control or does not otherwise comply immediately with the terms set forth by the Contact Group;

(4) The United States should freeze funds of the governments of the Federal Republic of Yugoslavia and Serbia if the government of Serbia fails to comply by March 25, 1998, with the terms set forth by the Contact Group;

(5) Pursuant to the terms set forth by the Contact Group, the United States should demand that the Serbian government and the ethnic Albanian leadership and the representatives of all ethnic and religious groups in Kosovo immediately begin unconditional talks to achieve a peaceful resolution to the conflict in Kosovo and to provide for the exercise of the legitimate civil and political rights of all persons in Kosovo.

(6) The United States should demand that international human rights monitors, especially personnel of the International Red Cross who were forced to withdraw from Kosovo, be allowed to return immediately to Kosovo in order to be able to report on all human rights violations.

Mr. COVERDELL. I move to reconsider the vote.

Mr. COATS. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. COVERDELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

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 Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Madam President, I ask unanimous consent to speak as if in morning business.

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

BUDGET SURPLUS

Mr. GRASSLEY. Madam President, Haley's Comet appears and disappears every so many decades. So do balanced budgets in Washington, DC. After 30 years, it looks like our Budget Committee, of which I am a member, will have another balanced budget for the first time, as I said, in 30 years. And it looks like after that we could have surpluses for quite a few years. Of course, that is a very unusual situation from a fiscal standpoint—for this Congress to be faced with balancing the budget 2 or 3 years earlier than we predicted and having surpluses for quite a few years into the future.

That gives us a windfall opportunity to do good. But it also is giving some who are willing to squander this an opportunity and to do it in the form of more spending or in the form of more tax cuts.

Last year's budget deal was, of course, to the benefit of both political parties. We actually did something good. We did it together. And the good benefited our country.

This was very different. It was a bipartisan plan. We wrapped our arms

around each other. Both sides should, and do, take credit for doing this good.

But for those who are politically motivated, when the two sides are locked in a policy embrace, there is no discernible difference. And some people just cannot stand that sort of an environment. So they do not like it. So there is a mad rush to declare new ideas to give away the money—money, incidentally, that we do not have yet, legitimately planning to get it as you forecast a good future, but it is not really in our pockets. Yet, it is just like it is burning holes in our pockets. We don't know what to do with it. We need to spend it. We need to get rid of it in some way. Thus, what was done for the good of all taxpayers would be sacrificed for a new round of political operations of picking winners and losers.

For once, we need to take the politics out of what we do and do right for the country. We did that last year. All we have to do is just be patient, and it can evolve this year because this country is on the right track. This Congress' fiscal policy is on the right track.

So, let us do a lot of good by simply doing nothing—being cool-headed and being levelheaded in our policy, the same sort of policy that got us together a year ago with the signing of a bipartisan budget agreement to put this country on a path toward a balanced budget.

For the first time, as our Budget Committee meets to mark up the budget resolution—that is this very day and yesterday as well, and we should have this resolved before the evening is over in our Budget Committee—but for the first time, as we meet to mark up the budget resolution, we are faced not with a growing Federal budget deficit but the possibility, and the very real possibility, of surplus of funds in the Treasury. For the first time we sit to deliberate not on how to corral an out-of-control beast but on how to responsibly maintain the ground which we have gained.

The bipartisan Balanced Budget Act has performed its function well. Last year we established and agreed to live within budget caps. These caps have provided the discipline necessary to begin to get the Federal spending under control. Along with an economic boom that shows little signs of slowing down, the budget caps have helped to bring the Federal Government into a surplus situation.

I urge my colleagues to continue to live within these caps and to continue to practice the spending restraints instituted 8 months ago. To think that the surplus is there to be spent willy-nilly is to break a newly developing trust with the American taxpayers. This trust is not easy to come by. In fact, as I speak, any poll in America asking the question, "Do you feel that Congress is really serious about balancing the budget?"—they might even say, "Is the President and the Congress serious about balancing the budget?"—

three out of four people would respond negatively to that.

So any thought of breaking this trust that is not easy to come by and is still building will send the wrong signals to our bosses, the taxpayers. Any thought of breaking this trust will send the wrong signal to the financial markets, with dire consequences, in my view.

This budget resolution must help to address the cynicism of the public by continuing to show fiscal responsibility and gradually winning over those three out of four people who do not think, as a result of the bipartisan budget resolution last year, that we are really serious about a sound fiscal policy and continuing to balance the budget and to pay on the national debt.

We have a historic opportunity then just by living by that agreement to do the most good for the American people, and we can continue that process by simply doing nothing because nothing should be done to break the budget caps. That is the fiscal discipline. Nothing should be done then to upset the financial markets. And we would do that if we were to not live by that agreement. Everything should be done to have the Federal Government live within its means, just as every American must do. Every family must balance their checkbook. Every small business or big business must show a profit, or it is soon out of business. And shaped with this is an old adage that at least my party has always lived by: "The government that governs best governs least." That should be our bellwether as we continue the markup of this budget resolution in our committee. Never has this statement been more true than it is right now. Let us not squander the windfall opportunity that has been handed to us by the budget resolution of last year—the bipartisan budget resolution of last year. Let us not, by talking about giving tax decreases on the one hand or on the other hand by setting up eight new entitlement programs, as the President proposed, cause those three out of four people who do not believe we are going to be balancing the budget to be right by being skeptical about how Congress acts on these matters.

We also have the opportunity to do what the President has asked us to do, and that is to strengthen the Social Security System. Until we have come to an agreement on how to make the Social Security System viable for future generations, we should not be spending this surplus. For now, then, doing nothing—in other words nothing new—not setting up eight new entitlement programs or not cutting taxes until we have the money in the pocket and we can plan for what we are really going to do—doing nothing the way things are done by paying off on the national debt, we will have the result then of that downpayment on the Federal debt for the first time since 1969.

This country generally—but specifically the financial markets—has a great deal of confidence in a person

called Alan Greenspan, the Chairman of the Fed. He strongly urged our Budget Committee when he appeared before it, and the Congress generally, to take this rare opportunity to pay down on the Federal debt. I think we should follow his very good advice. Paying down the debt will open up markets for private investors. That will help to reduce interest rates, which helps all of us, and particularly capital-intensive industries like the small industries. Until the public and policymakers reach a much needed consensus on the future of the Social Security System, paying down the debt is the best way to protect Social Security and to maintain it for the baby-boom generation, and to put that system in a sound position as our population grows older—the longevity of our population, as well as the biggest demographic shift in the population of our country that is going to take place when the baby-boom generation retires in the year 2010.

It has been somewhat amazing to me to have seen in the last several weeks the number of people with proposals to spend money that we don't have in our pockets yet. I am not only talking about the budget surplus but what to do with revenue—and we don't even know how much will come in—by the proposed tobacco settlement. Everyone wants a piece of the pie before it has even been baked. We don't even know how big the pie will ultimately be or if there will even be a pie to covet.

It is irresponsible to spend money that is not in the bank. We ought to cool it and just wait and see if it is there. And, if it is there, then we can. Even if there is something to be done with it and you know exactly what it is and you can make wiser decisions of creating a new program or a wiser decision of how to reform taxes and to cut taxes, whether it is a surplus or the tobacco money—but particularly in the case of the tobacco money—using the proposed tobacco money to pay for specific programs before the money is in hand is the old smoke-and-mirrors game. We must be responsible and wait to spend any tobacco money and not spend it until it is in the bank.

In general, I think that Senator DOMENICI, the chairman of the Budget Committee, has put together a very good mark in regard to the possibility of doing something with taxes. He is not spending the surplus on any tax provisions of this budget. The Finance Committee, if it wants to change some taxes, has to find new money to pay for that. That is a responsible way to approach taxes. So the chairman's mark is a very good mark. If we have an opportunity on taxes, then we need to push for tax fairness.

However, I strongly disagree with those who advocate large tax cuts that dig into the surplus that we don't even have in our pocket yet, and to do it at this point in time. The time for a large tax cut is after we have retired some of our national debt, giving the three out

of four people in this country who do not believe that we are serious about balancing the budget an opportunity to know that we are. And the surest way to do that would be to pay down the national debt. This is how we can best serve all taxpayers.

So let us not squander this chance to ease the debt burden. Let us use this windfall opportunity to provide a better future for our children. Like us, our children must also have the opportunity to realize their dreams and goals. And this budget should help to restore the American dream.

The fiscal discipline which I talk about, which I think the Budget Committee will exercise this very day as we vote out the budget document, will have a lasting positive influence on our children's and grandchildren's future.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. LOTT. Madam President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 5 minutes each.

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

TRIBUTE TO THE RAMS OF LITTLE RHODY

Mr. CHAFEE. Madam President, yesterday, many in America honored St. Patrick—but all week long in Rhode Island—veneration belongs to the University of Rhode Island Rams basketball team.

The so-called experts said it couldn't be done—and, admittedly, the odds were against them. After all, the little Rhodys of the world just aren't supposed to beat the college basketball powerhouses like the Jayhawks of Kansas. But somewhere along the way to Oklahoma City, someone forgot to tell that to the Rhode Island Rams.

Someone forgot to tell Tyson Wheeler—the same Tyson Wheeler who was once told he was too short to play college basketball at all—that the Davids of Rhode Island couldn't beat the Goliaths of Kansas.

Someone forgot to tell that to Cuttino Mobley, who always gives his best whether it is in Keaney Gym or in the national spotlight, that Rhode Island couldn't beat one of the best teams in the nation.

And clearly, someone forgot to tell Antonio Reynolds-Dean and Luther Clay that they weren't supposed to be able to compete with the much taller and perhaps stronger inside presence of the Kansas All-Americans.

There's a word on Rhode Island's state flag that these Rhode Island Rams have come to symbolize—that word is "Hope". It's a sentiment we hold dear in my home state—and one which was displayed for all the world to see. We may be the smallest state, but we know that means: we must always try harder. It's a philosophy to always give your very best, and to never give up.

That's the kind of fighting spirit that turns the cause of "Hope" on our flag into the action of "courage" on the court.

Rhode Island's advance to the "Sweet Sixteen" provides a needed reminder that at one time or another, we've all been underdogs. Whether it be in schoolyard, or in the workplace, or on the basketball court, each and every one of us has faced seemingly insurmountable odds at one time or another in our lives.

That's what makes Rhode Island's recent win over the Kansas Jayhawks that much sweeter. For the Rhode Island Rams have given us more than a wonderful basketball season. They've reminded us that the Davids can beat the Goliaths of this world. They have sent a signal to the underdog in all of us—that if one perseveres and gives one's best, there indeed is always hope.

So, Madam President, I congratulate the Rhode Island Rams and applaud the example they have set. Rams Coach Jim Harrick and all of his players have earned a special place in the hearts of Rhode Island and the nation.

I, along with the people of my state, am proud of their accomplishments. These fine young men have set an example which we'll treasure for years to come.

They have given us "Hope." Go Rams!

A PLUS ACCOUNTS

Mr. KYL. Madam President, I rise in strong support of the A Plus Accounts bill that was introduced by the Senator from Georgia, Senator PAUL COVERDELL.

This legislation does several things. It would allow more people to save for education in tax-preferred education savings accounts. The savings could be used for higher education, as well as education at the elementary and secondary levels. The bill would extend the existing tax exclusion for employer-provided educational assistance through the year 2002, and it would provide an exclusion for distributions from qualified state tuition programs. It would also raise the small-issuer exception so that local governments can issue more bonds to finance school construction.

Perhaps the most important provision of the bill is also the most controversial. I am talking about the provisions that expand the allowable uses