

wrong. This can be done with political will. It need not be done by changing the Constitution of the United States."

Here we are 12 months later, I say to the Senator. I don't hear the hue and cry on the floor anymore from our friends on the other side of the aisle about amending the Constitution. They pick up the paper in the morning and say, "You've reached a balanced budget." We didn't have to put that travesty in our Constitution. I think there is a lesson there. We certainly owe a great debt of gratitude to Senator BYRD for his leadership in reminding us that we ought to step back and take a look at the course of American history before we jump and run and add things to that great document.

Now today, I say to the Senator, there are people who say we don't have to worry about the deficit anymore, our biggest problem is trying to figure out how to spend this surplus. All this extra money, what can we do? Can we declare a dividend for the American people? Give them tax breaks and become the most popular politicians in a generation? I suppose we could do that, but I think that is shortsighted. We don't know where this economy will be 6 months or a year from now. We don't know where Federal revenues will be. It is far better for us to take a cautious course.

I think President Clinton was right in his State of the Union message. Our first stop on that course should be Social Security. Let's make certain that if there is a surplus that we can count on, that we invest it back into Social Security so that it is there not just for generations to come but for the next century. We can do that, and we can do it if we don't rush to judgment here, if we don't spend this phantom surplus, if we don't overinvest.

As we were caught up a year ago in the idea of amending the Constitution, let's not get carried away in 1998 with overspending this surplus that may be illusory or only temporary.

I stand today happy that this administration has brought forth the first balanced budget in 30 years, but understanding that within that budget are important priorities for the working families of America, priorities which will never see the light of day unless this Senate and the House of Representatives work together to make certain that we keep your eye on the goal. The goal is making sure that we have a better standard of living for families across America.

I thank Senator BYRD for giving this opportunity to speak and I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. I thank the very distinguished Senator from Illinois. He is an extremely able Senator and he is focused on the betterment of the country and always with the interests of the people of his State uppermost in mind. I am glad to serve with him.

ISTEA

Mr. BYRD. Mr. President, there is an urgent necessity for the Senate to turn immediately to the consideration of the Intermodal Surface Transportation Efficiency Act of 1997, ISTEA. That is the highway bill. That bill was reported unanimously by the Environmental and Public Works Committee on October 1, 1997. However, due to our inability to enact a comprehensive 6-year ISTEA reauthorization bill at the close of the last session, our State highway departments and transit providers are currently operating under a short-term extension bill that provides roughly one-half year of funding which is needed for our Federal highway construction, our highway safety, and our transit programs.

That short-term extension bill, Public Law 105-130, signed by the President on December 1, 1997, includes the following text, and I hope that Senators will listen carefully:

A State shall not obligate any funds for any Federal aid highway program project after May 1, 1998.

Let me repeat this provision that was in the law enacted and signed by the President on December 1 of 1997. Listen to these words:

"A State," that is my State, the State of the distinguished Senator who presides so efficiently over this Senate, that is the State of each of 99 other Members, "A State shall not obligate any funds for any Federal aid highway program project after May 1, 1998."

That is just 42 legislative working days away—42 days.

I want to take a moment to explore the practical impact of that sentence. That sentence means that on May 1 of this year, just 87 days from today, with just 42 legislative calendar days—session days, we might say—away, our State highway departments and our transit providers across the Nation will be prohibited, by law, from spending any Federal highway or transit trust fund dollars. This provision does not apply just to the funding that was part of the short-term extension bill; it applies, equally, to any other unobligated funds that States may have left in their accounts for highway or transit projects currently in progress.

Mr. President, this provision, prohibiting the obligation of highway or transit funds after May 1, is a doomsday provision. It is a provision that says, beginning 3 months from this past Sunday, all 50 States in the union will begin to hit the same brick wall and feel the same pain—the pain of a Federal highway program coming to a halt, the pain of workers being put on the unemployment line, the pain of urban mass transit projects stopping in midstream, the pain of gravel quarries shutting down, the pain of construction equipment manufacturers closing their doors, the pain of our citizens sitting in ever-worsening traffic jams due to the inability to progress on desperately needed projects, the pain of unnecessary accidents and deaths on

our highways—all of these because those roads cannot be brought up to modern safe standards. Make no mistake about it, May Day, May the 1st, May Day, will certainly elicit a cry for help from our States and our people.

You will hear the Governors, you will hear the mayors then, you will hear the highway agencies then, from all over this country.

Mr. President, when the Congress put that doomsday provision into law, we did so at a time when the Senate majority leader was telling the Senate that we would turn to a comprehensive 6-year ISTEA reauthorization bill as our first order of business early in the second session of the 105th Congress. Back in November we knew that, if we took up the ISTEA bill at the end of January, we would have sufficient time between then and May 1 to move an ISTEA bill and go to conference with the House and present a completed bill to the President for his signature. It was an ambitious schedule, but it was achievable.

Mr. President, today, that picture appears to have radically changed, and it does not appear that we will be taking up the highway bill any time soon. I say this from the inferences that I draw from newspaper reports and the reports that I receive by word of mouth and various other communications, electronic and so on. There are exceedingly few legislative days available to us prior to May 1, as I have already indicated, about 42 session days. I am not counting Saturdays and Sundays. These are session days. Although the priorities of the Senate leadership may have changed regarding debating ISTEA, the doomsday date of May 1 remains in the law. While it may be the desire of the Senate leadership to debate a budget resolution prior to the consideration of ISTEA, let's realistically face what that means. While the law requires that the Senate pass a budget resolution by April 15, the fact is that we miss that deadline far more often than we meet it. And if we just listen to the statements that have been made in the last few days regarding the President's budget, it is apparent that the debate over the substance and the direction of the budget resolution promises to be a long and contentious one.

So what is the real possibility of our enacting a comprehensive 6-year ISTEA reauthorization bill prior to May 1, if we do not turn to it immediately? Not good, at best.

Mr. President, some observers have looked at the calendar and concluded that the Senate, along with the House, will just have to pass another short-term ISTEA authorization bill. Well, Mr. President, I am not a member of the Environment and Public Works Committee. But, I am told by both the chairman and ranking member of that committee's Surface Transportation Subcommittee that the chances are very slight, indeed, that we will be successful in, again, passing a short-term

ISTEA extension bill. Over 200 amendments were filed to S. 1173, when it was brought before the Senate last fall. Several Members are anxious to offer their amendments. Punxsutawney Phil, the groundhog, has seen his shadow, but we here in the Congress cannot seem to see the handwriting on the wall.

I again urge the leadership to bring forward and take up the ISTE A bill now and let the Senate get on with debating and voting on the many amendments that have been filed in connection with this bill.

There is simply no other way that we can hope to complete action on this critical legislation prior to the May 1 drop dead date that presently is hanging over the heads of all of us like Damocles' sword. All of us are responsible for ensuring that the Nation's highway programs continue without undue interruption and uncertainty. The time for dithering and delaying is over. We need to keep our commitment to the States and to our people and act now to avoid this doomsday scenario.

Mr. President, I thank the Chair and I yield the floor.

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

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

Mr. COVERDELL. Mr. President, parliamentary inquiry. It is my understanding that the next hour of deliberation is under my control or that of my designee.

The PRESIDING OFFICER. The Senator is correct. Under the previous order, the time between 10:30 and 11:30 shall be under the control of the Senator from Georgia or the Senator's designee.

THE PRESIDENT'S BUDGET

Mr. COVERDELL. Mr. President, over the last several days, there has been considerable discussion about the State of the Union Address and the general framework of the President's new budget and subsequent presentations that have been made to the Congress and to the American people about this budget. Over the next several months, we are going to entertain a lot of hyperbole, a lot of rhetoric, and probably a lot of finger pointing, but I have a business background—bottom line. The bottom line here is that the celebration conducted on the White House lawn last year for the first balanced budget in 30 years and the first tax relief in 16 years, if we accept the President's presentations, is being canceled. It didn't last a year. Just take an x and mark it out and take all those films and set them aside. It didn't happen, because the tax relief—the first

significant tax relief in 16 years—was \$110 billion over the next 5 years. The President's budget envisions tax increases of \$106 billion over the next 5 years. So the tax relief is crossed through, gone.

Now, it's true that there will be a different set of winners and losers, which is unfortunately the type of thing that happens in the Capital City. The point is, they made huge fanfare that we were giving \$110 billion in tax relief. We have gone home and talked about it, and we are right back here raising it again, canceling it out.

Now, the balanced budget—the first in 30 years—the balanced budget agreement, which was a very hard-fought battle, finally secured and signed with great celebration on the White House lawn, envisioned a cap of expenditures over 5 years. In other words, we came to terms about how much we were going to spend between the signing of that and the year 2002. Preset. We told the American people that we are on a glidepath and we have decided what we are going to spend. Well, the fruits of this have been enormous. The world has looked at us and said that this is a very positive thing. The President's budget takes that and sets it aside and says, no, we are going to go back to the days of tax and spend, and he is proposing \$150 billion in new spending, added on above those caps that we agreed to.

So, in short, bottom line, you take the budget deal and tax relief and throw it out, cancel it. That is where the debate starts this year. I think that is unacceptable.

Mr. President, we have just been joined by my good colleague from Missouri. He is operating under a real scheduling problem here. I am going to yield up to 10 minutes to the Senator from Missouri. He is dealing with another matter, but we want to facilitate the Senator's schedule, and it is a very important initiative that he is going to be talking about this morning.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

(The remarks of Mr. BOND and Mr. FRIST pertaining to the introduction of S. 1599 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. COVERDELL. Mr. President, we have now been joined by the senior Senator from Texas, Senator GRAMM, an acknowledged expert on economics and the budget. I welcome him to the floor to discuss the President's budget. I yield up to 10 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I thank our dear friend and leader from Georgia, Senator COVERDELL, for yielding. Let me first say that this is a very happy occasion to me because I have come to the floor of the Senate to talk about a budget where in the one provision that Americans clearly understand best, and based on the historical

problems we care about most, we have a unanimity of purpose with the White House, with the Democrats. In fact, this is the first time in my career in Congress that we have a President, a minority party, and a majority party, all of which have committed to balancing the Federal budget.

It is a certainty that if the economy stays as strong over the next 18 months as it is today that we will balance the Federal budget in fiscal year 1999, which is October of 1998 through September of the year 1999. That, obviously, is good news.

So I think the first thing we need to do is we don't need a debate about balancing the budget. We don't need a debate about how we differ with the President on this subject. Some people will want to debate about how it happened. Some people will want to debate who should have the credit. But it seems to me that the good news is given the economy stays as strong as it is we are going to have a balanced budget, and the President and the Congress—Democrats and Republicans—agree on the bottom line of that budget.

So given all of that happy news, I think we should just simply take it to the bank, so to speak, and move ahead on that front.

Now the question comes: Where do we disagree? That is what I would like to talk about today because I think those disagreements are very, very important. How did we get to where we are today? It seems to me that it started in 1985 when for the first time we really started to try to gain control of spending. It has been fiscal responsibility—often a battle between the President and the Congress, Democratic Presidents, Republican Presidents, Democratic Congresses, Republican Congresses. But the basic fact of life is that since 1985 we have limited the growth of Government for the first time really in the postwar period.

Where does the President want to take us from this happy moment, and where do Republicans want to take us from this happy moment? Given that together with a strong economy we are going to balance the budget, which road does the President want to go down? And which road do Republicans in Congress want to go down? Then it seems to me that it is up to us to define those paths as we come to this fork in the road where people need to choose which path they want to follow.

The President is proposing in his budget \$115 billion of new taxes and user fees. These taxes entail many different provisions from taxes on airline tickets to changing the way we deal with life insurance—numerous provisions. But when you add up all of the taxes and user fees, the President's budget over the next 5 years will take \$115 billion out of the pockets of Americans and transfer that money to the Government. The President will then use that money to fund in part a \$130 billion increase in Government spending. Anyone who heard the State of the