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## Senate

Mr. TSONGAS.

Mr. President, I rise in support of the substitute I have cosponsored with Senators NELSON, JAVITS, and METZENBAUM. This substitute, while not affecting the Senate Budget Committee's balance of 1981 receipts and outlays, attempts to strike a better balance between defense expenditures and various domestic programs. I am committed to a balanced budget—this substitute does not affect that. I am committed to a realistic increase in defense expenditures. This approach provides for that as well. Finally, I am committed to a sensible balance between domestic and defense needs; and this substitute, I believe, restores some balance to an, at present, lopsided budget.

The substitute accomplishes the following: Defense outlays for 1981 are reduced by \$2 billion. This \$2 billion in 1981 outlays is redistributed in the following manner: \$200 million is added to function 400 (transportation); \$700 million is added to function 500 (education, training, and other social services); \$100 million is added to function 550 (health); \$900 million is added to function 600 (income security); and \$500 million is added to function 850 (fiscal assistance).

Let me reemphasize that I, too, am committed to a balanced budget for fiscal year 1981. Although I am soberly aware of a balanced budget's limited potential for direct reductions in our inflation, nevertheless it provides a symbol of commitment to fiscal restraint. Moreover, by limiting ourselves to spend only our revenues, we force the Congress to recognize that we have a limited pie to divvy up. For too long this institution has dealt with spending choices among competing public projects by deciding to fund all of them. Such an approach, by allowing each of us to secure funds for our projects, demands that we reduce private expenditures. Our constituents were taxed directly in some cases. More times than not, however, they were taxed through inflation. The Government printed money and their purchasing power dropped. We cannot continue to operate in this fashion. We must all accept the tough choices inherent in budget decisions both between public projects and between the public sector and

the general private sector. A balanced budget, although far from a panacea for curing inflation, is useful today, because it brings home this message of choice. Let me reemphasize that this substitute leaves the Senate Budget Committee's balanced budget intact.

Mr. President, this substitute would set the defense function outlays at \$153.7 billion, which is \$2 billion lower than the Budget Committee's figure of \$155.7 billion. Despite this reduction, outlays will still exceed the President's request, CBO's reestimate, and the House approval level.

Mr. President, I believe there is a consensus in the Senate that funding for our defense needs must be raised significantly. I am part of that consensus. Last year, I voted for a 3-percent real increase in defense expenditures for fiscal year 1980. I fully support a similar increase for fiscal year 1981. The substitute before you will accomplish just that—a real growth in defense outlays of over 3 percent from last year's levels. This increase more than satisfies the President's commitment to our NATO allies and will provide sufficient funding to address the serious manpower, maintenance, and operation deficiencies which now hamper the smooth functioning of our Armed Forces.

While I fully appreciate the diligent efforts of the Budget Committee to provide for the Nation's defense needs, I must question whether the Department of Defense could absorb efficiently a 5.7-percent real increase in outlays. It is vitally important that the Senate respond to real shortcomings in our military posture. But it would be unnecessary and counterproductive to supply more funds than could be effectively utilized to remedy these deficiencies.

Mr. President, a commitment to balancing the budget and to providing defense expenditures must be accompanied by some commitment to mass transit, for our energy consumptive nature is both extravagant and a threat to our Nation. It is imperative that we begin to back out oil imports, for our economy and our national security. This substitute restores \$200 million of the cuts in transportation, essential to any plan for our Nation.

The increase in function 550 of \$100 million in outlays is a necessary increase in order to attempt to adequately address the health care needs of all Americans. While the Medicare and Medicaid programs comprise 86 percent of this function, a large percentage of our population remains seriously underserved. This additional \$100 million in function 550 will help us to continue to address the health care needs of the underserved and the medically indigent.

Mr. President, while I support the immediate need to balance the budget in an attempt to provide stability to the American economy, I am very concerned about the long-term economic needs of our Nation as well. To eliminate job programs for the structurally unemployed and for minority youth serves only to perpetuate an instability that we will recognize as intolerable. It is clear to me that the federal budget must address both long-term and short-term goals. Unemployment among minority youth already exceeds 60 percent.

We have all lived through long, hot summers that are the result of hopelessness and frustration. It is very likely that in the face of joblessness, our cities will again combat the justifiable wrath of thwarted minority youth who want to be productive citizens and who have not been granted the opportunity. In my view, the offender in this instance is a Government that only defers the hopes of the unemployed rather than providing the opportunity for a meaningful contribution. The Federal Government will be the offender if we allow a \$2.4 billion reduction in function 500.

This substitute seeks to restore only \$700 million to this function. I would seek full restoration if there were a chance that the Senate would favorably consider it. However, it is my fervant hope that my colleagues will agree that restoration of \$700 million to this function will help avert continued destabilization of our economy.

Similarly the Senate Budget Committee has cut into the food stamps and social security programs. The Senate Budget Committee figure for the income security function is a full \$2.8 billion below CBO's reestimate of Carter's

budget. Again, a drastic reduction in light of the difficult times our poor will face in the months ahead is a cruel and undeserved punishment. My amendment seeks to restore less than half of this, but \$900 million will be returned to function 600.

Mr. President, the Budget Committee's recommendation for a \$600 million outlay cut in the revenue sharing program in function 850 will inflict fiscal hardship on State and local governments at a time when they can ill afford it. I have always supported the revenue sharing program and I find it particularly difficult to accept the logic of the Budget Committee's reduction.

This substitute would restore \$500 million, a part of the reduction. I do believe that any program must face up to the necessity of reductions for fiscal year 1981, but with this substitute amendment to minimize the severity of our austerity in this most vital program.

To conclude this budget leaves the budget in balance. It accepts the Senate Budget Committee's revenue estimate. It provides for a realistic increase in defense expenditures consistent with our commitment to our NATO allies. Moreover, it provides a commitment to mass transit and the minimal support necessary to respond to the hardships and deprivation faced by the Nation's disadvantaged.

Mr. President, I am not sure we are talking about the same budget. As the Senator from Wisconsin pointed out, the substitute sets defense at \$153.7 billion. I do not understand how that can be equated with a weak defense. It is \$2 billion lower than that of the Budget Committee, and I think the points raised by the Senator from Wisconsin make the point rather well.

I would just like to point out to my colleagues that we seem to engage in what could be called the Arnold Swartznegger approach to defense. The more we pump iron, the stronger we are.

Well, try putting him in the ring sometime, because pumping iron and having more aircraft carriers are not a strong defense.

The great vulnerability we have in this country is to the pipeline of our oil supplies coming out of the Persian Gulf. You tell me how all this military equipment is going to deal with a cutoff of the

Persian Gulf. Well-trained, well-motivated guerrilla forces can go into the Persian Gulf, take out the supply lines, take out the refineries, take out the dock facilities, and then what are you going to do?

The issue in defense is our dependence upon foreign crude. Transportation, we cut it. Conservation, we will cut it. Where is the relationship between the real security needs and what is in the budget? It seems to me at some point there will be a balance achieved in this Congress and people will understand how all the pieces interrelate. At some point we will understand the strength of this country is its capacity to control its energy supply, its capacity to have a strong economy, its capacity to be sensitive to what is happening in the world, and its capacity to be sympathetic and compassionate to its own people. That is the strength.