

be without health care. Seniors will have more choices. They can keep the old plan or choose a new one that suits them better.

We do this by cutting fraud and waste and reining in the exploding costs. Our tax cut reduces the tax burden on people who actually pay taxes. It closes loopholes. More than three-quarters of the cuts in the first year go to the middle class—those making \$75,000 or less.

Now, who are those people? They are mothers and fathers who will get help raising their children with a \$500 per child tax credit; they are homemakers who will have the opportunity for the first time to contribute the maximum amount to an IRA for their retirement security; they are married couples who will have the Tax Code's marriage penalty reduced; and they are savers who are trying to buy a first home, pay for college for their kids, or retirement for themselves.

Our tax cut benefits all Americans. It will put more money in people's pockets, and it will increase jobs. Together with a balanced budget, it will lower interest rates and increase the standard of living for millions of Americans.

The time for publicity stunts, Mr. President, for walking out, for shouting, for interrupting meetings with demonstrators, and for labeling Republicans "extremists" is over.

The public spoke clearly last November. They saw through the antics and the publicity stunts and they asked for leadership. Leadership is not increasing taxes on the elderly and everybody who drives a car and then claim you only hit the rich, which the Democrats without one Republican vote did in 1993. It is not leadership to walk away from those tax increases 2 years later and to attack others who seek to lower the tax burden now.

It is not leadership to propose a budget to this Congress this year with a \$200 million deficit. It is not leadership to propose only 4 months later, a 10-year budget which you say balances but which does not.

It is leadership to confront our fiscal problems head on, to show the people that we must preserve Medicare—and we will—to help families, to create jobs, and to balance the budget.

The American people asked for leadership, for the Congress to shoulder the responsibility of showing them the way. This budget ends the culture of dependence, the belief that the people cannot provide for themselves. It shows the way toward hope and prosperity for all, with charity for those who cannot help themselves.

The American people have created the greatest country on Earth with the intelligence, the creativity, and the energy God gave them. It is our responsibility as their leaders to maintain the opportunity they have created and that this great country offers. That is what we are trying to do, Mr. President. We are making the tough decisions to assure the future.

I yield the floor.

#### RECONCILIATION

Mr. DEWINE. Mr. President, first let me congratulate my colleague from Texas for a very eloquent statement as well as congratulate my colleague from Idaho for his statement that preceded the Senator from Texas.

I rise today, Mr. President, to discuss the reconciliation bill that we will begin debating this Wednesday. It is very clear that there will be nothing more important that this Congress will do than the particular bill that we are going to take up on Wednesday.

In fact, there may not be anything more important in any of our careers here in Congress, however short or long they may be, than this particular bill.

The bill that we will begin debating on Wednesday results from a statement made by the American people last November. It was a statement that was very simple, very plain and very eloquent. What the American people said last November was that we must make some very fundamental changes in the course of the direction of this Government.

Mr. President, the American people had ample reason to speak so loudly last November. For example, if we look at the budgetary outlook contained in the report of the Bipartisan Commission on Entitlements, we will find a pretty grim picture.

Here is what this Bipartisan Commission said, in essence. If we do not change our present course, by the year 2012 every single penny in the Federal budget will be consumed by entitlements and by interest on the national debt.

My colleague from Texas just said that a moment ago. I again want to repeat it because it summarizes, I think, very well, the crisis that we are in. Think of it—every single penny of the entire Federal budget will be consumed by entitlements and by interest on the national debt.

If, Mr. President, in the year 2012 we want Government to do anything at all—provide for our national defense, provide money to run the Army, the Navy, Air Force, Marines, run a program such as the WIC Program or provide any funds for higher education or primary or secondary education—to do any of these things, unless we change the course of the direction of this Government of this country, we would have to raise taxes because there would not be any money anywhere else in the budget to pay for any of these things. This, I think, gives us a pretty good indication of what kind of problem we have in this country.

As we approach this problem, I think the American people demand from us honesty, demand from us that we use numbers that are real, because I believe the American people are sick and tired of phony numbers. They know we cannot go on trying to hide from the facts. Unless we take action and take

action now, our children, our grandchildren, are going to face an even more severe reckoning; frankly, the quality of life our children have, and our grandchildren and their children have, will be different, will be lower than ours. So I believe the American people last November were also saying that the time for the blue smoke and mirrors is over.

The reconciliation bill that we will begin to consider this Wednesday is an honest, forthright attempt to solve this major problem threatening our children's future—the problem of America's imminent bankruptcy. If we listen to the debate occurring on TV, in our newspapers, on the radio, one might conclude that we, on this side, have been a little too honest, maybe a little too forthright. But I do not think so. I do not believe that the American people expect us to do any less than to be forthright and to be honest.

And one charge that has not been made—and I do not think will be made—is that we have taken a walk on this issue. We assuredly have not. This reconciliation bill that, in about 48 hours, we will begin to consider is a serious, detailed, fundamental attempt to change America's fiscal course. The patience of the American people, I believe, has run out—their patience with distorted figures, their patience with lack of candor. That is one of the reasons why we had such a revolutionary election, such an historic election in 1994. The American people want elected officials who are willing to break the syndrome, once and for all, of distortion. That is what I believe we are trying to do with this reconciliation bill. The President, on the other hand, has not responded to this national demand for fundamental change. Unfortunately, the administration's proposal does not even come close to meeting this challenge. It is not detailed. It is not serious. And it does not attempt to fundamentally change the course and the direction of this Government.

Thanks to the important work of my colleague, the senior Senator from New Mexico, the chairman of the Budget Committee, we have details spelling out exactly how far short the President's plan has fallen.

Let us look at how the President's plan claims to get to balance. Let us look at it.

According to the President's plan, there will be \$55 billion less in Medicare spending. No changes in benefits, no changes in law, it will just, somehow, magically appear. There will be \$68 billion less in Medicaid spending, according to the President. Again, no changes in benefits, no changes in law; it will just somehow magically happen. There will be \$85 billion less in spending on agriculture, pensions, and other programs. No details, no specific cuts; again, it will just somehow magically happen.

The same goes for \$22 billion in supposed savings in the discretionary account. No real changes—the cuts are just going to happen somehow.

Then—please stay with me, follow this—the administration predicts, based upon these assumptions, assumptions that really have no basis in fact, that as a result of these things certain other things will occur that will save another \$70 billion from lower interest rates; yet another \$175 billion thanks to economic growth—lower interest rates and economic growth, based upon assumptions that have no basis in fact, that have no support, that have no specifics.

A few years ago there was a popular song that asked, "Do You Believe in Magic?" The American people no longer believe in magic when it comes to the Federal budget. They believe it is time to sweep away the smoke and mirrors. It is time to start buckling down and making the tough choices.

Sadly, the administration proposal is not even smoke and mirrors. There are not any mirrors in that proposal. It is all smoke. When you say we are going to cut \$475 billion out of the budget without actually changing anything, without actually paying any kind of price, that does not even qualify as a trick. The time for that kind of falsehood, I think, is over. It is time for truth. It is time for decisions. And that is what Congress is trying to do in this historic reconciliation bill.

A vote for the reconciliation package is a vote to balance the budget so we can start reducing the national debt and put America on a course toward a future we can be proud to leave our children. A vote against the reconciliation package, I believe, is a vote to stay the course, a vote to take today's staggering deficits and hand them to our children and our grandchildren, to give our children and our grandchildren our bills for them to pay.

When the smoke clears, there is one fundamental difference between the President's budget proposal and our budget proposal. Under the President's plan, we will leave our children and our grandchildren our bills. Under our plan, we will balance our budget so our children and grandchildren will not have to pay our bills. For America, I believe it is a clear choice between two very distinct and different futures. That is why I intend to vote for this reconciliation package.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I understand the distinguished Senator from Minnesota [Mr. GRAMS] is here to speak under the order reserved in my name. I yield the floor so he can be recognized at this time.

The PRESIDING OFFICER. The Senator from Minnesota.

#### THE BUDGET

Mr. GRAMS. Mr. President, I am honored to join with my freshman col-

leagues and others this morning as we share our thoughts on the important work that is being undertaken this Congress. We may be new to the Senate, but together we carry the powerful and, in Washington, novel idea that the tax dollars are not the Government's money.

While I was growing up on my family's dairy farm, we did not have much need back then, it seemed, for the Federal Government. As long as the mail got delivered and there was something to collect when they cashed in their war bonds, my folks and their neighbors really did not have much reason to concern themselves much with what was going on in Congress. They certainly did not turn to Washington when they needed a helping hand. They never really thought of doing that, and I expect they never thought anything would come of it if they tried.

They did not believe Government should have the right to take as much money as it thought was fair from some Americans and, in turn, give as much money as it thought was fair to others. If the Government can confiscate the wealth of some, it can take it all from all.

We agree that taxes need to be collected for our national security, our transportation, our good sewer and water systems. But we do not want our hard-earned money taken for social engineering and the redistribution of wealth, disregarding the people who have worked so very hard to earn it, invested all they had, and took, in many cases, enormous risks.

If you had worked hard to save what you have, we have had a Congress over the last 30 years that believed this money actually belonged to Washington. The Democratic leaders have used your money to basically create not a level playing field, but a dependent class. They have used your money to buy, in many cases, political support and votes.

There was a time in this Nation's history when neighbors counted on their neighbors for help. Whatever involvement from the Government they may have needed came partly from the State, but most of their contact with Government came at the local level. If there were improvements that were needed for the good of the community, folks scheduled a town meeting where they talked over their problems and then made those decisions. It was open democracy at its most basic level. Most important, the choices were made by the community and made voluntarily, and the town got to see exactly where their tax dollars were going and they enjoyed the direct benefits of pooling together their money.

They did not need a department of education or housing or transportation. That is what families and the communities were for. But then, beginning sometime during the 1930's, while the Nation was rebounding from the Great Depression, the Federal Government began inserting itself more di-

rectly into American life, and the idea started to take hold that Washington somehow had all the answers. That philosophy grew even more quickly during the 1960's and into the 1970's. Washington became the center of power by confiscating the people's money and using that money to make decisions that Washington felt were best for the people.

As that power was taken away from the American people, more and more people were forced to start relying on the Government rather than relying on each other. Mr. President, just ask your constituents. They know how much more of their tax dollars Washington has demanded year after year.

Back in 1948 the average family of four paid just 3 percent of its annual income to the Federal Government. That jumped to nearly one-third of their paychecks by 1993, when President Clinton pushed a \$275 billion tax hike through this Congress, a record-breaking tax increase that even now he admits was too much.

Somewhere along the line, the big spenders who used to control Congress forgot just who the money really belongs to. They have passed laws that say you have to pay more so they can spend it where they see fit. When you do this for more than 30 years, they not only forget who the money really belongs to, but they begin to believe that it actually is theirs. They did this again by passing laws one at a time that say you owe Washington its due.

Again, I am not saying that we do not need a strong Federal Government and it will cost us money in the form of taxes to support that, but not half of everything that we earn, while the appetite in Washington for your tax dollars continues to grow. This transfer of cash away from the local communities into the Federal coffers has stripped people of so much of their money that they have little left to invest in their own communities, toward caring for the less fortunate and to making their neighborhoods better places to live. Government has taken the place of private charity, of neighbor helping neighbor, and has even usurped the role of families, in many cases, in caring for children and in caring for the elderly. In fact, a lot of things have become the problem of the Federal Government.

Already this year I have received 155,000 letters from my Minnesota constituents. The majority of those letters express opinions on the issues that we are currently debating in Congress, and I need that kind of feedback. But an ever-increasing percentage of mail we get here in the Capitol is from people looking to Washington for help.

Washington creates the problem. Then Washington offers to fix it. It is a catch-22 cycle, and it certainly is not governing. If the Federal Government reduced taxes and let the people keep the dollars they earned, maybe they would not need to go to the Federal Government with those outstretched hands.