you can see is the red and the blue line together begin to move up.

This is where I was saying earlier that in the year 2013, entitlements and net interest consume everything that is available.

Again, maybe in 2013 we are going to have a Congress saying we were elected on a promise to raise taxes. Maybe it will happen. I doubt it, but maybe it will happen. Maybe in 15 years Americans will say: They kept our taxes down 18 years; now we are really ready to raise them up again. Let's jack them up 5 percent of GDP and suck up these new entitlements out here and add a bunch of discretionary programs on top.

I think it is unlikely, Mr. President. What that means is you could eliminate all the discretionary spending, which we may end up doing. The discretionary spending went down last year. It is going to go down again, while entitlements are going to go up $50 billion and health care and retirement is almost the entire piece of that. We are going to whack the discretionary spending one more time, and that is going to continue until and unless we face it.

Under our proposal, this levels out, as I point out to Members and to citizens, if we do not even balance the budget. You still have to do more if that is what you want, to balance the budget. But we get within striking distance. You can do it with discretionary spending after that. It is not a discretionary spending commission. We did not address the problem of discretionary spending. The purpose of this commission was not to make recommendations to balance the budget but to get the two large insurance programs, the retirement and the health care programs, in balance so that we could say to the trustees that we in the Congress have taken action to bring these accounts into long-term balance.

This rather confusing chart shows what happens just with the Social Security trust funds. Again, this is the most controversial one of all. This is one the Speaker says we are going to leave off the table; the President says we will leave it off the table; everyone says we will leave it off the table. We will deal with it sometime out there in the future. Maybe in 2000, when the third millennium arrives, that is when we are going to deal with it.

There was a lot of wailing and gnashing of teeth earlier when we had that amendment on the balanced budget, but fortunately it was defeated. Here is the fact. This is what is going on out there in the future. So when you are out there talking about your kids, my kids are 20 and 18. My kids are 20 years old and 18 years old. And this is the kind of future they face. This is what they are looking at. It is fine for me. I am in good shape. It is fine for me until the year 2029. And mark my words, the trustees, in my judgment, are going to come back and say sometime later this year it is now not 2029; it is 2024. They have been moving this due date closer and closer since we recently fixed it.

That is the future under the Kerrey-Danforth proposal. You may have a more liberal proposal that says no, no, no, Senator; we want to raise taxes.

Bring it down here. Let us vote on it. Let us vote to consider some alternative to this. I do not mind that at all. But ignore this problem at not just your peril but our peril, and I predict that in 1997 or 1998, we are going to begin to hear some very, very serious statements made about what is going to happen by more and more people if we do not take action.

I hope that this entitlement commission report that we are delivering to the President and to the leadership will be given consideration because this kind of a future will change America as we know it today.

We will be able to say to our kids and our grandkids: Yes, Social Security will be there for you. Yes, Medicare will be there for you.

But just as important, ask an economist, ask Alan Greenspan, if you are on the Banking Committee or on the Joint Economic Committee, the next time he comes before you. Ask him directly what happens if this kind of future is enacted. What happens if the Kerrey-Danforth plan or some modification that achieves the same effect, what happens if that takes place? I will predict to you he is going to say that long-term interest rates go down at least 200 basis points, or 2 percent, and maybe as much as 4 percent.

It is this inflationary expectation that is causing the bond market still to bid up the long-term price of money. If we could get that kind of action taken quickly, we would continue the economic recovery. It would enable us to keep interest rates low, employ more people, allow us to build up our skills and our wages, and get the standard of living rising, as most Americans want, and probably, although we have not put a pencil to this and calculated it, probably produce the opposite of what we have right now, which is compounding interest working against us. We could probably get compounding interest working in our favor and find ourselves with good news, possibly able to adjust taxes down or make some other extension out there so that Americans would say: Gee, this is a payoff, a good payoff, for having made the tough decisions.

I will close by saying I am very grateful for the leadership that Senator DANFORTH put in on this and all the other members of this Bipartisan Commission on Entitlements and Tax Reform. I am very much appreciative and sensitive to the political problems surrounding this issue.

One of the things I have learned in this is it does not do any good, I believe, when you are discussing this, to hyperventilate and exaggerate the impact. We have attempted to present the facts. I have not said in any of this discussion: America is going to go bankrupt. We will not go bankrupt. We may devalue our currency, but we are not going to go bankrupt. We are just not going to be able to fulfill a generational promise we made.

We are not sitting here saying Social Security is broke. It is not a short-term crisis. We are saying we are operating a very large insurance fund and we ought, on behalf of future beneficiaries, to make adjustments today so they get the promises that are currently on the table and that we ought to make long-term planning a part of our thinking. As difficult as it might be, we ought to make that long-term planning a part of our thinking.

We have also suggested that we make incremental reform, incremental steps towards changing both our retirement and our health care programs. I have been more explicit on the retirement programs than I have on the health care programs. But as I see it, there are four large entitlement programs in America. By ''large''—I define large to be $200 billion plus. Three of them are Federal: That is Federal retirement, Federal health care, and Federal tax entitlements. There is a debate about whether or not taxes are entitlements. The fourth is K through 12 education. You are entitled to that as well, but that is a State and mostly local issue.

I am saying we should use this opportunity. As we solve this long-term structural problem—as we solve the long-term actuarial problem, as the insurance folks call it—we ought to consider making changes in our regulation in our taxes, particularly as it relates to retirement, so we will provide Americans with the opportunity to acquire more private pensions and a larger pool of private savings as well.

I intend to repetitively come and try to make the point. I hope Americans understand that there will be concerted effort in the U.S. Senate and in the House of Representatives to try to give Americans a legislative vehicle they can rally behind, a specific set of recommendations that are open to amendment, open to changes, open to any suggestions that might improve it, and change the future as we are currently heading upon it.

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

The PRESIDING OFFICER. The Senator from Idaho.

COMMENDATION OF SENATORS AND STAFF

Mr. KEMPTHORNE. Mr. President, after 11 days of debate we finally had passage of S. 1, a Senate bill which will curb unfunded Federal mandates. I think, as you can well appreciate, after 11 days and oftentimes 12 hours a day, we really have said quite a bit about S. 1, so in my closing comments, I would like to say what has not been said which are just some thank-you's for a lot of folks who worked very, very hard for this fundamental change in how this institution of Congress will operate under S. 1.

I want to thank Senator DOLE, the majority leader, who designated it S. 1, demonstrating with his leadership and with his conviction that this is the sort of new partnership that he wants to see ordered in a federalist system where local, State, and National Government works in partnership, not one dictating to the other from the Federal level down.

I thank Senator ROTH and Senator DOMENICI—Senator ROTH, of course, is the chairman of the Governmental Affairs Committee; Senator DOMENICI is the chairman of the Budget Committee—for all their efforts during the winter recess and their help in crafting this legislation.

During that period of time, also, Senator EXON, who is the ranking member on the Budget Committee, and his staff were very helpful. I think, with Senator EXON being a former Governor, he knows how important this is.

Senator LEVIN, during the course of 11 days, certainly provided a great deal of input, a number of amendments that really we found quite acceptable that I think will enhance the bill. So I appreciate Senator LEVIN's efforts on that.

Senator BYRD was certainly conscientious as we proceeded through this entire process. He offered an amendment which I think is a key amendment, which really strengthens this bill.

Then the Senator who I will now reference, the Senator from Ohio, Senator GLENN, who has been a great partner in this whole effort. I think what is significant is that in the last session, the 103d session of Congress, when the Democrats were in the majority and when he was the chairman of the Governmental Affairs Committee and before unfunded mandates was a household term, Senator GLENN realized that we needed to do something about that and so we crafted legislation. But it was his partnership, as we worked through this, that I think really helped us in a major way get to today, the fact we are going to provide to the American public, to the taxpayers, relief from these unfunded Federal mandates on the State and local governments. The mayors can now be the mayors they were elected to be. Governors can now be the Governors they were elected to be.

I think often of that quote from Ben Nelson, the Governor of Nebraska, who said he was elected Governor of Nebraska, not the administrator of Federal programs in Nebraska.

But I just have always been a great admirer of JOHN GLENN's. Working closely with him, when you work that many hours together, you really, I think, determine the essence of an individual.

It has been a honor, literally, standing at your side and I appreciate all of your help on S. 1.

I also would like to acknowledge some folks that I think too often we do not say enough about, and that is the staff that helped us. On my staff, Buster Fawcett, who is my legislative director and really was the architect of the language of this, and Gary Smith, who worked with the State and local officials throughout the country in coordinating their desires and wishes in the legislation and their support for this.

Both Buzz and Gary served with me when I was the mayor of Boise, ID. Buzz was the city attorney and Gary was the administrative assistant. We brought the team with us to Washington, DC.

We have added to that team Brian Waidmann, who is now my administrative assistant. But his understanding of the process and his methodical approach was instrumental in getting us here and Wendy Guisto, also of my staff, who helped us with the research.

On Senator DOLE's staff, we cannot say enough about Elizabeth Greene, who was just tremendous in helping us as we needed to understand the different aspects of this process; and David Taylor, a young man who just has a grasp of where the end line is and what it takes to get there in a fashion that others respect, and, yet, you get there in a fashion that no one feels that they have been upset, upset in getting the job done.

Senator DOMENICI's staff, Bill Hoagland, Austin Smythe, Jennifer Smith, and Anne Miller just played a key role with the intelligence that they have about this whole process; and Senator ROTH's staff, Frank Polk and John Mercer, with their working relationship and understanding of how Government should work; Senator GLENN's staff, Sebastian O'Kelly, Larry Novey, and Leonard Weiss.

We have come to know these people and to respect them, and I think it is demonstrated that there is a bipartisan spirit here that can and should work.

Senator BYRD's office, Jim English, and Senator EXON's office, Bill Dauster.

Senator HATCH's staff: Ed Whelan provided superb advice on the constitutional aspects of this legislation.

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I want to extend a special thank you to Tony Coe, of the Senate Legislative Counsel's office. He worked closely with Buzz Fawcett of my staff in drafting every word of this bill. I am grateful, and I was well served.

Finally, I want to thank the citizens of Idaho for the opportunity they have given me in serving in the Senate. I hope they will take a small measure of pride that the effort to reform unfunded mandates was born in Idaho.

Mr. President, again, I thank all who participated with us.

I also want to acknowledge and thank my wife, Patricia, and my kids, Heather and Jeff, because for many nights the closest they got to dad was watching C–SPAN. Anyway, I will be home tonight.

I thank the people from Idaho, because I appreciate the honor of serving them. They are people who are straightforward. That are honest and sincere. They just said, ''Why don't you go back there and do a job for us, and not on us.'' And I think that is what we accomplished here with Senate bill 1.

I yield the floor.

Mr. GLENN. Mr. President, I am particularly appreciative of the remarks of my distinguished colleague from Idaho. He was not on the floor when I made my remarks about him a little while ago. But I talked about our excellent working relationship, and I appreciate the remarks very much.

REGARDING THE DEATH OF BOB BADGLEY

Mr. GLENN. Mr. President, Wednesday, January 25 was a sad and somber day in southern Ohio. On that day, America lost a patriot, Ross County lost a legend, and I lost a friend. Bob Badgley was one of my earliest and strongest political supporters—and he came to be a good and dear personal friend as well. Over the years, I called on ''Badge'' often for advice and counsel. He was 76 years young when he passed away on Wednesday, and I know his hundreds of friends—indeed thousands—around the State are going to miss him as much as I already do.

Although Badge never aspired to hold high public or elective office himself, he devoted countless hours to myriad volunteer activities that benefited his State, his community, and the Democratic Party that he loved so much for so long. On Tuesday, President Clinton delivered his State of the Union address. I don't know whether Bob was