

that it is a real debate, a real culmination of a year's work, now to decide whether we are successful in balancing the budget or whether we go on as we have in the past, and that we do it in 7 years. Everyone in this place, since I have been here this year, the first thing they do is stand up and say, "I am for balancing the budget," and they go on to find 100 reasons why they cannot do it. But they want to do it in the right way and that is to raise revenues so we can keep spending at this level.

So, Mr. President, there are lots of problems here, but I think we need to really come to the snubbing post and say to ourselves we are willing to make changes and bring the changes forward that are based on real numbers and then vote. If you do not want to balance the budget, fine, say so. But let us get some figures out here that legitimately say this will balance. Let us not have smoke and mirrors and say we have balanced it, but gosh, we have just done it with projections. They do not have to do that. We have a set of numbers. They may not be right. No one knows whether they will be right. But they are the same numbers and we are dealing from the same deck. That is what we need to do.

So, Mr. President, I feel very strongly, as I know many, many do. I am offended, frankly, by the opponents of balancing the budget saying we just do not have any compassion. We are going to throw kids out in the street or not have schools or not have Medicare. That is poppycock. That is not true. I am offended at the idea that somehow they have more compassion than I do. I do not believe the Federal Government has any more compassion than my State of Wyoming. We are as concerned about our kids as anyone. In fact, we are more concerned about our kids than they are about our kids, of course. So that is not the issue.

If we want to really talk about compassion, we ought to talk about what is going to happen in 15 years when you do not have any money except for a handful of entitlements—and that is where we are. Everybody knows that. We do not have the leadership or the gumption to come up to it to make the decision.

Mr. President, I hope that happens, and I hope that we will give our country a strong future by saying we are willing to make the tough decisions and balance the budget and to look out for the future, and we are willing to pass on a country that will be better than the one we have been involved in.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Georgia is recognized.

THE BUDGET

Mr. COVERDELL. Mr. President, I appreciate your giving me an opportunity to step aside from presiding to make a comment or two about the dilemma that we find ourselves in today.

The first point I want to make is that, from my perspective, we are dealing with a lineage of broken promises here.

I have been somewhat dismayed by the confusion in the public about what is going on, but I guess it is understandable, given the size of the megaphone the President of the United States has. I will just run through several events that occurred over the last 2½ years.

First, when the President was a candidate for the Presidency in 1992, he said in his campaign that he would balance the budget in 5 years. He would balance the budget in 5 years. We are now 3 years later and about to enter the next Presidential election cycle, and he has yet to submit a balanced budget of any kind or of any form. "I will balance the budget in 5 years," and he is arguing with us about trying to balance it in 7 years. A very meaningful promise to the American people is in the trash can.

Two years later, he came before the American people and the Congress. First he said, "I will not submit a budget." Then he said, "No, I am going to submit a balanced budget." So we waited and we received his budget. It was unbalanced at a level of \$200 billion per year as far as anybody could see. "I am going to balance it in 5 years." He forgot that. Then, "I will submit a balanced budget," and he did it and it was not balanced. It was not even close. It was so off the mark that the Senate, on two separate occasions, rejected it in a humiliating way—99 to 0, every Republican, every Democrat. On the second attempt, I think the vote was 96 to 3, something like that. Total rejection.

Then we passed for the first time, this Senate and the House, for the first time in almost 30 years, a balanced budget act and sent it to the President. We said we were going to do that, and we did it. It went to the President, and he vetoed it, killed it, which led to the current moment of negotiations between the Congress and the President.

Just before Thanksgiving he and his negotiators, the President and his negotiators, agreed late one evening with the leaders of the Congress and ultimately voted on by the Congress that he and we would produce a balanced budget in 7 years and we would use the same set of numbers. That is real important. We say CBO, and that means Congressional Budget Office. That is the entity that the President said is the best authority in his State of the Union Address. A month later, the President had offered nothing.

Then, finally, at the beginning of this week he gave us the outline of a budget that was immediately declared out of balance by upward of \$400 billion. It was ridiculed in the press and by every-

body who saw it, so he said, "Well, I'm going to really give you a balanced budget Friday at 10 o'clock." I have to tell you, Mr. President, I never believed they were going to do it, which is the second point I am going to make in a minute. Sure enough, midday Friday, his negotiators came to the Budget Committee with two sheets of paper. This was their good-faith attempt, two sheets of paper, and no budget, just a handful of numbers on it—it could have been done in 20 minutes—and we are dealing with the budget of the United States of America. They could have done this in 20 minutes, and it was \$75 billion out of balance. He had no intention of submitting the balanced budget.

They had already purchased television ads Thursday to say that the Republicans shut the Government down. This is scripted. This is raw politics. The problem is, you are dealing with real lives and a real democracy. There are 20,000 troops headed to Europe in the Balkans. They never intended to submit a balanced budget. This is why they waited until the very end. They knew exactly what we would say. We would say this is not what we promised America. We both promised a balanced budget using CBO, Congressional Budget Office, numbers and you come in at the last minute, you spend the whole month producing nothing, and you come in at the last hour with nothing so that you could stand up and say, "Those radical Republicans, hard-hearted, shutting the Government down," meanwhile they were buying television ads even before the last meeting to run across the country saying, "Republicans shut the Government down." Pretty offensive politics.

This is a classic struggle between a people and their representatives, trying to bring the financial affairs of our country under control. Eighty to ninety percent of the American people want a balanced budget, and they want it right now. They are tired of things as they have been. There is only one person standing between America and a balanced budget—his name is William Jefferson Clinton. He happens to be President of the United States. He singlehandedly defeated the balanced budget amendment by getting his leadership to change their votes. He has yet to offer the Congress or the American people a balanced budget.

We all understand that his view of how to get a balanced budget may be different than ours. We welcome him to put his plan on the table, and then we can get down and work together, according him some of his wishes and according us some of ours, all of us fulfilling the demand of the American people, who said, "Balance your budgets. We have to. Our businesses have to. You have ignored it, and you have made the country hurt because of it."

This is not the typical political exercise, Mr. President. I want to remind our colleagues that a commission, chaired by Members of the Senate, Senator KERREY of Nebraska, Senator Danforth, former Senator from Missouri,

an entitlement commission, has produced its work early in the year, and it says in that report that within the decade the United States will exhaust all of its resources. Every dime of this huge country will be consumed by just five things: Social Security, Medicare, Medicaid, Federal retirement, and the interest on our debt, and there is nothing left.

What would we do if there is a Balkans war then? How would we build our roads? Defend ourselves? Nothing left, after these five expenditures. This balanced budget, that America knows in its heart we have to have, corrects that problem. It does not allow the Nation to run into that wall.

Some people, I think, who have listened to the debate, think that balancing our budget is a very painful exercise. Not only does balancing our budgets immediately begin to set the right path for our children and grandchildren and for the new century, but every living American begins to benefit immediately. The rainbow that comes from balancing these budgets happens right now. Interest rates fall, so the average family saves \$1,000 a year paying their home mortgage. They save on their car loan. They save on their student loans. They save if they build an addition to the house.

The tax reductions benefit all families raising children. The average American family, if this balanced budget that we propose becomes law, finds 2,000 to 3,000 new dollars in their checking account to help that family raise, educate, feed, house, and provide for the health of their family. That is what happens. And it does not happen way off in the future. It happens tomorrow. We are already benefitting. Just the discussion of balancing the budget for the first time in 30 years has affected our economy positively. But there is more to come.

It is beyond me how anybody, the President or any of his colleagues, would deny all America the benefits of managing our financial affairs. I do not understand it. It is a punishing blow to American families because it will push their interest rates up. It will slow the economy. When you do not balance your budget it is tougher to find a job. It is harder to start a business. They cannot get the capital that is being consumed by a voracious Federal Government that will not pay attention to its own financial affairs.

So, just to repeat, and I will yield: A promise to the American people by the President that we can balance the budget in 5 years—he totally ignored it. A promise to the American people that he would submit a balanced budget earlier this year—he ignored it and submitted one with deficits as far as the eye can see. And then a binding, intense promise made between the President and the Congress, to the American people, just before Thanksgiving, that we would both produce balanced budgets and we would both use honest numbers to do it—and he walked in the last

hour, having done nothing since that promise was made and gave us two sheets of paper.

There was more time being spent producing the political ads than producing the balanced budget and that is a sad state of affairs.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

TAX CUTS

Mr. BENNETT. Mr. President, I was in the Chamber last night when some rather harsh words were spoken on both sides of the center aisle and I said a few words myself in an attempt to, first, calm the atmosphere and, second, lift the cloud of obfuscation that seems to have fallen over the debate, after which it fell to my lot to assume the chair.

Some people think sitting in the chair is a great honor, and, of course, it is. But it is also a very good way of silencing one's voice, because when you are in the chair you are forbidden to speak or react or do anything other than to declare whether a quorum is or is not present, or inform errant Senators that they should please take their conversations to the Cloakroom—not the most edifying kinds of things to be able to say.

So I take the opportunity that today's circumstance gives me to offer a few more words in the ongoing debate about the balanced budget, in response to some of the things that were said last night.

I want to focus a little bit on the issue of the tax cuts. We were told last night that the most disgraceful part of the Republican attempt to balance the budget was that in our Balanced Budget Act we called for tax cuts. Disgraceful, we were told, when the public needs the money that you are going to cut in taxes.

Behind that statement lies one of the great misconceptions of this body, and frankly this Government and the various groups that advise this Government. It gives me an opportunity to get on one of my soap boxes that I have been on before. But I warn the Senate there is no such thing as repetition. You can give the same speech again and again and again and it is always treated as if it were new and, indeed, maybe the repetition is necessary. So I will launch, once again, into an attempt to set the record clear about tax cuts and the way they are viewed in Government.

We make the mistake in this Chamber and elsewhere of assuming that the Government's business is like a family

income, where mother and dad sit around the kitchen table adding up the bills at the end of the month, scratch their heads, with very nervous looks on their faces, and say, "We cannot make it. We must do one of two things. We must either increase our income by dad's getting a raise or mother working more hours at her part-time job, or somehow getting an inheritance from a rich uncle, or we must cut down our expenditures."

It is a two-dimensional problem. We must either increase revenues, or we must decrease expenses. That is all there is to it. And we are told around here that the Government has only two choices to balance the budget. We must either raise taxes or cut expenditures. And the analogy sounds wonderful, and it is easy to understand. Every one who sat around the kitchen table worrying about the bills identified the limit. There is only one problem though. It is not reality. It does not conform to the way the world really works.

If I may switch the analogy, Mr. President, the Government is not like a family. The Government is like a business. And I have run some businesses. I have run some of them successfully, and I have run some of them unsuccessfully. Indeed, the lessons I learned from the business which failed under my hand were probably responsible for my ability to make some businesses succeed under my hand.

The business is not a two-dimensional circumstance. It is three. There are three things you can do if your business is not making enough money to cover its monthly bills.

First, yes. You can cut spending. You can cut your overhead. That corresponds with the family sitting around the table. You can say we do not need as many people as we have here. We do not need as fancy surroundings as we have rented. We can move into smaller quarters. You can do all kinds of things to cut your overhead and cut your expenses.

Second, raise revenues. In business that is called raising prices. In Government it is called raising taxes. In business it is called raising prices, except every good businessman and businesswoman knows that raising prices is a very dicey way to try to increase your income because there are customers out there that may not like it. There are customers out there that may say, "Oh. If you are going to raise the price on your widgets, I am going to buy widgets from somebody else."

I have increased the bottom line in businesses that I have run by raising prices. It is a wonderful way to do it. It is painless. If the customer will, indeed, pay the increased price. In business we have a phrase we call price sensitive. That is a fancy way for saying we do not dare raise the price on this product because, if we do, nobody will buy it. But, if you have a hot product, if you have something everybody wants, it is not particularly price sensitive and you can increase your income 10 percent by raising your prices