

We have a vision of keeping our promises to make Government smaller, to reject the status quo, balance the budget by the year 2002, protect Social Security, save and improve Medicare, and return power to the communities and to our families and the States.

Mr. President, I am pleased we are moving in this direction. I feel confident there will be a positive vote tomorrow, to make these kinds of changes. I thank my colleagues for continuing to point out the choices that we have before the Senate. I urge my colleagues to support this budget plan. I yield the floor.

Mrs. HUTCHISON. Mr. President, I would thank the freshman from Wyoming, the freshman Senator, for adding to this debate. He has really been there through all these days, talking about the important issues that we are facing and the tough decisions that we are going to have to make. I appreciate the fact that he has just hit the ground running in the U.S. Senate, and I am pleased he stayed tonight along with his wife, to make the remarks that he did. We appreciate it very much.

Now I would be happy to yield to the Senator from Iowa for 10 minutes.

#### THE PRESIDENTS "SECRET" BUDGET PLAN

Mr. GRASSLEY. Mr. President, I thank the kind Senator from Texas for yielding.

I want to commend the Senator for her leadership in shepherding the services tonight, of making sure that the other point of view, the responsible financial point of view, is expressed here tonight, when elsewhere in this town we know there is a very antipeople pro-big Government point of view being expressed at a fundraising party for the Democratic Party.

There was a story this morning on the front page of the Washington Post. I think it has a lot of Members on this side of the aisle, and probably people across the country, just simply scratching their heads. The report says that President Clinton now has a secret budget counter-proposal. Do you know what? It will balance the budget within 10 years.

Mr. President, if this is true—and I suppose I ought to hope it is true because I have been praying for a balanced budget from this White House for a long time—it is truly an amazing story. First of all, it undercuts all the wailing we have been hearing from the White House about the effect on the economy and the public of setting an arbitrary date for a balanced budget. That is making fun of us Republicans for trying to balance the budget by the year 2002.

It seems that all we have heard for the last month out of the White House is, "What is magic about a certain date to balance the budget?" If you balance the budget you would ruin the economy. If you balance the budget you would do this to that group, or that to

another group. Now, all of a sudden in the Washington Post, the President says that he wants to balance the budget—albeit in 10 years.

I think even members of the President's own party and members of the President's party in both chambers of the Congress had earlier disagreed openly with the White House on this point. There was disagreement on what to do. Do you know what? The Members of the Democratic Party up here on the hill, they look to the President for leadership.

The message they got was to stay the course. The President said just keep to it, stay the course. That is, offer nothing in rebuttal to the Republican attempt to balance the budget. No vision from the White House; no alternative from the White House.

And, do you know what? The Members up here on the Hill were very obedient, listening to their President. So they refrained from offering their own balanced budget alternative, or any other comprehensive alternative to the Republican efforts to balance the budget.

So, the members of the Democratic Party stood idly by during this budget debate and risked their credibility because they wanted to follow their leader, our President of the United States. Now, with this new development that the President is for a balanced budget, albeit in 10 years, they, the members of the Democratic Party in the Congress of the United States in both Houses of the Congress, also are undercut by their President just like members of the White House staff have been. Just like he undercut the recent arguments of everybody on his staff that was trying to defend his position of just stay the course. Do not offer an alternative.

Second, this also says that the Republican vision of a balanced budget is right after all, and it is filling a very enormous political void. The American people know where we stand and they do not know where the other side stands. The American people know what the Republican Party stands for. They do not know what the Democratic Party stands for. They do not know because for several months, until this very day, they were told a balanced budget did not matter. They were told that we should not have an alternative, as Democrats, to what the Republicans were trying to do.

Also, there is a third aspect to this. Because, in filling that void and because the President is now coming around to accepting the premise of the Republican vision for the future, this new development is a powerful demonstration of the President's lack of leadership. Because, you know what? The lack of leadership demonstrates followership. It leaves a perception of a desperate move to be included. The President of the United States wants to be relevant, finally, in the debate for a balanced budget.

It shows that our Republican call for the other side to put up or be silent has

had an effect. It shows that we have opened up a big weakness in the other side's flank, namely its very own credibility. Because you cannot talk the talk until you walk the walk. Everyone knows that. Everyone outside of Washington.

Now, obviously the President knows it as well. The time to show relevance and to show leadership on the part of the President was last February. That is when the President proposed. The Congress is now disposing. The process has passed the President by. The ship of state has left the dock.

It is as if the President is trying to rush ahead to the next port to catch up with the ship. The problem is the ship is not scheduled to stop there. And it will not.

Mrs. HUTCHISON assumed the Chair.

Mr. GRASSLEY. Madam President, I think it is clear that the leadership, the vision, and the direction for this ship of state are coming from this side, the Republican side of the aisle. It all happens to be reflected in the budget debate of the last 4 days, the amendments offered by the other side, the absence of a comprehensive balanced budget alternative from the other side. And I think it will be demonstrated by the overwhelming vote for a balanced budget tomorrow.

Now, the President of the United States, on the other hand, missed the boat. His party is still standing on the dock. He stranded them there. He asked them to wait there until he could catch up with the ship out at sea, but it is too late. We Republicans have a vision and we have a plan to steer this country to the safe waters.

I ask, where is theirs? Where is their comprehensive alternative plan to balance the budget? Where is their coherent vision? Where is theirs?

It is lacking. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

#### THE PRESIDENT'S BUDGET

Mr. SANTORUM. Madam President, I want to pick up where the Senator from Iowa left off. I think he made some very good points with respect to where the President's budget is. I noted also the same Washington Post article today. It suggests "President to Counter Hill Budgets. Plan Would End Deficits in 10 Years."

This was not released by the White House. This was released from a private interview up in New Hampshire that was leaked out somewhere, that the President is coming up with this secret plan to balance the budget in 10 years.

It struck me. It tickled my memory, that I heard this about this 10-year plan before. It was from my first year in the Congress. I remember, as a member of the Budget Committee, I was a freshman member of the Budget Committee and then chairman of the Budget Committee, Leon Panetta, now over at the White House, came up with a 10-

year balanced budget. They worked on it most of the first year that I was there and I think released it in about October of the year. It was after the debate. This was for the next fiscal year.

It was interesting. I do not know whether the budget the President is considering is going to look like the budget the Congressman—then Chairman of the Budget Committee—Panetta offered. But at the time, to get to a balanced budget—this was in October of 1991, I refer to the Congressional Quarterly article—at the time Chairman Panetta said that it would take \$1.3 billion in cuts or tax increases to get to a balanced budget in 10 years. What we are doing here in the Senate today with Senator DOMENICI's budget, the Republican budget, is roughly a trillion dollars, not quite a trillion dollars in spending reductions to get to a balanced budget. Then we have obviously interest savings which get us the rest.

I had the Budget Committee staff run the numbers. If the President is proposing to get to a balanced budget over 10 years, not 7 years, he will not be able to do so by cutting the trillion dollars over 10 years. That is the fallacy. You cannot just cut \$1 trillion over 10 years, and balance the budget because you have to get on sort of a longer curve. Your spending cuts do not occur early enough. You build up more debt. It is a lot more costly to balance it over a longer period of time. The Budget Committee told us that it would require \$1.6 trillion in spending cuts or tax increases to balance the budget in 10 years, \$1.6 trillion.

The \$1.3 trillion in the Panetta proposal of 1991 included deeper cuts in defense, entitlement spending reductions—I remind people entitlements are things like Medicare, Medicaid, welfare spending, things that are now being lambasted by the other side of the aisle—a broad cut back in the size and cost of government, and \$250 billion to \$400 billion in new taxes; \$400 billion in new taxes.

Is this a harbinger of things to come? Have we fished out of the files from the old Budget Committee in 1991 the 10-year budget proposal for the Clinton administration to balance the budget with a third of the money coming from new taxes? But this is just all speculation because we have not seen the President's budget.

So I have the unpleasant task of returning to the floor to add to the list of numbers on my chart of days with no proposal to balance the budget from President Clinton. Since I had objections from the other side of the aisle about using staff to actually put my numbers up, I will do the chore myself, and put "day 6," potentially a significant date.

We might have learned about the secret budget, the existence of this document. We may have learned just from some of the detective work I have done that there may be a plan out there that existed a few years ago that may be

resurrected because under the democratic rule in the House of Representatives this balanced budget that the Budget Committee chairman put together never saw the light of day, never was voted on, never was debated in committee, never moved past the draft stage.

Maybe we will get it past the draft stage this time. Maybe the former chairman of the Budget Committee will be able to resurrect this handiwork that he did some 4 years ago and bring it on the scene as the new budget for the President.

I will tell you that it would be a long time coming, not just the 6 days, but to provide some leadership out of the White House on this very important issue to this country.

I remember during the Republican administrations the then-chairman of the Budget Committee, Chairman Leon Panetta, coming to the floor time after time after time making statements about how it was the responsibility of the President to be relevant to the situation, to not put up these budgets that were dead, that had no chance, but to be bold and to move forward.

I quote from March 13, 1986. This is Leon Panetta speaking:

We begin a game of "budget chicken" in which we wait for the other side to make the tough choices that have to be made to try to get our budget in line. It is a lousy way to do business; we all understand that. It is what gave birth to the Gramm-Rudman approach, and it is what creates the frustration that we now deal with here.

The hope is that the President would exercise leadership in presenting a budget to the Congress that is realistic and that is serious. But instead of pulling together, he pulls apart. Instead of providing leadership, he plays games. The danger is that we too fall into the same trap. This budget is wrong; we know it is wrong, and it will fail for several reasons.

Just as the President's budget came to the floor of the Senate. It was wrong, and it failed completely, and did not get one vote.

I say that the former Congressman from California, Leon Panetta, made a good point about that back on May 1, 1990, talking about a Bush budget. He said:

The fact is that the test of a budget is not what it says it does nor even its author. It is whether or not you get a majority of votes on the floor of the House and in the Congress. That is the ultimate test of the success or failure of any budget.

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That speaks volumes about the President's budget that he sent up here; speaks volumes about how serious the President was when he presented his budget to the U.S. Congress and in the U.S. Senate of which there are 54 Republicans and 46 Democrats. He got no votes.

Then chairman Panetta went on to say:

According to that test, the President's budget is a failure. The failure to offer the budget by the President also makes clear how tough it is to develop a budget that balances the priorities, that recognizes that we have to provide new directions for this country and that tries to achieve a majority vote on the floor of the House.

How things can come back to haunt you. We had a chairman of the Budget Committee who was pleading for the President of the United States to provide leadership, to stand firm, and move our country forward in a bold, new way. Now that person sits as the right hand man of the White House, and from all the press reports is advising the President to do just the opposite. I guess it all depends on where you sit.

I must read one more thing that Leon Panetta said during his time in Congress because my staff gave it to me. I actually thought it was something that I had just said the other day because I was talking about the fact that my father is an immigrant to this country and how important it was for us to leave the next generation better off than the generation that we now live in.

Back on May 4, 1989, CONGRESSIONAL RECORD, Leon Panetta said:

We have presented over the last 8 years a pleasant message that somehow everyone can have a free lunch in this country. That is not the case. That is not the message that my parents heard when they came to this country as immigrants with little education, little money, but a great deal of hope. They came for the opportunity that this country offered and the willingness to make a sacrifice for their children so their children could enjoy a better life. We now face a situation where our children may not enjoy a better standard of living than we had. That, I think, is the worst testament in terms of the future that we face in this Nation.

He is right. That is the biggest question that faces us. What are we going to do leave to the next generation? He was right in 1989. He was right in 1986. He was right in 1990, and hopefully he will convince the President to be right in 1995 to join the debate, to lead, to be relevant, to show this country, to show this Congress what direction he believes we should take to balance this budget.

I hope this is the last day; I hope that day 6 was lucky, that this little inkling that we got about this secret budget might come out somewhere, that there is a plan, and that we will be able to know this plan. I do not want to be up here for the next 129 days between now and the end of the fiscal year talking about why the President has not come to the party and express his vision for the future of this country.

I am confident tomorrow we will pass the balanced budget resolution. I hope it is bipartisan because I know there are many on the other side of the aisle who also would like to see this budget brought to balance.

I wish to commend the Senator from New Mexico for his fine work on this budget. I wish to commend the Presiding Officer for the tremendous job she

has done every day of this debate in rallying the forces to come here to the floor to talk about the positive aspects and how meaningful it is to get to a balanced budget for this country and not just the next generation. A lot of the talk is just for the next generation. When we talk about Medicare, it is not the next generation. It is this generation of Medicare recipients. When we talk about economic growth, it is this generation that is going to benefit from lower interest rates and higher growth rates.

This balanced budget is for everyone. As the Senator from New Mexico said in answering the question Senator LAUTENBERG posed: Whose side are you on? We are on America's side. We are on the side of all Americans. That is the beauty of a balanced budget. It is good for everyone. It is not about class warfare. It is not about picking winners and losers. It is about giving everyone opportunity.

I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

(Mr. SANTORUM assumed the chair)

#### INCREASING AMERICAN PRODUCTIVITY

Mr. FRIST. I rise to commend my distinguished colleague from Pennsylvania, the Presiding Officer, and especially the chairman of the Budget Committee, Senator DOMENICI, for the outstanding work that has been shown over the last several days as we have presented a budget that will be balanced by the year 2002.

I would like to turn to answer a simple question, and that is who will benefit from the balanced budget plan proposed by the Republican majority this week. The answer? The American family.

The debate over the past week has been fascinating. We have heard a lot of rhetoric, especially from the other side of the aisle, about how cutting spending will hurt our children, affect our seniors, and hurt the middle class. My colleagues on the other side of the aisle would have us believe that the entire Government is going to shut down and that disaster is imminent with our budget.

But what they will not tell you is that the Republican budget will have tangible positive benefits for whom? The American family. Benefits that the American family will see in their checkbook, in their family budgets, and in their overall standard of living.

According to economists, one of the most significant benefits of a balanced budget is increased productivity. What does that mean? Let us talk a little bit about what productivity means to that individual family, that typical family in America. Increased productivity, a product of this balanced budget, means that Americans will produce more in the same amount of hours. There will be more produced for a given amount of

work. And why do we have increased productivity from balancing the budget? Why does increased productivity result from spending no more than we take in each year?

Because, very simply, the Government, we, will borrow less, and that leaves more for investment by the private sector, by individuals, by individual businesses, and greater investment by those businesses and individuals results in better technology and better working conditions. It is this investment that allows our workers to produce more in the same amount of time. And so what does this concept of increased productivity which clearly stems from a balanced budget mean to the individual family, to you, to me, to our children, to our grandchildren?

From this first chart, the first thing that increased productivity means is greater income for the American family. If we accomplish more while we are at work, increased productivity, we will make more money to buy homes, to send our children to school, to buy clothes for our children, to provide for our own retirement.

According to the Commerce Department, median family income fell last year under President Clinton's watch by 1.9 percent. In contrast, over the next 10 years, by balancing the budget, the General Accounting Office says that earnings would be increased by approximately an extra 2.9 percent. That would mean an extra \$1,200 per year for each American family by passing tomorrow this balanced budget proposal.

Under a status quo budget right now, income of the average family in 2025 without a balanced budget, for example, under the President's proposal would be \$35,900. Under the Republican proposal, that same income of the average family in 2025 but with a balanced budget would be \$48,200, a difference of over \$12,000 by having a balanced budget.

Yes, increased incomes for the American family mean greater economic security for us, for this current generation, and for that next generation. With \$12,000 more a year, our families will be able to save more for their own retirement rather than having to rely on the Government today, as so many people do today. They will be able to pay for their own health care, and they will be able to pay for education for their children. The investment of this kind of extra money for the American family can only mean great things for our economy and for our people.

Let me turn to the second chart. Are there other benefits of increased productivity which will result from the balanced budget? Mr. President, if we are accomplishing more during work hours, we will actually have to work less to accomplish the same amount. This means more time at home, more time with our families, more time with our children, our grandchildren to play baseball, to go to a guitar recital, to read a book.

Indeed, a typical family workday is 8½ hours. Increased productivity

means that workers can provide the same level of output in fewer hours leaving more time for family, more time for leisure. In traveling the State of Tennessee, I know that Americans feel they are working hard to get ahead, and today they are not making progress. The median income is declining today. It is tough on families. It is tough on moms and dads who struggle to keep the house clean, food on the table, and the family running, and it is tough for those individuals. As we balance this budget and make this proposal, they worry: Will times be better? The message that we must get out is yes, with a balanced budget, there is increased productivity, increased time to be with one's family.

The Republican budget, when you break it down, will actually ease that burden through increasing the efficiencies of our businesses and our workers.

Let me turn to the third chart, Mr. President. Probably the most tangible benefit that we will see from balancing our budget is lower interest rates. The Congressional Budget Office has told us that interest rates will be lower by almost 2 percent if we balance the budget. Other economists, such as the independent forecasting group from DRI McGraw-Hill, predict lower interest rates of up to 2.5 percent, lower than they would be with a budget which is not balanced. That translates very directly into lower costs for typical purchases by the American family.

The examples are depicted. It means when lower interest rates take effect, that on the \$75,000 30-year mortgage to this family, there will be a savings of \$1,246 if we have a balanced budget.

Or that same family will save \$1,000 over the life of a loan on a \$15,000 car if we pass this balanced budget proposal.

And that same family will save \$36 per year on an average balance of \$1,800 on a credit card if we pass this balanced budget proposal.

And that same family can save \$1,128 over the life of a loan on a small business or on farm equipment or on this typical tractor.

Mr. President, these are the kinds of savings that are very real that will affect every household in this country if we are successful in passing the balanced budget plan tomorrow. There is absolutely no question that the Republican budget, yes, will be tough. It will be tough, and everybody is going to have to sacrifice for it to take effect. But there is no question that this Republican budget does provide real, tangible benefits for all Americans and all American families.

Increased incomes, less work time, lower interest rates—all will contribute to a much higher quality of life for the American family.

I urge all of my colleagues on both sides of the aisle to consider these positive beneficial effects to the family as