

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

we vote on this historic—very historic—budget package tomorrow.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

PROMISES KEPT

Mrs. HUTCHISON. Mr. President, I want to thank the Senator from Tennessee, a new Member of the Senate, for helping us with this debate, for helping us point out the important decisions that we are making today and tomorrow.

It has really been wonderful to see the freshmen Senators, the new Senators, like the Senator from Tennessee and like the Senator in the chair, tonight adding to the debate and adding to the energy and vitality of the changes that we are making for America, the changes that the people asked for in 1994 so forcefully by giving a mandate to Congress to do the right thing, to keep the promises that were made.

The American people have seen time after time after time politicians making great speeches, beautiful speeches at conventions and big events and rallies and they see them make the promises and they see the promises broken almost the day after the election. Now, for the first time in years, the American people are going to see the promises being kept.

I think you are seeing such clear differences between the leadership that the President has shown versus the leadership that the Members of Congress are showing now finally.

The President's theme has been balance the budget on the backs of the Medicare recipients and the welfare recipients and education. That is the theme that we see recurring on the floor of the Senate day after day after day after day—the class warfare: “Oh, yes, they are balancing the budget, but they are doing it at the expense of the people in our society who are receiving Medicare and welfare.”

That is all we have heard. Where is their plan? Where is their suggestion? As the Senator from Pennsylvania said earlier tonight, their Chief of Staff has said, “It's a big game of chicken. If you put your budget out there and we're going to slash it to ribbons. If we put our budget out there, you are going to slash ours to ribbons.” So who goes first?

Mr. President, the Republicans are going first. We are putting something on the table that makes sense. We are taking the bold step and we are protecting Medicare for the future, and we are going to have a welfare system that tries to bring people up, not hold them down for generation after generation, and to give the taxpayers of our country the opportunity to see that it does not pay not to work if you can.

So, Mr. President, where is the President of the United States in this de-

bate? He gave a budget to the Congress. We voted on it. It was the first vote we took in this budget debate. It was a budget which would increase the Federal deficit from \$203 billion in 1994 to \$276 billion in the year 2000. In fact, the Clinton budget, submitted to this Congress, called for another \$1.2 trillion in deficit spending over the next 5 years.

That is the budget he has presented until yesterday. And yesterday the President said, “I'm going to give you a balanced budget.” We are 4 days into the budget debate and the President says, “I'm going to give you a balanced budget.” Where was he in the first year of his term? Where was he in the second year of his term? And where was he when we started the hearings in the Budget Committee when Senator DOMENICI was trying for a consensus, trying to bring everyone into the process, where was the President then? Where is the alternative now? There is no alternative except the one on the table that the Budget Committee has put forward which will balance the budget of this country by the year 2002.

It is the budget that is going to protect Medicare for our future generations. It is the budget resolution that says to our children, we are not going to turn our backs on you.

Finally, we have drawn the line in the sand, and we are going to do what is right for this country. This is, indeed, a moment in history. Tomorrow, we are going to make history in America. The other body is going to do what the House of Representatives did last week, and we are going to keep our promise to the American people.

Do all of us like everything in the budget? Absolutely not. There is probably not one Member of the Senate that says this is a perfect budget. Not even Senator DOMENICI likes everything in this budget that he worked so hard to bring out of that committee with the strong vote that he did. In fact, today I voted to change the budget, to give more to national defense because I am so worried that we are shortchanging our national defense in this country, and I wanted to try to change the priorities.

Other people have been offering amendments to add to education. Others have offered amendments to add to Medicare funding. Others have offered amendments for all different things that they think should be a priority.

But, Mr. President, this is a good, solid, balanced budget.

It is a balanced budget in the sense that, of course, it is going to take away deficits after 7 years. But it is a balanced budget in that it has taken into consideration what the Federal Government should be doing. And it is cut from some of the areas where the Federal Government has gotten too involved and in fact has encroached on our State governments and our local governments. It has cut back in those areas.

We are going back to the concept of a Federal Government that has specific

powers and everything is not reserved to the Federal Government. It is going to be left to the States and to the people. That is the 10th amendment to the Constitution, and we are going to resurrect it and we are going to start with the budget that we are going to adopt tomorrow. We are going to give the power back to the people and back to the governments that are closest to the people, and that is where we are going to stop the spending binges from the Federal Government—and, oh, by the way, the strings that go with the spending binges. That is as costly as anything we do. The strings we attach to the State government when we send them the money, we are going to take the strings away; we are going to send them block grants. They have the ability to make the decisions for what is best for the people in their States. They are the closest to the people, and they should be determining what their priorities are. We do not need to tell them what to do in Washington, DC.

So tomorrow is the beginning of a new day in America. It is the beginning of the time that we are going to take the ship of state and we are going to start the turn in the right direction. We are going to provide a future for our children and grandchildren. We are going to keep our promises. We are going to fulfill the mandate that the people gave to us.

The President has talked a good game. He is a great speaker. He has made a lot of promises. But what has he done? He has given us a budget that does not balance. He has passed the largest tax increase in the history of America. He has financed our debt with short-term borrowing. And we are going to have to pay the price down the road for that mistake. And he has woefully underestimated the need for a strong national defense. We are going to start turning this country in the right direction. We started in January, and we are going to take a major step tomorrow to do the right thing for the people of this country.

We are working very hard, Mr. President, to do what we believe is the right thing to do for our children, for our senior citizens, for the people that are truly needy, and for the people who are out there working for a living to be able to keep the taxes that they earn for themselves and not give it to the Government to determine the priorities for their families. And we are going to work for that small business entrepreneur to be able to make it and to live the American dream and to grow and to prosper and create the jobs that will give others the opportunity to live the American dream of doing better for their families than they have been able to have as they immigrated into our country, or as they were the first member of their family to get a college education. That is who we are working for, Mr. President, and that is what this balanced budget is going to ensure will continue to be the American dream. That is why we are here