

constraints that are required to comply with the Constitution, we are not going to balance the Federal budget, and those kinds of obligations are going to continue to be imposed upon our children.

I said in the beginning that those were the two primary arguments for the balanced budget amendment. I do not see how anybody can argue that they should not call for the adoption of the amendment. I wanted to focus on a different aspect of it that still relates to this question of interest payments because I think it puts into perspective how far out of whack this has become.

I want to relate some figures on how much in the way of interest we are paying. What is the interest we are talking about again? This is interest on the accumulated \$5 trillion-plus in Federal debt. Each year, we have a Federal budget deficit that adds to that debt and, therefore, adds to the interest. Here is what the interest payments now amount to. Compare this first with 1965, 30 years ago. The Federal Government in that year paid \$8.6 billion in interest. I remember a couple of days ago when I was presiding, and the Senator from Illinois, Senator SIMON, who has been a very strong advocate of the balanced budget amendment and who, unfortunately, is going to be leaving the Senate at the end of this year, said—talking about the figure of \$9 billion—“Back then, \$9 billion was a lot of money.” It reminded me of one of his predecessors who represented the State of Illinois, Everett Dirksen, who was famous for saying, “A billion here, a billion there, pretty soon you are talking big money.” Here is what this \$9 billion in 1965 has come to. In 1995, 30 years later, instead of \$9 billion in interest, the Government paid \$232 billion in interest. In just 30 years, it went from \$9 billion to \$232 billion.

What does that mean in terms of the obligation of the average family? In 1965, that interest cost of a little under \$9 billion amounted to 17.6 percent of all individual income taxes paid. In 1995, the \$232 billion in interest cost was over 30 percent of income taxes. In other words, just think about April 15 when you paid your tax bill. Almost one-third of that was interest on the Federal debt. What did the Federal Government get for that? What did we get for that? Absolutely nothing. That is just interest on the debt. It did not buy a single airplane for defense, it did not buy anything regarding health care or education or support for the elderly, or any other Government program that is of interest to the people of this country. It just paid the interest on the debt.

Now, let us compare it to a couple items in the Federal budget. Let us compare it to national defense. In 1965, 30 years ago, interest costs were 16.9 percent of the outlays for defense in that year. But, in 1995, this \$232 billion in interest costs was almost 85 percent of all outlays for defense. In other words, here is the defense budget. Thir-

ty years ago, we paid, in interest, about 17 percent of what we were paying for defense. Today, we pay, in interest, 85 percent of what we are paying for defense. In other words, it is almost getting up to the same amount that we pay for defense, which is the single largest component of our discretionary budget.

So let us compare it to our discretionary spending. In 1965, interest costs were equal to 38.9 percent of all domestic discretionary spending. Domestic discretionary spending is the money we spend for agriculture, for subsidies, for health care, for defense, and all of the other things. But, in 1995, that interest cost was 92 percent of domestic discretionary spending. In other words, Mr. President, we paid almost as much in interest costs as we did for all of the domestic programs that were funded by the Federal Government.

So, Mr. President, it is clear that this interest cost is huge, it is growing, it is not productive, and it takes money that could be spent for other things. As a result of reducing this interest expense, we would all be far better off, and it will not happen unless we pass an amendment to the Constitution to require a balanced budget.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, is leader time reserved?

The PRESIDING OFFICER. Yes.

MEDICARE WILL GO BANKRUPT IN 2001

Mr. DOLE. Mr. President, the Medicare trustees have now released their report on the state of the Medicare trust fund, and the news is not good. Instead of going bankrupt in the year 2002, as they had previously forecasted, the trustees now conclude that Medicare will go bankrupt in the year 2001—just 5 years from now.

For the past year and a half, this Republican Congress has attempted to deal honestly and forthrightly with the impending Medicare meltdown. We have put forward a budget that would protect, preserve, and strengthen Medicare by reducing the unsustainable rate of growth, while still allowing for a healthy growth rate.

We did not claim that our plan was perfect or that it solved a long-term problem. But it was a real attempt to alleviate a crisis that will immediately impact 37 million Americans and will have repercussions on tens of millions more.

Along with our proposals to provide for short-term solvency in the Medicare trust funds, I also suggested, on numerous occasions, that President Clinton appoint a blue ribbon, bipartisan advisory committee, similar to the one I served on in 1983 that rescued Social Security, to help deal with this long-term crisis in Medicare. I was interested to see that Secretary Shalala made a similar recommendation today.

My response to the initial report of the Medicare trustees was based on my belief that leadership means more than just talking about the problem; it also means doing something to solve it. It is also clear to me that if we are to be successful, we must put politics aside and work on a bipartisan basis.

Unfortunately, President Clinton has been unwilling to do that. Ever since the trustees—three of whom are members of the President's administration—issued their original report, the administration has chosen to either ignore the warning of Medicare's impending bankruptcy, or to engage in a very sad campaign to frighten America's senior citizens.

It is an undeniable fact that the Republican proposal allowed spending for Medicare beneficiaries to increase from \$4,800 to \$7,200 per person over 7 years. It is also an undeniable fact that in their ill-fated health care reform proposal the Clinton administration advocated slowing Medicare's rate of growth. Despite that fact, however, the President vetoed our Medicare proposal. We have heard nothing—nothing at all—but attacks on Republicans for “slashing and cutting” Medicare. When the President was asked not long ago why he continued to use these terms even though they are not true—and I happened to be listening to the press conference—he said that the media made him do it. Maybe they did. But he has been doing it.

With the release of today's report, the inescapable conclusion is that, while the rhetoric flew, Medicare was put at further risk. Those who say that talk is cheap should now know that 18 months of misleading rhetoric may have gained points in the opinion polls, but it also put Medicare another \$90 billion-plus in the red.

The bottom line is that the 37 million Americans who depend on Medicare deserve better. Future generations of Americans who will need Medicare deserve better.

The choice is clear. America's leaders can spend the next 5 months focusing on the next election, thereby allow Medicare to grow ever closer to bankruptcy; or we can focus on the next generation, and do what we must to save Medicare.

It will not be easy nor simple. The solution cannot be a shell game, moving money from one part of Medicare to another. A tax increase is also not the answer.

I call on the President to come forward with real initiatives so we can preserve the Medicare Program and to join with Republicans on a bipartisan basis, as I have proposed before, to address this very serious problem.

So we have 37 million Americans who depend on Medicare. That is the bottom line. Future generations are looking to whether or not there will be any Medicare trust fund or any Medicare benefits. I think we need to fix Medicare just as we fixed Social Security in 1983 on a bipartisan, nonpartisan basis.

I remember walking onto the Senate floor in 1983 right in that aisleway when we thought everything had evaporated—collapsed. I met Senator MOYNIHAN coming in the door. And we stood here and talked for 2 or 3 minutes about we could not let this happen; there were too many millions of Americans who depended on Social Security. So together we got it back on track. And the end result is we did in effect rescue Social Security.

Now someone is going to be asked to do the same with Medicare. I would call on the President to stop running the TV commercials, to stop trying to scare senior citizens, to stop trying to frighten seniors with some of the ads paid for by union dues. Millions and millions and millions of dollars have been spent on political attacks and TV attacks on Republicans who want to fix, preserve, and strengthen Medicare.

Today is the day of reckoning. Today even the administration says, "Oh, well. We ought to fix this." We are going to fix it, or it is going to be bankrupt. And I believe it will be fixed.

So the President now I understand would like to work it out. He has had a whole year to bash Republicans, a whole year to scare senior citizens, and now he understands—at least the people around him understand—the seriousness of this shell game.

So I call on the President to come forward with real initiative so we can preserve the Medicare Program and join with us. As I said, our plan is not perfect either. Maybe we can come together. This is a very serious problem. It is not going to go away. It is not going to go away. The trustees' report is very clear on that particular area. It is not going to go away. We have to fix it. We have to stand up and be counted.

We cannot have it both ways. We cannot scare seniors on the one hand and fix it on the other. It is time to tell the American people the truth. It is time to tell the American people—to give the American people the facts.

So I would be prepared—I am certain my colleagues will be prepared—to work with the administration if in fact they want to work on a bipartisan basis. This is serious business—37 million Americans who want us to make progress to do it the right way—to preserve and strengthen Medicare.

Mr. HOLLINGS. Will the distinguished Senator yield?

Mr. DOLE. I am happy to yield.

Mr. HOLLINGS. I referred earlier to the BOB DOLE we know and love. I earlier remarked because he and I have worked to try to balance this budget over the years. More particularly I put in the RECORD a statement, and the vote and record made of the Greenspan commission upon which the Senator served where they recommended that Social Security after a period of years be off budget. Of course, the vote the Senator and I both joined in doing just that. In 1990 we put it off budget. The law was signed by President Bush. Now we have the Senator's amendment, and

he got my vote. If we just do exactly what he intends, I think here in section 7, "total receipts shall include all receipts of the U.S. Government except those derived from borrowing." That has been interpreted as borrowing from the public. Why borrow from Social Security? In other words, we owe Social Security \$530 billion. These budgets which have been put out by both sides all use Social Security. So by the year 2002 we will owe \$1.1 trillion.

So you can pick up not only my vote. By the letter we sent—I have talked to these Members; five of us, and at least more—pass this constitutional amendment by just protecting borrowing from the public but in conformance with the law which the Senator and I support; not borrow from Social Security. In other words really eliminate the deficit rather than move the deficit from the general Government over to the Social Security fund.

Mr. DOLE. Let me indicate first that I acknowledge the Senator's efforts over the years to face up to the budget problem. He has demonstrated it with his votes. I think in this case though—I do not have the amendment before me. I know what it says. I think if we do that over a period of years, others would like to do it right now—we phase it out. I think the Senator is saying he would prefer we do it immediately. We have been doing it the way proposed here for some time. Even in the 7-year budget plan we proposed, of course, we did not use Social Security.

So our view is—my view on this balanced budget which I will discuss tomorrow—is that we need to make it very clear precisely what we are doing because we need this discipline. We need to send this to the States, and give the States a chance to ratify it. If Kansas does not want to ratify it, or South Carolina, or Arizona, or Idaho, that is their right. But if three-fourths of the States do not ratify the amendment it does not become part of the Constitution.

I think the Senator from South Carolina also shares our views on Medicare. He is one Senator who will not stand here and let Medicare go belly up. I hope that there will be enough bipartisan support that whatever the problem is can be remedied and remedied very quickly.

Mr. HOLLINGS. If the distinguished Senator will yield, we would not do it immediately. In other words it would be part of the Senator's joint resolution, or balanced budget amendment, to the Constitution, and as the Senator's comments just indicated it would go back to the States for several years to be ratified. In the meantime, it would be in there and protected but it would not control immediately. And while they are ratifying we could be working, as the Senator indicated, to bring it into line without using Social Security funds.

So I do not see the harm done if we could just include that. We can pass the balanced budget amendment to the Constitution.

Mr. DOLE. I would be pleased to look at anything the Senator suggests. The Senator from Idaho, I believe, has about the same approach. At least it might be the same result obtained by the Senator from South Carolina. He will be our next speaker.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Idaho.

Mr. KEMPTHORNE. I yield such time from the time of the Senator from Wyoming as I may consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KEMPTHORNE. Mr. President, as we listen to this critically important debate on the balanced budget amendment, we hear all of the different figures. The fact that \$19,000 is owed by every man, woman, and child currently in America; the fact that we spend almost \$300 billion in interest on the debt—all of these numbers. But I have a hard time understanding this. How do you put that in perspective—how big is that—in the few moments that I am going to speak? Because I am going to make the formal part of my speech a part of the RECORD. But in the few moments that I am going to speak—that is 5 minutes—we will have \$5.5 million in interest payments.

So what does that equate to? That means that instead of paying that interest we could put 100 police officers on the street. It means that during those 5 minutes that I will be speaking we could instead use that \$5.5 million to immunize more than 45,000 kids in America. It means that we could provide a year of Head Start for almost 1,500 kids in America. That is what we are consuming just in the few moments that I will be speaking.

Today, as I walked over here, I saw all the Americans that are visiting this Nation's Capitol today. I think it is tremendous to see the citizens coming and seeing this Nation's Capitol. Just outside the door are the rich portraits that we have of George Washington and the Founding Fathers. We think about our history and what this country is founded upon. George Washington said in his farewell address to the Nation that he warned Congress to "cherish public credit and to use it as sparingly as possible avoiding occasions of expense." And Thomas Jefferson, who believed so strongly in a balanced budget, said that it was so important "as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves."

Those are the principles upon which this Nation was founded.

So how have we abided by those words? Are we paying our debts as we