amendment as the only way we can discipline ourselves. We demonstrated that very clearly. Let us not think about what it is going to do to the people up here today. It is not going to affect us. It is the next generation that is going to have to pay for it.

I suggest to you, Mr. President, that we did a great disservice yesterday to all of Americans, to future generations, when we passed up an opportunity to pass a balanced budget amendment to the Constitution. We are going to do it; it is just a matter of time. We may have to do it in the next legislature, or when there is another President in the White House. But we are going to do it, so that these guys right here are not going to have to pay for our extravagances. It is a moral issue.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I understand you will be relieved as the Presiding Officer in a moment. At that time, I will yield you up to 10 minutes to speak on this question.

Parliamentary inquiry: It is my understanding that, under a unanimous consent, I will be controlling an hour from approximately 10 until 11 o'clock, is that correct?

The PRESIDING OFFICER. The Senator was to control the first hour of morning business.

Mr. COVERDELL. Mr. President, I ask unanimous consent that I be allowed to control the time from now until 11 o'clock.

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

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. COVERDELL. Mr. President, in the last several days, as we have debated this very historic constitutional amendment, Thomas Jefferson has been quoted over and over because of his early recognition that there needed to be a constitutional provision for balancing the budget.

I want to read one other quote that was sent to me by a Georgian, and then I will yield to the Senator from Idaho. This is what Thomas Jefferson said:

> Men, by their constitutions, are naturally divided into two parties: One, those who fear and distrust the people, and wish to draw all powers from them into the hands of the higher classes; two, those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and stable.

This debate was on this point because we were, through our efforts to pass the balanced budget amendment, endeavoring to put to the people the question in the several States which would have had to ratify. Those opposed it, in my judgment, were fearful of turning the question over to the people of the country.

How unfortunate, as you have just alluded, Mr. President, the Senator from Oklahoma.

Mr. President, I yield to the Senator from Idaho up to 10 minutes.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, let me thank my colleague from Georgia for taking out this period of morning business to discuss and to continue the important debate that occurred on the floor of the Senate yesterday in relation to a balanced budget amendment to our Constitution.

The Senator from Oklahoma, who is now presiding, related his experience in the beginning of this movement that started in the mid 1970's when Senators and Members of the Congress recognized that there was growing in this city an insidious appetite that was spawned by interest groups and citizens—that somehow the way you solved nearly all social problems in this country was to put government money at it, and that it was justifiable in doing so to deficit spending. We began to hear the clock of debt tick at that time—hundreds of thousands of dollars, and finally billions of dollars, as the Senator from Oklahoma spoke of.

When I arrived here in the early 1980's we were still in the hundreds of billions of dollars, just breaking into the first trillion. It was in that period of time, in 1982, that the former Congressman from New York, Barber Conable, who had picked up the idea that had been started here by Senator Curtis, was retiring. He had heard me speak on the floor of the House. He knew I had done much of what the Senator from Oklahoma had done—had passed a resolution in my State of Idaho asking for a balanced budget amendment and that the Senate and the Congress of the United States should issue that report so that the States, under article V of the Constitution, could go through the ratifying process.

Barber Conable came to me, and he said, ''Congressman CRAIG, I am leaving. Why don't you take this issue and work with it? Make it a national issue. Work with our other colleagues because some day the American people will recognize what is going on in Washington, and they will insist that it be stopped.''

That was 1982. Myself and CHARLIE STENHOLM, the Democrat Congressman from Texas, began to do exactly what the Senator from Oklahoma started in the mid 1970's in his State legislature. We began a national movement traveling to all of the States of the Nation, to those State legislatures, asking them to petition the Congress of the United States, because without that, without that extraordinary pressure from across the country, we did not believe the Congress would bow to the wishes of the people because the pressure from the interest groups, the pressure from a growing Government, would simply cause them to continue to deficit spend.

That was a $1 trillion debt. That was 1982, and this is 1996. We now have a $5 trillion debt. Senator Curtis was right. Congressman Barber Conable was right. The National Taxpayers Union was right. Now the American people understand better than they have ever understood before that somehow this has to be stopped.

Throughout the 1970's and into the 1980's you could always poll the American people and say, ''Should Government balance its budget?'' And the answer by 65 to 75 to 80 percent was, ''Yes, they should. We have to. We have to do it with our personal businesses and our personal home accounts, and the Government ought to do the same.'' But you could never get that high when you asked the question: ''Should there be a constitutional amendment requiring it?'' Because a lot of people did not think we ought to go the extraordinary route of using the organic act of our country to force our Government into compliance with the wishes of the people; that that was held for unique and special exceptions, and that our organic document of the Constitution should be rarely changed. We know that in the history of our country—the 208 years of history—that we have only changed that document 27 times.

But finally, in a poll just a few weeks ago, when the question was asked, ''Should there be a constitutional amendment requiring a balanced budget?'' all of a sudden that had skyrocketed to 83 percent of the American people. That is an all-time high. Not that the budget should be balanced—I think that is almost unanimous—but now that we should use the organic document of our country to force this issue. Because what the American public instinctively knows is that the growth, the phenomenal movement of a budget into deficit and into debt that now scores $5 trillion, and that this year we are going to deal with the 1997 budget with over $300 billion of interest; and that that interest will be more than we will spend on defense, or will be more than we will spend, within a few dollars, of Social Security; that somehow the American people are beginning to say, ''Isn't it true that, if you continue to accumulate that debt, somehow one day almost all of the budget would be interest?'' Well, no. I do not think that would occur. But significantly the largest segment of the budget would be interest.

That is the impact on Government, and that is the impact on taxpayers.

What is the impact on personal lives, and on the young people who are here helping us as pages in the U.S. Senate, when they get to be 35 and 45 years of age? Even this President, who does not agree with a balanced budget amendment, and until 1994 when he began to be a born-again moderate after having been a 1992–94 very liberal President with large tax increases and large

spending programs, even his government, his appointees, said these young people will be paying 75 to 80-plus percent of their gross income just to pay for government.

So you have to ask them: ''Well, then what would you be able to do to own a home, to fund a college education of your child, to have the American dream that all of us expect for ourselves and our children? Is it possible that debt could eat it all away?'' Yes, it is.

That is why the debate yesterday was so significant, and that is why the Senator from Oklahoma is absolutely right. The vote yesterday was, without question, one of the most significant votes that this Senate has taken. I honor Senator BOB DOLE for bringing it up again, forcing the political issue and causing the American people to see who is for a balanced budget amendment to our Constitution and who is against it.

It is very important that they understand the forces that work in Washington and the forces that resist the idea of fiscal responsibility with no real answer to how you deal with a $5 trillion debt and 300 billion dollars' worth of interest on debt and an ongoing deficit. We have offered that solution. We have offered it in the form of an amendment to cause it to happen on an annualized basis.

Last year, we put forth a budget that would bring us to balance. The fiscal responsibility that the American people have asked for is here. It is here in the majority party of the U.S. Senate which has brought about those kind of efforts and will continue to until it is the fact of the organic law of the land that we operate continually under a budget that is balanced or near balance. That has to be the goal of this Congress and for future Congresses and the responsibility of those who serve in the U.S. Senate. It is for our future; for our children and your grandchildren's future, Mr. President, that you showed us those marvelous pictures of this morning. If we fail to do that, we will no longer be a great people. We will no longer be a great people. We will no longer have a system of Government that is the envy of the world because it will be weak and anemic, and unable to provide or unable to cause the environment that creates the kind of human productivity that has historically been the mission and the great gift of this country. We will steal from all by destroying it with debt. We now have an opportunity to change that, and I hope that in the next Congress we bring that about and that we have a President who presides in the White House who will not openly fight us and resist us, but who will encourage and embrace the idea of a balanced budget amendment to our Constitution.

I thank my colleague from Georgia for acquiring this time to debate and to continue to discuss this critical issue.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, while I have you both here, I want to thank the Senator from Idaho and Senator from Oklahoma, who have been here a bit longer than I in Congress, for the extensive and committed and dedicated work each of them have committed, not only to a balanced budget amendment to the Constitution, but to disciplined financial management of the affairs of our Nation for all the years in which you have been here. Your States and America owe you a great debt.

Mr. President, these numbers get to be beyond what, I think, a lot of people can comprehend in their own home or business, but the fact that we have not had a balanced budget has had a massive impact on every family in America. I am going to talk about a Georgia family, a typical Georgia family, but it would not be any different in Oklahoma or Arizona or California. These are all going to be very similar pictures, no matter which State you look at.

This family earns, in Georgia, about $45,000 a year. They are a family of four, typically. For the most part, today, both parents work, which I will come to in a minute. We have been talking about 5 trillion dollars' worth of debt and an expanding, exploding Federal Government. Margaret Thatcher was in Atlanta not long ago and she said something to the effect: Just remember, when anybody says to you I am going to do something for you, remember that they have to first take something from you to do it.

Her statement could not be more true for this Georgia family. They make $45,000 a year, and the total Federal taxes on their income is about $9,511. The total State and local taxes are $5,234. The estimated cost of Federal regulations to the family, in other words, the price they have to pay when they buy a loaf of bread, to pay their share of all the regulatory apparatus that we have set up over the last 30 years, is $6,650. That is more than their annual car payment. That could be worth about two annual car payments. And then they have to pay, because of that $5 trillion debt we are carrying, that pushes interest rates up, so they have to pay $2,011 for their share of the higher interest rates.

When it is all said and done, half their income has been consumed by Government apparatus and Government programs. If Thomas Jefferson were here—he could never have perceived that our Government, the Government that those valiant Americans fought for and put in place, that Government would consume half the wages of bread winners. He is turning in his grave. And he warned us of this over and over and cautioned us, which is why he recognized that there should have been a statement in the Constitution that would have called for a balanced budget.

The fact that we have not had a balanced budget amendment in place, we have not forced Congress to have balanced budgets in place, means that every family in America has to pay for these unchecked and burgeoning governments. In fact, they work half the year for these governments now.

Imagine, the Fourth of July is not only Independence Day, it is the first day you get to keep your own check. Who would have ever thought that, that an American would work from January 1 to Independence Day? Independence Day is going to take on a new meaning. We need to have signs all across the country, ''Today you get to keep your first dime.''

We have depended throughout our history on that American family to get America up in the morning, get it to school, keep a roof over its head, educate it, keep its health and, yes, instill it with the spiritual belief in this country so that there would be a continuum of leadership.

This practice, the failure to have a balanced budget—we have had one balanced budget in the last 36 years. No wonder America is so anxious. She ought to be. This is dangerous. This has made it very difficult for that which we depend upon, the American family, to do what it is supposed to do. They cannot get it done right.

Yesterday I referred to an editorialist in the Maryland Constitution, Marilyn Geewax. She thinks what is wrong in the American family is that they are greedy, they have too many electric toasters. I can tell her, that is not what is wrong in America. What is wrong in America is there is not enough left in their checking account to save or to do the things that we ask them to do.

Mr. President, I see we have been joined by the distinguished Senator from Texas. In a moment or two, I am going to yield to her. But before I do, I wonder if I can put these two quotes up here.

There was a quote by Representative STARK, on the House side, that he made Wednesday, that makes it imminently clear why the other side, and the President—we have not talked enough about it. If it were not for the President, we would have passed the balanced budget amendment. It rests right at his feet. He did not want that balanced budget amendment to pass. He said so. And that is why these six Senators changed their votes; they did it in deference to their President. But read this quote:

> To fix the longer-term problem—

He is talking about the fact that also last week, in addition to talking about a balanced budget amendment, we were told Medicare is going broke faster than we thought. But he said:

> To fix the longer-term problem, Mr. Stark [of the House Ways and Means Subcommittee on Health. He is the ranking member] said, ''Democrats probably would resort to either a Government takeover of the hospital and health-insurance payment system, or raising payroll taxes.''

If we had a balanced budget amendment, you could a make a big ''X''

through that statement. They cannot afford to have a balanced budget amendment when they talk about the Government takeover of medicine and creating yet a new entitlement that would be larger than Social Security in 2 years.

Do you want to know why they do not want a balanced budget amendment? That is why. They cannot afford to have the discipline that a balanced budget amendment would have brought about. The family that is going to suffer is this average family, because they are the ones who are going to pay for that. They are already paying half their income. What do you think would happen if that situation came up?

Mr. President, I yield up to 15 minutes at this time to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Georgia for taking this time to really talk in a little more detail about why we need the balanced budget amendment to the Constitution. What happened yesterday, and its policy ramifications, really needs to be discussed so that the American people see that just because we are trying in this Congress to go toward a balanced budget does not mean we do not need a balanced budget amendment.

In fact, I think when the American people have seen how very hard it is to balance the budget or to even have a 1-year budget that moves toward a balanced budget, and when they see how slow the progress has been and they see, even though we have tried to make the tough decisions—Medicare reform, Medicaid reform, welfare reform—these have been vetoed by the President and, therefore, we are still at ground zero. The American people see this.

So, for Heaven's sake, does that not make the argument that we need a balanced budget amendment, because if we can ever get the deficit off the plate, if we can look at the year 2002 toward that point where we will have a balanced budget, don't we need to say no future Congress will ever be able to get out of control again? Don't we need to put in what Thomas Jefferson worried about, that we should have put in the Constitution in the first place, and that is that no future Congress can put debt on generations in the future, that no Congress will be able to say we want to spend this money now, but we want our children to pay for it.

Thomas Jefferson worried about that. It was one of the two things he was concerned with that had not been addressed in the Constitution.

The other one is term limits, and I think that probably bears on the problem we are having right now. We have too many people who have been in Congress too long who have not been in the real world who have continued to put off the tough decisions. These are people who talk well. They are people who say, ''Oh, we want a balanced budget; of course, we want a balanced budget. We'll make the tough decisions later,'' or ''We will let somebody else make the tough decisions.'' That is what Congresses have been doing for 40 years, and it is what Presidents have been doing. That is why we are in this mess.

So, of course, we need a balanced budget amendment to the Constitution. It would not take 2 years for a balanced budget amendment to be ratified by the States; that is, if the people are consulted, because the people know. The people of America are not stupid. They know the difference between a balanced budget and stability and the future of their children and out-of-control spending, spend-now-pay-later policies that they have seen for so long out of Washington, DC.

The opponents of the amendment, as was pointed out by my colleague from Georgia, really use scare tactics. Let me go through a few of those. This is just a gimmick. Don't you think if this were a gimmick that Congress would have tried it before? I mean, 40 years of gimmicks, I think I have seen just about everything. I think they would have thought of this if it were a gimmick. They say this will tie the Government's hands. ''What are you going to do if you have a war, if you need an emergency expenditure?''

There is a safety valve. You can pass an unbalanced budget with a three-fifths vote, and I think if we were in a crisis in this country, if we were needing to go to war and support our troops, I believe three-fifths of the duly elected representatives of the people of this country would be able to come to that conclusion. But I do not think three-fifths of the duly elected representatives of our country would go into a deficit situation for just another social program.

They say this will bring on another depression. You have heard that one. Bring on another depression? The money is going to be spent. People earn money, they send part of it to the Federal Government or they keep it.

Now, where is the recession here? The recession is not going to be caused because there is going to be less Government spending. If we have less Government spending, that means there is more money in people's pockets. It is their money, it is not ours. I just love these people. I think the Senator from Oklahoma, who is sitting in the chair, has heard the people on the floor say: ''Oh, we can't have that tax cut, it would cost the Government $300 billion.''

The Government? Whose money is it? It is not the Government's money. Money belongs to the people in this country who go out and work every day. It is their money. The Government will not lose $300 billion if we have a tax cut.

I would ask the question a little different way: How much will it cost the hard-working American taxpayer if we do not cut their taxes by $300 billion?

We are not talking about lower spending here; we are talking about who makes the decisions. We are talking about whether you decide how you spend your money for your family or whether you send your money to the Government for them to decide what your priorities should be.

It is a matter of priorities and who makes the decisions. That is one of the reasons why the Republicans said very clearly, when we put our balanced budget forward over 7 years, that we had a $245 billion tax cut package, because we knew that if we were going to slow the spending in the public sector market, that we wanted to increase the spending in the consumer market.

The difference is who makes the decision. That is why we put tax cuts in our balanced budget. It is why we have a $500 per child tax credit. It is why we have IRA's for the homemakers of this country so that the homemakers of America will have the same retirement security options that anyone who works outside the home has. It is why we have capital gains tax reform, so that our small businesses will be able to make those investments that will create the new jobs and help the economy grow. It is why we have inheritance tax reform. It is why we do away with the marriage penalty, or significantly reform it, because we know that the American family deserves to have more of the money they earn to spend for their families.

So causing another depression is out of the question. In fact, our economy will boom if we will pass a balanced budget amendment. The markets went up just because it looked like we had the chance to do it a year ago. Last year, the market went up because they had the impression that Congress was finally going to ''gut up'' and do the right thing. We lost it by one vote.

It was a great disappointment, but the market knew. The market knew that by lowering interest rates two points, which is what the balanced budget would do, that we would save money for every person in America who is paying a home mortgage, that we would save money for every person in America who is borrowing to buy a car, that we would save money for every person in America who is borrowing to go to college. The markets knew the stability that would be created by a balanced budget amendment to the Constitution.

Last, but not least, they have really talked a lot on this floor about raiding Social Security—raiding Social Security—if we balance the budget. I ask the question to anyone in America: Would you trust a Congress that cannot balance its budget to keep Social Security intact? If someone does not have the guts to have a balanced budget for our Government, can they be trusted to keep the integrity of the Social Security system?

Frankly, I think that is why our younger generation does not think they will ever see Social Security, because they see a Congress that cannot

even balance the budget or even pass a constitutional amendment to balance the budget for the future, and they think, ''Now, if they don't have the ability to do that, I really don't think I'm ever going to see Social Security.''

So, Mr. President, I think passing the balanced budget amendment is the most important policy decision that we would make in our lifetimes of public service. I think if we do not take that step, we can wait for our grandchildren to ask the question, ''You were there back then. Why didn't you do something?''

I saw the picture that my colleague from Oklahoma showed of his grandbaby on the floor. I am horrified to think that that baby is someday going to meet me or talk to the Senator from Oklahoma and say, ''You know, why didn't you do something back then when you could, so that I could afford to send my children to college, so that I would have a good job in a great economy in the land of opportunity?''

Mr. President, if we do not pass a balanced budget amendment that is responsible for the American people, we are not going to be able to face our grandchildren, we are not going to be able to answer the question. So if our colleagues will think about the long-term future of this country, or if the people who are looking at voting for a U.S. Senator on the ballot next year will ask that person the question, ''How do you feel about a balanced budget amendment to the Constitution?'' I mean, you only can say one of two things: ''I'm for it,'' or, ''I'm against it.''

If the people of this country will rise up and say, this is the most important issue, then our grandchildren will not have the question, because it probably would not ever occur to our grandchildren that we would not balance the budget of this country when it is on our watch.

So, Mr. President, I think the time has come for the people of America to weigh in on this issue. They saw the vote yesterday. They saw that we are within five, six, seven votes in this Congress of passing a balanced budget amendment to the Constitution, which will need to be ratified, so the State legislatures will have a chance to weigh in on this as well. I do not worry about the legislatures ratifying it, if we will have the guts to do what is right in this Congress.

Mr. President, it is all a part of what we were elected to do. We did not run for the U.S. Senate thinking it was going to be an easy job. We knew, especially those of us who have run in the last 2 years, we knew that we were going to have to make tough decisions to turn around 40 years of bad decisions.

I have been a small businessperson. I bought a little company that was on the ropes. I had to make tough decisions to turn that company around. I did it. But it was not easy. That is the exact issue we are facing here on a much bigger scale, because the people of America are depending on us to make this tough decision for our country. They know that we are not going to agree on every budget cut that it will take. They do not expect that. But they do expect a responsible decision.

Mr. President, I will just close by saying, there is only one way to prevent the most dreaded question that I can ever imagine. It is not from one of my constituents calling in or someone that I will see in Texas; it is not from a news reporter. It is from my 5-year-old grandchild, in 20 years, who would say, ''Cake, you were there back then. Now I am going to have a child, and I can't afford to send my child to college. Why didn't you do something?'' That is the question I do not ever want to hear.

The way we can assure that we will never have that question in our families is to pass the balanced budget amendment to the Constitution because we know how hard it is to do what is right. We know the resistance that we have faced. We know that if we can ever get it to balance, that we should never again allow a future Congress to mortgage the future of our children.

Thank you, Mr. President. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Texas and hope that her wish of not ever having to answer that question can be fulfilled while she is here representing the State of Texas in the U.S. Senate.

Mr. President, I yield up to 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President.

I thank the Senator from Georgia for once again bringing together a group of Members to discuss an issue of significance. He has been doing an outstanding job, I think, of trying to make sure the public understands exactly what it is that is happening here in the Senate of the United States with the crisis and what the prospects are for our future.

Today, I will continue this discussion about the balanced budget. There seems to me to be two fairly clear questions that Americans need to ask themselves. First, why do we need a balanced Federal budget? Second, why do we need a balanced budget amendment in order to have a balanced budget?

The first question was really one that I think was addressed pretty effectively last year. That was the need for bringing the Federal budget into balance.

The fact is that, as numerous Members have indicated over the last couple of days, a balanced budget means for most families in this country the chance to keep more of what they earn and to spend more on their own priorities rather than spending more money on interest payments, on things like new car loans, mortgages for their homes, the repayment of student loans, and so on, as has been very effectively documented, Mr. President.

When our Federal Government is forced to go into the borrowing markets at large levels and compete with private investment, the price of private investment goes up, interest rates go up. When people want to buy a new home, and in many cases their first home, they find that it is unaffordable today because of interest rates. When people need to obtain a new car, they find that it may be not the car they need for their families because of interest rates. When students start to try to pay back their student loans, they find it extremely difficult because of interest rates.

The reason interest rates are high, Mr. President, is because the Federal Government is borrowing so much money. The way to end the Federal Government's borrowing is to bring the Federal budget into balance. That is what we have been trying to do here. But the goal is not just simply to balance the budget one time in the year 2002, as we have been focused on; it is to keep the Federal budget under control and the growth of Federal spending under control well beyond that date.

There is a very simple reason why 2002 has to mark the beginning, not the end, of the efforts to balance the budget. As we have learned and as I think economists on all sides now would agree, projecting the growth of Federal spending out beyond the year 2002, projecting the growth of entitlement programs as they at least currently are expanding, will find the Federal Government by the year 2010, 2012, 2013, depending on your analysis, but some point about 15 years from now at the point where literally all Federal revenue, all tax collections in total, will only pay for the interest payments that have to be made on this huge Federal debt and for the entitlement payments that will be required at the current rate of growth of Federal spending.

That means not $1 for national security, not $1 for education and training, not $1 for law enforcement to protect the safety of our citizens, not $1 for transportation and infrastructure, not $1 for any other priority unless the Federal Government borrows that $1 or prints that $1.

We know we are not going to go back to the days of the printing press, Mr. President. So that leaves only one option: The further borrowing of money at levels far greater than we ever have before. If we do not bring the growth of Federal spending under control and balance the budget today, that is the prospect, that is the future we look forward to. In fact, it would require so much Federal borrowing that I think

private investment in this country would effectively be crowded out entirely, bringing us the kind of economic crisis that we have never confronted before as a nation. That is the future.

The question is, Why do we need an amendment so we do not bring about that future? I think what has happened over the last few months is a pretty clear indication exactly why we need a Federal balanced budget amendment in our Constitution.

The fact is, Mr. President, we now have virtually everybody singing, it would appear, from the same song sheet. We should have to balance the Federal budget. The President says it, although a year ago he did not. The Members of the Republican party in the Senate and the House of Representatives have, not once but twice, passed a balanced budget. This year Democratic Members and Republican Members on the Senate side got together and offered a third version. The fact is, everybody now says they are for it; and everybody in Congress has now found a balanced budget they could live with and vote for. But we still do not have it. The reason we do not have it, Mr. President, is very simple: There is no discipline in the process that requires us to come to final agreement.

So the President, as we saw last winter, could call down leaders of Congress and spend hours talking in generic terms about the Federal Government and how he wanted to balance the budget, but no one was under the pressure that a constitutional amendment would bring in order to balance that budget.

Mr. COVERDELL. I yield 5 additional minutes to the Senator from Michigan.

Mr. ABRAHAM. I thank the Senator from Georgia.

For that reason, we have deadlock. For that reason, we did not reach cloture. For that reason, there was no finality. On we went, on we go—people all claiming to be for a balanced budget, but not willing to make the ultimate tough decision to get there.

As we saw last year, the President would say 7 years, 9 years, 10 years, whatever amount of years seem to satisfy the audience, voters, or polls. We did not get the balanced budget. Mr. President, it is imperative that we do so. We have to consider exactly where the country will be if we continue to flounder along.

As we learned yesterday, just to take one specific program area, Medicare, we know where we are going to be if we do not bring about the kind of discipline in the fiscal process that the Senator from Georgia has been talking about the last 2 days. Where we will be in the year 2001; the Medicare trust fund will go bankrupt. We are no longer talking, as has been the case in the past, in general terms about a bankruptcy somewhere in the distant future. We are not talking, as even we were last year, about having 7 years to solve the problem. We are talking about bankruptcy of the Medicare trust fund on our doorstep in 5 years. We are talking for the first time, Mr. President, not about the Medicare trust fund running a surplus, but it is now running a deficit.

If that is not enough of a wakeup call, I ask my colleagues, what would it take? Obviously, there are some who believe you can continue to put this off. Indeed, the Senator from Georgia today brought us this card which quotes from Wednesday's Washington Times: ''The Democrats said they are not concerned that Medicare will go broke because Congress has always acted at the last minute to avert disaster.'' That may have been the way the Democratic Congress acted in the past. This Republican Congress does not believe in putting off and putting off and putting off the solutions to the problems that Americans, particularly that our seniors confront, Mr. President.

Not only that, but we understand if we do not solve the problem today with a well-thought-through plan, the only alternative way to fix the problem at the last minute will be the kind of plan that I do not think most Americans are going to want or going to tolerate. In fact, we have a sense of what that plan will be. Congressman STARK from California, who is the ranking Democrat on the subcommittee of the Ways and Means Committee that oversees the funding of the entitlement programs, the person who would be chairman of that subcommittee if his party were in charge of the House of Representatives, said the Democrats probably would resort to either a Government takeover of the hospital and health-insurance payment system, or raise payroll taxes.

For Americans who are trying to understand the difference between what we are suggesting on our side, Mr. President, and what the opposition is suggesting, I think this quote probably encapsulates things about as vividly as it possibly could. The Republicans had offered a plan here over a lengthy period of time to reduce the growth of spending in entitlement areas—not cutting, but just reducing the growth of that spending—through more prudent and efficient operation of these programs, by giving seniors, to take the Medicare case as an example, giving seniors the kind of choice the rest of us have as to how we will deal with our health care, but basically preserving intact a system that gives individuals control over how they take care of themselves in the health care they receive.

Now, if we do not address this problem in the fashion Republicans are offering, to avert disaster and bankruptcy in Medicare, the alternative will be this: A system the Democrats will design that will include either the hiking of payroll taxes or a total Government takeover of the health-care system. I actually predict, Mr. President, that if we wait any longer, under the Democratic scheme you will get both of these—not one, both.

So that, Mr. President, puts it in pretty clear contrast, what the options are for Americans today. If we balance the budget, if we put a constitutional amendment in place that requires discipline not just for 1 year but for the future of this country, then we can guarantee our children the kind of security that we have had, the kind of knowledge that if they work hard, play by the rules and do their jobs, they will have choice over their destiny. If we do not, their destiny is going to consist of higher taxes, Government-run health care, and more Government intrusion into their lives.

As far as I am concerned, Mr. President, when I talk to the people of my State, the answer to this question is pretty simple. People in Michigan want to control their own destinies, give their children more opportunity, and see the Government run the way their families are run. Keeping their own budget balanced is a challenge most American families and almost every Michigan family confronts every day. I think we should expect no less here in Washington.

For that reason, I am very disappointed the balanced budget amendment failed. I continue to join and will join with the Senator from Georgia and others to do our best to make sure sooner or later the balanced budged amendment to the Constitution passes.

Mr. COVERDELL. I thank the Senator from Michigan for the very eloquent statement on the purpose of passing a balanced budget amendment and the consequences, as well, of not having one.

There have been many accolades in the last couple of days for the Senator from Illinois. The leader on the other side of the aisle endeavored to try to convince the President and his side of the merits of a balanced budget. In his remarks which he made the other morning on the floor, I want to quote them, I was here, he made a very eloquent statement about why this country needs a balanced budget amendment. He said, ''I was reading the other day and came across where John Kennedy in 1963 complained about the huge amount of money that was paid for interest for which we get nothing.'' That is something to be remembered. It does not buy any service. It does not buy a tank or defend anybody. ''He complained about the huge amount of money being paid for interest for which we get nothing. Do you know what the gross interest expenditure was in 1963? Nine billion. That is a terrible waste of money.''

But do you know what the latest Congressional Budget Office figures are for this fiscal year, gross interest expenditure? Mr. President, $344 billion. From 1963 to 1996, from $9 billion interest payments to $344 billion, and going up.

The point that Senator SIMON of Illinois was making was that if we had a balanced budget amendment to the Constitution, we would not be paying

$344 billion in interest payments. Those resources would be available to return to the American taxpayer, to this Georgia family that is losing half of its income to government, so that they could do the job we are asking of them.

Mr. President, it was a very disappointing vote yesterday. It was exceedingly costly to every American family. A balanced budget would save the average American family $2,388 a year in mortgage payments, $1,026 in a 4-year car loan, $1,891 over a 10-year student loan.

The net effect of having passed a balanced budget amendment, the net effect of having balanced budgets would immediately leave $3,000 to $4,000 in the checking account of this average Georgia family—$3,000 to $4,000. That is the equivalent of a 10- to 20-percent pay raise. That is what we are talking about.

You get passed it all, talking about the checking account of a typical family at work, doing what they have to do to get the country up in the morning, to get it to school and get it ready. We have impaired, drastically, their ability to do it. Passage of a balanced budget amendment to the Constitution, as Jefferson called for, as Senator SIMON called for, as Senator DOLE called for, is the best single thing we can do to protect the integrity of these working Americans all across the land, tomorrow and for the year to come.

I see the time I was allotted has expired. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. COCHRAN. Mr. President, I ask unanimous consent that I may speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICARE TRUST FUND

Mr. COCHRAN. Mr. President, first, I want to commend the distinguished Senator from Georgia [Mr. COVERDELL], and those who spoke this morning on the subject of a balanced budget amendment and the unfortunate consequences of our failure to deal with the problem of the ever-increasing deficits.

We also had a few of those Senators mention, as an aside, the problem with the Medicare trust fund. I wanted to remind Senators that we had a hearing yesterday in the Appropriations Subcommittee that funds the Department of Health and Human Services, and Secretary Donna Shalala came before the committee to present the President's proposed budget for that Department for the next fiscal year. She serves, along with others in the administration, on this panel of trustees, whose responsibility it is to monitor and help keep Congress and the administration informed about the integrity of the trust fund, and supports the Medicare Program.

The trustees, earlier this week, talked about the fact that the worst case scenario for future deficits in that program had been exceeded, and that rather than having the program go bankrupt, be hopelessly insolvent by the year 2002, it was going to be bankrupt earlier. By the year 2000, it would be out of balance by over $30 billion, and the following year, it would be out of balance and in deficit at the figure of $100 billion.

The consequences of this report have to wake up everybody to the realization that unless Congress and the administration quit playing politics with this issue, it is going to be insolvent. This program is going to be in jeopardy, and benefits are going to be in jeopardy as well.

I think the time has come for us to say, OK, the Republican Congress passed a balanced budget act last year. It included in that suggested reforms in the Medicare Program that would have put it in balance, would have kept it solvent, would have made some needed changes in the program to give older citizens more choices, more protection, so that their medical expenses and benefits could continue to be paid through this program.

The President vetoed the bill. He rejected the balanced budget act. So we started over again. This year, the Budget Committee is wrestling with the problem of reconciling budget resolutions, which contain projected expenditures under this program, as well as all other Federal programs, with an effort to continue to build toward a balanced budget plan as soon as possible. Their projection is the year 2002.

What I am going to suggest is that, in this politically charged environment of Presidential politics and campaigns for House and Senate seats underway—and we have to admit it—it is unlikely that this administration is going to change its mind and embrace the Republican proposals. And so we have to acknowledge that.

The President, at the same time, has made a counteroffer, as I understand it, and has proposed some changes in the Medicare Program, which would achieve savings of $116 billion over the same period of time. The Republican proposals would have achieved savings of almost $170 billion.

Let us say, OK, Mr. President, have it your way for the short term. Let us introduce the President's proposed changes in the Medicare Program. Let us accept his proposals for changes and cuts in the Medicare Program and enact them next week, or the week following. If the reconciliation bill from the Budget Committee's resolution is vetoed by the President or not supported by the Democrats in that area of the budget, let us isolate the Medicare Program changes and enact some changes.

I suggest, let us enact the President's proposed changes and cuts in the program and, at the same time, establish a commission—which the President has recommended, the trustees have recommended in their report, including Secretary Shalala, Secretary Reich, Secretary Rubin, and others, who serve on that trustee panel—to recommend long-term changes in the Medicare Program that would ensure its solvency and protect the benefits for the older citizens in our society over the long term.

I do not see anything wrong with that. As a matter of fact, I have been suggesting that that be considered as an alternative. If Congress and the President cannot agree on what changes ought to be made, get a commission together, much like the Base Closure Commission, or the Social Security Commission, which was formed in 1983 and chaired by Alan Greenspan. It made recommendations to save the Social Security trust fund from bankruptcy, and Congress and the President agreed at that time to accept the recommendation of that commission and implement it.

That ought to be a part of this legislation—that we establish that commission, agree to implement its recommendations, and have a vote on it. If you do not want to implement them, vote no; be against everything. But we have to come to terms with the reality of the situation. The longer we wait, the harder the solution is going to be and the more sacrifices that are going to have to be made by everybody—the taxpayers. If we do not make these changes, do you know what is going to happen? Pretty soon, you are going to see the taxes on the employers and employees to fund this program being increased—and by substantial sums.

Now, the older population is getting older and, thank goodness, medical science is wonderful and it is giving us all opportunities for longer lives. But coming with that, too, are added expenses, as you get older, for medical care. Our senior citizens confront the reality every day of this terrible fear, and that is that they will not have the funds, they will not have access to the care they need to enjoy the longevity that they now have, compliments of medical science, good nutrition, and the advances that we have made for good health in our society.

So I say that it is time to stop the partisan politics. Let us quit throwing rocks at each other across the aisle, blaming each other for not getting anything done. I am prepared to say, as a Member of the Republican leadership in the Senate, OK, Mr. President, let us enact your proposal.

I am going to introduce a bill next week, and I hope there will be Senators on both sides of the aisle who will say, OK, let us go along with this suggestion as an alternative to what we have