into the next century, crippled financially and unable to maintain the status of the superpower that we are. Five expenditures, and it is all gone.

Last April the trustees of Medicare came forward and said, ''Look, it is bankrupt. Congress and Mr. President, do something about it.''

I yield the floor.

Mr. THOMAS. Mr. President, I yield 10 minutes to the Senator from Minnesota.

THE $500-PER-CHILD TAX CREDIT

Mr. GRAMS. I want to thank Senator THOMAS, my good friend from Wyoming, for setting aside this time on the floor today for my freshmen colleagues and I to share our perspective on the Second American Revolution.

There may be 11 freshmen new to the Senate this year, but we speak with a single voice when we talk about the mandate handed to us by the voters last November.

Beginning last Wednesday morning and continuing for 20 hours, this Senate undertook a historic debate. For 20 hours, as we outlined the Balanced Budget Reconciliation Act, we had the opportunity to outline for the American people a new vision for this country.

Our vision is about standing up for taxpayers and their families. It is about reining in the big government that has inserted itself more and more deeply into their lives over the last 40 years.

Our vision—this new approach to governing—begins with balancing the budget, preserving Medicare, redefining welfare, and letting the people keep more of their own money, through our $245 billion package of tax relief.

Forty years of backroom wheeling and dealing by my colleagues across the aisle have dealt the American people nothing but a string of losing hands.

The big spenders may have had a long run, but they never played by the rules. Instead of using their own money, they demanded—over and over again—that the taxpayers be the ones to ante up.

With this Congress, however, it is a whole different game.

We are no longer going to let the Government gamble away the taxpayers' hard-earned dollars. In fact, we are going to keep those dollars out of the Government's hands in the first place.

As you know, the centerpiece of our tax relief package is the $500-per-child tax credit, and I am proud that my colleagues stood with me to ensure that this desperately needed provision remains at the heart of our reconciliation bill.

The $500-per-child tax credit will return $23 billion nationwide every year to working-class families, and those families have been vocal in sharing their thoughts on what kind of difference the child tax credit would make in their lives.

Since I began working on the $500-per-child tax credit 3 years ago, as a Member of the U.S. House, I have been receiving letters urging Congress to follow through on our promise of middle-class tax relief.

The letters have come from Minnesotans and from concerned Americans across this country, as well.

I hope they do not mind if I share parts of their letters with my colleagues.

Just a few: From Alabama, where the $500-per-child tax credit would return $354 million annually, I received this note on the very same day we began debating the reconciliation legislation.

The letter said:

> Please continue your work toward Medicare reform, a balanced budget over 7 years, and tax cuts. The people of this country are with you and waiting for this to happen.

From California, where the $500-per-child tax credit would return $2.6 billion annually:

> Our families desperately need tax relief, and our government needs to stop spending so wastefully.

Another letter, signed a ''California Democrat,'' read in part:

> Thank you for your support of the family tax credit. As a parent of three, I know parents need the help.

From Florida, where the $500-per-child tax credit would return $973 million annually:

> Thanks for your efforts this past year in supporting tax relief for families!

From Georgia, where the $500-per-child tax credit would return $570 million annually:

> I am writing to thank you for proposing the budget plan that would cut federal spending more than President Clinton's, and for supporting tax relief for families. We can use all the help we get!

From Illinois, where the $500-per-child tax credit would return $1.1 billion every year:

> We are a one-paycheck family struggling to keep our heads above water. Two of our children are in a private school. The burden of paying for the public and private systems is great for us.
>
> Nonetheless, we must do what we know to be best for our children. It is encouraging to know there are members of the government who understand our struggle and are working on our behalf.

From Minnesota's neighbor to the south, Iowa, where the $500-per-child tax credit would return $326 million annually:

> Thank you for supporting tax relief for families. Keep up the great job!

From Kentucky, where the $500-per-child tax credit would return $300 million annually:

> We realize you are fighting a tough battle and we fully support you on this issue. Keep fighting!

From Michigan, home State of Senator SPENCER ABRAHAM, who has been one of the Senate's most vocal advocates on behalf of family tax relief, and where the $500-per-child tax credit would return $977 million annually:

> I want to commend and thank you for remembering and supporting the needs of families at tax time. Specifically, I want to thank you for spending the past year arguing for the $500 per-child tax credit.
>
> There aren't very many people in Washington who remember the pro-family community in our country—and even fewer people in Washington who will support the family.

From Montana, where the $500-per-child tax credit would return $46 million annually:

> We just wanted to take the time to say thank you for supporting tax relief for families. We appreciate your stand for us parents.

From Nevada, where the $500-per-child tax credit would return $95 million annually:

> Tax relief is really needed. We know—we have four children, one income.

From New Hampshire, where the $500-per-child tax credit would return $102 million annually:

> My reason for this letter is to thank each of you for supporting tax relief for families and to ask you to continue to do so until the tax relief becomes reality.

From New York, where the $500-per-child tax credit would return $1.4 billion annually:

> Thanks for your work to try to get President Clinton to make good on his promise to give tax relief to families.

From Oklahoma, where the $500-per-child tax credit would return $269 million annually:

> As a concerned citizen, a voter, and a taxpayer, I want to let you know there are a lot of us middle-income, family-heads-of-households who support you firmly.

For the Presiding Officer in the chair, the Senator from Pennsylvania, where the $500-per-child tax credit would return $1 billion annually:

> Please continue to keep the profamily community in mind. The family network, its strength, is what keeps this Nation strong.

From South Carolina, where the $500-per-child tax credit would return $320 million annually:

> Thank you for supporting tax relief for families. Keep up the good work!

From Tennessee, where the $500-per-child tax credit would return $446 million annually:

> Thank you for supporting tax relief for families. Also, please continue to work for the deficit and keep it a point of public awareness.

From Texas, where the $500-per-child credit would return $1.6 billion annually:

> I am in favor of a tax cut for families.
>
> I believe that is one reason many people do not have more children these days—the Government taxes us so much, and tries to tell us how we should live and raise our children. I have three children of my own.

From Washington State, where the $500-per-child tax credit would return $537 million annually:

> Thank you for your work this term to get tax relief for families. It is such a hard fight.

From Wisconsin, Minnesota's neighbor to the east, where the $500-per-child tax credit would return $505 million annually:

> Thanks for your efforts to give families tax cuts.

And finally, Mr. President, the letters have poured in from my home

State of Minnesota, where the $500-per-child tax credit would return $477 million annually, completely eliminating the tax liability for nearly 46,000 Minnesotans: This letter came from Northfield, MN:

I'm encouraging you to support passage of a $500 per-child tax credit that goes to all tax-paying families with children under 18. Let's start strengthening society by supporting the backbone of the society—families!

Then there is this letter from a family in Roseville, MN:

A $500 Federal tax credit for each dependent is not a Federal hand-out, but would allow parents to keep more of the money that they make, and to use it to care for their own children.

A $500 Federal tax credit for each dependent would unquestionably strengthen many families—especially middle-class and economically-disadvantaged families.

And finally, a family in Minnetrista, MN, took the time to share these insights with me:

As the mother of seven children with one income, I am especially interested in the $500 per child tax credit. We refuse to accept aid from Federal or State programs that we qualify for.

We believe this country was built with hard work and sacrifice, not sympathy and handouts. We also believe that we can spend this money more effectively than the Government, who has only succeeded in creating a permanent, dependent welfare class with our money over the last 40 years.

Let's get back to basics.

Getting back to basics is what our budget plan is all about, Mr. President. That is why we are balancing the budget, protecting Medicare for the next generation, fixing a broken welfare system.

That is why we are cutting taxes, too. And if these letters are any indication, the American people are solidly behind our back-to-basics approach.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I thank my friend from Minnesota. Those of us on this side of the aisle are excited about the opportunities that are here. We are excited that we have worked for 8 or 9 months now toward this time, toward the time to have actually passed the kinds of changes that we bring with us from the election last year. These are the freshmen and sophomores. These are the Senators who are relatively new to this body and are really wound up about what we are able to do here and want to keep moving. So I am delighted they are here.

I yield now 10 minutes to the Senator from Tennessee.

BALANCING THE BUDGET

Mr. THOMPSON. Mr. President, first of all I commend the Senator from Minnesota for his excellent presentation. After listening to those who are always for higher taxes and will use any means to fight any kind of tax cut on the basis that it is just a giveaway to the rich, it is refreshing to hear actually what this tax cut would do, the $500-per-child tax cut the Senator from Minnesota has fought so long and so hard for. The letters coming from people who work hard, pay their taxes, raise their kids and obey the law, and find it tougher and tougher to get by—that is obviously who this tax credit will go to benefit. It belies the accusations on the other side that, of course, this is just a tax cut for those who do not need it.

Our friends on the other side of the aisle have made a profession of trying to decide who in America deserves to keep more of the money they are earning and who deserves to have it sent to Washington for those enlightened Members of this body to spend for them.

So I think we are making substantial progress when we are obviously getting our message across to the American people as to exactly what this tax cut is all about. It goes to help those people who everybody in this body says they are concerned about. We are hearing all this rhetoric about the rich, the rich, the rich, and how everybody is for the working person and the working family. If everybody was for the working family and everybody is concentrating on doing something for the working family, why is it the working family feels they are getting worse and worse off every year? As I said, those people who work hard, raise their kids and pay their taxes—this, finally, will do something to reach the people that everybody says they are trying to reach in this country. This will actually serve that purpose.

Mr. DOMENICI. Will the Senator yield?

Mr. THOMPSON. I will be happy to yield.

Mr. DOMENICI. Just for 30 seconds.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I commend the Senator from Wyoming, Senator Thomas, and all those who are helping him. I think it is imperative that we respond when the other side comes to the floor making statements that are half truths and irresponsible. I commend him for it. I hope he does it every time they come to the floor. Across this land, the real facts of what we are trying to do are getting lost in the plethora of facts that are coming out that have very little to do with what we have done.

I hope the Senator does one on Medicare. Just put a chart here and show what we did, so the American public will see it. We know when the people see what we have done they favor what we are doing. It is when they are told things we are doing that we are not doing that they begin to wonder about this balanced budget.

So I commend my colleague for it, and those who are helping him, very much. I am hopeful they will continue to do it.

I yield the floor.

Mr. THOMPSON. Mr. President, I commend the Senator from New Mexico who has been a leader with regard to responsible budgeting in this country. It is always easier to give somebody something. It is always easier to maintain the status quo and to tell people they can continue on indefinitely the way we have been going and hold yourself up to accusations of hurting those in need, of not caring for the elderly.

Some Member on the other side of the aisle said, apparently, the only elderly that you know live in Beverly Hills. Those kinds of tactics are designed to scare people and appeal to the greedy side of people's nature, the implication being that as long as we can get ours today we do not care about our children, and we certainly do not care about our grandchildren.

We heard the statement earlier, ''Social Security is not in trouble. Social Security is not going bankrupt. Of course, in about 30 years it is going to run out of money.'' But the implication is, we do not have to worry about that because most of us will have gotten ours by then.

I am concerned, not only about today and my own mother who is dependent on it, I am concerned about my children and my grandchildren, as we all should be. That is what we are talking about here. That is the difference, I think, in the debate nowadays from what it has been in times past. That is the reason that many of us ran for political office for the first time in our lives, because people are sick and tired and fed up with business as usual. We see the results of it. We see in many respects our country is going downhill.

So we passed a reconciliation package to do something about that. People said they wanted a balanced budget. We are on our way to a balanced budget, to save Medicare—not to destroy it, but to increase spending for Medicare, but at a reduced rate of growth; to change a failed welfare system from something that was supposed to do good for people that has changed into something that has done an immeasurable disservice to many, many people in this country; to give more back to people who are earning hard-earned dollars to keep in their pockets.

The President, I thought, pretty much agreed with those concepts. We have come a long way, because some time ago the advisers to the President were saying we really did not need a balanced budget; and then, yes, maybe we need one but in 10 years; then, yes, maybe we need one and then OK, maybe 7 years.

The President pledged to reform welfare as we knew it back during the campaign. He acknowledged that Medicare was going bankrupt, and that we had to do something about it. He has proposed increasing Medicare spending by 7.1 percent a year. We have proposed increasing spending by 6.4 percent a year. It seems pretty close to me. It looks to me like we are fairly close together, at least on some of these basic concepts. And, yet, what does the