

clearly not a capitalist system. It is clearly not a market system that we have in dairy, which it should be, and I strongly support moving to a market system. But it is nowhere near the egregious price-support levels that we have in the sugar system.

So, no, I do not think I would say it is a purely state-dominated system, but it has clearly got too much state domination in it. I wish we would correct it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I appreciate the last discussion. Clearly the issue of sugar subsidy and maintaining the price that is substantially above the market price has been detrimental to consumers in this country. It is true it has no direct effect or impact on the Federal budget. That is simply because we have shifted the entire impact to the consumers of this country.

But that is not why I am here to speak. I think that subject has been adequately debated between the Senator from New Hampshire and the Senator from Nebraska.

THE BUDGET IMPASSE

Mr. COATS. Mr. President, I am here to talk about the current budget impasse in which we find ourselves. There clearly are a number of compelling reasons to support a balanced budget: lower interest rates, higher economic growth. These have all been discussed in detail on this floor over the last several days. But I do not believe that economic facts fully explain the urgency of the issue and why the lines have been drawn so sharply between these two competing philosophies.

There is a moral aspect to this debate, a moral imperative that I think is important we understand because those of us who are holding firm for a commitment to a balanced budget in a fixed amount of time with honest numbers are doing so because we are convinced that not only are the deficits imposed year after year after year on the American public unwise but they are unprincipled.

They are not just a drag on the economy, not just an impact on interest rates, but a burden on our national conscience. It was Thomas Jefferson who said nearly 200 years ago—in arguing the question of whether one generation has the right to impose on another generation a debt burden which is the obligation of those that are currently enacting that burden, currently supporting that spending—Jefferson said, “The question of whether one generation has the right to bend another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and be morally bound to pay them ourselves.”

So what we have been debating are not just the numbers to compromise between the White House and this Congress, what we have been debating is a fundamental principle of Government, and I think a fundamental principle of society. I doubt that there is anyone on this floor or a Member of the Senate that has not at some time in their life sat down with their children and explained the principle of deficit spending, and whether it deals with a \$1 or \$2 allowance or whether it deals with setting aside money necessary to pay expenses while they are away at college, the principle is the same, and, I think, what we all try to pass on to the next generation, that is, that we cannot keep spending more than we make.

If you spend more money than you earn, you are going to have only one of two recourses: You are going to quickly run yourself unto insolvency, or you are going to roll up a debt that will become such a burden in terms of payment of interest to maintain that debt that other items of expenditures, necessary expenditures, are going to be squeezed.

Many young people have learned the hard way through receipt, as soon as they are independent from their family, of a Visa, Master Card, or other credit card, how easy and how attempting it is to run to the mall and roll up and use that card to purchase items for the moment. And then the bills start rolling in, and they notice that they are paying a 17, 18 percent interest rate on the mounting debt.

What has happened on a national basis is that debt has been mounting at a staggering rate. It took more than 200 years to reach the first \$1 trillion of debt. Now, in just the space of 15 years, we have quintupled that \$1 trillion debt to the point where this Nation now stands at \$4.9 trillion of national debt. It is a staggering burden. It is a burden that is imposed, I would suggest, on the next generation. And therefore, that moral tradition that we have held at the highest level in this country of sacrificing for the benefit of future generations so that our children might enjoy at least an equal but hopefully a better standard of living, better quality of life than we have been privileged to enjoy, which was transferred to us by the previous generation, this generation has become the first generation to violate that trust.

Every child born in America today inherits \$19,000 in public debt, and it is going up at a staggering rate. That is a destructive legacy of a government without courage. True, it has caused a budgetary crisis, but it has done more than that. It has betrayed a moral responsibility.

Now, this moral imperative clashes with a political imperative. The political imperative says deficit spending makes sense because it allows elected officials and allows Government to please people in the present by placing burdens on the future. Interestingly enough, the future has no vote in the

next election. And so the temptation has always been to fund for the moment, to spend for the moment, because it impacts positively on those who will go to the polls at the next election to perpetuate our existence in this elected body. That is the prime reason why I strongly believe in term limits, because term limits are the only device that I know of, as imperfect as they are, that changes the dynamic of the way we make decisions.

It is human nature to obviously want to keep your job. It is human nature to want to be reelected, to be favored by the people. And the political imperative, particularly over the last 30 or 40 years, has been to accomplish that purpose essentially by spending money but not having the courage to go forth and ask taxpayers to pay for that expenditure, but simply to float the debt and pass that payment on to a future generation, which, by the way, does not go to the polls at the next election.

So we see these two imperatives, the political imperative and the moral imperative, clashing against and struggling against each other. I believe the moment has come that that titanic struggle is at issue and needs to be decided, where the choice is clear before us. On one side, unfortunately, we are dealing with a President supported by many, not all, members of his party who seem to be pursuing the political imperative; and on the other, I believe we are seeing a commitment to the moral imperative.

The problem that we face is that we have defined a commitment to the principle of not imposing additional burdens on future generations through an act called the Balanced Budget Act of 1995, accomplished in a defined time period and accomplished with numbers on which we can both agree. After all, it was the President—it was the President—who called on us to agree on how these numbers would be determined and derived so that we would not be arguing over differing assumptions and differing sets of numbers.

Frankly, it was the President who essentially put in play the fixed period of time with which to reach the goal of a balanced budget. He campaigned on that basis. He said, “There’s a way for me to meet the stated objectives, which is a balanced budget in 7 years, with a family tax cut * * *” That is exactly what Republicans have offered the President: a balanced budget in 7 years with a family tax cut. It is what the President called for. We responded to that. But now the President said, “No, those are not my priorities.”

This Republican budget has the courage to confront the political imperative because we believe that we have a moral duty to the next generation.

Now, my concern, Mr. President, is that as the Senator from Nebraska has said, we have allowed rhetoric to get ahead of the facts of the situation. I am concerned that the American public is focusing on our rhetoric and not the facts.

Coming in this morning to the Senate, I listened to the President's week-end address, and the President was obviously putting the best light on his position on the acts of the Congress.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COATS. Mr. President, I ask unanimous consent for 5 additional minutes.

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

Mr. COATS. I thank the Chair and my colleague from Texas.

I was deeply concerned that the rhetoric of the President far exceeded the reality of the facts that we are dealing with. The President characterized, on about as many occasions as possible in a 5-minute speech, the Republican effort as an extreme effort.

Now, somewhere in the process here the President's pollsters, focus groups, so forth, have discovered that the American public has an emotional, visceral reaction to the word "extremism."

So it seems everything Republicans are attempting to do all year, whether it is a defense bill or whether it is welfare reform or whether it is balancing the budget, is labeled as extremist. He used to say it was right-wing religious extremists. Then, they found out people of faith resented that and that did not go down too well, so now we are down just to the word "extremist."

The President and Vice President just incessantly use the word "extremist." You heard that from the minority leader's speech last evening. I think there must be a reward for those who can use the word more times within each minute of statement because it seems like it is almost every other word.

Now, I ask the American people and I ask my colleagues to examine the rhetoric, and in the light of the reality of the budget, because what Republicans are saying is that with this moral imperative and this staggering debt, we believe it is important to enact the principle of a balanced budget not this year, not next year, not 1999, not by the turn of the century, the new millennium, but by the year 2002.

Over a 7-year period of time, we believe we should make an orderly transition from where we now are to a position where we will not spend more than we take in. And if we do it over a 7-year period of time, it will allow spending to increase at a rate of 22 percent. It will increase over that period of time in expenditures such as Medicare at a rate of 65 percent; that the Medicare increases will go up at a rate of 7.4 percent annually.

One would think, listening to the President and listening to some of our colleagues who oppose that—because they use terms such as "cutting off at the knees," "throwing children out on the street," "denying aid to widows," "turning our backs on the disabled," "gutting the American social com-

—you would think that what Republicans are offering are drastic, drastic cuts in the amount of social welfare and the amount of expenditures on a whole number of programs.

Medicaid increases will go up 43 percent; welfare spending will increase by \$100 billion over this time period.

Republicans find themselves in an unusual position, because a lot of people back home say, "Wait a minute, we thought you were going to do more than that. We thought you were going to cut back." Well, we are slowing the rate of growth, but in no sense can those be characterized as cuts from current expenditures. The spending will continue, but it will continue at a slower rate and over a 7-year period of time. As our economy grows and as expenditures decrease from the standpoint of a lower rate than before, those two lines will cross, and, as certified by the agency that the President asked us to use to certify those numbers, we will reach a balanced budget in 2002.

As I said, we do this not just because it makes good economic sense, but we do this because we believe we have a moral imperative to do so. This is a historic piece of legislation. It allows us in the Congress to leave some legacy to the future, other than monumental debt—a legacy of moral courage and a legacy of responsibility.

We have waited a long time to get to this point. It has been an unusual convergence of events that have led us to this moment. I do not know that we will have another opportunity to do this, and so a vote to keep our word and keep our faith with the next generation is a vote that I hope the President will exercise, as we exercised last evening.

The President, with one stroke of the pen, can address what I believe is the economic imperative but, more importantly, can address the moral imperative. The President can address the issue of whether or not we will keep faith with the next generation. He will address the question of whether or not this generation, this selfish generation, this me-first generation, will finally say, "We have run the course. It has been a disaster for the future of America."

The economic consequences are untold, and it is time that we drew a line and had the courage to do what I think every one of us instinctively knows is right.

Mr. President, I thank you and yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I appreciate the remarks of my colleague from Indiana. I think he laid out in a lofty and beautiful speech exactly why we are here.

I have read the quote from Thomas Jefferson as well. And, in fact, Thomas Jefferson had said he had really two problems with our Constitution, and it was nagging in the back of his mind.

One of those nagging concerns of Thomas Jefferson was that we did not have a mechanism that would keep Congress from going into debt, because he felt that public debt was not the right of any Congress to make.

The second thing that Thomas Jefferson was concerned about was that we did not have a system to assure rotation in office. Of course, term limitations are still a very powerful issue for us in this Congress over 200 years after the Constitution was ratified, and I think his nagging concerns were two very important ones that I wish he had been able to address.

But then when we look at what the founders of our country did in the Constitution, they are certainly to be commended for the foresight they had in so many areas.

THE BUDGET IMPASSE

Mrs. HUTCHISON. Mr. President, I would like to talk about this budget impasse, because there is no question that we are at a crossroads in our country. The impasse is over our President and this Congress and our differing views about what course this country should be on. The Congress promised the people a balanced budget, and we are producing on that balanced budget.

We have sent to the President a balanced budget for the first year of a 7-year plan. The President promised in his campaign a balanced budget in 5 years, actually. But when the time came to sign the dotted line to make the hard choices, the President has chosen instead to demur, to talk about politics instead of coming down to the bottom line and working with Congress on a budget that is balanced. He is holding our Government hostage.

Mr. President, why do we have this impasse? There are two things: The balanced budget which we have sent to the President and the resolution that would continue the operation of Government, which is why people are not working in our Government at full staff levels.

We passed a resolution that would continue Government from September 30, when the fiscal year ended, until this week. Now we are in the second resolution. The second resolution has the lower budget figures that are necessary if we are going to balance the budget.

So when we talk about this continuing resolution, it is crucial that we have the lower numbers because we are in the fiscal year. We are in the 1996 fiscal year. We must have the lower spending numbers if we are going to make our 7-year goal, and that is the crucial issue here. The President does not want the lower spending limits because, in fact, the President does not want the balanced budget in 7 years.

Now, he paid lipservice to a balanced budget in 7 years. He said publicly that he would agree to a balanced budget in 7 years, but he just will not do what is necessary to get us there, and he has