economic progress in the United States. And the list is a long one of the positive economic results that have come because we put in place a plan that actually reduced the budget deficit. That took pressure off of interest rates, and that had the very helpful effect of spurring economic growth in this country.

Let us just look at some of the very positive results.

First of all, we have seen 11 million new jobs created in this country in the 4 years of this administration—11 million new jobs. That is a remarkable record. We have also seen unemployment come down. Unemployment has dropped a full 2 percentage points. caca dldllflldlksdklmcdl We have seen inflation at very low levels. In fact, we have the best record of sustained low levels of inflation in 20 years.

Those are not the only outstanding economic results. We have also seen median household income up, the largest increase in a decade. We have seen the largest decline in income inequality in 27 years in this country. I think that is something of great concern to anybody who is worried about the future of America. That has happened as a result of an economic plan that was put in place in 1993.

There are 1.6 million fewer people in poverty. That is as of last year. That is now over 2 million fewer people in poverty, the largest drop in 27 years.

The poverty rate for the elderly in America is at 10.5 percent, its lowest level ever, lowest level of elderly poverty in the history of our country, and the biggest drop in child poverty in 20 years.

These are facts. This is a remarkable economic record and one of which this administration can be justifiably proud.

We used to talk in America a lot about the misery index. Our friends on the other side of the aisle always used to like to talk about the misery index and how bad a thing that was and how bad the situation was in America. Well, we have good news to report because the misery index, which is a combination of the unemployment and inflation rate, is at its lowest level in 28 years—lowest level since 1968.

These are facts. These are facts of deficit reduction because of a plan that some of us had the courage to vote for in 1993, a plan that worked—a plan that has made dramatic progress in reducing the budget deficit but one that has also had extremely good effects in the rest of our economy, creating jobs, building economic growth, lowering poverty, and doing a whole series of things that have made America now the most competitive nation on the face of the globe.

For a number of years there, we were very concerned that the United States could not remain competitive, and we thought the Asians were passing us. We thought the Japanese were passing us. We were concerned the Germans were on the march and on the move and we were stopped dead in our tracks.

For the last 2 years, when the experts analyzed the competitive position of the countries, the major industrialized countries in the world, the United States was No. 1. We have resumed our top position. It is due in no small measure to the economic plan that we put in place in 1993.

Some who are listening might say, well, this is a Democratic Senator speaking, and he is being partisan in terms of analyzing who should get the credit for what has happened since that 1993 financial plan was put into place. It is not just the view of this Senator. It is not just a review of the facts that lead us to this conclusion. Mr. Greenspan, testifying last year at about this time, said the deficit reduction in President Clinton's 1993 economic plan was:

> An unquestioned factor in contributing to the improvement in economic activity that occurred thereafter.

Mr. Greenspan is not a partisan. Mr. Greenspan, in fact, I think is a prominent member of the other party, but he acknowledges what is true, and what is true is very clear. This administration has made the hard choices. They made them in 1993, when a lot of us stood up and joined them in making the hard choices, and we paid a terrible price in this party at the polls in 1994 because those hard choices did cut spending. Yes, they did raise revenue, raised incomes taxes on the wealthiest 1 percent in this country.

I had a woman stop me the other day in Fargo, ND, and she said, ''You have to quit raising taxes down there in Washington.'' I asked her if she made $140,000 a year. She said, ''Oh, certainly not.'' I said, ''Well, you did not have your taxes raised. You did not have your taxes raised unless you are making $140,000 a year. Your income taxes have not gone up.''

That is the reality. That is the truth of the matter. I think as we go through this budget debate we ought to remember precisely how we got to where we are. The fact is that 1993 budget plan, which some of us voted for that has made such a profound difference, by the year 2002 will reduce the indebtedness that would have otherwise occurred by $2.5 trillion. Incredible. You look back to 1993. All of the projections were that the debt and deficits were going to skyrocket, they were going right off the charts. But we took action. Some of us voted for a plan that has produced real results, and the day before yesterday Mr. Raines, the head of the Office of Management and Budget in this administration, was able to report that by the year 2002 the 1993 budget plan will have reduced what would have otherwise occurred in terms of the growth of the debt by $2.5 trillion.

Those were hard choices that had to be made in 1993, and they were made, and the result is that we are in very a fortuitous position of having more to do, we need to do more, but we are pretty close to where we want to get.

Mr. President, how much time remains on our side?

The PRESIDING OFFICER. There are 4 minutes remaining.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. CONRAD. Mr. President, before the Senate is the question of the balanced budget amendment to the Constitution of the United States. I testified 2 weeks ago before the Judiciary Committee on this question.

I believe deeply in the need to balance the Federal budget. We have a responsibility to do that because just over the horizon, even with all the progress that has been made here, we have the demographic time bomb lying out there, and that time bomb is the retirement of the baby boom generation. When they start to retire, they are going to dramatically increase the number of people who are eligible for our major Federal programs. In fact, in very short order, they are going to double the number of people who are eligible for Social Security and Medicare and other programs like veterans' benefits. So, while enormous progress has been made, we have to do more. We have to do more.

Some say the answer is an amendment to the Constitution. Properly crafted, I would support an amendment to the Constitution. But the one before us is not properly crafted.

Let me just give three reasons why I believe it is not properly crafted. First, the balanced budget amendment before us in this Chamber will not balance the budget at all—not at all. Boy, would the American people be surprised to find out, if this passes, that come the year 2002, when the budget is supposed to be balanced, the debt is still increasing. Won't they be surprised after having been told that the Senate and the House have passed a balanced budget amendment to the Constitution of the United States.

Why is that the case? Why would the debt be increasing even after the year 2002 if we have a balanced budget amendment to the Constitution?

The answer is very simple. The definition of balanced budget that is in this amendment is not the definition of a balanced budget at all, because it includes every penny of Social Security surplus that is going to accrue to the Federal Treasury between now and the year 2002 and in the years thereafter. This balanced budget amendment, so-called balanced budget amendment, would loot and raid the Social Security trust fund of $450 billion over just the next 5 years, take every penny of Social Security surplus, throw that into the pot, and call it a balanced budget.

No private employer in this country would be able to take the retirement funds of their employees and throw those into the pot and say they balanced their operating budget. In fact, that would be a violation of Federal law. That is what the Federal Government is doing today for Social Security

trust fund surpluses, and under this so-called balanced budget amendment to the Constitution, that flawed principle would be enshrined in the Constitution of the United States.

I often wonder, what would Thomas Jefferson think of putting in the Constitution of the United States a definition of a balanced budget that included every trust fund dollar and call that a balanced budget? I wonder what Benjamin Franklin would think of that. I do not think they would buy that, and we should not buy it.

The second major problem with this balanced budget amendment is it makes inadequate provision for a national economic emergency. We know that the right policy today is to cut spending and balance the budget. That is precisely what we ought to do. That was precisely the wrong thing to do in the depths of the Great Depression, because raising taxes and cutting spending in the midst of the Depression simply would make the Depression longer and deeper. We have to pass an amendment here that can stand the test of time. The one before us now simply does not.

The third and final point: The balanced budget amendment before us now assumes that the Court will enforce this amendment. Can you imagine? We can have a situation in which the Supreme Court Justices are sitting around a table, just a block from here—in fact, I can almost see the Supreme Court through those doors—and we would have the Justices of the Supreme Court sitting around a table writing a budget for the United States, deciding perhaps to raise taxes to balance the budget, deciding they are going to cut funding for transportation or education, deciding what is going to happen that affects America in a disaster, perhaps an earthquake in California or some calamity in Florida. We are going to have unelected judges sit around a table and decide the budget of the United States. Is that really what we are going to do?

I can tell you this, I come from a rural State. I do not think any of those Justices know much about agriculture. I do not think they know much about farming. I do not think they know much about the cattle business. I do not think they know much about rural America at all. Most of them are from more populous areas.

So I just say there are fatal flaws in this balanced budget amendment that is before us today, and we ought to take steps to improve it.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I believe that we have special order time for 12:30 to 1?

The PRESIDING OFFICER. The Senator is correct.

Mr. THOMAS. We will expect several more of my associates here, but I will begin that.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. THOMAS. It is interesting to stand here beside these budgets that have gone on for 26 years—this is less than that—and to then have to say we have not balanced the budget in all that time. Yet, we hear constantly that we do not need to do anything differently than we have been doing. It is hard to imagine that you are going to have different results if you do not do something different.

I was interested in the comments of the Senator from North Dakota. Each of us has a little different idea about what has happened and what has occurred in terms of economics. Each of us has a little different idea about why we made some progress over the last several years in reducing the deficit. Certainly one reason is we raised taxes so that the average payment of taxes in this country is now about 40 percent of the income to families. You can balance the budget that way if you want to continue to let Government grow. Continue to raise taxes; that is a way to balance the budget. That is partly what this whole discussion is about.

Interestingly enough, the Senator talked about the balanced budget amendment looting Social Security. I was going to ask the Senator, if he was still here, whether Social Security income is in the budget that he talks about that the President is going to balance by 2003. Of course it is there. All the trust funds are there that he says you cannot put into a balanced budget amendment. They are in the budget that the Senator brags about balancing. If you took the Social Security out of it, by that time you would have to raise $700 billion additional to do that. This is a unified budget.

So, it is interesting how we seem to have different views. I guess if we did not have different views, why, there would not be any discussion about this. We would either do it or not. Basically, one of the differences, I think, between those of us here who want to have a balanced budget amendment to ensure that we, in fact, in the future have a balanced budget and have fiscal responsibility is whether you want more and more Government or whether you want a balanced budget to have something to do with holding down the size of Government and the increase in taxes. That is the choice. If you are going to use the balanced budget amendment simply to grow, and use the balanced budget, as the President has this year, to have an increase in spending by $1.5 trillion, then that is a choice. The other choice is to allow families to have more of their own money and spend it as they choose, to have a smaller central Government and move some of those activities to local governments, to States and counties. So that is the decision.

It has been, I think, a most interesting discussion. Of course, the budget is, I think, the key to what we do here. Obviously, there are many other things that the Government must do and that the Congress must do and the administration must do, but it all pretty much turns around what you do with the budget. The budget is a guideline of where you go, what your priorities are, what your spending is. It is also a guideline of your idea of how large Government is, as opposed to a reduced size Government. It has to do with how much tax you intend to levy. So the budget is the key to where we have been. We talked about it for years and will continue to, I suppose, forever. It has a great deal to do with what you believe is the responsibility of this Congress and the responsibility of the Government, and the responsibility of you and me, Mr. President, to establish a spending pattern in which we are responsible for the spending we incur and not pass it on to all of our children and on to future generations, which is precisely what we have done now.

I hear some on the TV saying, ''Well, a balanced budget isn't that important. The deficit really isn't that important.'' The interest payment on the deficit this year will be about $250 billion, almost as much as defense. It will soon be more than defense. If it continues as projected, it will be $330 billion a year out of the budget to pay interest on the debt. So it is important. It has to do with responsibility.

The Senator from North Dakota mentioned Jefferson. Jefferson had a strong feeling about budgets. Let me quote from the desk of Thomas Jefferson:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our Government. I mean an additional article taking from the Federal Government the power of borrowing.

Thomas Jefferson said if you are going to use it, you ought to pay for it. And certainly he's exactly right.

I think we need to look at the benefits of having a balanced budget. We have talked about it a great deal. It is not just a benefit to the country, it is not just a benefit to the economy, it is a benefit to you and me in our lives.

It's a benefit to you and me in what we have to pay to do the things we have to do. On an $80,000 mortgage, the savings per year with a balanced budget amendment with a reduction in interest could be $1,272 for the average family. On a $15,000 car loan, monthly payments would be reduced by 200 bucks. It's a real benefit for us, as well as being the financially and morally responsible thing to do.

Some say, ''Just do it, we don't need an amendment.'' Good idea. The evidence, however, is that that is not the case. The evidence is that we have talked about it for 26 years, through good times and bad. We say, ''Well, you have to leave it flexible enough for emergencies.'' I certainly agree with that, and this balanced budget amendment has that provision. But we have done it through good times and bad. We