

I believe Congress has an obligation to send this question to the States, so that we can engage in a much needed and lively debate on the broader question—what is the role of the Federal Government and at what cost?

Our experiences with State budget balancing requirements have provided several positive outcomes from this important fiscal discipline. It imposes discipline on legislators and executive branch. It, therefore, requires a closer working relationship between these two branches of Government. And, the requirement ultimately will force all parties to sit down and work out their differences to maintain the required balance.

Having worked under the balanced budget requirement, I believe it will promote better communication and governance—at least that's been my experience as a State legislator in New Jersey. It has been 25 years since the last time the Federal Government's books were balanced. Of every dollar collected in Federal taxes, 15 cents goes to pay interest on the national debt—more than \$200 billion a year, further drawing down the amount available for other Government programs.

Clearly, our current situation is not due to under-taxation, but to over-spending. The Federal Government collects \$5 in taxes today for every \$1 it collected 25 years ago. The problem is that Government spending today is up \$6 for every \$1 spent in 1968.

Some may claim that the balanced budget amendment is a gimmick. Rather, I believe it will finally provide the discipline to the Federal budget process that has failed, to date, to control Federal spending—even with the best efforts of individual Members committed to deficit reduction and despite the demands of the American taxpayers.

Mr. EMERSON. Mr. Chairman, the Constitution is fundamental law; indeed, it should deal only with fundamental questions. I agree with Thomas Jefferson: "The question whether one generation has the right to bind 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 morally bound to pay them ourselves." I urge you to keep these important words in mind as we debate the crucial issue of balancing our budget.

In my 14 years in Congress, my record has demonstrated my strong commitment to the senior citizens of this country. For this reason, I resent the attempt by some in this Chamber to scare senior citizens with misinformation about how the balanced budget amendment might affect Social Security. There is nothing in the balanced budget amendment that says that the Social Security trust fund will be cut or that Social Security benefits will be reduced for anyone.

The fact is that Congress can balance the budget without touching Social Security. The budget can be balanced in the year 2002 by simply restraining the growth of all other Federal spending to 3 percent per year, instead of allowing it to increase by 5.4 percent annually under current policies. A balanced budget amendment is the first step toward guaranteeing the financial security of our retirees. Because the Government must continue borrowing from the Social Security trust fund to finance the current debt, we are on a course of destruction toward the painful task of cutting benefits or raising payroll taxes. By enacting a balanced budget amendment, we halt this

troublesome path by imposing the budgetary discipline necessary to safeguard our future generations.

I would also like to take this opportunity to make very clear my support of the three-fifths proposal contained in the Barton amendment. Raising taxes should be a matter of last resort. The process of raising taxes should not be simple or easy. We need a mechanism to force spending reduction before new taxes are levied, just as we need a mechanism to force a prioritization of spending issues to achieve a balanced budget.

The majority party is committed to following through on its promises. The balanced budget amendment is supported by 85 percent of the American people. If hard-working taxpaying families have to live within their means from paycheck to paycheck, then there is no excuse that it has been 25 years since the Federal budget has enjoyed a surplus. The balanced budget amendment is a common sense mechanism that will enforce the necessary budgetary discipline in Congress and I urge support for the Barton amendment.

The CHAIRMAN. All time for general debate has expired.

Mr. HYDE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GEKAS) having assumed the chair, Mr. WALKER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States, had come to no resolution thereon.

COMMUNICATION FROM THE HONORABLE DAN BURTON, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable DAN BURTON, Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, December 22, 1994.

SPEAKER,
U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that my office has been served with a subpoena issued by the State of Indiana, Madison Superior Court for the County of Madison, in connection with a civil case involving constituent casework.

After consultation with General Counsel, I have determined that compliance with the subpoena is consistent with the privilege and precedents of the House.

Sincerely,

DAN BURTON,
Member of Congress.

GENERAL LEAVE

Mrs. CHENOWETH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 44.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

PREDICTIONS OF DISASTER

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. KAPTUR. Mr. Speaker, the administration claims it knew nothing of the pending financial disaster in Mexico. Mexico's administration claims it knew nothing.

Let me remind both administrations of what they certainly did know. Both the Mexican and the United States Governments knew the truth about the shaky peso and United States speculators' interests down south for at least 2 years before the meltdown. As reported by the Wall Street Journal during the NAFTA debate, the two governments went so far as to negotiate a secret line of credit worth \$6 billion because of the pending financial crisis in Mexico. Both governments knew; both governments kept it quiet.

Now Congress is expected to remain muzzled with truncated committee hearings and limited debate.

Congress cannot remain silent. Let the truth come out before we vote no on this taxpayer bailout of Wall Street speculators in foreign countries.

Mr. Speaker, the Wall Street Journal article to which I referred is as follows:

[From the Wall Street Journal Mar. 28, 1994]

HOW MEXICO'S BEHIND-THE-SCENES TACTICS AND A SECRET PACT AVERTED MARKET PANIC

(By Craig Torres)

MEXICO CITY.—The muted reaction in Mexican stock and currency markets Friday after the assassination of presidential candidate Luis Donaldo Colosio was no accident—but it also wasn't guaranteed.

A panic developed among investors right after the slaying and could have sent the markets tumbling. But Mexican authorities managed to maintain calm through a once-secret agreement with the U.S. Treasury and a complex mix of moral suasion and vague threats to investors who might have profited from a panic.

This is the story of that effort.

At 9:30 p.m. in Mexico City last Wednesday—2½ hours after the assassination, Jose Angel Gurria, head of the powerful development bank Nacional Financiera, and several of Mexico's most senior financial officials were assembling at 2 Arturo Street, a colonial mansion converted into Finance Ministry offices.

Mr. Gurria and everyone else in the room knew Mr. Colosio was dead, even though the government hadn't yet acknowledged that to the world, knowing the panic that could be created when the news was let out, Mr. Gurria reflected that either Mexico was about to prove the strength of its financial team, or the markets would send Mexico into chaos.

"It was like Colosio's body was lying on the table" in front of the group, he says. "We knew we had a job to do."

Mexican financial markets were already fragile. Economic growth in 1993 registered a pathetic 0.4%. The Chiapas peasant revolt, the kidnapping of a well-known executive and surprising rifts within the ruling party