

diligent we must remain in the struggle to secure the safety of our posterity, and that of the posterity of our neighbors around the world.

PROPOSING A BALANCED BUDGET
AMENDMENT TO THE CONSTITUTION

SPEECH OF

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 25, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States.

Mr. FAZIO of California. Mr. Chairman, amending the Constitution to provide incentives for fiscal restraint will give us the discipline we need if we are going to continue to reduce our overwhelming deficits. But we need to ensure that our budget process balances this critical discipline with the flexibility that will enable us to make fiscal policy adjustments that are fair, responsible, and realistic.

Truth-in-budgeting is of primary concern to me. We must disclose, up front, how we plan to meet our financial goals. How will the budget be balanced? What benefits and programs will have to be reduced? Are Social Security and Medicare threatened? Will we achieve this goal by sacrificing the health and welfare of our senior citizens and our children? Will we resort to cutting or eliminating critical medical research, or emergency energy assistance for senior citizens and the poor, or job training and retraining initiatives? What about educational programs, funds for building and preserving bridges and highways, childhood immunization, health care, and veterans' benefits? Will our national security be placed at risk?

For example, according to the Children's Defense Fund, balancing the Federal budget by fiscal year 2002, as called for in the Republican Contract With America, would require slicing all other Federal expenditures by 30 percent if we do not cut Social Security or defense spending or raise taxes. Children's programs could suffer even more if cuts in such programs as Medicare or veterans' services were limited. If this were the case, in California alone, 682,000 children would lose free or subsidized school lunch program lunches; 550,150 cases now served by the State child support agency would lose help in establishing paternity or collecting child support; 19,150 or more California children would lose the Federal child care subsidies that enable their parents to work or get education and training; and 21,250 of our children would lose Head Start early childhood services.

I am also concerned about adequate funding for the critical investments that will enable our Nation to grow and thrive in this competitive international environment. America cannot prosper if we do not set aside funds for essentials like our schools, our infrastructure, and our national security—investments that provide long-term economic returns. If we amend the Constitution to provide for a balanced budget, we must deal with capital spending honestly and effectively.

I also cannot support a balanced budget amendment that leaves the Social Security

Program wide open for cuts. In these times of deficit reduction and spending cuts, Social Security is a most appealing target. But cuts in Social Security would deprive older and retired Americans of critical benefits that are rightly theirs—benefits that have been promised to them to help ensure their economic security in their golden years. A proposal that does not protect Social Security lays the groundwork for pulling the rug out from under older Americans at the time in their lives when they are most vulnerable. Social Security must be exempted from balanced budget calculations.

I also cannot support requiring the support of a supermajority—or three-fifths—of the House of Representatives in order to raise taxes, run a deficit or increase the debt limit. This gives the minority—the other two-fifths—the ability to control the process of passing the budget.

I can well remember the California State budget crisis in the summer of 1992 when the State legislature and Governor were held hostage because a two-thirds majority was needed to approve budget changes made by the Governor. This created gridlock. By example alone, this represents the need for the majority, not two-thirds or two-fifths, to control the budget process and to change our spending priorities. The Federal Government must be able to respond quickly to disasters, like the California earthquake and flood, and to run a deficit during a recession.

I have always maintained that the budget must be balanced—that the large annual deficits we are carrying are unhealthy and detrimental to our Nation. We cannot continue to perpetuate this burden on our future generations. That is why I supported the President's deficit reduction plan during the last Congress—the largest deficit reduction plan in history—and why I now support a constitutional amendment to balance the budget. I urge my colleagues on both sides of the aisle to join me in this unique opportunity to rise above partisan politics in the best interests of our country and meet this challenge responsibly, honestly, and realistically.

THE INTRODUCTION OF THE SYSTEMATIC APPLICATION OF VALUE ENGINEERING ACT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 27, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, today I am introducing a bill that could significantly improve the way our Government does business. From all the discussion and speeches I've heard around the Capitol during the past couple of months, it is clear to me that this is a goal that we all share. It is certainly something that all of our constituents would like to see as well.

My bill would require Federal agencies to use value engineering [VE] which would enable the Government to save money while improving quality at the same time. This is a rare case where the taxpayers, the Government, and the American economy benefit—it's a win-win situation for everyone.

VE is a specialized, multifaceted, creative, team-conducted technique that defines the objective of a product, service, process, or construction project and questions every step to

ward reaching it. It does so with an eye to reducing all costs and completion time while improving quality, reliability, and aesthetics. Analysis covers the equipment, maintenance, repair, replacement, procedures, and supplies involved. Life-cycle cost analysis is one of its many aspects and it differs from other cost-cutting techniques in that it is far more comprehensive, scientific, and creative.

It is widely accepted that VE saves no less than 3 percent of a contract's expense, and commonly that figure is 5 percent. At the same time, the cost of doing a VE review ranges from one-tenth to three-tenths of a percent. Thus, on a \$2 million construction contract, the very minimum that would be saved would be \$54,000 while savings of \$98,000 is very likely. On a major military procurement contract for \$1 billion over a life-cycle, that translates to a range of savings from \$27 million to \$49 million. Based on VE usage in recent years, the ratio of the cost of a VE review to savings yielded from using VE has ranged from 1:10 to 1:100, with 1:18 being the most frequent result.

Whenever value engineering has been examined, it is clear that it should be used more often and that its untapped potential is too great to estimate. The General Accounting Office has conducted various studies on VE over the years and each one has acknowledged its achievements and potential. Currently, several Federal agencies and departments reap significant benefits from VE but its use has been far too sporadic to achieve widespread savings.

Mr. Speaker, we have a responsibility to take advantage of VE. Ironically, although it was developed in the United States during World War II to maximize resources and improve our capabilities, it has been used most effectively by the Japanese electronics and automobile industries since that time. Isn't it time to bring this brainchild back home?

My bill, the Save Act, would provide significant savings and results by requiring all Federal agencies to use VE. To ensure that taxpayers get the greatest bang for the buck, my bill requires agencies to use VE for their most expensive projects. In order to see that VE is used to its greatest potential, each agency is required to designate a senior official to oversee and monitor VE efforts. Also, annual reports to the Office of Management and Budget would be required to ensure full compliance.

Plainly and simply, VE could make the Government run better and cost less. We've all heard America's cry for change, shouldn't we respond? I urge my colleagues to join me and cosponsor the Save Act.

TRIBUTE TO FIRST UNITED
METHODIST CHURCH

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, January 27, 1995

Mr. BONIOR. Mr. Speaker, this coming Sunday, January 29, 1995, the First United Methodist Church of Mount Clemens, in my home State of Michigan, is celebrating its 175th anniversary.

As one of the oldest churches in the area, the First United Methodist Church dates back