It is a bitter realization to know that 50 years after the Nazi Holocaust, the Jewish State remains under attack; anti-Semitism is growing in certain parts of the world, as in Russia; genocide is practiced and ignored, as in Rwanda and, on the European Continent drenched in Jewish blood, in Bosnia.

The Nazi Holocaust demonstrated a human depravity that many refused to believe was possible. We must never forget that men are capable of the most heinous destruction of their fellow men. The name of Auschwitz should forever echo in the memories and consciences of civilized people as one of the pinnacles of evil achieved in the 20th century. For it was in Auschwitz and the other concentration camps of the Nazi era that genocide was practiced as a tool of nationalism. And if we ever choose to ignore the shadows of such a loss, of such a despicable past, we do so at the risk of blindly allowing it to happen again.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. KEMPTHORNE). Morning business is closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of House Joint Resolution 1, which the clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States.

The Senate proceeded to consider the joint resolution.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, we are happy at this point to have Senate Joint Resolution 1, the Hatch-Simon balanced budget constitutional amendment brought up. It is in the form of the House-passed amendment which is absolutely identical to the amendment that the distinguished Senator from Illinois and I and Members of the House, including CHARLES STENHOLM, from Texas, and, at that time, LARRY CRAIG back in the early days over in the House, who is now one of the leaders on the Senate floor, have been working on for years, ever since the 1982 balanced budget fight.

When I was chairman of the Constitution Subcommittee, we brought it to the floor and then to the leadership of Senator THURMOND, Senator DOLE, and Senator Baker at that time. We were able to pass it through the Senate.

This is slightly changed from then, but the basic principles are the same. Basically, there are three things that the general public needs to know are very worthy reasons for passing this balanced budget amendment that is now in the form of the House resolution that was passed by 300 votes to 132 last Thursday evening.

No. 1 is that if this amendment is passed by the requisite two-thirds vote of the Senate and is ratified by the requisite three-quarters of the States, then from that point on, it will take three-fifths of both bodies in order to increase the deficit.

That is a supermajority vote, and the reason we have done that on the deficit is because the deficit is going out of control and we would have to have a supermajority vote in order to have real considerations as to whether or not we want to continue to expand the deficit.

So, No. 1, you would have to have a three-fifths vote if you want to increase deficit spending. No. 2, if you want to increase taxes to pay for the costs of Government, then you no longer can do it by a simple majority vote.

Some of the media in this country have had the idea that this amendment just has a simple majority vote. It is not true. It has what is called—and we put it into the 1982 amendment that passed the Senate by 60 percent but died in the House, then led by Tip O'Neill; he beat us over there—but we came up with the idea of a constitutional majority requisite vote in order to increase taxes.

Let me just explain that a little bit more. If this amendment becomes the 28th amendment to the Constitution, then in order to increase taxes, you are going to have to have 51 percent—a majority of the whole body of both the House and the Senate. So to put that in perspective, we could pass anything in this body as a general rule by a majority vote if we have a quorum of 51 Senators. We can pass anything by a vote of 26 to 25, if that is how close it was.

Under a constitutional majority, we cannot increase taxes without, No. 1, a vote and, No. 2, without getting at least, no less, than 51 U.S. Senators to vote for it and in the House at least no less than 218 Members of the House.

So those are two very important reasons for voting for this: No. 1, in order to increase the deficit, this amendment says you are going to have to have a three-fifths vote of both bodies, the Senate and the House. No. 2, if you want to increase taxes, you are going to have to have a constitutional majority to do so. And No. 3, you have to vote.

Right now, many times when we increase the deficit in this country, we do not vote at all. We just have a voice vote. Nobody knows who are the people that have put us into debt or put us into further debt. From here on in, in both cases, that of increasing the debt or increasing taxes, we are going to have to have rollcall votes. Those are the three pivotal and most important aspects of this amendment.

Let me just put it in further perspective, with regard to the constitutional majority necessary to raise taxes. If the President's fiscal stimulus bill had come up, as it came up last year, was passed the way it was, the Senate was equally divided 50–50. There were 50 who voted for it and 50 who voted against it. It took the Vice President to break the tie, and it passed 51 to 50.

If this amendment passes, my contention is it will take at least 51 Senators, regardless of the way the Vice President votes, in order to increase taxes.

So it will not be easy to increase taxes, although we have had many votes in the history of this body where we have had 51 votes for taxes.

I believe it will become the focal point from that point on. I believe the three-fifths vote will become the focal point on increasing the deficit.

Why are we even talking about a balanced budget amendment? I have talked to many of my constituents and there was more than one person who came to me and who said: ''What kind of a legacy are we leaving to our children? How can I and my generation continue to spend us into bankruptcy and leave our children high and dry?''

I have had a number of people on Social Security all over my State come to me and say, ''Look, Senator, if you don't get spending under control, our Social Security isn't going to be worth anything. We won't be able to survive because that is all we have to live on.''

If we do not get spending under control, they say, they are going to not get many benefits out of Social Security.

These people put the correct issue first: Are we going to live within our means so that our dollar is worth something, so that we do not ultimately have to monetize the debt, devalue the dollar, and make even Social Security less worthwhile for people? And they are the first to admit that we need a balanced budget constitutional amendment to make it necessary for Congress to choose among competing programs.

I have had people in the military say, ''What are we going to do? Military spending keeps going down.'' If we start getting into a range of inflation, because interest against the national debt is now over $300 billion a year and going up exponentially and will be over $400 billion, according to the Congressional Budget Office, after the first of the year, how are we going to keep our country safe and clear? And that is based on current interest rates. Will inflation not go up even more? The answer to that is probably so.

They said to me, as much as we want the military to be strong and our Nation to be secure, you are going to have to pass the balanced budget amendment.

The average person out there understands this. They do not get all caught up in the special interest concerns of the day. People who think clearly

know that we have to do something about this profligate Federal spending.

So I rise today with a very strong feeling that this is one of the most important debates in this country's history that has ever taken place in the Senate.

The subject matter goes to the heart of our Founding Fathers' hope for our constitutional system, a system that has and will protect individual freedoms to the maxim of limited Government.

In the latter half of this century, however, the intention of the Framers of the Constitution has been betrayed by Congress' inability to control its own spending habits. The size of the Federal leviathan has grown to such an extent that the very liberties of our American people are threatened.

History has already been made in the House of Representatives; 300 of our courageous colleagues in the House, both Democrats and Republicans, approved this balanced budget amendment to the Constitution, which parallels word for word Senate Joint Resolution 1, the Hatch-Simon-Thurmond-Heflin-Craig balanced budget amendment, under the leadership of the distinguished majority leader, ROBERT DOLE.

The eyes of the people, 85 percent of whom favor a balanced budget amendment, now turn to us in the Senate. They know this is the battleground. They know this is where the real battle is going to occur. We need to follow the example of the House and pass this balanced budget amendment.

This amendment has broad support in the country, and among Democrats and Republicans who believe we need to get this Nation's fiscal house in order so that we can leave a legacy of strong national economy and a responsible national Government to our children and our grandchildren.

THE PROBLEM: THE WORSENING DEBT CRISIS

We have a tremendous debt problem, and it is worsening. Mr. President, our Nation is faced with a $4.8 trillion national debt that gets worse and worse every year that we run a budget deficit. The Government is using capital that would otherwise be available to the private sector to create jobs and to invest in our future. Increased amounts of capital are being wasted on merely financing the debt because of spiraling interest costs. This problem presents risks to our long-term economic growth and endangers the well-being of our elderly, our working people, and especially our children and grandchildren. The debt burden is a mortgage on our children and grandchildren's future.

The trend is clear and uninterrupted. The magnitude of the annual deficits has increased enormously and continues to do so. During the 1960's, deficits averaged $6 billion per year. In the 1970's, the deficits averaged $38 billion per year. In the 1980's, the deficits averaged $156 billion per year, and in the 1990's so far deficits have averaged $259 billion per year.

The total national debt now stands at almost $5 trillion. That means that every man, woman and child in America has an individual debt burden of $18,500. We each owe that much money. Well, it took us over 200 years to acquire our first trillion dollars of debt, 200 years of history before we got to $1 trillion. We have recently been adding another trillion dollars of debt about every 5 years and will continue to do so under current projections at a slightly faster rate as we approach the end of the decade—$18,500 each of us owes. Back in 1975, we thought it was outrageous that we each owed $2,500.

When I ran for the Senate in 1976, it was a little higher than $2,500, and we just thought that was unbelievable. Here it is $18,500, caused by both parties, caused by Presidents, whether Republican or Democrat, caused by a profligate Congress mainly that has not been willing to get spending under control.

Well, it comes as no surprise that these increases in our national debt are mirrored by increases in Federal spending. The first $100 billion budget in the history of our Nation occurred as recently as fiscal year 1962. It took us until then to spend the first $100 billion a year. That was more than 179 years after the founding of the Republic.

The first $200 billion budget, however, followed only 9 years later in fiscal year 1971. The first $300 billion budget occurred only 4 years later in fiscal year 1975, the first $400 billion budget 2 years later in fiscal 1977, the first $500 billion budget in fiscal year 1981, the first $700 billion budget in fiscal 1982, $800 billion in 1983, $900 billion in 1985, and the first $1 trillion budget in fiscal year 1987. The budget for fiscal year 1995 has been projected to exceed $1.5 trillion.

And yet, Mr. President, opponents of the balanced budget amendment claim there is no problem. They repeatedly point to the marginal slowdown in the growth of the debt last year as though all of our problems are solved. They say that President Clinton has dealt with this problem.

But they are dead wrong. Only inside the beltway can people claim that with a debt approaching $5 trillion we are on the right track. Everyone on Capitol Hill knows that starting in 1996, President Clinton's budget leads us on a path of steadily increasing deficits, beyond anything that we have ever seen before. The simple fact is that with every additional dollar we borrow, we throw more coal into the fire of the runaway train on which we are all riding.

INTEREST ON THE DEBT: A TIME BOMB

Mr. President, one of the most pernicious effects of the enormous deficit beast is the interest costs required to feed it. Interest on the national debt in 1993, the last year for which we have a full actual set of budget figures, amounted to nearly $293 billion.

Now, that is more than the total revenues to the Federal Government were back in 1975—just interest against the debt. In 1993, interest took 26 percent of all Federal revenues and 57 percent of all individual income tax revenues.

The Office of Management and Budget projected last year that interest on the debt will rise substantially over the next 5 years. It is now going up exponentially. OMB projected that interest costs will pass the $300 billion mark in 1995 and reach $373 billion in 1999.

Opponents of the balanced budget amendment suggest that we cannot afford to cut the deficit because decreased social spending will have severe adverse effects on our economy. But think of how much we could do in crime control, disaster relief, health, science and education if we had that $300 billion available that we are spending on interest each year.

I do not understand the logic of continuing to waste over 20 percent of our entire budget on interest on the rationale that we cannot afford to cut spending. What we cannot afford to do is to continue to throw away one-fifth of our national budget on interest payments.

Now, my colleagues, to put this in even better perspective, gross interest on the debt in 1993 amounted to more than the entire defense budget, which was $292.4 billion. It was 97 percent of Social Security payments, which were $302 billion—it will probably be more than Social Security this year—55 percent of all discretionary outlays, which were $542.5 billion; and 44 percent of all mandatory programs, which amounted to $666.9 billion.

The nearly $293 billion of gross interest costs in 1993 could have covered our entire health spending, including Medicare and Medicaid, $207.6 billion; all veterans' benefits and services, $19.3 billion; unemployment compensation, $35.5 billion; our entire international discretionary spending, $21.6 billion; and also covered the costs of the earned income tax credit, $8.8 billion. All of that could have been paid for just out of the interest on the national debt we have been paying.

Without the gross interest on the debt, we would not have even had a deficit last year; in fact, we would have run a budget surplus of $93 billion.

Interest on the debt is wasted money. Over the 5 years of so-called deficit reduction under President Clinton's plan, OMB's own calculation last year was that interest on the public debt will total roughly $1.7 trillion. This amount could have fully funded the entire 1994 budget, with money left over.

Interest compounds and gets larger by itself, even without new deficits. And, if interest rates go back up, the problem will be increased exponentially. Self-propelled interest costs will continue to eat a larger share of our national treasury, destroying our choices to fund new programs and eroding our ability to keep the commitments we have already made.

You can see how interest on the Federal debt through the year 2005 from 1994, which is a little less than $300 billion, will go up because of the exponential increase of compounded interest. Look at how it just shoots up in the air until, in 2005 it is somewhere over $520 billion. It is really a problem. And we have to face it. The only way I know to face it is to enact this balanced budget amendment. I do not know of anybody who has a better idea.

THE NEED FOR A BALANCED BUDGET

Mr. President, if one thing is crystal clear, it is that we need to move toward a balanced budget. During this debate, both sides will cite lots of numbers and figures. One such figure is our current $4.8 trillion national debt. But how does one communicate the implications of our staggering debt?

In 1975, before this recent borrowing spree, the Federal debt amounted to approximately $2,500 per person, and the annual interest charges were roughly $250 per taxpayer. At the present, the Federal debt amounts to about $18,500 per person, with annual interest charges exceeding $2,575 per taxpayer. And that is at today's interest rates, which could go even higher.

The Congressional Budget Office predicts that in 1999, total Federal debt will be nearly $6.4 trillion. That means $23,700 of debt per person, with annual interest costs projected to be over $3,500 per taxpayer. We would each owe that much in annual costs.

These last figures would mean a tenfold increase in per-capita debt, and a nearly fourteenfold increase in annual interest charges per taxpayer, since 1975.

Over time, the disproportionate burdens imposed on today's children and their children by a continuing pattern of deficits could include some combination of the following: Increased taxes; reduced public welfare benefits; reduced public pensions; reduced expenditures on infrastructure and other public investments; diminished capital formation, job creation, productivity enhancement, and real wage growth in the private economy; higher interest rates; higher inflation; increased indebtedness to and economic dependence on foreign creditors; and increased risk of default on the Federal debt.

Mr. President, this is fiscal child abuse, and it must end. We have to end it. We have to end it.

This sociopathic economic policy is continued under the Clinton so-called deficit reduction plan, which does not really reduce the deficit in an absolute sense and does not reduce our staggering $4.8 trillion national debt one penny. It only slows the growth in the national debt; it does not reverse its upward climb. And, it reduces annual deficits only in the sense that deficits are smaller than what were previously projected. It still has substantial annual deficits which get bigger as time goes on. Even OMB's estimates from last year's budget, which predict lower debt totals than CBO, projects that gross Federal debt will top $6.3 trillion, exceeding 72 percent of our gross domestic product, by 1999. That is only 4 years away.

In other words, the so-called Clinton deficit reduction plan only cuts the deficit in the Washington sense of not going as far into the red as we earlier expected. I do not believe that kind of math works outside the beltway. As one commentator suggested, try explaining to your bank after your check bounces that you saved $300 by buying a $200 suit instead of a $500 television. Put another way, it is like putting a 400-pound man on diet and claiming he lost weight when he only goes up to 500 pounds instead of the 600 that was contemplated.

What's more, even under the current plan, the Congressional Budget Office's 10-year projections show that after an initial relative slowdown in its growth, the deficit roars back up. As I mentioned, the deficit in 1994 was $203 billion. It dips to $176 billion in 1995. But that is as low as it goes. Starting in 1996, it shoots up again, topping $253 billion in 1999 and hitting all time highs of $351 billion in 2003, $383 billion in 2004, and $421 billion in 2005.

Think about it. That is what is happening even if we give all of the benefit of the doubt to what President Clinton has tried to do. And he has tried.

A milestone of sorts will be passed in 2004 when we will rack up over $1 billion in debt every day. Personally, I do not think that this is a milestone any one of us should be too proud of.

That means the Clinton deficit reduction plan will add over $1 trillion to the national debt in the next 5 years and over $2.7 trillion in the next 10 years.

Look, who is to blame for this? Why, we all are, every last one of us. If I had to lay real blame why it be on the Congress more than any other group, because this is where the money bills originate. This is where the decisions are made. This is where we have allowed entitlements to run out of control.

I do not particularly blame any of the Presidents and I certainly am not blaming President Clinton who is trying his best within the framework of his political philosophy to do his best. I do not blame President Bush or President Reagan or President Carter either. The fact is, a lot of the buck stops right here in Congress.

Really can you blame Congress, too? The polls showed that 85 percent of the American people were for the balanced budget amendment. They want us to pass it. They believe it is critical to this country. They understand deep down. Viscerally, people know we are going to have to do this kind of fiscal restraint. But when you go and ask questions on individual programs, while they want us to pass a balanced budget amendment they want us to reduce taxes and they want us to increase spending on special interest programs.

So all of us have faults in this area. How do you overcome it? It seems to me you overcome it by putting a fiscal restraint into the Constitution that was implied by the Founding Fathers but was not put there. Jefferson thought it should have been in there and I think Jefferson was right. But, really, he was wrong through most of this country's history until the 1960's. Whenever we ran a deficit it was generally during time of war or depression. The minute we got back on top of things they would get the budget balanced. But in the last 30 years the Congress has run us into the ground and it is very difficult, unless we are forced to make priority choices among competing programs. It is very, very difficult to get this under control.

BENEFITS OF A CONSTITUTIONAL AMENDMENT

I might add that I think it is time for the Congress to pass this joint resolution, this constitutional amendment to permanently restore the linkage between Federal spending and taxing decisions. My friend from Illinois, the prime sponsor of this amendment, probably believes that taxes will be increased to help pay for these things. I do not. I think it will be tougher to increase taxes than it will be to increase the deficit. But I think both will be more difficult, and there will be votes so the American people know who voted which way.

I probably would prefer to cut spending. We are from two opposite poles—the two leaders in the Senate. We care a great deal for each other. And I have tremendous respect for Senator SIMON for being willing to lead the fight. He is much more liberal than I in leading this fight for a balanced budget amendment. He is doing it for the right reason. He believes that we will have to be more fiscally responsible. I believe that. That is why we are fighting side by side as we have for a number of items, but certainly on this amendment. I respect him for it.

On the proposed amendment that we have here—the House-passed amendment, which is identical to the Senate one we have been pushing—we have worked together on both sides of this Hill. We have done it for years. We have massaged this thing, and worked on it. It is a true bipartisan consensus amendment. It is a Democrat-Republican amendment. It is a Republican-Democrat amendment. We have worked together. Any one of us thinks we could write it better. This is the consensus amendment. That is the only one that has a chance of being passed. I could write a much tougher constitutional amendment than this. So could the distinguished Senator from Illinois. But this is what we have been able to negotiate, and as you can see by the first time in history, the only one that could pass the House of Representatives. Now we have the job of trying to get it through the important U.S. Senate.

I believe we can, if the people out there will speak to their Senators. But

it is going to be very close. There is no giving here. This is something we have to earn on the floor. We are going to do everything we can do. But the proposed amendment that we have before us does not propose to read any specific level of spending or taxing forever into the Constitution, and it does not propose to insert the Constitution into the day-to-day spending and taxing decisions of the representative branch of the Government. It merely proposes to create a fiscal environment in which the competition between the tax spenders and the taxpayers is a more equal one—one in which spending decisions will once more be constrained by available revenues.

Mr. President, the time has come for a solution strong enough that it cannot be evaded in the short term. We need a constitutional requirement to balance our budget. Mr. President, Senate Joint Resolution 1, and the House resolution which is before us, the Dole-Hatch-Simon consensus balanced budget amendment, is that solution. It is reasonable. It is enforceable, and necessary to force us to get our fiscal house in order.

There are those who oppose the balanced budget amendment because they say we can balance the budget right now. As a matter of law, that is true. But as a matter of real life, real-world politics, it is clear that Congress does not possess the courage to do it. They have been saying this for 30 years without any avail, without any success. Even if one extraordinary Congress does come along and manages to stop deficit spending, there would be nothing to prevent the next Congress from spending irresponsibly once again. We need a constitutional amendment if we are truly interested in solving this problem.

RESTORATION OF THE CONSTITUTIONAL BALANCE

Mr. President, the proposed constitutional amendment will help us end this dangerous deficit habit in a way that past efforts have not. It will do this by correcting a bias in the present political process which favors ever-increasing levels of Federal Government spending.

In seeking to reduce the spending bias in our present system—fueled largely by the unlimited availability of deficit spending —the major purpose of this constitutional balanced budget amendment is to ensure that, under normal circumstances, votes by Congress for increased spending will be accompanied either by votes to reduce other spending programs or to increase taxes to pay for such programs. For the first time since the abandonment of our historical norm of the balanced budgets, Congress will be required to cast a politically difficult vote as a precondition to a politically attractive vote to increase spending. We will be forced to do it so the American people will know, and it is about time.

ACCOUNTABILITY

While it is true that much of the enormous growth in Federal Government spending over the past two decades may be a response to evolving notions that the role of the public sector on the part of the American citizenry—that is, a genuine shift in the will and desire of the people—it is my contention that a substantial part of this growth stems from far less benign factors.

In short, the American political process is defective insofar as it is skewed toward artificially high levels of spending, that is, levels of spending that do not result from a genuine will and desire on the part of the people. It is skewed in part because the people often do not have complete information about the cost of programs or about the potential for cost growth of many programs. It is skewed in this direction because Members of Congress have every political incentive to spend money and almost no incentive to forego such spending. It is a fiscal order in which spending decisions have become increasingly divorced from the availability of revenues.

In fact, when I was on the Budget Committee I was shocked that we never began with how much we had in revenues available to spend. We always began with what we want to spend, and then we would massage the revenues to try to get them up to where we were spending. I just thought it was a backward way of going toward the budget.

The balanced budget amendment seeks to restore Government accountability for spending and taxing decisions by forcing Congress to prioritize spending projects within the available resources and by requiring tax increases to be done on the record. In this way, Congress will be accountable to the people who pay for the programs and the American people—including the future generations who must pay for our debts—will be represented in a way they are not now. Congress will be forced to justify its spending and taxing decisions as the Framers intended, but as Congress no longer does.

THE SOLUTION: A BALANCED BUDGET AMENDMENT

Mr. President, Senate Joint Resolution 1 represents both responsible fiscal policy and responsible constitutional policy. Passage of this resolution would constitute an appropriate response by Congress to the pending applications by nearly two-thirds of the States for a constitutional convention on this issue.

Mr. President, the Senate must approve Senate Joint Resolution 1, the balanced budget amendment. It is the right thing to do for ourselves, our children, and our grandchildren, and it will give us back responsible and accountable constitutional government. The faithful stewardship of public funds that was so prized by our Founding Fathers can be restored for 21st century Americans. The virtues of thrift and accountability can be rekindled by this very 104th Congress.

Mr. President, we have to do something about our irresponsible debt approaches—the runaway spending that is eating this country alive; destructive welfare which is really not doing any good for the average citizen; our antisaving Tax Code that really destroys savings in this country; the Washington bureaucracy that is eating us alive by mandating more and more on the States and on small business. We have to eliminate these things. We have to send Washington back home. We have to restore the American dream. We have to give our children a future that, and if we keep going the way we are going they will not have.

We have to put Government on a diet. At least that is my belief. We have to make the Federal Government afford to live within its means. Frankly, I think the Federal Government could afford to be anorexic for a while. It is far too fat, and it needs to be brought down to a more diet-conscious methodology. We have to cut the waste, cut the fat, and get people to work instead of depending upon the Government. And I think we have to just get together as a group and call our Senators to tell them they need to support this; create a groundswell of force for this balanced budget amendment. And, if we do, we will save our country for generations to come; for your children, my children, your grandchildren, my grandchildren.

In talking about that, I have thought very often. Elaine and I have six children, and our 15th grandchild is on its way. It will be here in another few months. I have to tell you, I just pity these kids and what they have to face if we do not make this decision now. We can no longer afford to listen to those who say we should have the will to do what we have to do. It just is not happening and is not going to happen. The will is not there. We have not had a President who is willing to say: This is what we have to do, and blame me if we cannot get it done, but this is what we have to do to help put our fiscal house in order.

Pass this balanced budget amendment and you will find there will be a renewed effort to try to get us to live within our means. Your grandchildren and my grandchildren will have a future like we had when we were raised.

When I was born in 1934, my folks had just lost their home in the Depression. My dad built our home out of a torn-down building. In fact, I thought for years afterwards that all homes should be brown like ours was, with burned lumber, and that one side should have a Pillsbury Flour sign on it. We did not have indoor facilities, but we were happy people. We raised our own chickens, eggs, and we had our own little garden that kept us alive. We did not have a lot, but we were able to survive. I have to tell you that those were tough days, but I would not trade them for anything.

My future was a sure future. There was no question that I was going to go to school and have the opportunity to grow. My dad taught me his trade. I worked in the building construction

trade union for 10 years, with my bare hands, and I was proud of it. I could do that work today if I had to. We used to hang suspended ceilings and build partitions, and other things. I did all of that, and I can still do it.

There was no limit to our future. We were able to do it. This Government was living within its means. At least, it was just at the throes of starting to not live within its means. Today you have to say, with interest exponentially rising, with the debt rising so fast, in the future we might have to monetize the debt and devalue the American dollar in order to pay off debts with worthless money—which could be done, by the way, but the United States will never recover from it. We would never again have the recognition financially that we have throughout the world, nor would we be as powerful again, or be as great again, if we have to go to that methodology—which we will do if we do not pass this amendment.

I want the future of your children and my children, your grandchildren and my grandchildren, to be secure. That is what we are fighting for here today. There is no question that there are many wonderful programs all of us would like to have. But there still is a necessity to live within our means, which we are not doing.

Mr. President, we are going to do everything we can, the distinguished Senator from Illinois, myself, and others, and I urge Senators to join with us—Senators DOLE, SIMON, THURMOND, HEFLIN, CRAIG, and so many others—in supporting this resolution, the balanced budget constitutional amendment, this bicameral, bipartisan consensus balanced budget amendment. If we do, this country will be much better off in 5 years, 7 years, 10 years from today, and our children will have the future we would like them to have.

I yield the floor.

[Applause in the galleries]

The PRESIDING OFFICER. The Chair advises all in the galleries to refrain from any form of approval or disapproval.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts, Mr. [KENNEDY] is recognized.

Mr. KENNEDY. Mr. President, I rise to oppose the so-called balanced budget constitutional amendment. I strongly support deficit reduction to achieve the goal of a balanced budget. But it is unnecessary, unwise, and destructive of principles at the core of our constitutional democracy to adopt this proposed constitutional amendment.

As the Senate begins this debate, let us consider some recent history. For 12 years, during the Reagan and Bush administrations, the deficit soared out of control—largely because of the excessive 1981 tax cut, which was described at the time by Senate Republican majority leader Howard Baker as a ''riverboat gamble.''

Not every Senator supported that riverboat gamble. I am proud to be among 11 Senators who voted against it.

The budget deficit we face today is the result of that failed gamble. The entire deficit for the current fiscal year represents the interest ownedon the $2.4 trillion of debt run up during the Reagan-Bush years. The rest of the budget is already balanced, and it did not require a constitutional amendment to do it.

What it did require was the courage to make tough decisions. In 1993, under President Clinton's leadership, Congress passed a reconciliation bill that will reduce the debt by approximately $600 billion for fiscal years 1994 through 1998. For the first time since the Truman administration, deficits will fall 3 years in a row.

That landmark deficit reduction package was passed by Congress without a single Republican vote in either the House or the Senate. Indeed, Democrats in the House and Senate were attacked for supporting the deficit reduction bill.

For years, we heard charges from the Republican party that Democrats in control of Congress were responsible for the Federal budget deficit. For years, Republican Presidents refused to make the tough decisions necessary to reduce the Federal deficit, choosing instead to blame Congress. ''Give us a Republican Congress,'' they said, ''and we will reduce the budget deficit.''

In November, the voters gave the Republican Party the majority it sought. And now, without even so much as presenting a single budget bill before either House of Congress, the Republican Party is saying to the American people that the Republican Congress lacks the political will to make the tough decisions necessary to continue the deficit reduction achieved during the past 2 years. Before offering a single piece of legislation to reduce the deficit, the Republican majority in Congress is saying that they need a constitutional amendment to get the job done.

We do not need a constitutional amendment to balance the budget. All we need is leadership. If Congress is not willing to balance the budget, the Constitution can not do it for us.

The refusal of the Republican Party to spell out for the American people the specific changes needed to balance the budget is a failure of leadership. The American people have a right to know what this proposed constitutional amendment would require.

The Congressional Budget Office estimates that a total of $1.2 trillion in deficit reduction will be required to balance the budget by the year 2002. And that is not including the defense increases called for by the Republicans' Contract With America.

If Social Security, defense, and interest on the national debt are excluded from the calculations, all other Federal programs will have to be cut by 22 percent to achieve a balanced budget in 2002. That is a 22 percent cut in spending on Medicare, Medicaid, veterans benefits, student loans, farm benefits, and all of the other Federal programs. If the tax cuts called for in the Republicans' Contract With America are also included, the across-the-board cut needed to balance the budget will be 30 percent.

The Treasury Department has estimated the impact of these cuts on the States. It predicts that that an across-the-board deficit reduction package that excluded Social Security and Defense would require cuts in Federal grants to States of $71 billion, and cuts of an additional $176 billion in other Federal spending that directly benefits States in programs such as Medicaid, highway funds, aid to families with dependent children, education, job training, environment, housing, and other areas.

The Treasury Department also estimated how much each State's taxes would have to be raised for the State to offset the reduction in Federal grants under the proposed constitutional amendment. State taxes would have to increase an average of 12 percent just to offset the loss of Federal grants.

The American people have a right to know if that is how the Republican majority will balance the budget. Why will they not tell us? What have they got to hide. They are using the smokescreen of this constitutional amendment as a trick to hide the scheme of deep cuts in basic social programs that the country will not accept if the reality is known.

Amending the Constitution could well make all our problems worse. Adopting this proposed amendment could jeopardize our economy, diminish the Constitution, distort its system of checks and balances, and undermine the principle of majority rule that is at the core of our democracy.

The proposed constitutional amendment could jeopardize our economy by requiring that the Federal budget be balanced each fiscal year, regardless of the state of the economy, unless three-fifths of the Senate and House vote to approve a specific deficit.

All of us know that when the economy is in a recession, revenues fall, and outlays increase. Fewer people hold jobs and pay taxes, so revenues go down.

Costs for unemployment insurance, food stamps, and public assistance go up.

These so-called countercylical actions maintain demand for goods and services during recessionary times. They help to prevent mild downturns from becoming recessions, and they help prevent recessions from turning into depressions. We have not had a depression in over 50 years.

This proposed constitutional amendment could well prevent the operation of the countercylical effects needed to help keep the economy on an even keel. Supporters of the amendment argue that the existing budget deficit has made countercylical deficit spending

ineffective as a way to stimulate demand and avoid recessions, because the deficit is already so large. But they neglect to mention that the constitutional amendment would require the Government to engage in fiscal practices that will make any recession worse.

Section 1 of the amendment prohibits total outlays from exceeding total receipts unless three-fifths of the House and Senate vote to authorize a specific deficit. When a recession causes revenues to fall below estimates during a fiscal year, the proposed constitutional amendment would require the Government to reduce outlays to avoid an unauthorized deficit.

This fundamental point was stated by Alice Rivlin, Director of the Office of Management and Budget, during her testimony before the Judiciary Committee.

> [E]nforcing a rule that we must balance the budget every year, regardless of the state of the economy, would be a big economic mistake. Now one can think that, and still think that budget deficits ought to be much smaller than they are now, and I do believe that.
>
> But if we were living in a world in which the budget had to be balanced every year, when a recession threatened * * *, and people were laid off, they would naturally be paying less taxes. So there would be an automatic deficit in the Federal budget. Now, if the Congress were then required to rectify that by either cutting spending, or raising taxes, the recession would be worse. People would have less income. More people would be laid off. The Congress might have to cut back on unemployment benefits, and things like that.
>
> So you would have exactly the wrong kind of fiscal policy in a recession. Now, you might say three-fifths of the Congress could be wise enough to foresee that, and do something about it, even if the amendment were in place.
>
> But forecasting is very uncertain. Even people who do it professionally, full time, are not very good at it, and the Congress of the United States is unlikely to be very good at it.
>
> So I think we would have worse recessions, and it would just exaggerate the boom/bust cycle if we had to balance every year.

The proposed constitutional amendment is unwise economic policy for another reason—because it would prohibit capital budgeting. Capital budgeting is the commonsense practice of paying for the cost of capital assets over their useful lives. If Congress intends to require a balanced budget, at least the calculation of the balance should be made sensibly, not irrationally.

American families engage in capital budgeting when they borrow money to pay the cost of purchasing a home. They spread the payments over many years. This same logic applies to paying for college education or purchasing a car. Millions of American businesses use capital budgets as well. They depreciate the cost of buildings over many years. They do the same for many other types of long-term assets.

We also hear a lot of Republican rhetoric about how States are able to live under balanced budget requirements in their State constitutions. But 42 States rely on capital budgets to calculate the balance.

Supporters of the proposed Federal constitutional amendment say that a future Congress will be able to pass implementing legislation that allows capital budgeting to be used in meeting the balanced-budget requirement. They should read their own amendment.

Section 7 of the amendment states that:

> Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

''All'' means ''all.'' If the balanced budget constitutional amendment is adopted, Congress cannot pass legislation exempting capital budgets.

The language of section 1 also means Congress cannot pass legislation exempting Social Security. Adopting this proposed constitutional amendment would force Congress to include the Social Security trust fund in its balanced-budget calculations.

As many observers have pointed out, the amendment would enable Congress to use the existing surplus in the Social Security trust fund to avoid the tough decisions needed to achieve a balanced budget in the near term. The Social Security trust fund will essentially be raided to achieve a phony budget balance. As a result, the solemn commitment between the American people and their Government to keep the Social Security trust fund separate from the operating expenses of the Federal Government would be broken.

The proposed amendment is also unwise as a matter of basic constitutional principle in our federal system.

First, the amendment would embroil State and Federal courts in complex, endless litigation. It would require them to resolve sensitive budget issues that should be left to the elected branches of Government. It would empower them to cut spending and raise taxes in order to achieve a balanced budget.

In The Federalist No. 78, Alexander Hamilton described the judiciary as ''the least dangerous branch'' because it ''has no influence over either the sword or the purse.'' He then warned ''that there is no liberty, if the power of judging be not separated from the legislative and executive powers.''

Yet the proposed constitutional amendment would do exactly that—place the power of the purse in the hands of unelected judges. Supporters of the amendment argue that judges would only rarely have occasion to use these powers. That view is not shared by legal scholars from across the philosophical spectrum. Former Judge Robert Bork predicted:

> The result * * * would likely be hundreds, if not thousands, of lawsuits around the country, many of them on inconsistent theories and providing inconsistent results. By the time the Supreme Court straightened the whole matter out, the budget in question would be at least four years out of date, and lawsuits involving the next three fiscal years would be slowly climbing toward the Supreme Court.

Supporters argue that few people would have standing in court to assert claims under the amendment. But the Supreme Court has upheld taxpayer standing to challenge Government action that violates specific constitutional limitations imposed upon the exercise of the congressional taxing and spending power.

Even if taxpayers are not given standing to sue, it is easy to imagine numerous situations where individuals will suffer actual injury as a result of violations of the proposed amendment.

If a President impounds Social Security benefits to avoid an unauthorized deficit, Social Security recipients will have standing to sue.

If a President withholds a pay increase due Federal workers in order to avoid an unauthorized deficit, the workers will have standing to sue.

When courts do hear cases under this constitutional amendment, they will be forced to resolve complex issues in trials that could take months or even years. What are the total outlays by the entire Federal Government for a particular year? Are loan guarantees included in those outlays? How many home mortgages and student loans did the Government insure? For how much? How may defaulted?

Even in the markup in the past week, we inquired of the proponents whether the loan for Mexico, for example, would be included, whether that would be covered or not covered by the proposed constitutional amendment. And the response we got from the proponents was, ''Well, it depends whether there is a default or not.''

Well, with the proposed loan, $40 billion, are we supposed to say that $40 billion loan guarantee must be authorized by a three-fifths vote of each House of Congress under the terms of the balanced budget amendment? How are we going to be able to make those kinds of judgments now that kind of emergency loan guarantee—of which both the administration and a bipartisan group have indicated support—how would that affect all of these deficit calculations? Clearly that has not been thought through.

Just one of the cases that will arise under the proposed amendment would make the O.J. Simpson case look simple.

And when a court finds that a constitutional violation has occurred, what relief should it order? Five years ago, in Missouri versus Jenkins, the Supreme Court ruled that a Federal court could order a local government to raise taxes to pay for court-ordered desegregation. Will Federal courts order Congress to raise taxes to cure an unauthorized deficit? Will they order the Treasury to stop paying interest on Treasury bonds? Will they order the President to stop spending Federal

funds? What future constitutional crises will we face because of this foolish constitutional amendment.

Last year, the supporters of this amendment accepted a proposal offered by Senator Danforth that would have prevented the courts from raising taxes or cutting spending. The failure to include a similar limitation in this year's amendment means that Federal courts will sit as super budget committees under the amendment.

The proposed amendment would also give the President unprecedented authority to impound appropriated funds when a deficit occurs. The President has a sworn duty to uphold the Constitution. When an unauthorized deficit takes place, the President will have a duty to take action, including impounding appropriated funds, to prevent a constitutional violation.

That is not just my opinion. That is the option of the President's own legal advisor, Assistant Attorney General Walter Dellinger. And it is the opinion of a wide range of constitutional scholars from Reagan administration Solicitor General Charles Fried to Johnson administration Attorney General Nicholas Katzenbach, and many, many others.

So, basically, this is the second key area of concern, Mr. President, and that is the question of enforcement. Who will have the powers of enforcement? We had during the course certainly of the hearings that were held last year by Senator BYRD and others, the direct testimony about whether the President would have the power to impound. The overwhelming constitutional authority was that the President would have that kind of power under this amendment. Which means that if the President made the judgment that the receipts and revenues were out of balance, that they probably have a responsibility to impound funds to avoid the deficit.

Is that what we are saying, that we want the President of the United States to make those judgments, without any instruction as to what particular area we want them to impound? Do we want to give him all of that authority and all of that power? Well, we tried to address that in the Judiciary Committee. I offered an amendment to say that we do not want to do that. We do not want to grant that kind of a power to the executive. That amendment was defeated. That was defeated in the Judiciary Committee.

Then we come back and say are we going to leave enforcement up to the courts and give them the authority and the power? Under the Missouri versus Jenkins case, we have seen the consternation that was raised about that order that required the raising of certain funds in order to move ahead to enforce the court's desegregation orders. We heard the roar that came from across the country that we do not want our courts to be making the judgments about raising taxes.

Quite clearly that outcome would be in complete conflict with what our Founding Fathers said ought to be the responsibility of the courts.

Are we prepared to say, well, all right, we will not let the President of the United States move ahead on impoundment? We will not let our courts move ahead on enforcement. Who does that leave? What it leaves is the legislative branch. That leaves us, which goes just back to our point from the very beginning: ultimately the question comes back to us. If it ultimately comes back to us, why go through the whole amendment process? If we believe ultimately that we must deal with these tough issues, why are we not prepared to deal with them now? Why go through these kind of gymnastics and say, ''OK, maybe we will give enforcement authority to the President.'' The supporters say, ''We do not want to give it to the President so we will leave it indefinite.'' Do we say we will give it to the courts, or say we will not give it to the courts. If the President and the courts are excluded, the only other enforcement is the Members of the Congress and the Senate.

That is what our Founding Fathers intended. That is what the Constitution points out. That is what the principal constitutional authorities from Republican and Democratic administrations and thoughtful men and women who have not been a part of administrations have felt. And that, I think, raises some the very, very, important weaknesses of this amendment—that there is no certainty on enforcement. We do not know.

Those proposing are not prepared to tell the American people where the necessary cuts would come. They are not prepared to lay that out before them prior to the time of the passage of this amendment. They are not prepared to tell them how the amendment will be enforced. And that is against a background where the Congress had taken action to see important reductions in the Federal deficit in the recent times. And where there certainly can be additional attention to the deficit in the future.

But we are being denied, and the American people are being denied, the right to know what they really intend. What expenditures they intend to reduce, what taxes they intend to impose, and they are unwilling to state what their position is in terms of the enforcement mechanism. Wait down the road, wait another several years. Well, what will happen in the meantime? The problem is that the deficit will be going up again. Why have we not gotten the balanced budgets coming forward from the Budget Committee in the House and the Senate to let the American people understand where they are going, to challenge us to take responsible positions on this deficit? But they are not even prepared to do that. They are not prepared to wait and see whether there will be some action in that area. They are just saying go ahead and pass this and send it out to the States.

I support giving the President statutory line-item veto authority. But the impoundment authority given the President by the balanced budget amendment is far broader. As Professor Dellinger testified, it would enable the President to order across-the-board cuts, or specific cuts affecting specific programs or specific areas of the country.

The amendment could also be read to give future Presidents power to impose taxes, duties, or fees to avoid an unconstititional deficit.

Supporters of the amendment deny any intention to give the President authority to impound funds or raise taxes. But they rejected the straightforward amendment I offered in the Judiciary Committee to prevent it.

Supporters of the amendment argue that all questions on enforcement of the amendment will be answered when Congress passes the enforcement legislation required by section 6. But although balanced budget constitutional amendments have been before the Judiciary Committee and the Congress for many years, year after year, we will hear the proponents of that balanced budget talk about how they have supported this for 10, 15 years, and still we do not have any recommendation on how we are going to achieve it. The only one that had the courage to do it was Republican Congressman GERALD SOLOMON, from the State of New York, and that was overwhelmingly defeated in the House of Representatives a year ago. And many of those who are talking about the balanced budget voted against it and said, well, we can wait. It is not necessary to address that issue at that time.

Where is it? We have written budget laws for years in the Congress—Gramm-Rudman, the 1990 and 1993 budget deficit laws. Why won't the proponents of this amendment show us the enforcement legisaltion.

Finally, the proposed constitutional amendment will severely undermine the principle of majority rule enshrined in our Constitution. By requiring a three-fifths vote to authorize a deficit or raise the debt limit, the amendment would give unprecedented power to a minority in either House of Congress.

Alexander Hamilton painted an alarming picture in The Federalist No. 22 of the destructive consequences of these supermajority voting requirements:

> [W]hat at first sight may seem a remedy, is in reality a poison. To give a minority a negative upon the majority (which is always the case where more than a majority is requisite to a decision) is, in its tendency, to subject the sense of the greater number to that of the lesser number. * * * This is one of those refinements which, in practice, has an effect the reverse of what is expected from it in theory. * * * The necessity of unanimity in public bodies, or of something approaching

towards it, has been founded upon a supposition that it would contribute to security. But its real operation is to embarrass the administration, to destroy the energy of the government, and to substitute the pleasure, caprice, or artifices of an insignificant, turbulent, or corrupt junta to the regular deliberations and decisions of a respectable majority.

We should heed Hamilton's warning. The filibuster is bad enough as a rule of the Senate. Enacting a supermajority requirement as part of this amendment will enshrine gridlock in the Constitution. It will enable a willful minority to prevent any action they wish in connection with the deficit, or to demand unacceptable conditions from the majority as the price of their agreement.

For over 200 years, the principle of majority rule established in the Constitution has served this Nation well in wars, depressions, and a vast range of domestic and international crises. We should not abandon it now, simply because the elected Members of Congress at this moment lack the political courage to balance the budget.

There is nothing wrong with the Constitution. Let us act responsibly to deal with the deficit, not irresponsibly by tampering with the Constitution. This proposal is a sham and a gimmick, and it deserves no place in the Constitution.

I yield the floor.

Mr. HATCH. Mr. President, I would like to respond to certain arguments presented by Senator KENNEDY. These include issues involving: First, implementation and enforcement; second, judicial taxation; and third, Presidential impoundment.

I. IMPLEMENTATION AND ENFORCEMENT ISSUES

Mr. President, opponents of the balanced budget amendment, including Senator KENNEDY, have over the past decade carefully crafted Machiavellian arguments designed to place opponents of the amendment between, what Abraham Lincoln termed, ''the devil and the deep blue sea.'' One of the most pernicious is the contention that on the one hand the balanced budget amendment is a sham because it is unenforceable, and on the other hand that there will be too much enforcement—particularly that courts will themselves balance the budget by ordering the cutting of spending programs, by placing the budgetary process into judicial receivership, or by ordering that taxes be raised. This contention is, of course, so exaggerated, so contradictory, that it almost refutes itself. Yet it has become so pervasive that it gives new life to Shakespeare's aphorism that, ''foolery, sir, does walk about the orb like the sun; it shines everywhere.''

IMPLEMENTATION AND ENFORCEMENT

I want to first address the false notion advanced by opponents of the balanced budget amendment that it is a paper tiger—that Congress will flout its constitutional authority to balance the budget. These notions are simply wrong. First, the amendment has sharp teeth. It is self-enforcing. Because, historically, it has been easier for Congress to raise the debt ceiling, rather than reduce spending or raise taxes, the primary enforcement mechanism of House Joint Resolution 1 is section 2, which requires a three-fifths vote to increase the debt ceiling. This provision is a steel curtain that will shield the American public from an ill-disciplined and profligate Congress.

Furthermore, Members of Congress overwhelmingly conform their actions to constitutional precepts out of fidelity to the Constitution itself. We are bound by article VI of the Constitution to ''support this Constitution.'' I fully expect fidelity by Members of Congress to the oath to uphold the Constitution. Honoring this pledge requires respecting the provisions of the proposed amendment. Flagrant disregard of the proposed amendment's clear and simple provisions would constitute nothing less than a betrayal of the public trust. In their campaigns for reelection, elected officials who flout their responsibilities under this amendment will find that the political process will provide the ultimate enforcement mechanism.

JUDICIAL ENFORCEMENT

I would like at this point to address the contention of opponents of the balanced budget amendment like Senator KENNEDY that there will be too much enforcement—specifically by the courts. They march out a veritable judicial parade of horribles where courts strike down spending measures, put the budgetary process under judicial receivership, and like Charles I of England, raise taxes without the consent of the people's representatives. All of this is a gross exaggeration. This parade has no permit.

I believe that House Joint Resolution 1 strikes the right balance in terms of judicial review. By remaining silent about judicial review in the amendment itself, its authors have refused to establish congressional sanction for the Federal courts to involve themselves in fundamental macroeconomic and budgetary questions, while not undermining their equally fundamental obligation to say what the law is, *Marbury* v. *Madison*, 1 Cranch 137, 177 (1803). I also strongly agree with former Attorney General William P. Barr who stated that there is:

> * * * little risk that the amendment will become the basis for judicial micromanagement or superintendence of the Federal budget process. Furthermore, to the extent such judicial intrusion does arise, the amendment itself equips Congress to correct the problem by statute. On balance, moreover, whatever remote risk there may be that courts will play an overly intrusive role in enforcing the amendment, that risk is, in my opinion, vastly outweighed by the benefits of such an amendment.

There exists three basic constraints that prevents the courts from becoming unduly involved in the budgetary process: First, limitations on Federal courts contained in article III of the Constitution, primarily the doctrine of ''standing,'' particularly as enunciated by the Supreme Court in *Lujan* v. *Defenders of Wildlife*, 112 S.Ct. 2130 (1992); second, the deference courts owe to Congress under both the political question doctrine and section 6 of the amendment itself, which confers enforcement authority in Congress; and third, the limits on judicial remedies to be imposed on a coordinate branch of government—limitations on remedies that are self-imposed by courts and that, in appropriate circumstances, may be imposed on the courts by Congress. These limitations, such as separation of power concerns, prohibit courts from raising taxes, a power exclusively delegated to Congress by the Constitution and not altered by the balanced budget amendment. Consequently, contrary to the contention of opponents of the balanced budget amendment, separation of power concerns further the purpose of the amendment in that it assures that the burden to balance the budget falls squarely on the shoulders of Congress—which is consistent with the intent of the Framers of the Constitution that all budgetary matters be placed in the hands of Congress.

Concerning the doctrine of ''standing,'' it is beyond dispute that to succeed in any lawsuit, a litigant must demonstrate standing to sue. To demonstrate article III standing, a litigant at a minimum must meet three requirements: First, injury in fact—that the litigant suffered some concrete and particularized injury; second, traceability—that the concrete injury was both caused by and is traceable to the unlawful conduct; and third, redressibility—that the relief sought will redress the alleged injury. This is the test enunciated by the Supreme Court in the fairly recent and seminal case of *Lujan* v. *Defenders of Wildlife*, 112 S.CT. 2130, 2136, (1992). (See, e.g., *Valley Forge Christian College* v. *Americans United for Separation of Church & State, Inc.*, 454 U.S. 464, 482–83 (1982)). In challenging measures enacted by Congress under a balanced budget regime, it would be an extremely difficult hurdle for a litigant to demonstrate something more concrete than a generalized grievance and burden shared by all citizens and taxpayers, the injury in fact requirement. I want to emphasize that this is hardly a new concept. (See *Frothingham* v. *Mellon*, 262 U.S. 447, 487 (1923)). Furthermore, courts are extremely unlikely to overrule this doctrine since standing has been held to be an article III requirement. (See *Simon* v. *Eastern Ky. Welfare Rights Org.*, 426 U.S. 26, 41 n.22 (1976)).

Even in the vastly improbable case where an injury in fact was established, a litigant would find it near impossible to establish the traceability and redressibility requirements of the article III standing test. Litigants would have a difficult time in showing that any alleged unlawful conduct—the unbalancing of the budget or the shattering of the debt ceiling—caused or is traceable to a particular spending

measure that harmed them. Furthermore, because the Congress would have numerous options to achieve balanced budget compliance, there would be no legitimate basis for a court to nullify the specific spending measure objected to by the litigant.

As to the redressibility prong, this requirement would be difficult to meet simply because courts are wary of becoming involved in the budget process—which is legislative in nature—and separation of power concerns will prevent courts from specifying adjustments to any Federal program or expenditures. Thus, for this reason, *Missouri* v. *Jenkins,* 495 U.S. 33 (1990), where the Supreme Court upheld the district court's power to order a local school district to levy taxes to support a desegregation plan, is inapposite because it is a 14th amendment case not involving, as the Court noted, an instance of one branch of the Federal Government invading the province of another. Jenkins at 67. Plainly put, the Jenkins case is not applicable to the balanced budget amendment because the 14th amendment—from which the judiciary derives its power to rule against the States in equal protection claims—does not apply to the Federal Government and because the separation of powers doctrine prevents judicial encroachments on Congress' bailiwick. Courts simply will not have the authority to order Congress to raise taxes.

Furthermore, the well-established political question and justiciability doctrines will mandate that courts give the greatest deference to congressional budgetary measures, particularly since section 6 of House Joint Resolution 1 explicitly confers on Congress the responsibility of enforcing the amendment, and the amendment allows Congress to rely on estimates of outlays and receipts. (See *Baker* v. *Carr,* 369 U.S. 186, 217 (1962)). Under these circumstances, it is unlikely that a court would substitute its judgment for that of Congress.

Moreover, despite the argument of some opponents of the balanced budget amendment, the taxpayer standing case, *Flast* v. *Cohen,* 392 U.S. 83 (1968), is not applicable to enforcement of the balanced budget amendment. First, the Flast case has been limited by the Supreme Court to Establishment Clause cases. This has been made clear by the Supreme Court in *Valley Forge Christian College,* 454 U.S. at 480. Second, by its terms, Flast is limited to cases challenging legislation promulgated under Congress' constitutional tax and spend powers when the expenditure of the tax was made for an illicit purpose. Sections 1 and 2 of House Joint Resolution 1, limit Congress' borrowing power and the amendment contains no restriction on the purposes of the expenditures. Finally, in subsequent cases, particularly the Lujan case, the Supreme Court has reaffirmed the need for a litigant to demonstrate particularized injury, thus casting doubt on the vitality of Flast. (See *Lujan,* 112 S. Ct. at 2136.)

I also believe that there would be no so-called congressional standing for Members of Congress to commence actions under the balanced budget amendment. Although the Supreme Court has never addressed the question of congressional standing, the D.C. Circuit has recognized congressional standing, but only in the following circumstances: First, the traditional standing tests of the Supreme Court are met; second, there must be a deprivation within the zone of interest protected by the Constitution or a statute—generally, the right to vote on a given issue or the protection of the efficacy of a vote; and third, substantial relief cannot be obtained from fellow legislators through the enactment, repeal, or amendment of a statute—the so-called equitable discretion doctrine. (See *Melcher* v. *Open Market Comm.,* 836 F.2d 561 (D.C. Cir. 1987); *Reigle* v. *Federal Open Market Committee,* 656 F.2d 873 (D.C. Cir.), cert. denied, 454 U.S. 1082 (1981)). Because Members of Congress would not be able to demonstrate that they were harmed in fact by any dilution or nullification of their vote—and because under the doctrine of equitable discretion, Members would not be able to show that substantial relief could not otherwise be obtained from fellow legislators through the enactment, repeal, or amendment of a statute—it is hardly likely that Members of Congress would have standing to challenge actions under the balanced budget amendment.

Finally, a further limitation on judicial interference is section 6 of House Joint Resolution 1 itself. Under this section, Congress must adopt statutory remedies and mechanisms for any purported budgetary shortfall, such as sequestration, rescission, or the establishment of a contingency fund. Pursuant to section 6, it is clear that Congress, if it finds it necessary, could limit the type of remedies a court may grant or limit courts' jurisdiction in some other manner to proscribe judicial overreaching. This is nothing new. Congress has adopted such limitations in other circumstances pursuant to its article III authority. Here are a few: First, the Norris-LaGuardia Act, 29 U.S.C. secs. 101–115, where the courts were denied the use of injunctive powers to restrain labor disputes; second, the Federal Tax Injunction Act, 28 U.S.C. sec. 2283, where a prohibition on State court proceedings by Federal courts was legislated; and third, the Tax Injunction Act, 26 U.S.C. sec. 7421(a), where Federal courts were prohibited from enjoining the collection of taxes.

In fact, Congress may also limit judicial review to particular special tribunals with limited authority to grant relief. For instance, the Supreme Court in *Yakus* v. *United States,* 319 U.S. 182 (1943), upheld the constitutionality of a special Emergency Court of Appeals vested with exclusive authority to determine the validity of claims under the World War II Emergency Price Control Act. In more recent times, the Supreme Court, in *Dames & Moore* v. *Reagan,* 453 U.S. 654 (1981), upheld the legality of the Iranian-United States Claims Tribunal as the exclusive forum to settle claims to Iranian assets.

Mr. President, it is clear from the above discussion that the enforcement issues propounded by our opponents do not amount to a hill of beans.

II. JUDICIAL TAXATION

The contention that the balanced budget amendment would allow Federal courts to order the raising of taxes is absolutely without merit. This belief is based on a misunderstanding of the Supreme Court's opinion in *Missouri* v. *Jenkins,* 495 U.S. 33 (1990).

In this case, the Supreme Court in essence approved of a lower court remedial remedy of ordering local State or county political subdivisions to raise taxes to support a court ordered school desegregation order. Intentional segregation, in violation of the 14th amendment's equal protection clause, had been found by the lower court in a prior case against the school district.

The concern that the balanced budget amendment would allow a Federal court to order Congress to raise taxes to reduce the budget is without merit. This is true for the following reasons: First, Jenkins is a 14th amendment case. Under 14th amendment jurisprudence, Federal courts may perhaps issue this type of remedial relief against the States, but not against Congress—a coequal branch of Government. The 14th amendment, of course, does not apply to the Federal Government; second, separation of powers concerns would prohibit the judiciary from interfering with budgetary taxing, borrowing, and spending powers that are exclusively delegated to Congress by the Constitution; and third, Congress cannot simply be made a party defendant. To order taxes to be raised, Congress must be named defendant. Presumably, suits to enforce the balanced budget amendment would arise when an official or agency of the executive branch seeks to enforce or administer a statute whose funding is in question in light of the amendment. Thus, the court in *Reigle* v. *Federal Open Market Committee,* 656 F.2d 873, 879 n.6 (D.C. Cir. 1981), noted that ''[w]hen a plaintiff alleges injury by unconstitutional action taken pursuant to a statute, his proper defendants are those acting under the law * * * and not the legislature which enacted the statute.''

III. IMPOUNDMENT RESPONSE

Mr. President, I also wish to respond to the impoundment argument. In each of the years the balanced budget amendment has been debated, I have noticed that one spacious argument is presented as a scarce tactic by the opponents of the amendment. This year the vampire rising from the grave is Presidential impoundment. Supposedly, a President, doing his best Charles I of England impersonation, when faced with the possibility of budgetary shortfalls after ratification

of the balanced budget amendment, will somehow have the constitutional authority—nay duty—to arbitrarily cut social spending programs or even raise taxes. Well, Charles Stuart literally lost his head when he claimed as a prerogative the powers of the Commons. So too, a President may not claim authority delegated by the Constitution to the people's representatives. The law is our Cromwell that will prevent impoundment.

I want to emphasize that there is nothing in House Joint Resolution 1 that allows for impoundment. It is not the intent of the amendment to grant the President any impoundment authority under House Joint Resolution 1. In fact, there is a ripeness problem to any attempted impoundment: indeed up to the end of the fiscal year the President has nothing to impound because Congress in the amendment has the power to ameliorate any budget shortfalls or ratify or specify the amount of deficit spending that may occur in that fiscal year.

Moreover, under section 6 of the amendment, Congress must—and I emphasize must—mandate exactly what type of enforcement mechanism it wants, whether it be sequestration, rescission, or the establishment of a contingency fund. The President, as Chief Executive, is duty bound to enforce a particular requisite congressional scheme to the exclusion of impoundment. That the President must enforce a mandatory congressional budgetary measure has been the established law since the 19th century case of *Kendall* v. *United States ex rel. Stokes*, 37 U.S. (12 Pet.) 542 (1838). In Kendall, Congress had passed a private act ordering the Postmaster General to pay Kendall for services rendered. The Supreme Court rejected the argument that Kendall could not sue in mandamus because the Postmaster General was subject only to the orders of the President and not to the directives of Congress. The Court held that the President must enforce any mandated—as opposed to discretionary—congressional spending measure pursuant to his duty to faithfully execute the law pursuant to article II, section 3 of the Constitution. The Kendall case was given new vitality in the 1970's, when lower Federal courts, as a matter of statutory construction, rejected attempts by President Nixon to impound funds where Congress did not give the President discretion to withhold funding, *E.g., State Highway Commission* v. *Volpe*, 479 F.2d 1099 (8th Cir. 1973).

The position that section 6 implementing legislation would preclude Presidential impoundment was seconded by Attorney General Barr at the recent Judiciary Committee hearing on the balanced budget amendment. Testifying that the impoundment issue was in reality incomprehensible, General Barr concluded that ''the whip hand is in Congress' hand, so to speak; under section 6 [the] Congress can provide the enforcement mechanism that the courts will defer to and that the President will be bound by.''

What we have here then, is an argument based on a mere possibility. Under the mere possibility scenario of an impoundment we would have to include any possibility, however remote, in the amendment. The amendment would look like an insurance policy. Why place something in the Constitution that in all probability could never happen, especially if Congress could preclude impoundment by legislation?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Idaho.

Mr. CRAIG. Mr. President, this afternoon, the issue that brings Senators to the floor is the beginning of what I believe will be a historic debate in this Chamber, as it has been in the House the last several days of last week, and that is to debate and consider House Joint Resolution 1, a balanced budget resolution to the Constitution of our country.

If I could, for a few brief moments, read to you, Mr. President, and to those who might be listening, the actual resolution. The reason I believe it is so fundamentally important that the American people and my colleagues in the Senate hear and understand what the resolution itself says is because a great deal will be said over the course of the next 3 weeks about this single 2-page document that will simply not be true.

By the time we are through debating it, it will appear to some who might listen to be an overburdening action that this Government should not take. I think what is important in the processes of our constitutional requirement is for all of the Senate, and certainly for the American people, to understand that the Congress of the United States is only proposing—is only proposing—to the American people and to the 50 States a resolution that would establish a process to cause this Congress to begin to construct a budget for our country that would come into balance.

Let me read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within 7 years after the date of its submission to the States for ratification:

Therein itself is a very clear statement, Mr. President, that this Senate begins today only the debate that would cause us to agree by a two-thirds vote to send forth to the States this simple document for them to consider, and by three-fourths to ratify, for it to become the 28th amendment to the Constitution of this country.

Article—

One article, not article I, not article II, not article III, but one article with eight sections, 1½ pages in total.

SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

SECTION 2. The limit of the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed receipts.

SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

SECTION 8.

And the last section.

This article shall take effect beginning with fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later.

Passed by the U.S. House of Representatives January 26, 1995.

And, of course, introduced into the Senate and brought to this floor today for the purposes of beginning the debate.

Mr. President, the reason I read this document and the reason it is important that the RECORD show that it is but 1½ pages in length, it is 8 sections and only 1 article, as proposed as the 28th amendment to the Constitution of our country, is because if the average citizen just listened to the debate, they would think that the magnitude of this statement, so defined and so articulated by the opposition to it, surely must be 1,000 pages in length, or it must be one of those 1,700- or 2,000-page bills, like the health care bill of a year ago. If it is to cause for this country all of the dire predictions that the Senator from Massachusetts just proposed, how could a document so simple cause so much problem? In fact, how could a document so simple even suggest after it were ratified by the States that the Congress shall enforce and implement this article by appropriate legislation?

In fact, what we are hearing and what we will hear for 3 or 4 weeks, and potentially hundreds of amendments later, is that the Congress itself has the cart before the horse; that we, the Senators, must see in great detail every item that will be cut, every

change in the budget that will be proposed over the next 7-year period, and yet the constitutional amendment itself, as proposed, says that:

The Congress shall enforce and implement this article by appropriate legislation—

And that will come logically, at least, only after we find out if three-fourths of the States of our Nation are willing to ratify it.

I think myself and the Senator from Utah and the Senator from Illinois know that we will try to do better than that. We will work at explaining and trying to articulate what we believe this process, this procedure would require as it relates to changes in budget and changes in budgetary practices.

But I think for all of us who will become involved in this debate over the next several weeks, it is constantly important that we remember that it is but a simple document proposed to the States and, yes, out of that simplicity will probably come one of the most significant changes in the way the central Government of this country operates than ever in the history of its central Government since the Constitutional Convention and the proposed Constitution that this would become an amendment of as it was proposed some 208 years ago.

The Senator from Utah, who leads the debate on this side, has clearly spelled out the efforts and the work that has gone into the crafting of this amendment. Certainly, the Senator from Illinois, who is here in the Chamber this afternoon, and the Senator from South Carolina know, because they have been involved in this issue for a good many years, as have I, that it is not a partisan issue, that it cannot be a partisan issue. By the very nature of the two-thirds vote that is required in this body, it is uniquely bipartisan. And over the years we have worked hard to accomplish that.

The vote in the House of last week demonstrates very clearly that it was again a uniquely bipartisan debate and vote, with many members of both parties voting for it, to acquire that two-thirds vote.

The gravity and the magnitude of changing the Constitution of this country must be something that a majority, a very large majority, of the American people agree with, two-thirds in the Senate and the three-fourths of the States. It is so critically necessary.

I have mentioned PAUL SIMON of Illinois, former chairman of the Constitution Subcommittee, leader on the Democrat side on this issue. STROM THURMOND, who is here to speak this afternoon, from South Carolina, President pro tempore of the Senate and former Judiciary chairman who introduced this issue in the 1950's; ORRIN HATCH, who now chairs the Judiciary Committee, who spoke and opened up this debate as he brought the House resolution to the floor; and HOWELL HEFLIN, CAROL MOSELEY-BRAUN, PETE DOMENICI, and many other Senators including myself have been involved in this issue for well over a decade now.

The reason I mentioned breadth of time and all of those from a bipartisan point of view that have been involved in this issue is because, as attitude and ideas change here in this body or in the other about how we govern our country, one idea that has been around now for well over two decades has been this idea. I think it has met the test of change and time. And I think all of us recognize that, if we truly are going to bring about the kind of changes in the central Government of this country that many of us believe the American people spoke to on November 8, this is the issue, this is the resolution, that can bring that change because while all of those ideas change about how we change our Government and how we look at it, this one has not changed.

Interestingly enough, it was not just one of those items in the Contract With America that Republican candidates for the House of Representatives ran on last year and now work on as Members of the Congress. It was the centerpiece. The reason it was the centerpiece, and the reason we know why it should be, was the importance it plays in what it will cause this Congress and this Senate to do differently.

The Senator from Massachusetts was talking about a variety of very important programs. Many of us call them Great Society welfare programs, ideas of the past, ideas that appeared to be good in their day, ideas that would have solved a great many problems for our country. But when you look at the breadth of time that they have been funded and have been operating, have they addressed our problems? Have they solved the problems they set out to solve?

The answer is quite simply no, because if they had and had there have been no more poverty and been no more people on welfare, if the budget had been balanced, I doubt that the election last November would have been the way it was, that our American people would have spoken so strongly to this issue and to other issues and would have demanded the change.

So it is not in spite of them; it is largely because of a variety of ideas that have transformed our Government that have caused us to have a $4.6 trillion debt and on average $200 billion deficit and a $300 billion annualized interest payment. The American people are saying in a very loud way and in a very clear way, Congress, pass a balanced budget amendment and in so doing transform our Government for us and do as you will to change it. Be kind. Use good priority. Recognize those in need. But do not continue to fund it by deficit in the manner that you have.

This year in a Wirthlin poll, 70 percent of the American people said that, or said some form of what I have just said, and 19 percent disagreed. A Washington Post-ABC poll beginning this year showed that 80 percent of the American people agreed or said something like that when asked the question. Even when the question was asked, well, what about, or if, or this might be changed, they said, we want a balanced budget because we fear that the Government and those who govern us have lost sight of the impact of a debt and a deficit of the kind we have as a country and its potential impact on future generations.

Well, those polls were taken in 1994 and 1995, just this year. But in September 1992, again, 81 percent of the American people spoke out and said change, balance the budget, pass a balanced budget amendment, begin to restrict yourselves, begin to control yourselves as a government.

So it is an issue that has withstood the test of time. It is not something new, nor is it unique or different. You will hear in the course of this debate quotes from our Founding Fathers. You have heard the Senator from Massachusetts refer to the Federalist papers.

Let the new Federalist papers of 1995 be crafted by this Congress to speak to the States of our Nation and to tell them the virtues of a balanced budget amendment and what it will do to change the powerful central Government and what it will do to bring back the 10th amendment and the 14th amendment and the power to the States and the power to the citizens to once again control themselves. Yes, this is a most critical time in our Nation's history, and, yes, I believe this is a most historic debate we begin this afternoon.

Coincidentally, as we meet here in the Chamber of the Senate today, Governors from all 50 States are meeting in this Capital City, and they are gathered around preparing to convene a national conference of Governors in the coming months to develop a dialog and a presentation to the central Government, to the Congress of the United States, cajoling, arguing, emphatically stating that it is time the States began to reclaim some of their power under the 10th and 14th amendments.

A Democrat Governor this morning from Indiana said on national television: And if the Congress does not listen, then maybe we will have to do what States did when they brought about a Constitutional Convention as a result of a meeting in Annapolis, as a result of a failing document called the Articles of Confederation. That was a Democrat Governor that said that this morning in a mild but direct way.

A Republican Governor sitting right beside him said, yes; it is absolutely true. If the arrogance of power today in the central Government and here in this Senate and in the House is to say to our States, we do not hear you and we do not care; we will continue to put down upon you one Federal law after another that will erode your power and your ability to govern under a Constitution that puts States in a preeminent power position and put the

central Government second in almost all, if you do not do that—and that is what those Governors were saying this morning—we will speak even louder to transform our Government once again like the States over 200 years ago had to do because of a central Government that was not working.

If we pass this resolution, if we send to the States the 28th amendment to the Constitution of this country, and if it is ratified, then we will begin a historic dialog with those Governors and State legislatures to decide what of these programs that make up this huge Federal budget have priority to the States and to the citizens of those States, which should be paid for by the State legislatures and the taxpayers of States and which should be funded by the Federal Government. And I sincerely believe until we pass this amendment, that kind of debate, that kind of dialog, that kind of cooperative relationship between the States and their central Government will really never begin.

Last Friday night we passed another historic piece of legislation, the unfunded mandates legislation. My colleague from Idaho authored that and brought it to the floor of the U.S. Senate. There is no doubt that was a phenomenally important step. But, still, there is adequate room for the Federal Government to create great havoc with State governments and their ability to control. That unfunded mandates bill, coupled with a constitutional amendment to balance the Federal Government's budget would for the first time in the life and the history of this Government under this Constitution create a dialog and debate that will go on for a long, long while as we begin the process I have just outlined: A sorting out of our differences and deciding what we can do and what we cannot do and what is within the fiscal means of our country to do.

Yes, to the Senator from Massachusetts, we would establish a lot of unique and new priorities. You see what he was saying a few moments ago when he talked about all those cuts, is that his vision of America is a Government like the one we currently have, only bigger and bigger and bigger. Not changed, not rejuvenated, not redistributed, not redesigned and reenvisioned and recreated. But that is what the American people are saying. And that is why we began this debate this afternoon.

Over the course of the next several weeks I am sure all of my colleagues who are joined in this debate in favor of a balanced budget amendment will work overtime to explain to our colleagues here in the Senate and to the American people how the processes will work. But one thing we know is clear. We must pass a clean amendment, because it is nothing but a prescription, a process, a procedure placed in the Constitution which mandates to the Congress of the United States that they will bring their receipts and expenditures into balance on an annual basis and they will do so in a certain manner.

And if they find it impossible to do they will offer it up in another different manner under a different prescription. But it will be so required and the American people will know why we are spending in deficit if we must. But more important, that in the good years we will pay it off. We will get back in balance. We will do what our Founding Fathers did for well over 100 years during the history of this country, the first 100 years, when a balanced budget was an ethic. It was believed to be the responsibility of a central Government. Slowly but surely we have walked away from that. Slowly but surely our debt began to mount. Slowly but surely we began to lose control of our Government to an autopilot that now many will argue we must retain. I do not believe that is what our Governors are saying. It is most certainly not what the citizens are speaking to. And it is something this Congress should never agree to again.

So we begin this debate with the recognition that House Joint Resolution 1 that is before us as a resolution proposed to the States to provide a balanced budget amendment to our Constitution can bring about profound change. But it will bring about change so designed in the image of the citizens of this country, as they envision their central Government.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, today, we begin consideration of a proposed constitutional amendment to require the Federal Government to achieve and maintain a balanced budget. We are pleased that the House acted with wide bipartisan support as it adopted the balanced budget amendment by a vote of 300 to 132.

Also, before we have extended debate on this proposed amendment in the Senate, I want to commend the chairman of the Judiciary Committee, Senator HATCH. He is to be congratulated on the manner in which he handled this matter in the Judiciary Committee and bringing it to the floor for consideration. I have worked over the years with Senator HATCH on the balanced budget amendment and due in large part to his tireless efforts we are close to sending this proposal to the American people for ratification. I also wish to commend Senator LARRY CRAIG of Idaho for his fine leadership on this matter. He has been a stalwart in this fight. Also, I wish to commend Senator PAUL SIMON of Illinois, who has been a leader in this cause for a number of years.

Mandating balanced Federal budgets is not a new idea. The first constitutional amendment to balance the budget was proposed in 1936 by Minnesota Representative Harold Knutson. Then came World War II and attention was distracted from efforts to secure annual balanced budgets, although Senator Tydings and Representative Disney introduced several balanced budget amendments during that period.

Following World War II, a Senate joint resolution on balanced budgets was introduced by Senators Tydings of Maryland and Bridges and reported out by the Committee on Appropriations in 1947 but received no further action. During the 1950's, an increasing number of constitutional initiatives for balanced budgets came to be introduced regularly in Congress. It was during that time that I supported legislation such as that offered by Senators Bridges, Curtis, and Harry Byrd to require the submission by the President of an annual balanced budget and to prevent Congress from adjourning without having enacted such a budget. No action was taken on these measures. Yet, since the beginning of the 84th Congress in 1955, an average of four constitutional amendments to require a balanced Federal budget have been proposed during each Congress. There was little substantive action in the 1960's and 1970's on our proposals. But finally, in 1982 while I was chairman of the Judiciary Committee, the Senate passed a balanced budget amendment which I authored. Our victory was short-lived, however, because the Speaker and the majority leader at that time led the movement to kill it in the House of Representatives. That was our high water mark as we fell one vote short in 1986 and four votes short last year. With the recent action in the House of Representatives and wide bipartisan support in the Senate, I am ever optimistic that this is the year the Congress will deliver to the American people a balanced budget amendment.

Simply stated, this legislation calls for a constitutional amendment requiring that outlays not exceed receipts during any fiscal year. Also, the Congress would be allowed by a three-fifths vote to adopt a specific level of deficit spending. Further, there is language to allow the Congress to waive the amendment during time of war or imminent military threat. Finally, the amendment requires that any bill to increase taxes be approved by a majority of the whole number of both Houses.

This legislation would provide an important step to reduce and ultimately eliminate the Federal deficit. The American people have expressed their strong opinion that we focus our efforts on reducing the deficit. Making a balanced budget amendment part of the Constitution is appropriate action for addressing our Nation's runaway fiscal policy.

Over the past half-century, the Federal Government has become jeopardized by an irrational and irresponsible pattern of spending. As a result, this firmly entrenched fiscal policy is a threat to the liberties and opportunities of our present and future citizens.

The national debt as of December 30, 1994 was $4.65 trillion. The Federal deficit in fiscal year 1993 was $225 billion. Mr. President, in 1957, my third year in the Senate, the entire national debt was less than $275 billion and there was not a deficit, but rather a $3 billion surplus.

Today, the payment of interest on the debt is the second largest item in the budget. That accounts for the estimate that this year it will take over 40 percent of all personal income tax receipts to pay the interest on the debt.

The tax dollars that go to pay interest on the debt are purely to service a voracious congressional appetite for spending. Payment of interest on the debt does not build roads, it does not fund medical research, it does not provide educational opportunities, it does not provide job opportunities, and it does not speak well for the Federal Government. Payment of interest on the debt merely allows the Federal Government to carry a debt which has been growing at an alarming rate. It is deficit spending which has brought us to these crossroads. Congress has balanced the Federal budget only once in the last 32 years and only 8 times in the last 64 years. A balanced budget amendment as part of the Constitution will mandate the Congress to adhere to a responsible fiscal policy.

The American businessmen and businesswomen have become incredulous as they witness year in and year out the spending habits of the Congress. Anyone who runs a business clearly understands that they cannot survive by continuing to spend more money than they take in. It is time the Congress understands this simple yet compelling principle.

For many years, I have believed, as have many Members of Congress, that the way to reverse this misguided direction of the Federal Government's fiscal policy is by amending the Constitution to mandate, except in extraordinary circumstances, balanced Federal budgets. The Congress should adopt this proposal and send it to the American people for ratification. The balanced budget amendment is a much needed addition to the Constitution and it would establish balanced budgets as a fiscal norm, rather than a fiscal abnormality.

The tax burdens which today's deficits will place on future generations of American workers is staggering. Future American workers are our children and our children's children. We are mortgaging the future for generations yet unborn. This is a terrible injustice we are imposing on America's future and it has been appropriately referred to as fiscal child abuse.

Our third President, Thomas Jefferson, stated: 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.

It is time we show the fiscal discipline advocated by Thomas Jefferson and adopt a balanced budget amendment. I yield the floor.

Mr. DASCHLE. Mr. President, as the Senate begins to debate the resolution to send to the States a proposed constitutional amendment to require a balanced budget, I am hopeful it can also be an educational experience for both participants and spectators. Like the gulf war debate, I hope it will lead to an informed judgment for all of us. For it has been a debate that has gone on for centuries.

The words of Andrew Jackson and Thomas Jefferson have always made sense to me. They did not believe in permanent debt. Jackson said,

I am one of those who do not believe a national debt is a national blessing, but rather a curse to a republic; inasmuch as it is calculated to raise around the administration a moneyed aristocracy dangerous to the liberties of the country.

I am sensitive to the significance of amending our Constitution and the care we should exercise when we propose to do so. In more than 200 years, the Constitution has been amended 27 times. Two of those occasions reflect the effort to annul with the 21st amendment the problems created by the 18th, prohibition.

Passage of the repeal amendment could no more undo the damaged caused by Prohibition than it could turn back the clock.

Throughout most of our history, the discipline of balanced budgets was part of our tradition. It was so much a part of the culture of government that no external discipline was necessary to enforce it.

That has not been true for the last quarter century. The discipline of strong political parties has eroded. In the last quarter-century, self-styled conservatives got tired of preaching fiscal austerity. The free lunch theory of politics was born. It proved successful, and we are its heirs.

History is unforgiving. What has been done changes the world, whether or not, in hindsight, we think it should have been done. We are forced to deal with the changed world. We can no more return to the tradition-inspired fiscal discipline that ruled our Nation's first 150 years than we could undo the damage of Prohibition by repealing it.

In this changed world, proponents argue that the only institution in American life that still commands the respect necessary to impose discipline in the face of competing demands is the Constitution.

So I have supported the idea of amending the Constitution. I have done so in the hope that it would have a salutary effect on smoke-and-mirrors budgeting that has won all too many of the battles while the Nation is steadily losing the war.

From the beginning of the American constitutional system in 1789, the Federal budget was in rough balance in most of its first 150 years.

Following the end of the Second World War, that has not been the case. Until the end of the 1960's, deficits were small, relative to the gross national product, and some fiscal years showed small surpluses. The oil price shocks of the 1970's and other factors began to fuel the ominous upward drift of deficits.

Even then, despite the efforts by some to rewrite history, the growth of the national debt was not exponential. Deficits reflected economic stress, not an out-of-control budget.

That changed dramatically in 1981.

Fourteen years ago, with the first Reagan budget, deficits exploded and the national debt began its upward spiral.

The combination of supply-side economics in the form of a massive tax cut and a trillion-dollar defense buildup led to record-setting deficits.

In the 12 years of Reagan-Bush economics, a national debt that had taken two centuries to reach $1 trillion was quadrupled.

If your family built up a $9,000 debt over 5 years and your feckless brother-in-law ran up $27,000 on your credit card in 45 days, you'd be facing the equivalent of what happened at the Federal level. Your monthly interest charges would go sky high. That happened to Federal interest charges, too.

Today the interest payment on our debt is $212 billion. If it were not for the Reagan-Bush portion of the debt, our budget would be virtually in balance today.

High deficits that persist in good economic times as well as bad damage our economy. They sap economic growth by diverting resources from productive investments. They add to the debt burden and its servicing cost, the interest we pay on the debt each year. That diverts resources from longer range investment in infrastructure and education.

Everyone knows what must be done to balance the budget. Revenues have to equal or exceed outlays. you can reach that result by increasing revenues or reducing outlays or both.

But you can't do it with mirrors.

Despite three versions of the Gramm-Rudman Act since 1985, each of which was supposed to produce a balanced budget, the budget, as we all know, is far from balanced.

The first real action to get the deficits under control occurred in 1990, when Congress and President Bush agreed on $500 billion in deficit reduction.

Again in 1993, Congress and President Clinton agreed on another $500 billion in deficit reduction that has given us the first 3 consecutive years of declining deficits in half a century. Yet the 1993 action, which has been enormously beneficial to our economy, was fiercely resisted on a partisan basis. Not one Republican voted for that deficit reduction package.

We were warned that passing the President's budget would throw the

country into recession, cost countless jobs, put Americans into the poorhouse through tax hikes, and make the deficit go through the roof.

Exactly the opposite happened. The economy grew stronger and expanded; more than 5 million new jobs were created; 20 million working Americans were taken off the tax rolls; and the deficit has come down for 3 years in succession.

The dire warnings in 1993 weren't qualified. They were presented as factual conclusions, predictions so sound they were without possibility of error. So supremely confident was the partisan opposition that the President's plan passed by just a single-vote margin in the House and the Senate.

Today, the same people whose confident predictions of economic disaster have been proven so totally wrong are making confident assertions about how easy it will be to balance the budget.

We are hearing with increased frequency that nothing but a freeze is needed to balance the budget by the year 2002, so States and cities need not worry that programs that target funds for them will be seriously affected.

The same people who so confidently predicted in 1993 that the President's budget plan would lead to economic disaster, and who have been proven so totally wrong, are now asking us to have confidence in their claims that balancing the budget won't be difficult because it can be done by freezing spending.

The same people who want Americans to believe this are hoping no one will notice that they're using the exact opposite argument about defense spending.

The defense budget has been frozen since 1987. It has been about $280 billion a year. According to the logic of those who say balancing the budget will be painless if you just freeze all spending, we should expect defense resources to be what they were in 1987.

But that is not what you are hearing. What you are hearing is that defense has suffered deep cuts, that spending reductions have done all sorts of damage, and, to the contrary, that we must increase spending for the military if we are to avert imminent disaster.

But in freeze terms, there haven't been any spending reductions. There just hasn't been inflation-adjusted growth. That, we are told, isn't a cut—it's a freeze.

Since 1987, the dollar amounts available to the Pentagon have remained steady in nominal dollars—and that's exactly what a freeze is.

Since 1987, the number of Army divisions has fallen from 28 to 20, Air Force fighter wings have fallen from 36 to 22, the Navy fleet has been trimmed from 568 ships to 387, and the number of men and women in uniform has fallen from 2.2 million to 1.6 million.

The military has discovered that a freeze is not a freeze because resources do not stay frozen. Instead, divisions and fighter wings melt away. That is because $280 billion just does not go as far in 1995 as it did in 1987.

It does not take a mathematical genius to figure this out.

I do not think anyone in America would have much trouble figuring out that living in 1995 on what they earned in 1987 would mean some cutbacks. I do not think most Americans have trouble figuring out that if they had exactly the same dollar amounts to spend on rent and food and clothing today that they spent in 1987, they would be buying a lot less of everything.

This is why our city mayors and our Governors are wondering what will happen to their budgets and the services they are responsible for under this freeze theory. No wonder they are concerned. They should be.

The proposed balanced budget amendment sets very strong conditions and standards to be applied to the budget.

It would require a three-fifths majority, not a simple majority, to raise the debt ceiling or adopt a budget that is out of balance.

This so-called supermajority is the Senate's filibuster rule. All of America had a good taste of how the filibuster rule worked in the 103d Congress. It brought work to a full stop. It put into the hands of a minority the power to bargain for, hold hostage, blackmail, or simply block anything they wanted.

The Constitution is straightforward about the few instances in which more than a majority of the Congress must vote: A veto override, a treaty, and a finding of guilt in an impeachment proceeding. Every other action by the Congress is taken by majority vote.

The Founders debated the idea of requiring more than a majority to approve legislation. They concluded that putting such immense power into the hands of a minority ran squarely against the democratic principle. Democracy means majority rule, not minority gridlock.

Even the Senate, with its veneration for the filibuster rule, limits its reach when it comes to the budget. The Senate has specifically protected the reconciliation process against manipulation by a minority. You cannot filibuster a reconciliation bill.

When we seek to override a veto or ratify a treaty, two-thirds of those present and voting decide the issue. If 10 Senators are absent, a veto can be overridden by 60 votes instead of the 67 needed when there's full attendance. If 15 Senators are absent, we can ratify a treaty with 57 votes.

But when an absolute number of 60 ''yes'' votes is needed, absent Members—Senators who don't even show up to vote—have the same power to affect the outcome as if they were present to cast a ''no'' vote.

In addition, the proposal before us requires that a majority of the entire body, not of those present and voting, is required for the approval of any revenue increase and that such approval shall require a rollcall vote.

I do not understand why we would permit 47 of 88 Senators on the floor to vote the country into war—as we would, if that were the issue and 12 Senators were absent—but we should never allow fewer than 51 Senators to vote for the smallest revenue increase.

This means accelerated gridlock. The Senate could not act on anything that involved revenues, no matter how trivial, if the outcome were close, if just one Senator were absent—not an uncommon occurrence. If one Senator is absent, and the body is evenly split on an issue, a 50-vote win would not suffice. I need not remind anyone how often we legislate with more than one absentee.

The proposal requires that this vote be taken by a rollcall. That means the end of any voice-voted conference reports that include any revenues, no matter how trivial, and no matter how broadly supported.

These will strike some as minimal objections to a grand scheme, but it is often over the most trivial things that grand schemes come to an unhappy end.

A failure to observe the requirement would open any law to challenge in the courts, as having been enacted unconstitutionally.

There are already many Americans, including well-respected economists and nonpartisan political observers, who think the effect of a constitutional commandment to balance the budget will be a series of ever-more-ingenious evasions by the Congress.

They believe that as the difficulties and inconveniences of living up to the promise are encountered in the real world, Congress will create loopholes just as it has changed other budgeting laws when they became inconvenient in past years.

But it is one thing to change statutory budget law. It is quite another to play fix-up games with the Constitution.

I support a constitutional amendment to balance the budget because only the Constitution commands universal respect. But I am seriously concerned that the amendment must be crafted carefully. Otherwise, it will invite tampering with a constitutional requirement that will undermine that universal respect which we all now recognize.

Perhaps we should consider adopting, as a Senate rule, the requirements on voting that are now embodied in the measure.

Let us see on a practical basis whether it makes sense to give a minority the right to block this year's budget resolution.

If this is a good idea to impose on a Congress in which many of today's Members will not serve, let us consider imposing it on this Congress, in which we are all serving. And if not, let us at least consider modifying this language to more closely conform to the constitutional standards for voting on other important legislation.

In the present climate of contract-induced hysteria, I suppose many are ready to pledge their lives and sacred honor on their willingness to be present and vote for each and every cent of revenue that may ever be raised in the unknowable future.

But how strongly will new Congresses, not in the grip of hysteria, feel about this provision?

I note that the House does not intend to apply this requirement as a House rule when it considers the contract's tax cut bill. I wonder if that is because it is expected that bill will contain some revenue-raising offsets as well as spending cuts?

The proposal before us has little in the way of interpretative language. It is unclear what constitutes a revenue increase. If a tax benefit expires, for example, does that constitute a revenue increase within the meaning of this language? Does it mean we cannot simply allow it to expire but must take affirmative action to vote in favor of doing what an earlier Congress already determined should be done? Would a taxpayer have standing to sue if a tax benefit expired without an affirmative vote?

I hope this facet of the proposal can be clarified. I think Americans have a right to know what this language means.

We are often told that if the average family can balance its budget, we ought to be able to balance the Federal budget. I do not know how many American families pay for their houses with a single cash payment or buy their cars cash down. I know that is not too common in South Dakota.

Likewise, we are told the States balance their budgets each year, and so the Federal Government should balance its budget each year.

But this is not true, either. States balance their books each year. They do not balance their budgets. State debt has, in fact, been rising. State debt rose by $26 billion from 1991 to 1992—8 percent. State debt has been rising because States are not balancing their budgets. They are balancing their books.

That is what families with mortgages, car payments, and credit card debt to. It is what every business in the country does.

Today, the only entity for which investment and operating costs are considered interchangeable is the Federal Government. That is something that deserves more attention than it has received so far.

Another popular idea floating about is that the Consumer Price Index so greatly overstates the inflation rate that it could be taken at a third of its value, thus saving enormous amounts of money.

The only thing wrong with this is that is not true. It is wishful thinking. The measurement of all economic statistics undergoes a continuous process of refinement, regardless of which political party is in power. The Consumer Price Index is in the process of being reviewed in this fashion, and the process ought to be left alone. We do not need hopeful economic statistics. We need accurate ones.

The thing supporters of this convenient theory do not want Americans to remember is that if the value of the consumer price index were halved, the indexing of tax deductions would also be halved.

Today, because of the 1986 tax reform bill, the amount of income that is excluded from taxes rises along with the cost of living each year.

If the Consumer Price Index is devalued, what you get is a backdoor tax hike. It will cause taxes to rise significantly, compared to inflation. No surprise, the people paying the bulk of the increased taxes will be working, middle-class people whose income comes from salaries and wages, not interest earnings and investments.

I said at the outset that there is no magic to balancing the budget. You do it by cutting spending or increasing revenues. Those who are relying on spending freezes or understated consumer price indexes plan to use revenues. They just do not want to admit it.

The reality is that, if we are going to balance the budget by 2002, we ought to face up to the fact that it will be a difficult process. It will be difficult, because it will mean asking people to give up services and benefits they are used to receiving.

That is why I so strongly believe that if we're going to do this, people deserve to find out what is involved.

The State officers who deal with State budgets have produced estimates of the cost to every State of a balanced Federal budget, based on the funds that States receive today from the Federal Government. Although the degree of dependence on Federal benefits varies, on average, at least one-fifth of State budgets is now comprised of Federal funds.

These are the so-called ''discretionary domestic spending'' funds that are the target of the freeze idea. They are the programs directly at risk if we decide to balance the budget by not taking inflation into account and simply keeping all programs level in nominal dollars for the next 7 years.

Some say the success of the President's budget plan of 1993 means there is no need to amend the Constitution. I would like to be able to agree. But the razor-thin, one-vote margins by which we succeeded in 1993 are a slender reed on which to rest our prosperity in the next century.

At the same time, the deficit of today and the politics of today are not what they were in 1979, when I first proposed a constitutional amendment to balance the budget.

In the intervening years, we have been subjected to free-lunch promises, to tax hikes called ''revenue enhancements'' and ''user fees,'' to budgets with magical asterisks that stand for spending cuts that cannot be outlined, and prophecies of one disaster after another. We reinvented our Tax Code with the 1986 Tax Reform Act. The 1986 reform is not even a decade old, and it's already being denounced by some who voted for it. The Speaker of the House says we must now scrap the income tax and turn instead to a national sales tax.

It is not surprising that Americans don't know what to think or whom to trust. I doubt that anyone casting a ballot last November thought he or she had just voted to impose a national sales tax on themselves. Because of the speed with which these ideas flash in and out of the political spotlight, and because each reappearance of an old discredited idea tricked out in brand-new slogans adds to the general confusion, I have concluded that it is no longer enough to establish a simple constitutional command to balance the budget.

This time, I believe the American people have a right to know what it is that we are proposing to do. So I have introduced and, with the support of over 40 of my colleagues, will be fighting for, the Right to know Act, a resolution whose adoption should precede passage of the constitutional balanced budget amendment.

I had always hoped that if the Senate ever were to undertake a debate on a constitutional amendment to balance the budget, our debate would be characterized by seriousness and honesty, not slogans and sound bites.

I hoped that because it seems to me that what the elected officials of Government say and do about the taxes that citizens pay to Government is as important as anything we do. People work hard for their wages. Families in my State of South Dakota do not earn the kinds of salaries that the aristocracy of wealth here in Washington considers normal. They deserve to have their taxes taken seriously.

That is why I am concerned about the freeze hoax and the other issue—dodging that is going on around here. It sounds too much like the stuff we have been hearing for years.

It does not matter whether you quote David Stockman, Reagan's first Budget Director, who concluded, ''After 4 years, I'm convinced a large share of the problem is us. By that I mean Republicans,'' or you quote Ronald Reagan, who said, ''This administration is committed to a balanced budget and we will fight to the last blow to achieve it in 1984.''

The bottom line is that, when they had the power, they did not fight to cut the deficit. When President Clinton proposed to cut the deficit, they fought, all right. They fought him.

I have tried to play by the rules. That is why I began with a constitutional amendment to balance the budget when I was first elected to Congress. But it seems that the rules keep changing.

When the President offers real cuts, fight him, misrepresent his program, predict disaster, obstruct, vote no. Then, when you are proven wrong, stick to your guns. When you are asked to be specific, duck the question. Say it will not be too tough. Talk about a national sales tax. Change the subject.

That is not my idea of responsible legislating.

This year—again, no surprise—we have the new House majority leader announcing that he is not about to present an honest accounting of what you have to cut to balance the budget, because, and I quote him directly, ''The fact of the matter is that once Members of Congress know exactly, chapter and verse, the pain that the Government must live with in order to get a balanced budget, their knees will buckle.''

He knows his membership better than I do. But none of us, including House Republicans, were sent here to do the easy stuff. We were sent here to do the work. We are being paid to do it, and it is about time we buckled down and did it.

I have listened to much talk, on and off the Senate floor, for many years now about the balanced budget. The longer I am here, the more obvious it is that those who talk the most act the least.

That is why this year I say, no more. I have had enough. We have heard the evasions, the hypocrisies, the half-truths and all the rest.

I sincerely believe that people on both sides of the aisle truly want to achieve a meaningful way with which to accomplish a balance Federal budget by the year 2002. This year, I say Americans cannot accept simply our promise to do so. They cannot accept simply our version of Trust us. Americans have the right to know what this means. They have a right to know how we will spell it out, how we will set it out, how we will let the people share in our decisionmaking. That is now up to us.

What I propose is that we trigger the reconciliation process, the process that does not let a minority hold us hostage, and start now on how we might go about reducing the deficit for the next 7 years. Let Members set the budget path to a balanced Federal budget by the year 2002. That is the heart of the right-to-know amendment. It is not just hot air or empty talk about people's knees buckling.

I want to know and the American people ought to know what all this talk means. If they cannot answer that question for the American people, they cannot answer it for me or anyone else. So today, let the Senate begin this debate with high expectations, with a realization that we cannot fail, with appreciation of what we must do to make this an honest debate. Let Senators make an informed judgment, and let Senators let the American people be a part of it.

With that, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

PRIVILEGE OF THE FLOOR

Mr. HATCH. Mr. President, I ask unanimous consent that Laurence Block, Victor Cabral, Michael O'Neill, Steven Schlesinger, and Elizabeth Kessler, detailees, be granted floor privileges for the remainder of this calendar year.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, I rise today to advocate passage of the balanced budget amendment, a measure which will fundamentally change the direction our Government has taken in the last 25 years.

Mr. President, if the people of this country said anything last November, it is that we should change the course of this country. The most important thing we can do to show the American people that we heard their call and that we are acting on it is to pass this balanced budget amendment.

During the last 25 years, Congress has become desensitized to the enormity of the fiscal and moral harm its habitual deficit spending is causing this country. Those of us who support the balanced budget amendment believe that, contrary to the thrust of many arguments that we will be hearing in the next few days, weeks, or even months, budget deficits of this magnitude are not the norm. With the exception of deficit spending during wartime, this country grew to be the most powerful on Earth while enjoying increasingly high standards of living without spending excessively.

But during the last few decades, we have accumulated a national debt of $4.4 trillion, nearly $18,000 for every man, woman, and child in this country. In fact, every child that is born today owes $18,000. That is not a birthright; that is a birth-wrong. Our per capita debt has increased more than sevenfold in the last 18 years. I do not think it is coincidence that at the same time there has arisen a crisis of confidence in the Government among many segments of our society.

We have now become the largest debtor nation in history, and a large portion of that debt is held by foreign interests. We have mortgaged our children's future in the very way Thomas Jefferson feared and warned us about 200 years ago.

He said:

> 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.

Since the beginning of our slide down the slippery slope of deficit spending 25 years ago, it has become more and more evident that the problem is due in part to an inherent weakness in the way Congress goes about its business. The deficit is a result of the fact that it has become harder and harder to raise taxes but all too easy to increase spending.

The voters made themselves perfectly clear on this matter last November. To them, the deficit is not a result of the Government taxing too little. It is the result of Government spending too much. That is a simple concept instinctively grasped by our people but until now has seemed beyond the reach of Congress.

It is at this critical juncture that a balanced budget amendment would inject the element of accountability into the process. It should be just as hard for the Government to borrow as it is for the Government to raise taxes.

The balanced budget amendment would set up a tension in Congress when we deliberate over borrowing, taxing, and spending. And we need that tension, Mr. President. Other less drastic attempts to accomplish this change in attitude have failed. Gramm-Rudman was not allowed to function as its authors had planned. Too much was exempted from it. And every time its mandatory sequester treatment came into play, Congress backed down. The 1990 budget agreement did not hold water. We raised taxes, but real budget cuts never followed.

Budget deficits are doing enormous harm. Aside from the selfishly short-sighted way in which we are treating future generations, the impact of deficit spending already has begun to sap our economy. The Government is borrowing and spending money that would otherwise serve as capital needed for economic growth and job creation. Our standard of living no longer continues to rise in this country.

Our parents used to think that it was a matter of course that their children would have a better standard of living than they did. That is no longer the case. We are crippling the productive engine of our society and cheating those who make it run. Wealth that should be available as seed corn for the creation of new wealth and jobs is instead being consumed.

Opponents of the balanced budget amendment are now demanding that its supporters first reveal exactly how they plan to balance the budget. I would ask instead, when were the American people ever told precisely how they would be driven into a $4.4 trillion debt?

Did we ask the American people every time we forced them into this drastic debt? Was it explained to them that the Government was imposing such a burden on their children and grandchildren? How does every other government entity in America except Congress manage to write a balanced budget?

They determine what they have to spend, and then they set their spending priorities. That is how they do it. They set a balanced budget and then they say, OK, that is what we have to spend.

Here is how we are going to do it. They figure it out.

Every business, every household, every city, every county, and every State government in America does it. There is only one entity in this country that does not have a balanced budget and continues to function, and that has been the Congress of the United States.

Mr. President, this is the budget of Henderson, TX. It is a lot of computer pages. Henderson is a town of 11,000 people. They are very proud that they have a balanced budget. That is why they put this sign on the front of their budget.

The balanced budget for Henderson, TX, is $8 million; one-quarter of this budget is from unfunded Federal mandates. So 11,139 people in the city of Henderson, TX, have to split $2 million of unfunded mandates to pay for it—$2 million extra over 11,000 people.

Mr. President, I am pleased that this Congress has made some progress on unfunded mandates. But as we proceed to give relief to the people of Henderson, TX, and cities like it all across America, I hope we are also going to learn a lesson from cities that know how to balance their budget. The city council says to itself, we have $8 million in revenue, and we are going to spend no more than $8 million.

Many of the strongest voices being raised in opposition to this measure are the very ones, Mr. President, who are afraid that the balanced budget will work. They are unwilling to make the hard choices it will force on those in Congress. I can understand their reluctance even if I do not sympathize with it. In fact, the harm we are causing with continued deficit spending is precisely the kind of Government folly which the Constitution ought to prevent. We ought to prevent it in the Constitution, and that is what we are trying to do today.

I would like to close my remarks with another warning from Thomas Jefferson. He saw all too well the potential for tragedy if the young Republic were to taste the forbidden fruit of borrowing against its future. He said:

> There does not exist an engine so corruptive of the Government and so demoralizing of the Nation as a public debt. It will bring us more ruin at home than all the enemies from abroad.

Mr. President, he could say those words today, and it would be even more fitting.

Now, I do not think that Thomas Jefferson and the other Founding Fathers could ever have dreamed of a $4.4 trillion debt, but I will say this. Had they known that this was possible, I think they would have taken steps to prevent it in the Constitution.

I think it is incumbent upon us to say to the future generations of our country we are going to take the steps that will assure that every child born in this country will not be born with an $18,000 debt hanging over his or her head.

Mr. President, I thank the Senator from Utah, who is leading the charge for this balanced budget amendment. We must pass this constitutional amendment so that Congress can no longer, by majority vote, encumber our children and future generations with what we want to spend today as a matter of convenience.

I thank the Chair. I yield the floor.

Mr. HATCH. Mr. President, I thank the distinguished Senator from Texas for her excellent remarks and for her valiant efforts in trying to pass a balanced budget amendment. Without people like Senator HUTCHISON, I do not think we would be as far along as we are.

I have to say, when she arrived in the Congress, it gave a lot of us hope that we might be able to get this far. Now we have to see that we get far enough to pass the balanced budget amendment by the requisite, at least 67, votes in the Senate. That is not easy to do, but we are going to be about doing it and going to do everything we can.

Thanks to our distinguished friend from Texas for the work she is doing in trying to help bring this about.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HATCH. Mr. President, I would like to compliment the distinguished Senator from Idaho, Senator CRAIG, and, of course, our friend and colleague, the President pro tempore of the Senate, Senator THURMOND, for the excellent remarks they made earlier in the day.

When I think of Senator THURMOND, I think of 40 years here in the U.S. Senate, 38 of which have been spent trying to pass a balanced budget amendment. If we do finally pass this amendment through the Senate in the exact form that the House sent it over, I think Senator THURMOND will deserve a great deal of credit for all of his work through all of those years.

I also would like to praise Senator CRAIG for his excellent work. He is one of the leaders on this bill. He has been ever since he was the leader in the House. He does an awful lot of the coordination and the work behind the scenes to see that we all get where we want to be.

Mr. President, I yield the floor to my distinguished friend and colleague from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we are, of course, at the outset of a debate on a profound and important issue to the future of the United States, a debate on the Constitution itself and on whether or not it should be amended to require or to encourage balanced budgets and, if so, how.

I hope to have a number of occasions on which to speak on this amendment, but in this first try, rather than to outline what is in it or even to deal with the important reasons for its passage which have already been explained with considerable eloquence by previous speakers this afternoon, I would like to share a few observations on the nature of the debate on which we are embarking.

First, we will be faced with a demand during the course of this debate that its proponents outline precisely and specifically, perhaps even to the extent of a specific bill with various mandatory requirements included in it how a balanced budget will be reached by the year 2002. And during the course of that debate, what is likely to be obscured will be the alternatives to this constitutional amendment.

It seems to me—and I stand to be corrected by my good friend from Utah if he has any addition to this group—that Members of the Senate will be divided essentially into three groups during the course of this debate.

First is that group represented by the Senator from Utah himself and the other sponsors, which will include those Members who feel that it is vitally important for the future of this country that the budget of the United States, in most years, absent emergencies, be balanced; that a continuation of the fiscal policies of the past, not just the recent past but almost the entire past since the end of World War II, of increasing budget deficits, of passing on a greater and greater debt to our children and grandchildren must be brought to an end and are unlikely to be brought to an end by any course of action less drastic than certain constitutional requirements. I believe, and I am sure my friend from Utah joins me in this belief, that a significant majority of the Members of this body hold to that belief.

The other two groups are less likely, it seems to me, to speak candidly and directly to their fundamental philosophies, but I suspect that there are some Members of this body who believe that it is important to reach a balanced budget but that we should try some method other than a constitutional amendment by which to attain that goal. I can speak rather fervently with respect to that group because 10 years ago that was the group to which I belonged. I voted against predecessor proposals of this nature on the basis that the Congress itself should act responsibly enough to balance the budget without the constraints of a constitutional amendment. And in fact, I played some minor role in the passage of the Gramm-Rudman Act in the mid 1980's, which was a statutory attempt to reach the goal now sought by this constitutional amendment. And in fact, Gramm-Rudman for 2 or 3 years was effective, at least in leading to smaller deficits.

But once the requirements of Gramm-Rudman required real sacrifice, real spending cuts, Gramm-Rudman was effectively abandoned by the Congress and budget deficits once again increased. As a consequence, it is my perspective, at least, that a statutory approach, a year-by-year approach simply will not result in our reaching a goal of a balanced budget.

I hope, however, that if there are Members of this body who stand for a balanced budget but against this constitutional amendment, they will clearly and emphatically say this is their goal, and since they are asking for a particular, specific blueprint of how we should reach that goal under the constitutional amendment, those Members should share with us their viewpoint of when and how they believe we should balance the budget without the constraints of this amendment.

To this point, Mr. President, while I have heard many pious statements about the necessity for fiscal responsibility on the part of opponents to this amendment, not one, to the best of my ability to judge, either inside this body or outside this body, has told us how we reach that goal without this constraint.

The third group, and I believe firmly that this group of Members will embody the great bulk of those who will vote against the constitutional amendment in any event and the great bulk of those who will set up the smokescreen that we must set out exactly the road by which we are going to reach this constitutional amendment, Mr. President, I believe the great bulk of those Members do not believe a balanced budget either to be a desirable goal for the United States of America or at least, if it is a goal, it is only a secondary or tertiary one that does not amount to much and is not nearly as important as the spending programs which they advocate increasing or protecting from reductions. And, as far as I can tell, the debate, at least in this body among its 100 Members, will divide all of us among those three groups and among no others.

I predict that the great majority—not all, the great majority of those who want this blueprint want this blueprint not to guide us to a balanced budget but to buttress their arguments that we never should balance the budget under any circumstances, that the pain is simply too great and that for one reason or another, at least during our careers, we can continue to put on the cuff $150 billion, $200 billion, $400 billion a year.

We have in this liberal administration great pride expressed as recently as last week in the State of the Union Address, over the reduction in budget deficits during the course of the last 2 or 3 years. We are rarely told, and then only in footnotes or in the back pages of long dusty dry documents, that current policies will result in a turnaround of those budgeted deficit reductions and increases in the deficit to $200, $250, $300, $350, $400 billion a year by and after the turn of the century.

So there really are no easy answers. You either believe that a balanced budget is a socially desirable goal, a goal worth sacrificing for, or you do not. If you do not, you ought to be willing to say, expressly, that you do not, that it simply is not as important. That it is more important to carry on with present spending policies than it is to balance the budget.

I believe that this grouping of three even applies to those who believe in a balanced budget but believe that it should be attained not primarily or exclusively by cutting spending but primarily or exclusively by increasing tax rates. It is certainly appropriate for a Member here to vote for this constitutional amendment on the basis that he or she will increase taxes to reach those goals in the year 2002 as it is to hold the opposite point of view, that the goal should be reached by reductions in spending, if those Members are willing to stand up and say this is the way, if my ideas are in power, I will reach that goal.

In fact, I believe that to be the best argument, the overwhelming argument, against anyone attempting to provide a 7- or 8-year blueprint today on the way in which a balanced budget will be reached. This Congress can bind this Congress, that is the next 2 years. It cannot bind the Congress which will take office in 1997 or in 1999 or in the year 2001. In fact, if we were to pass an express blueprint it would undoubtedly be changed by each of those Congresses. If those of a liberal persuasion who are today in the minority once again take over a majority and operate under the constraints of this constitutional amendment, they may very well decide to reach its goals by increasing taxes on the American people over the objection of those of us who do not believe that is the way to go. If so, let them say so. Let them give us their blueprint for reaching the goals which are set by this constitutional amendment itself.

It seems to me, therefore, that this is the argument. Does one believe, against all history, that a balanced budget is a desirable goal, a vitally important goal, but that we can do it by engaging in business as usual? Does one believe that it is not a goal at all? Does one, as many will on the liberal side of this body, believe that business as usual is just fine and we should go on in the future in exactly the way we have gone on in the past, spending more money than we take in, passing new programs that are not paid for? Let them stand up eloquently and firmly for the status quo. But I do not believe the status quo, either with respect to the Constitution or promises that Congress will somehow automatically act differently in the future than it has in the past, are what the people of this country want. I think they want us to change the very way in which we are doing business. I believe they want imposed on us constraints that are, by their very nature, imposed on them in their daily lives, on their families, on them as individuals, and are imposed by the very fact we control the money supply on our local governments and on our State governments, which now must balance their budgets.

I am convinced that the vast majority of the American people want imposed on us those individual and local and State government constraints which have been a part of their lives as long as any of them or us have been around, and that the real debate here is between the status quo and a different way of doing business. I believe that those who are promoting this constitutional amendment are not satisfied with the record of Congress for years, for decades, and want a new and different way of doing business.

One point which I think is often overlooked is to a certain extent even the title balanced budget amendment is in part a misnomer. This constitutional amendment, when it is in full force and effect, will not mandate a balanced budget in any given year or over a period of years. It will, however, make unbalanced budgets much more difficult to pass in the future. It will require, to pass an unbalanced budget, that the affirmative votes of 60 percent of the Members of this body and of the House of Representatives must be secured. That is to say under most circumstances—under all circumstances, for the better part of the last two decades—it will require a bipartisan majority to create an unbalanced budget. It will not be something which takes place as a result of a narrow partisan party-line vote. It will require the thoughts and the assent of Members of both major political parties in the country and, therefore, almost automatically will be accomplished in a more thoughtful and broadminded fashion when it is accomplished.

It will also, however, greatly constrain the ability of Members to begin new, unfunded spending programs. And that is its goal. When there is a crisis, however, it will be possible by that 60 percent majority vote to make an exception and not to balance the budget. It is a flexible and not a rigid constitutional amendment.

My final thought in these opening remarks is that I firmly believe that the men who wrote our Constitution in 1787 would have included a supermajority requirement themselves if they had been able to foresee the dynamics of politics in the late 20th century.

How many people asking for action by the Government who come into your office come into that office asking for financial restraint, for general responsibility? How many in comparison with those who come into your office asking for a favor from the Federal Government, an appropriation, the protection of an existing program, an increase in an existing program, or the creation of a new one? One to two?

Probably not that many. This is not to criticize those who come to us asking us to support one of the thousands of programs financed by the Federal Government. In many cases, in almost all cases, these are sincere, hardworking, and dedicated citizens to a certain end and the programs for which they ask, the program they support, has genuine positive social ends. They may not be well administered, but the goal which they seek is a good one. Therefore, it is easier for Members to say yes than it is to say no, and infinitely easier when we can put the costs on the cut, when we do not have to cut something else, when we do not have to increase taxes, when we can just borrow for that program.

This supermajority requirement will make that decision on our part somewhat more difficult because we will be unable to say yes unless we are willing to vote for more taxes at the same time or find a better program which can be cut at the same time. And it will provide a balance between the special interests, the specific interests of the individuals who lobby us and the general interests in a responsible and fiscally sound Federal Government which is I believe exactly the balance that the Founding Fathers wished when they created the Constitution in the first place without any ability to predict the way in which we communicate and deal with issues like this today.

So in the finest sense of the word this constitutional amendment is a conservative move. It desires to conserve what is best in our country and in its Government and its governmental programs. It will make us more responsible. It will require us to weigh one desirable program against another in a far better and more evenhanded fashion than we were able to do in the past.

As we go through this debate, Mr. President, I hope those who are watching it across the country will remember that there are really only three points of view being expressed here no matter how eloquent or how well those views are given. One is a balanced budget is not a particularly good idea. We do not need it. The status quo is just fine. The way this country has been run in the past is just fine, and we just need more of the same thing.

No. 2 is, yes, a balanced budget is a good idea but there are easier ways to get to it, less painful ways to get to it than to do it through the Constitution of the United States. Those people need to explain to us how it is they can do in the future what they have been unable or unwilling to do in the past.

The third is we need to do things differently. We need to make changes in this country. We need to require the Congress of the United States to act in a fiscally responsible fashion. Those who hold that point of view will be supporting this constitutional amendment.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. HEFLIN. Mr. President, I rise today as an original cosponsor and strong supporter of the resolution calling for a constitutional amendment mandating a balanced budget. It appears that in the next few days, the Senate will get still another opportunity to demonstrate to the American public that we are serious about deficit reduction and economic stability. The 300 to 132 bipartisan vote in the House of Representatives on January 26—12 more than what was needed—gives this resolution momentum that we cannot ignore.

I think that the momentum is also given by the selection of this resolution to be labeled—No. 1. It shows that this is a top priority of this Congress. Additional momentum has been given to the consideration of this resolution by the fact that the Judiciary Committee has moved rapidly and in an unprecedented manner to bring this resolution to the floor of the Senate. Additional momentum was given in that the staff worked diligently to report this bill with a written report in just a matter of a few short days.

I congratulate Chairman HATCH for his leadership in giving this momentum to bring forward to the Senate this very important resolution.

When Congress passed the largest deficit-reduction package in history in August 1993, It was a clear signal that most Members have finally come to terms with the reality that something must be done to bring our national debt and yearly deficits under control. While this legislation was an important first step in the long road toward a balanced budget, it was just that: a first step.

We know that reducing the deficit is important in the short term. But if we are going to ensure a stable economic future for our children and grandchildren, these deficits must be completely eliminated in the long term. That is precisely the goal of this resolution to add a balanced budget amendment to the Constitution.

I do not take amending the Constitution lightly. I wish that the U.S. Congress had the discipline as an institution to take the steps necessary on our own to eliminate the deficit without having to resort to such drastic action. But as we all know, that fiscal discipline and will power simply are not there. We tried it with the Gramm-Rudman-Hollings approach and we had to give in, at least some gave in regard to that. The bottom line is clear: Fiscal responsibility should and must be dictated by the Constitution.

Congress has made attempts in the past to bring the budget under control, only to see them compromised away when the momentum shifted to another issue, or another crisis. We have the momentum on our side once again. It is important that we seize that momentum, submit approval of this important amendment to the States, and finally put into place a mechanism by which our economic health will no longer be subject to the shifting currents of the day. We will know, first and foremost, that our budget priorities must be formulated under the dictates of our cherished Constitution. This amendment will provide the teeth we need to balance the Federal budget.

Since coming to the Senate, I have supported and advocated a balanced budget amendment to the Constitution. It was the first piece of legislation I introduced as a first-term Senator in 1979, Since then, the first bill I have introduced at the beginning of each new Congress—including the 104th—has been the balanced budget amendment.

Passage of this legislation has come close before. During the 97th Congress, a measure was passed with 69 votes in the Senate, but failed to garner the two-thirds necessary in the House of Representatives. In the 99th Congress, after extended debate, passage in the Senate failed by only one vote. Just 1 year ago, the Senate narrowly defeated this legislation by a vote of 63 to 37, only 4 short of the 67 required for passage.

I believe that it would have passed at that time, if the House had not previous to that voted not to pass the resolution.

Now, in the 104th Congress, we have seen a series of political and fiscal developments that make the chances of passage greater than at any other time. The overwhelming vote in the House on January 26 gave the amendment even greater momentum. The ever-increasing concern to do something about the deficit is intense. Our national debt is on the mind of every person who thinks about America's future.

For much of our history, a balanced budget at the national level of Government was a part of our ''unwritten constitution.'' A balanced or surplus budget was the norm for the first 100 years of the republic. In recent decades, however, Americans have witnessed a continuing cycle of deficits, taxes, and spending. And neither political party has a monopoly on virtue here: these fiscal policies have been pursued with equal fervor by Republicans and Democrats.

I have used the Thomas Jefferson quote on budget deficits before during debates on this amendment, but it is worth mentioning again. He warned, ''The public debt is the greatest of dangers to be feared by a republican government.'' Over the course of time, we have lost sight of Jefferson's warning.

Some argue that if we possessed and practiced stronger discipline as a legislative body, then such an amendment would be unnecessary. As I said before, I do not dispute that sentiment, only its reality. The last balanced budget we had was under President Lyndon Johnson. The last 18 years or so indicate

that the problem goes much deeper than individual and collective resolve. Rather, it is the institutional structure of Government that encourages short-term responses to problems instead of a focus on the greater good and the future.

There is no doubt about what our responsibilities as national leaders are. There is also no question as to what the American people want and deserve. There is a question as to whether the Congress will respond affirmatively by accepting this challenge. We have the momentum and the opportunity to finally stop mortgaging the future and saddling our children with unconscionable debts.

I look forward to the debate in the coming days. I hope we will find the strength and determination to do what we know must be done in order to restore our economic health.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE CORPORATION FOR PUBLIC BROADCASTING

Mr. PRESSLER. Mr. President, I have spoken critically of the Corporation for Public Broadcasting and the whole system of public broadcasting with which it is associated on this floor on some occasions, but I would like to compliment CPB for something its board did last week.

The board decided to begin to require that the CPB will receive a percentage of income from sales exceeding $25,000 of toys, books, clothing, and other products related to shows funded by the CPB. I hope that this will begin immediately to substitute for taxpayers' payments to the Corporation for Public Broadcasting.

Mr. President, I have been one who has advocated reinventing or possibly privatizing the Corporation for Public Broadcasting. That means the corporation here in Washington, DC. Each State has its State public broadcasting system and a lot of them do a great deal of good in terms of education, and in terms of providing unique programming.

Indeed, it is my opinion that public broadcasting in South Dakota would be better off under a privatized or a reinvented system of public broadcasting.

I also want to commend the Corporation for Public Broadcasting in that the executives, I understand, are starting some meetings with at least one regional Bell operating company. I hope they meet with several cable companies and others to see how they can interact with the information superhighway and perhaps provide other income and enrich programming in public broadcasting in the United States.

Last Friday, I had a fascinating conversation with Glen Jones, of Jones Intercable of Colorado. He is privately providing educational materials and educational programming across the United States and around the world. He wants to expand upon this and finds it is a very marketable and useful thing to do for public service, as well as in terms of promoting his own company.

In addition, there are many privately run cable channels elsewhere which are making a great contribution in terms of quality educational programming. Nickelodeon is making a great contribution to children's programming and is even marketing children's programming in France. The Learning Channel, the History Channel, Arts and Entertainment, the Disney Channel, and many more, are providing good programming with which our public TV friends could interact and could achieve a great deal of income in some cases.

Earlier, I observed on this floor that we could privatize the Corporation for Public Broadcasting and other entities in public broadcasting; that if a private company would take a percentage of the program rights that the Corporation for Public Broadcasting, the Public Broadcasting Service or National Public Radio just give away, it would more than replenish the $300 million a year that the Congress gives the Corporation for Public Broadcasting. That has been verified by many corporate leaders who have told me they would like to buy public broadcasting entities or they would like to participate in partnerships for public broadcasting. These private sector leaders assured me they would accept conditions requiring preservation of a certain amount of rural service or small city service or children's programming.

I have compared the situation to a local telephone company which is a private company but which has public service requirements such as universal telephone service.

So, Mr. President, I think it is very appropriate that we should be working on reinventing and privatizing the Corporation for Public Broadcasting and public broadcasting in general. The Vice President, after all, asks that Government be reinvented and that we try to privatize certain agencies.

But I would strongly disagree with those who say we are trying to kill Barney or we are trying to kill children's programming. That is just not true. Or that we are trying to kill individual States' public broadcast programs. That is simply not true. What we are trying to do is to be inventive.

We are facing a budgetary crisis of profound proportions. Let's face it: the Corporation for Public Broadcasting most likely at least will receive a cut. We are in a situation where I think they would be grateful for ideas on how they could make more money. One of those is getting a percentage of the program revenues. Presently we have a lot of people making a lot of money from public broadcasting while the taxpayers don't share the wealth.

Also, Mr. President, the corporation has to look at its distribution of funds. I do not think my State of South Dakota gets a very good deal, very frankly. Much is made of $1.7 million in Federal funds that is sent to South Dakota. But the State legislature, individual contributors, and corporate grants provide an overwhelming majority of the funding.

If we take a look at where some of the money goes, one station in New York gets about $20 million from Federal taxpayers. That is not the State of New York, that is one station. That station has executives earning between $200,000 and $400,000 a year.

We have the so-called Children's Television Workshop, which has, as Senator DOLE has pointed out on this floor, paid salaries of between $400,000 and $600,000 a year. Those are taxpayers funds.

''Well,'' they say, ''we take that money out of what is contributed.'' But it all comes out of the same pot.

Now, I am not against people getting rich. I am not against people in the private sector getting high salaries, but these folks wrap themselves in the cloak of public service. They wrap themselves in the clothes of one serving the public and then collect taxpayers' money. Meanwhile, our States that are told, ''You are so lucky to get $1.7 million, you are so lucky, you should be so grateful.''

If you really look into it, most of the money is going to a small public broadcasting clique—an east coast and inside-the-beltway gang.

I think the board of the Corporation for Public Broadcasting acted correctly the other day when it voted to start getting a percentage of profits from the programs and related products. They should have done it long ago. I do not think they would have done it if it were not for the pressure from people such as myself on the Senate floor and elsewhere. The taxpayers should get some relief. I am going to make sure they do.

There was a 1981-to-1984 study about privatizing public broadcasting and getting revenue from more commercial advertising. Make no mistake about it, there are ads today on public radio and television. Granted, they are called by the code word, ''underwriting,'' but they are ads just the same. This study found that the viewers were not offended by having ads at the beginning and end of programming or even more extensive ads. This is one source of revenue.

There are the programming rights. That is another source of revenue. There is the chance to interact with the information highway. That is still another potential source of revenue. So, I think the public broadcasting executives should be creative in going