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Senate

The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation, we begin the work of this day with an acute sense of our accountability to You. We claim Solomon's promise, ''In everything you do, put God first, and He will direct you and crown your effort with success''.—Prov. 3:6. In response, we say with the psalmist, ''May the words of our mouths and the meditation of our hearts be pleasing in Your sight, O Lord''.—Psalm 19:14. Help us remember that every thought we think and every word we speak is open to Your scrutiny. We commit this day to love You with our minds and honor You with our words. Guide the crucial decisions of this day. Bless the Senators with Your gifts of wisdom and vision. Grant them the profound inner peace that results from trusting You completely. Draw them together in oneness in diversity, unity in patriotism, and loyalty in a shared commitment to You. In the name of our Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, from Mississippi, is recognized.

SCHEDULE

Mr. LOTT. Mr. President, this morning the Senate will be in a period of morning business until the hour of 11 a.m. I believe the Senator from Delaware, Senator ROTH, is prepared to begin speaking immediately. Following morning business, the Senate will begin debate on House Joint Resolution 1, the balanced budget constitutional amendment.

Senators are reminded that a vote on passage on the balanced budget amendment will occur at 12 noon tomorrow by unanimous consent. It is also possible that the Senate may consider other legislative or Executive Calendar items that can be cleared for action. I know that the distinguished majority leader, Senator DOLE, has been working to see if some of these executive items can be cleared. We hope that can be worked out during this week.

I yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak for not to exceed 5 minutes each. The Senator from Delaware, [Mr. ROTH], is recognized for 30 minutes.

UNCONDITIONAL MFN STATUS FOR CHINA

Mr. ROTH. Mr. President, I rise to talk about why I believe every Member of this Chamber should support the unconditional extension of most-favored-nation trading status to the People's Republic of China. As we are all aware, Senator DOLE declared his support for unconditional extension of MFN for China sometime ago. More recently, the President announced he would renew China's MFN status unconditionally for another year.

Now the matter comes before the Congress. We have to decide whether or not Senator DOLE's position and the President's decision deserve our support. The Chinese, of course, have not made this issue easy for us. Their destabilizing nuclear, chemical, and missile sales, their continued nuclear testing, their assertiveness in the South China Sea, their growing trade surplus with the United States, their piracy of our intellectual property, their military threats against Taiwan, their moves to undermine democratic reforms in Hong Kong, and their abuses of human rights, these all demand a stern reply.

That is why it is tempting to revoke China's MFN status. But it would be a huge mistake to do so. I say this for four reasons.

First, revoking MFN would put at risk hundreds of thousands of American jobs, and billions of dollars worth of American exports and investments.

Second, revoking MFN is an ineffective weapon that would not solve any of the problems we have with China. Indeed, revocation may make them worse.

Third, more proportional, targeted measures currently available permit a more effective response to these problems.

Finally, extending MFN is fundamental to developing a coherent China policy—one that sets priorities and provides a strategic framework for the conduct of our relations with that important country. Mr. President, the United States, East Asia, and the entire world have much to gain from a positive relationship between Washington and Beijing and much to lose from an unnecessarily confrontational one.

Before going into more detail about these four points, I believe it necessary to clarify the meaning of the term, ''most-favored-nation trading status.'' That's because the term gives the false impression that MFN is some sort of special privilege or reward.

The term even confuses our most prestigious newspapers. In their stories on the President's announcement to renew China's MFN status, the Wall Street Journal, the Washington Post,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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the New York Times, and the Los Angeles Times all incorrectly described MFN as a ''privilege'' or in some way preferential or favorable.

In fact, MFN is not a special privilege or reward. It designates the most ordinary, most normal trading relationship among countries. Specifically, MFN refers to the uniform tariff treatment that the United States applies to virtually every country in the world.

For example, if the U.S. tariff on imported clock radios is 5 percent, all clock radios imported from countries with MFN status are subject to a 5-percent tariff. Imports from countries that do not have MFN status—and there are only six countries that fall into this category—are subject to far higher duty rates.

Another important point about MFN is that it is not a one-way street. When we give MFN status to a particular country, that country, in return, gives the United States most-favored-nation status.

Therefore, because we give Singapore MFN status, the clock radios we import from that country are subject to the same tariff rates as clock radios from Thailand, Spain, or any other country to which we extend MFN.

In return, when Singapore imports our computer chips, it imposes the same tariff on United States chips as those imported from Japan, Korea, Great Britain, or any other country to which it extends MFN.

What does the United States get out of all this? American companies get to compete on fair and equal terms with their foreign rivals.

Let me emphasize again: MFN status does not confer—let alone imply—special treatment.

In fact, when we decide to give special treatment to imports from other countries—as Congress has expressly chosen to do for certain products from over 130 nations—those imports are subject to tariff rates substantially below the MFN rate. Sometimes we even allow specified countries to export products to the United States duty free.

In short, MFN status denotes the standard, not the exceptional, trading relationship. Ending this standard trading relationship by revoking MFN is an extreme measure. In fact, because MFN is so fundamental to trade relations among countries, some correctly liken its withdrawal to a declaration of economic war.

These are the facts about MFN. Anyone who maintains that we do China a special favor when we renew its MFN status is either misinformed or disingenuous.

Because of the confusion created by the phrase, ''most-favored-nation trading status,'' I am working with Senator MOYNIHAN to replace the phrase in U.S. statute with a more suitable term, one that underscores the unexceptional nature of the MFN concept. I believe that if we adopt such a change in terminology, we will all better understand the issue, and our debate will be more constructive.

Now, I want to stress that those who favor MFN renewal, such as myself, share most, if not all, of the same goals as those opposed to MFN renewal.

We, too, want Beijing to cease its destabilizing nuclear, chemical, and missile sales. We, too, want China to end its nuclear testing. We, too, want China to resolve peacefully its territorial disagreements in the South China Sea. We, too, want China to lower barriers to U.S. exports and reduce its trade surplus with the United States. We, too, want China to end its piracy of our intellectual property. We, too, want China to end its military threats against Taiwan and resolve its differences with Taipei peacefully. We, too, want China to follow faithfully the dictates of the Sino-British Declaration on Hong Kong. We also want China to cooperate with us in addressing serious global concerns such as environmental degradation, transnational crime, and narcotics trafficking. And we, too, want China to respect the basic human rights of its citizens.

Where we differ from the opponents of MFN is on how to achieve these goals.

The simple fact is that there is absolutely no evidence that the drastic action of withdrawing MFN will force China to satisfy any of our objectives. Indeed, sanctioning China by withdrawing MFN runs the great risk of making that country more belligerent and less cooperative on these and other issues.

Keep in mind that experience shows that unilateral trade sanctions generally don't work. The chances of success only improve when sanctions are applied in cooperation with our major allies. However, not one of these allies—not Canada, not the European Union, not Japan, not Australia—is debating whether to withdraw MFN status from China. That's because they all know withdrawal is neither a constructive nor effective option for inducing the Chinese to change their behavior. In addition, they understand the tremendous cost of withdrawing MFN status, a cost we ignore at our peril.

Let's be clear on this point. If we revoke MFN for China, Beijing would certainly be hurt, but so, too, would the United States.

As a result of withdrawing MFN, United States duties on goods imported from China would immediately rise to the tariff rates established under the highly protectionist, Depression-era Smoot-Hawley tariff law. Chinese imports, which currently face an average tariff rate of 6 to 8 percent, will be subject to an average tariff rate of 40 to 50 percent, with the tariff rates for certain items exceeding 100 percent.

Because MFN is provided on a reciprocoal basis, China would respond to higher tariffs on its goods by slapping higher tariffs on United States goods. Such a move will slam the door shut on United States exports to the Chinese market—the fastest growing market in the world. These U.S. exports totaled almost $12 billion in 1995 and supported approximately 200,000 high-skilled, high-wage American jobs in critical sectors such as the aircraft, telecommunications, and automotive equipment industries.

Business conducted by United States companies in China will go instead to the Europeans, the Japanese, the Canadians, and firms from all the other countries in the world which continue normal commerical relations with China.

In addition to severely damaging United States exporters, the small and large American firms that have invested billions of dollars to penetrate the Chinese market would see their efforts and investments gravely jeopardized.

Some claim, of course, that in the event China's MFN status is withdrawn, those billions of dollars of United States investments in China will be brought back to the United States. The reality is, however, that United States companies forced out of China are far more likely to move those investments to other developing countries in Asia or Latin America.

The economic fallout from withdrawing China's MFN status is not only going to hit American companies, but also American consumers. Our lowest income citizens, in particular, would suffer from the dramatically higher prices they will have to pay for a variety of basic goods as a direct result of the imposition of substantially higher duties on Chinese imports.

Mr. President, some claim that pricing Chinese goods out of our market through higher duties would be beneficial. They maintain that we would eliminate our trade deficit with Beijing because the products we now import from China would be produced in the United States.

Let us be realistic. It is a mistake to think that most of what we import from China would be produced in the United States. The truth is that in most cases imports from other developing countries would be substituted for imports from China.

Moreover, it does not make any sense to try to reduce the trade deficit by ending all trade, as would likely happen if we revoke China's MFN status. You may get a balance of trade—zero imports and zero exports—but at a cost of hundreds of thousands of good, high-paying U.S. jobs and billions of dollars of U.S. exports.

The only way to reduce the trade deficit and retain American jobs and exports is to ensure that United States products have the same access to the Chinese market that Chinese products have to ours. This is not an easy task. But revoking normal trade relations with China would make it impossible.

While I believe the threat to United States jobs and exports alone provides a convicing reason to support renewal of China's MFN status, there are other

compelling arguments for unconditional renewal.

In particular, cutting ourselves off from China by withdrawing its MFN status will end any ability the United States has to directly influence developments in China, including how China treats its citizens and whether it permits the development of a freer society and more democratic political system.

United States businesses help advance human rights and civil society in China by being there, not by leaving or by being shut out. United States companies operating in China observe basic worker rights in dealings with their local employees. United States companies provide Chinese citizens with opportunities unheard of before China began to open its economy and society to the outside world in 1978. United States companies teach their Chinese employees the valuable lessons of American business culture, including independent decisionmaking and enterpreneurial skills.

Among other reasons, that's why Martin Lee, the Hong Kong legislator and human rights advocate; Hong Kong Gov. Chris Patten and Wei Jingsheng, the prominent Chinese dissident who has suffered for so long from state persecution, all support renewal of MFN for China.

Moreover, that is why the Taiwanese—who are not shy about voicing their opinions on China to Members of Congress—have not advocated revoking MFN. And that's why the countries of the Association of Southeast Asian Nations, four of whose members have territorial disputes with China, have not come to Capitol Hill to press the United States to revoke China's MFN status.

Mr. President, I think that it is the height of arrogance for opponents of MFN to assert that they know better than Martin Lee, Wei Jingsheng, the Taiwanese, and the countries of ASEAN, how to change China's behavior.

Indeed, as they know, there is ample evidence that the mere threat of revoking MFN will make China less cooperative and more confrontational.

For example, several weeks ago, China announced for the first time that it would buy several billion dollars worth of passenger jets from the European consortium, Airbus. This action was a deliberate repudiation of Boeing, meant to send us the message that revocation of MFN will result in costly economic retaliation.

Shortly thereafter, in an action designed to send us a signal on the security implications of recklessly confronting Beijing, China struck a deal with Russia to develop a long-term strategic partnership.

These actions indicate some of the problems and consequences we would face if we use the sledge-hammer approach of revoking MFN.

Keep in mind that the President already has specific, measured and targeted tools at his disposal that allow him to address our problems with China without resorting to the indiscriminate and destructive approach of revoking MFN.

For example, we are currently preparing to hit China with trade sanctions on $2 billion worth of specified Chinese imports because of Beijing's failure to honor its agreement with the United States to crack down on Chinese companies making pirated knockoffs of American music, movies, and computer software.

Similarly, we can invoke targeted section 301 sanctions for other discrete discriminatory and unreasonable Chinese trade practices.

When China illegally sells nuclear technology, we can apply sanctions which are specified by the Nuclear Proliferation Prevention Act.

We can counter China's threats to Taiwan by considering sales of upgraded defensive weaponry to Taipei, as well as by reaffirming our unwavering commitment to a peaceful resolution of the dispute between Taiwan and China in the context of our one-China policy, a policy which has been supported by each of our last six Presidents.

We can rely on international law and the shared interests of the countries of Southeast Asia to counter aggressive Chinese territorial claims.

And we can continue to expose and condemn China's repressive human rights record in this Chamber and in organizations around the world.

The range of tools available to respond to specific problems with China is considerable. At the same time, however, their breadth reveals a fundamental weakness in our overall approach to our relations with Beijing—the absence of an effective, broadly based, clearly articulated and carefully coordinated China policy that sets priorities and guides our use of these tools.

I agree with those who say that the rise of China presents us with a serious foreign policy challenge. But it also presents us with enormous opportunities. We can only respond to that challenge adequately and seize those opportunities through a sensible overall China policy, one that enhances the chance of creating a positive bilateral relationship. The clear objective of that policy should be to encourage China's constructive and responsible behavior and discourage aggressiveness and irresponsibility.

The absence of a coherent China policy results in large measure from short-sighted political considerations. For example, the 1992 Clinton campaign rhetoric about coddling dictators in Beijing left the Clinton administration little room to maneuver on China policy. Early on, the President indicated he would link human rights issues to the MFN decision. The following year, however, he was forced to reverse himself and announced the two issues would not be linked.

Similarly, in 1994, the Clinton administration refused Taiwan President Li the ability to play a round of golf in Hawaii while in transit to Costa Rica. But in 1995, the administration granted him a visa to visit Cornell University immediately after telling the Chinese it would not do so because such an act would violate our one-China policy.

These and other mixed signals from the administration, as well as the cacophony of voices from Capitol Hill on how to deal with China, have left the United States with a dangerously muddled China policy.

Without question, if the United States had a better sense of its priorities and aims in the United States-China relationship, and a clearly articulated China policy that reflects those priorities, we would be better able to influence Chinese behavior. Moreover, the tools we currently have available to respond to Chinese misconduct would be more effective when used in the context of a coherent China policy.

In brief, I believe such a policy must have four central elements. First, we must expand our economic relationship with Beijing, because a China integrated into the global economy is more likely to behave in ways more compatible with American interests and international norms. Thus, we should seek to encourage China's development and participate in its economic growth. That's why I assign importance to China gaining entry into the World Trade Organization based on commercial considerations and GATT principles.

The more China is integrated into the international economy, the more subject Beijing is to the harsh realities of the marketplace. Should China choose a path toward blatant aggression and destabilizing domestic repression, foreign investment will dry up and firms will move to other countries where the risks are lower and the returns are higher.

Moreover, we have a better opportunity to influence China to act in ways we prefer when we enmesh it in the sort of economic relationships fostered by most-favored-nation trade status. Renewing MFN thus is absolutely central to an effective China policy.

In addition, the economic growth fostered by participation in the global economy almost inevitably leads to greater demands for democratic reforms. Other Asian countries, such as South Korea, Taiwan, and Thailand, have amply demonstrated the political evolution that accompanies economic development.

The second element of a coherent China policy is the resumption of high-level, regular dialog with China. I was delighted to see that in his speech on China 2 weeks ago, Secretary Christopher accepted Senator DOLE's suggestions on this matter. After all it has been 7 years since an American President went to Beijing for summit talks, and 8 years since a Chinese leader has been in this country for a summit. Mistrust is bound to grow when we do not

meet, particularly when the list of critical bilateral, regional, and global issues requiring discussion is so long.

Third, we must nurture aspects of the relationship where we share interests and can cooperate for our common good. For example, China played a useful role in bringing relative peace and stability to Cambodia. Moreover, China has the potential to play a key role in settling the serious threat posed by North Korea to the South, as well as the 47,000 American troops we have on the ground there. I cannot envision Beijing cooperating with us on North Korea if we revoke China's most-favored-nation trade status. Indeed, I cannot imagine the Chinese playing a constructive role on any matter of mutual importance—from protecting the environment to controlling transnational crime and narcotics trafficking—if we simply continue to threaten and sanction them.

The fourth element of any coherent China policy must include preparedness to deal with China if its participation in world affairs proves disruptive. Strengthening our current array of bilateral security ties in Asia is thus essential. In addition, I believe we must look more closely at the possibility of creating effective regional security arrangements.

Closer cooperation on security and diplomatic initiatives with nations in the Asia Pacific that share our interests on China would serve to prod Beijing to accept the moderating influence of global economic integration. It would also provide a hedge in the event Beijing instead chooses a more aggressive path.

In sum, continued economic relations with China, high-level dialog, cooperation with China on matters of mutual concern, and strengthened security and diplomatic ties with the rest of Asia should, in my opinion, form the basis of any effective China policy.

Mr. President, some claim that the decision we face on renewing MFN can be reduced to a question of whether ''our lust for trade exceed(s) our loathing of tyranny.''

This argument is disingenuous and the question is simply wrong. The right question is whether taking the draconian step of revoking China's MFN status is worth the potentially huge cost to the United States, especially when this action has an extremely remote chance of achieving its aims. I await a response to this question from the opponents of China's MFN renewal.

Mr. President, I must stress again that the United States, East Asia, and the entire world have much to gain from Washington and Beijing achieving a positive relationship, and much to lose should bilateral relations further deteriorate unnecessarily. Renewing MFN for China is only a step—but an extraordinarily important one—toward building a fruitful bilateral relationship. Therefore, Mr. President, I urge my colleagues in the strongest possible terms to support unconditional renewal of MFN for China.

Mr. MOYNIHAN. Mr. President, as the distinguished chairman of the Finance Committee has so clearly stated, discussions of American foreign trade policy are increasingly bedeviled by the use of an 18th century term, most favored nation, to describe trade agreements reached with other nations. The most favored nation involved is not the nation with which we are negotiating, but rather a third nation altogether which happens to have the lowest tariff, or whatever, with respect to some product or other. The United States agrees to give to country X whatever terms are the best terms it gives to some third country. Whichever that might be.

This issue arises for the simple reason that the last tariff schedule enacted by statute was the Smoot-Hawley Tariff Act of 1930, with the highest tariff rates, overall, in American history. In response to the disaster that followed the Roosevelt administration began a series of trade treaties entered into as executive agreements. This arrangement continues to this day. As a result, nations entering the Western trading regime, which is to say, in the main, former or current Communist nations, must receive the treatment accorded under the GATT or the WTO, or else Smoot-Hawley. Granting the former status is no sign of favor, simply of normal trade relations.

For more than two centuries this has been our practice, but only recently has the term caused public misunderstanding. What we mean is that we will confer on country X normal trading relations. The time has come, then, to say so. We grant country X normal trade relations (NTR) in return for country X treating us in the same manner. Which is to say, NTR.

Just last month the Finance Committee acted on legislation to grant permanent most-favored-nation treatment to Bulgaria and Cambodia. Yesterday, the Trade Subcommittee held a hearing regarding Romania's MFN status, and tomorrow the committee will hear witnesses speak to questions surrounding the granting of most-favored-nation treatment to China. If one read the headlines, one might believe these four countries to be the most important in all of American trade policy.

But not at all. As the chairman has just said, MFN treatment is not special treatment. Countries to which we grant this supposed most favored treatment are not, in fact, the most preferred in our trade relations. When we undertake an obligation to provide most-favored-nation treatment to another country, we simply agree to give that country the same treatment that we give the great majority of our trading partners. The rationale is that, if every country observes this principle, all countries will benefit in the long run through the resulting more efficient use of resources.

Indeed, there is no single most favored nation in our trade policy. As noted in a 1919 report to the Congress by the U.S. Tariff Commission, now the U.S. International Trade Commission,

> It is neither the purpose nor the effect of the most-favored-nation clause to establish a ''most-favored nation;'' on the contrary its use implies the intention that the maximum of advantages which either of the parties to a treaty has extended or shall extend to any third State—for the moment the ''most-favored''—shall be given or be made accessible to the other party. . . . ''Reciprocity and Commercial Agreements,'' United States Tariff Commission, 1919.

In fact, over time, we have developed a great variety of relations with our trading partners. We have agreed to free trade with Canada, Israel, and Mexico. We offer special benefits to countries of the Caribbean and Andean regions. We have a longstanding policy of duty-free treatment for imports from developing countries under the Generalized System of Preferences. If one really wants to identify a most favored country, one certainly must take note of these relationships, which are all more advantageous than general most-favored-nation treatment.

MFN is a principle from the past. The concept has been traced to 12th century arrangements between trading cities of the Mediterranean and the Arab princes of North Africa, although the phrase most-favored-nation did not appear until the end of the 17th century. In United States law, the principle was first recognized in the 1778 commercial treaty between the United States and France, stating:

> The Most Christian King and the United States engage mutually not to grant any particular favor to other nations, in respect of commerce and navigation, which shall not immediately become common to the other party. . . .

Thereafter, an MFN clause became a standard element of treaties of friendship, commerce, and navigation, the early formal bilateral economic treaties of the United States. In essence, this was our mechanism for assuring fair and equal treatment for the trade of the United States. Over time, an ever-lengthening chain of commercial agreements, incorporating the MFN obligation, reduced barriers and increased trade. Ultimately, this basic principle was adopted in 1947 as the central obligation of the General Agreement on Tariffs and Trade—article I, part I of the ''GATT 1947''. It continues central to the World Trade Organization created in 1994—article I, part I of the ''GATT 1994''.

But, as the GATT has been succeeded by the WTO, so it is time to consider a successor term to MFN. A term that recognizes that, in the modern world, it is the norm, not the exception, to treat our trading partners equally. Senator ROTH and I, along with Senator CHAFEE, would propose for the Senate's consideration a more accurate term—''normal trade relations.'' Shortly, we will introduce legislation changing U.S. law, as necessary and appropriate.

THE NATO ENLARGEMENT FACILITATION ACT OF 1996

Mr. ROTH. Mr. President, I have long been a supporter of the transatlantic community of nations and its cornerstone institution, NATO. And today I wish to express my support for the NATO Enlargement Facilitation Act of 1996—extremely important legislation which I also cosponsor.

This bill is designed specifically to support and foster the careful, gradual extension of NATO membership to the nations of Central and Eastern Europe. If passed, this bill would direct tangible assistance to the efforts of Poland, the Czech Republic, and Hungary to join the alliance. These nations are the most prepared of their region for the responsibilities and burdens of NATO membership.

Equally important, it is the intent of the authors of this bill to assist other Central and Eastern European countries whose economies and democracies have sufficiently progressed to move forward toward eventual NATO membership.

Such a policy is absolutely necessary to ensure that NATO's acceptance of Polish, Czech, and Hungarian applications for membership not create new divisions in Europe, but is instead part of an inclusive and on-going process that will extend to the entire community of European nations.

Extending the alliance's membership to Poland, the Czech Republic and Hungary, will help transform Central and Eastern Europe into a cornerstone of enduring peace and stability in post-cold-war Europe. It would do so for the following reasons:

First, the NATO enlargement would project security into a region that has long suffered as a security vacuum in European affairs. History has repeatedly shown us that the strategic vulnerability of Central and Eastern Europe has produced catastrophic consequences—consequences that drew the United States twice this century into world war.

Second, NATO enlargement would help facilitate the economic and political integration of Central and Eastern Europe into the transatlantic community of nations. Passage of our NATO enlargement legislation would demonstrate America's commitment to consolidating an enlarged Europe. This would give more incentive to all the nations of the region to continue their political and economic reforms by demonstrating that these reforms do result in tangible geopolitical gains.

By projecting stability into Central and Eastern Europe, NATO enlargement would reinforce the regional stability necessary for nations to focus on internal political and economic reform. Mr. President, security is not an alternative to reform, but it is essential for reform to occur.

Third, two great European powers, Germany and Russia, are now undergoing very complex and sensitive transformations. Their futures will be significantly shaped by the future of Central and Eastern Europe. Extending NATO membership to nations of this region will reinforce the positive evolutions of these two great powers.

In the case of Germany, NATO enlargement would further lock German interests into a transatlantic security structure and further consolidate the extremely positive role Bonn now plays in European affairs.

The extension of NATO membership to Central and East European nations would also be of great benefit to Russia. By enhancing and reinforcing stability and peace in Central and Eastern Europe, NATO enlargement would make unrealistic calls by Russia's extremists for the revitalization of the former Soviet Union or the westward expansion of Russian hegemony. Greater stability along Russia frontiers will enable Moscow to direct more of its energy toward the internal challenges of political and economic reform.

This point is too often forgotten in this debate. There has been too strong a tendency in United States policy to overreact to outdated Russian sensitivities. This overreaction comes at the expense of strategic realities and objectives central to the interests of the alliance, as well as to the United States.

I would also like to note that this NATO enlargement legislation reflects the attitudes of many of our parliamentary counterparts in Europe. The North Atlantic Assembly, a gathering of legislators from the 16 nations of NATO, adopted at the end of 1994, my resolution calling for the extension of membership in the alliance to Poland, the Czech Republic, and Hungary.

Mr. President, America's defense and security must be structured to shape a strategic landscape that enhances economic, political, and military stability all across Europe. Careful and gradual extension of NATO membership to nations of Central and Eastern Europe is a critical step toward this end. This is in our national interest. It is action long overdue, and it is the intent of the NATO Enlargement Facilitation Act of 1996.

For these reasons, I call upon my colleagues in the Senate, as well as President Clinton and his administration, to embrace this legislation.

Mr. President, I yield the floor.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. BRADLEY] is recognized to speak for up to 40 minutes.

RACE FOR THE CURE

Mr. BRADLEY. Mr. President, I will not take 40 minutes, but I am very pleased to be joined by colleagues in the Chamber today in recognizing the 1996 national Race for the Cure. The race, which will take place this year on Saturday, June 15, is a unique opportunity to bring together the many people whose lives have been touched by breast cancer.

This year, Capitol Hill has an opportunity to play a tremendous role in this race. Today is the first on-site Capitol Hill registration, and today is also the beginning of something very special in this race. For every Capitol Hill participant who registers, the company Eli Lilly has generously offered to match their registration fee in the form of a donation to Race for the Cure. So for every individual who signs up to participate, your contribution to the race will be doubled. In other words, one can really make a difference here and have that difference amplified.

For all those who are unfamiliar with Race for the Cure, the race is a 5-kilometer run or, in my case, walk that raises money for breast cancer research and for early screening for underprivileged women in underserved communities in the District, Maryland, and Virginia. The race also allows a new generation of women to be made aware of the risks associated with breast cancer. Although we still do not have a cure, we do have screening devices which can increase the early detection that prolongs life. Education and awareness is one of our strongest weapons in the fight against breast cancer.

Today in America, 500 women will be diagnosed with breast cancer. Most likely, each will be frightened, uncertain of her future, and in search of a treatment that, if it cannot cure her, will at least prolong her life. Each woman's family and friends, coworkers, and caregivers will worry deeply about her.

Today in America, 150 women will die of breast cancer. Their lives will be ended prematurely, their family, friends, coworkers and caregivers will be grief-stricken. Listen to the enormity of the disease: Fully one out of nine women in this country will get breast cancer, one out of nine women. Since 1960, nearly 1 million women have died from this disease. With their deaths, millions of their loved ones, including children and aging parents dependent upon them, have suffered as well. We stagger under these numbers, even as we search for the causes and for a cure.

All women are at risk for breast cancer, with the incidence increasing among older women and the mortality rate higher for African American women. While other factors that may put a woman at risk are being thoroughly investigated, we are still, ourselves, at risk for feeling helpless in the face of this killer. I speak about this with personal experience. In 1992, my own wife contracted breast cancer. Ernestine had a mastectomy and chemotherapy for 6 months. As I sat and watched the devastating impact of chemotherapy on her body, I thought to myself, 100 years from now people will look back and maybe consider this treatment like the leeches of the 18th century, it is so devastating. She persevered. It was a trauma for our whole family. It was, for me, the moment

that I realized that sometimes catastrophe can overtake the best laid plans and that every day has to be lived to its fullest because one cannot take tomorrow for granted.

That is kind of the secondary benefit of this whole experience, learning that every day must be lived to the fullest extent possible because one does not know about tomorrow. But one thing my wife feels very strongly, having come out of the treatment with flying colors, being cancer-free now for over 3 years, is that she does not consider herself a victim of breast cancer. She considers that she has triumphed over breast cancer. Early detection and more research for a cure will allow millions of other women to have that feeling as well; that they, too, have triumphed over breast cancer.

So, remembering that the women who battle this disease are our wives, sisters, mothers, daughters, and friends, I am proud to join the estimated 30,000 other runners, walkers, rollerbladers and wheelchair participants, who will participate in the Race for the Cure on June 15. Today I ask all of my colleagues and the staff who work on Capitol Hill to consider participating in the race on June 15. There are already 55 registrants from the Bradley office. Last year I think we were No. 1. Registration is simple. In-person registration is available for all Hill participants today. Let me repeat that. Registration is available today at the Reserve Officers Association Building, which is on the corner of First Street and Constitution, right across from the Hart Office Building.

Registering for the race will be one of the easiest tasks you can do today. Frankly, participating in the race on June 15 will be one of the most rewarding. If you have not done it, I urge you to do it. It will be a morning that you will not forget, and your efforts could really make a difference.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I commend my colleague from New Jersey for setting aside the time this morning to talk about the issue and the commitment that we have to conquering breast cancer, which is the largest killer of women between the ages of 35 and 54 in this country. I thought it was poignant to hear my colleague, Senator BRADLEY, talk about this issue not only as a women's health issue, which it very much is, but as the family issue that it is. He talked about the fact that there was a trauma in his whole family. Of course there was. This is a disease that affects men, it affects children and families as well as the women in this country.

Two of the leaders in the Senate on this issue have been Senators whose wives have had breast cancer, Senator BRADLEY and Senator MACK of Florida. I am pleased they have taken this leadership role and joined with all of the women in the Senate—eight of us, soon to be nine—that all have had instances in our families or among our friends of women who have had to battle this terrible disease, one which I think we are on the cusp of solving. I thank the Senator from New Jersey and the Senator from Florida and all the women who have come together to understand the importance of conquering breast cancer.

I want to talk a little bit about my own history with the Komen Foundation. The history of the Komen Foundation is written on this piece of paper. It says, ''In 1982 Nancy Brinker established the Susan G. Komen Breast Cancer Foundation with only a few hundred dollars of her own and a shoe box full of friends' names.''

Mr. President, my name was in Nancy Brinker's shoe box. I was one of those that Nancy called together to put on the first Race for the Cure and the first luncheon in Dallas, TX, in 1983. I was a friend of Nancy Brinker, who is one of the most extraordinary people I have ever known. I will say that this history of the Komen Foundation grossly underestimates Nancy's monetary commitment, her time commitment, and her number of friends. She had friends all over the United States as well as in Dallas, because she was such a giving person.

Because she had the experience of sitting with her 36-year-old sister who died of breast cancer before her very eyes, she made the commitment to her sister at that time that she would spend her life trying to educate and research this issue so this would not happen to other people. So, 13 years later, I never thought I would be standing on the Senate floor, talking about the Race for the Cure in Washington, DC, but in fact that is exactly what has happened. This has spread like wildfire, because so many families in this country are affected by breast cancer and, frankly, because we have not done enough to highlight and focus on the research that is necessary to beat this disease.

In the last 2 years, I want to point out, Congress has been committed to promoting women's health care issues. Breast cancer research and funding has increased over 10 percent per year in the last 2 years. The National Institutes of Health funding for breast cancer has increased over the last 2 years, and last year Congress directed the National Cancer Institute to set aside a portion of its budget to be used for research grants and projects to further the national action plan on breast cancer.

We developed the National Women's Health Information Clearinghouse in 1995 and 1996, and Congress appropriated $2.1 billion for the space station, which is the sole environment possible for studying certain aspects of breast and ovarian cancer and osteoporosis.

A lot of people do not realize that you cannot create the antigravity conditions in space on Earth. You cannot do it. So the space station has given us a new outlet to look at breast and ovarian cancer cells and to look at the bone loss in osteoporosis, all three of which are unique to women.

Osteoporosis is not exclusively a woman's disease, but it does hit women the hardest. These are best able to be studied in the microgravity conditions in space. That is one of the reasons why I am so committed to the space station and the importance of space station research for getting to these women's health issues that we have not been able to conquer heretofore.

So I commend the Komen Foundation for all they have given to save lives in this country. Let's talk about the way that they have saved lives. Just by their education efforts, they have told women all over our country of the importance of self-examination for early detection, because we find many times women can detect, before they even go for their annual mammogram, that they have a lump that they need to have checked out. This is, in fact, what saved Nancy Brinker's life. Because she had been so educated in the need for early detection because of the death of her sister, Susan G. Komen, it did save her life. But Nancy has gone on with the Komen Foundation to save thousands of women's lives because they now know the importance of an annual mammogram after the age of 35 and the importance of self-examination. This is the most important thing the Komen Foundation has done.

But in addition to this, the Komen Foundation has also provided millions of dollars for research through their luncheons and their races for the cure for breast cancer. The research funding goes directly to the doctors who are trying to discover what causes breast cancer so that we can find the cure.

So the Susan G. Komen Foundation, which started only 13 years ago, and which is going to have its annual Race for the Cure in Washington, DC, has done so much, as well as the hundreds of thousands of volunteers who come to the races, who pay their entry fee, who volunteer to help coordinate the races, have really given to this project of trying to find the cure for breast cancer.

I want to say that the Vice Presidents of the United States have been a very big part of this. Vice President Dan Quayle and his wife, Mrs. Quayle, started by highlighting and focusing the Washington Race for the Cure. I am proud to say that Vice President AL GORE and his wife, Tipper, have continued that tradition, and they will be leading this year's Race for the Cure in Washington.

This just helps us bring in the 25,000 people who are now going to run in the Race for the Cure, and all of this money goes to heightening the awareness of women about the need for early detection, and it goes to the research that will get to the cause of this dreaded disease so that we will be able to find the cure.

I am very proud to say that this is a woman's issue upon which all of us can agree. We must find the cure, and I commend the thousands of volunteers around this country who have taken up the cause.

I will just add that I had a wonderful experience this past Saturday doing the start of the Race for the Cure in Plano, TX. It just does your heart good to see the women who wear the pink visors. The women who wear the pink visors are the breast cancer survivors, and they have the number of years since they had detected breast cancer put on their visors. There were a number of those out there, and there were the people who wear the tags on their bags that said, ''I am running in memory of my mother,'' ''my grandmother,'' ''my sister.'' The men and women who run are generally running with spirit and heart because they have been affected in some way by this disease.

I was able to witness the women's 5K, and the men's 5K, and then the children's 1K. We had toddlers who were still in their strollers. We had toddlers who were barely walking. But we had a spirit out in Plano, TX, that is something I see every time I attend a Race for the Cure.

So I urge my colleagues to participate on June 15. I urge anyone in America who has not been to a Race for the Cure to go to one. If you do not have one in your hometown, start one. This is a cause upon which we can all agree and something that will bring us together and eventually solve this dreaded disease that affects the women, the men, and the children in families across America.

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

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Hawaii.

Mr. AKAKA. Mr. President, I rise with others of my colleagues in the Senate in support of the sixth annual National Race for the Cure, which will be held in Washington, DC, on Saturday, June 15, this year.

Race for the Cure, as has been noted, is a breast cancer benefit run sponsored by the Susan G. Komen Breast Cancer Foundation. The foundation was established in 1982 by Nancy Brinker in honor of her sister who died of breast cancer at the age of 36.

Since its creation, the foundation, through events such as Race for the Cure, has raised millions of dollars to promote education, promote awareness, promote research, and promote early detection of the disease.

Three-fourths of the money raised goes toward local treatment and screening activities, while one-fourth of the funds goes to the Komen Foundation to fund national research activities.

The statistics on breast cancer remain startling, Mr. President. This year, an estimated 44,000 women in our country will die from breast cancer, and another 184,000 will be diagnosed with the disease. I continue to have great concern over the high incidence and low survival rates for this disease among minority and low-income women. I remain particularly concerned that the Native Hawaiian women have the highest incidence of breast cancer among all racial and ethnic groups in this country.

While the cause of breast cancer remains unknown and the disease is not fully understood, significant advancements have been made in the management of breast cancer. As with many of the life-threatening illnesses, early detection of breast cancer, coupled with appropriate and timely followup, remains the most effective method to ensure successful treatment and improved survivability. However, Mr. President, much work remains. Many women do not know how to conduct self-examinations, and many would benefit from a screening mammogram. Some of them do not seek it because of fear, because of cost or even because of lack of access.

In closing, Mr. President, I encourage my colleagues and their staff and families to participate in the 1996 National Race for the Cure. All of us have families or friends who have battled breast cancer.

In particular, this sixth annual race has special meaning for those of us in the Senate. This year's race is dedicated to the memory of Martha Moloney, a longtime aide to Senator WENDELL FORD who lost her valiant fight against breast cancer last November.

Continuing the fight against breast cancer is the most appropriate way to honor Martha's memory and to recognize the heroic efforts of millions of women and their families confronting this disease.

Mr. President, this is one of those dreaded diseases in our country. We all need to support the race 100 percent and participate in all of these activities.

Thank you very much, Mr. President.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Thank you very much.

Mr. President, I am pleased to join my colleagues this morning in expressing support for the National Race for the Cure. I want to acknowledge and salute the Senator from New Jersey, Senator BRADLEY, for encouraging us to take a few moments this morning to focus on this very important issue.

It is particularly appropriate for those of us in Congress to acknowledge the importance of battling this disease. We represent a wide variety of constituencies across this great Nation, and in so doing we bring to this Chamber particular regional beliefs and attitudes. But unlike the people that we represent, breast cancer is a problem that knows no geographic boundaries.

It does not stop at congressional districts or at State lines. All of us, regardless of where in the Nation we hail, need to acknowledge the toll that breast cancer is taking on women throughout the country and indeed across the world.

A brief look at some statistics should give us all reason to pause. Breast cancer is the leading cause of death for women between the ages of 35 and 54. One in eight women in the United States will develop breast cancer. Three-fourths of those women have no known risk factors, thus making accurate and adequate detection efforts a must for all women.

In Idaho we are fortunate enough to be well below the national age-adjusted average for incidences of breast cancer. Despite this, every year approximately 700 new cases of breast cancer are diagnosed in Idaho. In 1994 alone, 155 women lost their lives against this disease, against this killer.

There is, however, some light at the end of the tunnel. The Federal investment in breast cancer research prevention and treatment has increased dramatically in recent years. This has helped us move closer toward discovering what causes the disease.

We are also able to detect breast cancer sooner and thus improve survival rates for those stricken with the disease. When caught early, thanks to the research to date, the prognosis for recovery is very positive. Increased education and mammography screenings are just two of the things that we can do to make that survival rate even higher in the future.

I would like to acknowledge those who are working so diligently to make the National Race for the Cure a success. Those who are publicizing the event, those who are registering participants, and those who will take part by either running in the race or by providing support and services to the runners.

On a personal note, I would like to thank my wife Patricia for her efforts in building Team Idaho's role in the Race for the Cure. Patricia and I have been blessed in that our families have not had to face breast cancer. But my wife lost both of her parents to various forms of cancer, including her mother when Patricia was only 6 months old. Because of this, my wife Patricia has committed herself to doing what she can to see that other children will not face the loss of a mother at such a tender age.

As we get closer to the actual date of the race, I encourage all Senate offices to do their part to help this tremendous cause. Capitol Hill registrations will be taking place for the next 2 days. The registration fees and donations will play a significant role in our work against breast cancer. At the same time, the heightened awareness about breast cancer generated by the Race for the Cure will hopefully encourage earlier detection and treatment.

On Saturday, June 15, Team Idaho will be there to do its part to fight

breast cancer. My wife Patricia, our daughter Heather, son Jeff, numerous dear friends, and great staff will be there as Team Idaho joins with so many other participants in our efforts in this Race for the Cure to find the ultimate cure for breast cancer.

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

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

NATIONAL RACE FOR THE CURE

Mr. FORD. Mr. President, first, let me thank all my colleagues that have been on the floor this morning making statements relating to the Race for the Cure and the effort that is being made in that interest in eradication of breast cancer. I also thank the Chair today for his work this morning and his support. We are all very grateful.

Mr. President, as many may know, last year a loyal and trusted member of my State, Martha Maloney, passed away after a long battle with cancer. Martha had been with my office for 18 years, so you will understand when I say she was like part of the family to me. Over the years, I had the privilege to see her develop her legislative skills, having a hand in numerous historic legislative achievements and working on airport projects all across the Commonwealth of Kentucky.

Martha's bravery in fighting breast cancer inspired a 200-member team to participate in last year's National Race for the Cure on behalf of breast cancer. They ran and walked the 5K's because they were ''doing it for Martha.'' She was able to be there. She was able to see their effort and was very pleased.

Now, Mr. President, this year's race, to be held on June 15, will be dedicated in her honor. That is why I stand here today. Martha had long been a strong supporter of breast cancer research, and proceeds from the National Race for the Cure will go to the Susan G. Komen Foundation, the Nation's largest private funder of breast cancer research, education, screening, and treatment.

Over 26,000 participants and sponsors in last year's event raised over $650,000 that went to local hospitals and health care organizations. Preliminary figures show this year's run will double, if not triple, that amount. Already, $1.4 million has been collected or pledged. I, like many with me in this Chamber today, think this is very significant. For that reason, we introduced a resolution designating June 15, 1996, as ''National Race for the Cure Day.''

With over 35,000 runners, walkers, even in-line skaters expected, this year's race will be a resounding success. Many people will contribute to the success of the National Race for the Cure. I would be remiss if I did not tip my hat to the U.S. Postal Service for its cooperation in releasing 100 million breast cancer stamps nationwide on June 15. The pink ribbon on the new stamp, and the cheers of all those who line the Race for the Cure course, will not only pay tribute to the many who silently suffered in the past, but also serve as a promise to stand firmly committed to those battling the disease today and to commend all of our resources so there might be no casualties in the future.

Along with the breast cancer stamp, the Postal Service will launch a nationwide effort to make post offices in every community centers of information and understanding about this disease. Brochures and videotapes explaining the importance of self-examination and annual mammograms will be on hand in every post office across this great land. Postal employees will be provided with facts about breast cancer they can share nationwide.

I also would be remiss if I did not point out that the Commonwealth will host its first Race for the Cure on October 26. Mr. President, 1,000 Kentuckians are expected to make that run, joining 340,000 participants in 64 other cities across the country.

Mr. President, I attended the State convention of the postmasters in Kentucky just this past Monday. They have an individual that is in charge of the overall operation. I think this is true in most States. Hopefully, there will be more than just one race in Kentucky. We are hoping for 35 to 40. If other States will do similar events, I can almost feel a tidal wave coming in the amount of money that can be put into research and hopefully expedite the day that the answer to this devastating cancer can be found.

I want to encourage my colleagues and their staff to be one of those walkers or runners to support this worthy cause in any way they can. There is a mother or a daughter or sister who will be very thankful you did.

NATIONAL RACE FOR THE CURE DAY

Mr. FORD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Resolution 257, designating June 15, 1996, as ''National Race for the Cure Day,'' and that the Senate then proceed to its immediate consideration.

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

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 257) to designate June 15, 1996, as ''National Race for the Cure Day.''

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LEAHY. Mr. President, today I join my distinguished colleagues in urging all of our colleagues, their staff, families, and friends, to join the thousands of individuals who will participate in this year's Race for the Cure. In years past, my wife and I have eagerly joined the throngs of people of all ages who run or walk, are pushed in strollers or push themselves in wheelchairs, who share one common goal: helping to raise money so that a cure can be found for the disease that has taken the lives of nearly 1 million of our sisters, daughters, wives, and mothers during the past 35 years. This has been one of the most important events in which we have participated over the years.

Since 1992, I have fought for increased funding for breast cancer because as lawmakers, it is our responsibility to provide the tools researchers need to find a cure. Many of us find ourselves fighting this insidious disease in our daily jobs, as lawmakers, scientists, researchers, doctors, and advocates. But as a husband, father, and friend, this race has been another way for me to show my support of the urgent need to stop the spread of breast cancer, of the courageous women who fought this disease and won, and finally, to honor the strong women who were simply unable to overcome the power of this disease.

I hope that everyone will heed the messages presented on the floor of the Senate and participate in this important event.

Mrs. MURRAY. Mr. President, I am proud to be here again this year, joining my colleagues in the Senate to talk about the National Race for the Cure. This important event underscores the critical need to raise awareness about breast cancer, and the need to support research and education about this frightening disease.

We have heard the numbers and seen the statistics. Each year breast cancer strikes 184,000 women, and kills an estimated 45,000. Far too many have died from this disease, and the list includes many of my own friends and relatives. We all can agree that more must be done to educate women about the risks, prevention, and treatment of breast cancer. I can tell you that, as a woman, the mixed messages we receive are frustrating and dangerous.

We hear conflicting advice about when to have a mammogram—one year it's at age 40 then next it's at age 50—we need consistent, accurate information or else women will continue to die. Studies show that early detection and proper treatment could save the lives of 9 out of 10 women with breast cancer—that's 90 percent, Mr. President. These numbers are too serious to ignore.

We must do all we can to encourage education and awareness about how we can protect ourselves and our daughters from the tragedy of breast cancer. For this reason, the Race for the Cure is so very important; the D.C. race is

the largest 5-kilometer race in the country—35,000 participants are expected to run, walk, and roller blade this year. This is a day to draw national attention to this disease; throughout the year races will be taking place in cities across the country to turn the spotlight on this critical women's health issue. Of course 1 day is not enough, but it's a good place to start and it's an important reminder for all of us.

I want to encourage my colleagues to participate, as well as people all over the country. As it happens, today and tomorrow are Capitol Hill registration days. I am proud to say my office has put together a team and will be participating in the race. I urge everyone to do the same.

Mr. President, I would like to take a moment to thank Senator BRADLEY for his passionate and personal commitment to addressing women's health issues. I appreciate his leadership and dedication to supporting the National Race for the Cure.

I also want to briefly thank Senator FORD for submitting the resolution to designate June 15 ''National Race for the Cure Day.'' I am proud to join him as a cosponsor of this resolution and for recognizing the importance of the Race for the Cure in the battle against breast cancer.

Breast cancer, while predominantly a woman's health issue, does affect men and it certainly can devastate an entire family. We must do all that we can to protect ourselves and our families from having to endure the tragedy of this disease. The National Race for the Cure is an ideal way to join the fight against breast cancer. I thank my colleagues for recognizing that.

NO BACKSLIDING ON FINDING A CURE FOR BREAST CANCER

Mrs. FEINSTEIN. Mr. President, I rise today to join my colleagues in expressing support for an increased effort to find a cure for breast cancer and for the Race for the Cure which will take place on June 15.

Every 3 minutes an American woman is diagnosed with breast cancer.

Every 12 minutes an American woman dies of breast cancer.

Breast cancer is the second leading cause of cancer death in women. The incidence is rising each year.

This year, 184,300 new cases will be diagnosed and 44,300 women will die from breast cancer. In California this year, 17,100 new cases of female breast cancer will be diagnosed and 4,100 California women will die.

Even though the Federal Government has spent almost $1.5 billion on breast cancer research in the last 20 years and Federal funding has quadrupled since 1990, we still do not have a cure. The annual race is an important event, bringing public attention to the need to continue the drive. It gives us all a way to keep up the momentum toward a cure.

Breast cancer is not just a woman's disease. It also can afflict men. In addition, when a woman has breast cancer, her whole family is affected. Everyone must cope with the trauma, physical, and psychological.

Women today must sort through many confusing messages. There is confusion about who should have a mammogram and how frequently. There is confusion about treatment options, like mastectomy versus lumpectomy, radiation versus chemotherapy.

To help families better understand the disease, their options and research trends, the Senate Cancer Coalition which I chair with Senator MACK, is holding a hearing on June 13 from 1 to 4 p.m. in room 106 Dirksen. Experts will discuss the controversies surrounding frequency of mammograms and treatment choices. We will look at what the Federal research dollar has accomplished and the direction research should now take. We will examine the obstacles families face in getting good information and making informed decisions.

Breast cancer is a devastating disease. I commend my colleagues for coming to the Senate floor today to express their concern and to stress the importance of continuing the Federal research race for the cure. This is an important role the Federal Government can play and one in which I am proud to participate.

The PRESIDING OFFICER. Without objection, the resolution and preamble are agreed to.

The resolution (S. Res. 257) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 257

Whereas breast cancer strikes an estimated 184,000 women and 1,000 men in the United States annually;

Whereas breast cancer will kill 44,300 women in the United States alone this year;

Whereas breast cancer is the leading cause of death for women between the ages of 35 and 54;

Whereas death rates resulting from breast cancer could be substantially decreased if women were informed about the risks of contracting the cancer and if they receive mammograms on a regular basis;

Whereas the Race for the Cure is dedicated to eradicating breast cancer through providing funding for research, education, treatment, and screening for low-income women;

Whereas throughout the year, almost 340,000 participants in 65 cities across the United States (including the first-time host cities of Los Angeles, Las Vegas, Cheyenne, Sacramento, Battle Creek, Baton Rouge, and Louisville) will join together in Races for the Cure to demonstrate their commitment to fighting breast cancer;

Whereas the National Race for the Cure in Washington, D.C., is the largest 5 kilometer race in the country, with over 35,000 walkers, runners, and in-line skaters expected to participate this year; and

Whereas the Seventh National Race for the Cure is to be held on Saturday, June 15, 1996, in Washington, D.C.: Now, therefore, be it

Resolved, That the Senate designates Saturday, June 15, 1996, as ''National Race for the Cure Day''. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate programs and activities.

Mr. FORD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I ask unanimous consent that two of our colleagues be added as cosponsors, Senator COVERDELL and Senator KOHL.

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

Mr. FORD. Mr. President, I believe it would be in order to leave the resolution at the desk until 5 o'clock today so any other Senator that might want to be a cosponsor can do so.

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

Mr. FORD. Mr. President, 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. BINGAMAN. 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 DROUGHT IN NEW MEXICO

Mr. BINGAMAN. Mr. President, I wanted to take a few minutes here to bring the Senate up to date on the severe drought that we are experiencing in all of the Southwest, but particularly in my home State of New Mexico, and also to urge action on a bill that I introduced with 14 cosponsors recently—the Temporary Emergency Livestock Feed Assistance Act of 1996.

Last week, in Roswell, NM, the newspaper called the Roswell Daily Record contained a joke of sorts. It said that a rancher placed five calves in a pen because he could not afford to feed them. He knew that they would not fetch much if he tried to sell them. He put a sign on there saying ''free calves.'' He came back the next day and found 20 calves in the pen. This a joke, but unfortunately, in New Mexico, the drought is no laughing matter. The precipitation levels in my State, through the end of May of this year, are 60 to 80 percent below normal.

In the Albuquerque Journal on May 26, it profiled a ranch owned by Shirley Porter. One of the lines of the story summed up the circumstances that she faces and says, ''She does not need to worry about gates anymore. There is nothing here to get loose. Shirley Porter, who is a rancher in San Jon, on the east side of New Mexico, sold every last one of her 139 cows, calves, and bulls at a livestock auction in Clayton, NM. She was given a total of $30,204.63 for all of her livestock. She had come to this ranch as a bride right after high school. And now, at the age of 67, she was forced to liquidate. She was quoted as saying, ''I am not going to grieve for them''—that is, the livestock—''because if I had kept them, they would have starved to death.''

Every part of New Mexico is affected by this drought, and much of the rest of the Southwest as well. In one part of New Mexico, farmers are predicting that they will obtain about 1 bushel per acre of wheat. Usually the yield is about 45 bushels per acre. To keep the livestock alive, ranchers are forced in some cases to burn the thorns off prickly pear cacti to give their cattle a little food. Ranchers are having to sell off cattle just to pay the interest on the loans that they have, and, of course, the cattle market is flooded. Calves that would have sold for $125 a year ago now are selling for $10 to $20.

Fireworks in my State have been banned by our State Corporation Commission statewide from now through the 18th of the month. I think they are going to consider extending that ban assuming no rain is forthcoming; 22 of 33 counties have been declared disaster drought areas.

Let me refer to some charts that I have here, Mr. President, to make the point even more graphically. I think these are hard for anyone to see from a distance, but perhaps the coloration of the charts will make the point.

As I understand, the Weather Service's main indicator for drought areas—severe drought—is the so-called Palmer Index. When you look at the Palmer Index for the country as a whole—this is valid through the end of March 1996—you can see that much of my State or the majority of my State even by the end of March was listed in a severe or extreme drought condition. Here again is the drought severity index. This is the long-term Palmer Index, which shows the bright red area, which shows most of my State and, of course, most of the Presiding Officer's State of Arizona listed again as severe or extreme drought. Much of Nevada and California as well as much of the Southwestern part of the country is affected.

On U.S. precipitation rankings, again from the Weather Bureau, you can see that extremely dry is the bright orange area through the entire State of New Mexico and much of the rest of the Southwest as well. This final chart is one which tries to show the severity of the fire danger. As of May 3, 1996, again it shows virtually all of New Mexico and all of Arizona and much of Texas, Colorado, Utah, California, and Nevada.

So this is a serious problem, Mr. President.

What I have proposed and what many have joined me in proposing is Senate bill 1743, the Temporary Emergency Livestock Feed Assistant Act of 1996. The bill would give immediate assistance to ranchers if passed. We now have 14 cosponsors of that legislation as of last count. We would be putting the livestock feed program back into effect with this legislation for a 1-year period. The program was suspended in the recently enacted farm bill. This proposed legislation would extend the program through 1996.

Under the bill, producers who have suffered at least a 40-percent loss of feed production would be able to apply for assistance through their local farm service agencies. The livestock eligible would be cattle, sheep, and goats. The old program was funded through the Commodity Credit Corporation. We do not propose to do that again. S. 1743 targets $18 million from the Cottonseed and Sunflower Seed Oil Export Assistance Program. I am informed that this is money which is not expected to be used this current year. It is money that was appropriated but will not be used for that purpose because the need is not there.

In addition, the Department of Agriculture has a stockpile of grain. The stockpile, of course, is referred to as the Commodity Reserve Program.

I was encouraged to see that there is a resolution that now has passed the House and which is expected to be considered here in the Senate very shortly to urge the Secretary of Agriculture and the President to go forward with use of that Commodity Reserve Program. That is another part of the legislation that we introduced calling on the Secretary of Agriculture to report back as to what portion of those commodities could appropriately be used to provide assistance to these ranchers.

Mr. President, this is a serious problem. It is not one that has been short-lived. We have been living with the drought now for many months in the Southwest. Unfortunately, the situation seems to continue. Each of my calls back to New Mexico, regardless of what subject I call to discuss with people there, begins with a discussion about the drought and the lack of rainfall.

I hope very much that the Senate and the Congress as a whole will go ahead and act on this Temporary Emergency Livestock Feed Assistance Act. I have talked to the chairman and ranking member of the Agriculture Committee and asked them to give attention to this, and hopefully we can take action on this in the next few weeks before we adjourn for the Fourth of July recess.

This is the kind of constructive act that I think would encourage people in their view of the Congress. There is, of course, a tremendous amount of politics being played in Washington these days on all sides. Everyone knows that. We are looking for things that we can agree upon and constructively pursue. In my view, enactment of this Senate bill 1743 should be one of those actions that we could take on a bipartisan basis which would help the people that we are sent here to represent.

Mr. President, I urge consideration of this. I encourage any of the other Senators or their staffers who may be watching or hearing the discussion today who would like to cosponsor the legislation to do so. Let me read off a short list of 14 cosponsors before I conclude my remarks.

On the Democratic side, Senators DASCHLE, BAUCUS, DORGAN, EXON, and HARKIN are cosponsors; on the Republican side, my colleague, Senator DOMENICI, Senator GRAMM of Texas, Senator GRASSLEY, Senator HATCH, Senator INHOFE, Senator KYL, Senator PRESSLER, Senator HUTCHISON, and Senator KASSEBAUM are cosponsors.

I think this is clearly a bipartisan effort to deal with a very real-life, immediate situation. I hope very much we can take action on this in the next week or two so that relief of some sort at least can be provided before the July 4 recess. I will be looking for opportunities to move this legislation forward. We cannot legislate rain, but we can legislate relief to assist those who are suffering because of the drought.

Mr. President, I yield the floor. 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. 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.

THE 50TH ANNIVERSARY OF OLD STURBRIDGE VILLAGE

Mr. KENNEDY. Mr. President, this Saturday marks the 50th anniversary of Old Sturbridge Village in Sturbridge, MA, where our Nation's past comes alive for large numbers of visitors each year.

In 1995, over 500,000 people—including 110,000 schoolchildren—visited Old Sturbridge Village and enjoyed its workshops, performances, arts and crafts programs, and numerous special events. The American Association of Museums has described the village as a ''model living history museum. The historic structures and their interpretation combine to offer visitors an experience that is authentic, instructive, and enjoyable. Education programs at Old Sturbridge Village set a very high standard for others to aspire toward . . . [and] deserve to be emulated in our profession.''

Old Sturbridge Village has accomplished a great deal since it first opened to the public in 1946. It was originally established through the philanthropy of Albert Wells and J. Cheney Wells, two brothers who owned and operated the American Optical Company in Southbridge, MA. The Wells brothers were passionate collectors of American antiques. When their collections outgrew their homes, they came up with the idea of displaying them in a working village that would recreate the occupations of early 19th century New England for future generations.

Today, Old Sturbridge Village stands on a 200-acre tract of farmland and meadows donated by the Wells brothers, complete with a Federal-era mansion, a working sawmill and gristmill, and over 40 buildings that house their collections of antiques. Visitors who walk along the village's unpaved roads,

or go into the Asa Knight General Store stocked with snuff and tooth powder have a genuine sense of stepping back into time and history. I have visited Old Sturbridge Village many times with my family, and I am always greatly impressed with the exhibits and demonstrations.

President Kennedy once said that ''we celebrate the past to awaken the future.'' For 50 years, Old Sturbridge Village has accomplished that goal. I commend Alberta Scott George, president of Old Sturbridge Village, and her dedicated staff, past and present, on this auspicious anniversary for all they have done so well, and for their skill in preserving these fascinating aspects of our Massachusetts heritage and history.

SWISS BANKS, JEWISH DEPOSITS, AND PLUNDERED JEWISH ASSETS

Mr. D'AMATO. Mr. President, I rise today to speak again on the role of Swiss banks during the war in relation to their continued retention of Jewish assets as well as looted Jewish assets.

During the course of our ongoing inquiry into these important subjects, we continue to find documents which detail the alleged use of Swiss banks by the Nazis for illicit purposes. One such declassified intelligence document, dated June 12, 1945, from the U.S. Legation in Bern, Switzerland, entitled ''Interim Report on Johann Wehrli & Co., Zurich,'' details the use of a special account set up at what was then called the Wehrli Bank in Zurich under the name of the ''Trustee Account Gustloff Stiftung.''

I want to quote the relevant section of this document to further explain this point.

> The payments to the Germans of the Hirtenbergerwerke ([Fritz] Mandl's munitions factory in Austria) assets, which were under Mandl's control in 1938, were effected through the Wehrli Bank to an account known as Trustee Account Gustloff Stiftung. The examiner, who has a personal knowledge concerning the background of this trust as a result of his many years residence in Germany before the war, described the Gustloff Stiftung as a ''fund'' in which were placed the assets and titles of property taken by the Nazis from Jewish businessmen in Germany and the occupied countries. Gustloff, the head of the Nazi party in Switzerland, was murdered in 1935 by one Frankfurter. In accordance with the prevailing practice at the time, Gustloff was selected by the Nazis as one of their ''martyrs'' and many statues were erected to perpetuate his name. The name of the trust, therefore, seems to have no further significance. The only record of Gustloff Stiftung on the books of Wehrli is in connection with the sale of the Hirtenbergerwerke properties.

This revelation, if true, seems very disturbing, in that a Swiss bank had a specific account set up to hold plundered assets of European Jews. From other documents, we have information that leads us to believe that the Wehrli Bank was also used to transfer assets of Germans to Argentina, near the end of World War II and after. This begs the question, were assets from the Gustloff Stiftung also transferred to South America or other locations.

Of particular concern is the further question of whether there were other accounts like the Gustloff Stiftung in other Swiss banks. While we cannot yet verify this, it is entirely possible that if one such account existed, others did also.

On the topic of Jewish assets in Swiss banks, I would like to comment that the answers that we are receiving to questions we are asking the Swiss Bankers Association are wholly insufficient. They are evasive and they continue to deny any knowledge of impropriety. They continue to dodge questions as to where these assets might be, or if they even existed.

We have very clear information that suggests that Swiss banks have continued to maintain this myth now for over one-half of a century. In this vein, I would like to submit for the record, evidence of this claim.

Therefore, I ask unanimous consent to have printed in the RECORD, at this point, three documents detailing a request for information on their account in the Swiss Bank Corporation, from July 1939, made on behalf of an Austrian Jewish couple by the names of Anny and Kurt Kadisch. One is a letter to the State Department from Congressman Robert L. Rodgers regarding this request, the second is a letter to the Swiss Bank Corporation from the Kadisch's attorney to the bank, and the third is the answer from the Swiss Bank Corporation to the Kadisch's attorney.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 7, 1939.

OFFICE OF THE ADVISER ON INTERNATIONAL ECONOMIC AFFAIRS,
Department of State,
Washington, DC.

DEAR MR. LIVESEY: On June 27th my office contacted you relative to the proper procedure to be followed to ascertain the status of an account in a bank in Switzerland. The information which was given to me by the constituent making the inquiry was not sufficient to enable the Department of State to give any difinite instructions, and your office suggested we make further inquiry of my correspondent.

In today's mail my constituent, Mr. Roberts, advised me further in the matter—as will be noted in the inclosed letters (copies).

What Anny and Kurt Kadisch really desire is to effect the transfer of the funds to the credit of Account 61879 to this country. They also want to know the status of the account at the persent time and the best course to follow to have these funds transferred to the United States.

Any information your office can furnish, or advice as to procedure for Mr. Roberts or his clients, Anny and Kurt Kadisch, will be personally appreciated. I am well acquainted with Mr. Roberts, who is a capable and reliable attorney.

Very respectfully,

R.L. RODGERS.

SAMUEL J. ROBERTS,
ATTORNEY AT LAW,
Erie, PA, May 23, 1939.

ALBERT MARTI, *Director,*
Schweizer Bankverein,
Zuerich, Rudolfspletz, Switzerland.

DEAR DIRECTOR MARTI: We have been requested by Anny and Kurt Kadisch, formerly of Graz, Austria, to determine the present status of Account No. 61879, which consists of the purchase of Two Thousand (2000) pounds British War Assented Loan 3½%.

Will you please be kind enough to give us whatever information you have concerning this Account and forward to us forms, or documents, which may be necessary to prepare an order to effect a transfer of said Account?

You are assured that we shall greatly appreciate any information which you can give us concerning this matter.

Very truly yours,

SAMUEL J. ROBERTS.

SWISS BANK CORPORATION,
Zurich, Switzerland.

Basle St. Gall Geneva Lausanne,
La Chaux-de-Fonds Neuchatel, Schaffhausen London E.C., 2, 99 Gresham St., Bienne Chlasso Herisau Le Locle Nyon, Algle Bischofszell Morges Rorschach Zofingen.

Fully paid-up capital and reserves Fr. 194,000,000.

Telegrams: Suisbanque.

SAMUEL J. ROBERTS, ESQ.,
ATTORNEY AT LAW,
Erie, Pennsylvania, U.S.A.

ZURICH, JUNE 2, 1939.

DEAR SIR: We are in receipt of your letter of May 23rd and regret being unable to give you the information desired.

Yours faithfully

SWISS BANK CORPORATION.

Mr. D'AMATO. Mr. President, as one can read, the Kadisch's attorney requested help for them from Congressman Rodgers, who then wrote to the State Department on their behalf. Their attorney also wrote on their behalf to the bank in question. The Kadisch's were checking on the status of their account, of which unlike other claimants, they had the account number.

As we have found to be the case after the war, the Swiss bank denied them any information about the account. As of yet, we do not know what was the fate of this account. This is, however, disturbing, especially since the Kadisch's had the bank's name as well as the account number. This document only brings up more questions for the Swiss banks to answer.

I hope that we will be able to obtain answers to these and other questions in the coming months. Right now, however, I am very disappointed in the lack of cooperation by the Swiss Bankers Association and their continued denial of knowledge regarding these accounts as well as the fate of plundered Jewish assets.

The 1996 NATIONAL RACE FOR THE CURE

Mr. ABRAHAM. Mr. President, along with several of my colleagues, I rise today to commend the many people helping to conduct our fight against breast cancer and to promote participation in an event that has increased

in stature each year it has been held: the National Race for the Cure.

Saturday morning, June 15, several thousand people will gather down on the mall near the Washington Monument to compete in the 1996 National Race for the Cure, either by participating in a 5 kilometer run or a one mile walk. The purpose of this race is to help raise money for and focus attention on breast cancer, one of the major threats to the lives and health of women in this country. Numerous corporations have made financial and in-kind contributions to help support this event—including several Michigan corporations such as Kelloggs, General Motors and Ford—and they are to be commended for their generosity and dedication. Also, the U.S. Postal Service will be unveiling a stamp promoting early detection and treatment of breast cancer.

The race is put together by the Susan G. Komen Breast Cancer Foundation, the largest private funder of research dedicated solely to breast cancer in the U.S. Efforts such as the Race for the Cure and other events held in 67 cities in 35 States and the District of Columbia enable the Susan G. Komen Foundation to fight breast cancer through a combination of research advocacy, education, screening and treatment.

We are on the edge of crucial breakthroughs in the area of breast cancer research and treatment. For instance, researchers at the Human Genome Project at the National Institutes of Health have located the section of the gene that they believe dictates the genetic and hereditary nature of breast cancer. The efforts of private organizations such as the Komen Foundation, when combined with the work done through Federal agencies such as NIH, increase the real likelihood that a cure for breast cancer will be discovered in the foreseeable future.

Breast cancer education and activism are not new to the Abraham family. Ever since my Mother's death back in 1982 from breast cancer, our family has been involved in efforts to heighten awareness and promote early detection of this devastating disease. Among our recent activities, just last month, my wife Jane and I participated in the Michigan Race for the Cure. Jane is also serving on the Congressional Committee for the National Race for the Cure being held next Saturday.

Too often it takes the loss of someone close and dear to one's heart to properly focus our attention and energy on spreading the word about silent killers like breast cancer. That is why it is critical for those of us who have experienced the tragedy of breast cancer to speak out and inform women—and men—of the dangers of ignorance and procrastination.

And it is vital that men become involved in this issue as well, reminding their mothers, wives, sisters, and daughters of the importance of early detection and treatment. It is only through such efforts that we can see to it that people no longer have to lose a loved one before learning the bitter truth about this devastating and deadly illness.

Once again, I want to commend everyone involved in putting together this year's race. I urge Members and their staff to participate in the race itself and to provide support to the broader cause of increasing education, treatment and research in the battle against breast cancer.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. The Senate will now proceed to debate House Joint Resolution 1, which the clerk will report.

The bill 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 resumed consideration of the joint resolution.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I rise today to call on the Senate to send the Dole-Hatch-Simon balanced budget amendment to the States for ratification. The time for decision has arrived. We will be voting on it either today or tomorrow. I suspect the vote is set for noon tomorrow. I hope that the Senate will respond to the needs of the American people and pass the balanced budget amendment.

Let me initially pay tribute to some of my colleagues who have fought for the passage of this crucial measure. First, let me mention the distinguished senior Senator from Illinois, PAUL SIMON, the primary Democrat sponsor of this bipartisan amendment. Senator SIMON has been a tireless and courageous, active worker on behalf of this amendment in his efforts over the years to secure passage of this amendment. His efforts on this matter, I think, are going to be missed in future Congresses. I have certainly enjoyed working with him. He is sincere. He is dedicated. He knows, unless we put the fiscal discipline into the Constitution, that we are not going to be able to balance this budget within 7 years or at any time in the immediate future.

I also have to mention another veteran of the battle for the balanced budget amendment, Senator STROM THURMOND. The senior Senator from South Carolina has been a consistent voice for fiscal responsibility and a staunch supporter of the balanced budget amendment over many years of his service here. We look forward to his continued work on this and other matters in the future. Senator HEFLIN from Alabama has also been a long-time supporter of this bipartisan measure, who will certainly be missed in future Congresses. I will miss both of these senior Democrats, who have done so much to try to pass the balanced budget amendment.

Let me also mention on our side—there are so many that should be mentioned on both sides—but let me mention Senator LARRY CRAIG, of Idaho, who has been a forceful advocate of the amendment and has done the best within his power to try to get the amendment up and of course do everything he can to pass it. And I might also add Senator PAUL COVERDELL of Georgia, who has been a key leader on the team in moving this idea forward.

I would also like to especially thank the 11 freshman Republican Senators who joined us at the beginning of this Congress. All of them leapt immediately into this fray in support of the balanced budget amendment when it came up in the very first month of the 104th Congress. They deserve a lot of credit. We only lost this by one vote. We will hear from each of them later, as we did in the first round of debates last year. It is heartening to see new Members so strongly dedicated to the fiscal soundness of our country.

These and so many of my colleagues from both sides of the aisle have been valiant servants of their country in fighting for a constitutional provision which will protect future generations from the profligacy of the current and past generations. But one stands above them all in his tirelessness, his dedication, in his commitment to providing a better future for our children and grandchildren, an America like the one that he grew up in, fought for, and of course an America that he has served all of his life. He will be leaving us soon and he will be sorely missed in this body, but he will be going on to greater challenges and higher offices in the service of our country. I am, of course, referring to our majority leader, and our leader in this effort on the balanced budget amendment, Senator ROBERT DOLE. BOB DOLE has made this a priority and has worked to make a balanced budget amendment the 28th amendment to the Constitution. His efforts on this amendment happen to be consistent with his decades of service on behalf of all Americans and on behalf of future generations. The contrast of his record with that of President Clinton is very clear.

President Clinton has fought the balanced budget amendment every step of the way. I would ask, why? The President now says he is for a balanced budget, yet I suggest the opponents of the balanced budget amendment are simply not ready to impose the kind of fiscal discipline on themselves that a constitutional amendment would require. It is tough to stop spending other people's money.

Last year, President Clinton succeeded in blocking the balanced budget amendment. He used all the tools at his disposal. He sent out Cabinet officials to argue against the amendment and even against balancing the budget per se. He used the resources of the Federal Government and all the persuasive power of the Presidency to defeat the balanced budget amendment to the Constitution.

Last year, President Clinton won and, in my opinion, the American people lost. The American people will lose again if President Clinton has his way again this year, unless he changes his mind and makes clear his support for this balanced budget amendment, the only one that has a possibility of passing because it already has passed the House of Representatives.

The subject matter of the amendment goes to the heart of our Founding Fathers' hope for our constitutional system, a system that would protect individual freedom through limited government. In the later 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 the American people and our future generations are threatened.

Since the other body has already given its approval to the amendment it is up to the Senate to follow suit to meet the needs of the American people, 85 percent of whom favor a balanced budget amendment. We need to relegate the spendthrift and tax-happy policies of the past to the dustbin of history.

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

The problem is our worsening debt crisis. Our Nation is faced with the worsening problem of rising national debt and deficits and the increased Government use of capital that would otherwise be available to the private sector to create jobs and invest in our future. 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 their future. The debt is fiscal child abuse and it must end.

The total national debt now stands at more than $5.1 trillion. That means that every man, woman and child in Utah, and all of our States, has an individual debt burden of more than $19,600. While it took us more than 200 years to acquire our first trillion dollars of debt, we have recently been adding another $1 trillion to our debt about every 5 years.

Yet opponents of the balanced budget amendment claim that there is no problem. They point to the marginal slowdown in the growth of the debt in the last year or so as if it suggested that all our problems are solved. Only inside this beltway, in Washington, DC, can people claim that we are on the right track while we add to a debt of more than $5.1 trillion.

The President's own 1997 budget predicts that in the year 2000, total Federal debt will be more than $6 trillion. That means a Federal debt of about $23,700 per person. Everybody in this country will have jumped from $19,600 per person that we owe now to $23,700 per person. This would be nearly a tenfold increase in per-capita debt since 1975.

When we last debated the balanced budget amendment I gave a daily update on the debt increase as we debated. By the end of the debate my ''debt tracker'' was becoming unwieldy, so I brought down sort of a summary debt tracker to bring us up to date on the debt since we began debate on this amendment in January of last year.

As my chart here shows, when we last began our debate in January 1995, we were in debt, as a national debt, $4.81 trillion. Since January 30, 1995 to June 3, 1996, a little over a year, we are now at $5.13 trillion in national debt. We have gone up $320 billion while this President is claiming we are getting the national debt under control and that he is really solving the deficit problems. That is a false claim and there is no question about it.

Translated in more understandable terms this means that the cost of delay in passing this important amendment has been more than $1,200 for every man, woman and child in our country. Put another way, over the 15 months that have elapsed since President Clinton helped defeat the balanced budget amendment, the debt has increased on average over $650 million a day; over $27 million an hour, over $450,000 a minute, over $7,500 every second. This is the price of the delay by President Clinton and his allies.

That increasing debt is not just numbers on a chart. Over time, the disproportionate burdens imposed on today's children and their children by the 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, decreased job creation, weaker productivity enhancement, and stagnating real wage growth in the private economy, higher interest rates, higher inflation, increased indebtedness to and economic dependence on foreign creditors, increased risk of default on the Federal debt, and, I might add, I think a very strong hit on Social Security—a very strong hit. Because, while we have done nothing to pass a balanced budget amendment, the debt has gone up $320 billion in just the last 15 months, and every time that goes up it reduces the value of every dollar and hits people on Social Security more than anybody else.

So, while some are arguing that we have to protect Social Security in the balanced budget amendment, something that should not be written into a constitutional amendment, Social Security is endangered because we are not putting this fiscal discipline into the Constitution and we have now gone 15 months with more danger to Social Security than ever before, where, had we passed this amendment, we would be on the way to balancing the budget by the year 2002 without any obfuscation, without the phony budgets that we commonly see around here, without the smoke and mirrors. We would have to do it. That, in the end, is what will protect Social Security and other pensions of people who are counting on them in our society.

Mr. President, one thing became clear during our recent experience in trying to enact the Balanced Budget Act of 1995. It is that we need a constitutional amendment. Some Senators argued during our debate last year on Senate Joint Resolution 1 that ''we did not need a constitutional amendment to balance the budget; we know what needs to be done; we should just do it.'' In fact, the President said that in a news clip I saw. He pointed to the media and said, ''Let's just do it.''

That is what they have been saying for 60 years now and why everything is being put in jeopardy as this debt continues to skyrocket, while we continue not to have a balanced budget amendment which would protect us. The trouble with ''just do it,'' is that Congress did it and the President did not. But under a constitutional amendment to balance the budget, the words ''just do it,'' would have authority for both of the elected branches of Government.

In the year that has gone by since President Clinton helped defeat the balanced budget amendment, the country has witnessed one of the most contentious budget battles in the history of our Nation. President Clinton was willing to let the Government shut down not once but twice before he finally agreed to work seriously toward balancing the budget.

But really what guarantee is there the Federal Government will achieve a balanced budget? And it is not just balancing the budget; it is reducing the national debt as well.

When the other side of the aisle controlled Congress, we never even had a serious consideration of this budget plan, we never even looked at it seriously. President Clinton never proposed a balanced budget until he was forced to. The budget that he submitted, when we first debated this amendment last year, had $200 billion deficits as far as the eye can see. Even our colleagues on the other side of the aisle recognized this as an entirely inadequate approach and rejected it. In fact, the President submitted no fewer than 10 budgets in 1 year in a series of attempts to avoid the tough, but responsible, decision to balance the budget.

Can the country afford the risk of having this fight every year? Nothing shows more clearly how difficult it is to move in the right direction than just the last 9 months. Mr. President, we need the balanced budget amendment to lock in the balanced budget

rule, or the future of our children will become bleaker and bleaker.

This constitutional amendment will help us end Congress' dangerous deficit habit in the way past efforts have not. It will do this by correcting a bias in the present process, which favors ever-increasing levels of Government spending. The balanced budget amendment reduces the spending bias in our present system by ensuring that, under normal circumstances, votes by Congress for increased spending will be accompanied by votes either to reduce other spending programs or to increase taxes to pay for our programs. For the first time since the abandonment of our historical norm of balanced budgets, Congress would be required to cast a politically difficult vote as a precondition to casting a politically attractive vote to increase spending.

Mr. President, the Senate should approve the balanced budget amendment. A vote against the amendment is a vote for the old status quo of irresponsible drift into more insurmountable debt than we already have. Sending the balanced budget amendment to the States is the right thing to do for ourselves, our children and our grandchildren, and it will give us back responsible and accountable constitutional Government.

I just want to say one more word about Social Security. I do not know of one Senator on either side of the aisle who does not want to protect Social Security. You do not write a protection for any particular item in the budget into the Constitution because that would lock it in and make it very difficult to ever make any changes or reforms that must be made.

The fact of the matter is, though, that if we do not pass a balanced budget amendment, Social Security will suffer, because we know by the year 2014, Social Security will start going bankrupt. In fact, many think it is going to start going bankrupt well before then. If we pass a balanced budget amendment, we will have to face these problems, and we will have to face them in a way that will protect those who are on Social Security in ways that, if we do not pass a balanced budget amendment, they will never be protected.

People need to know that is what it is. We have had 15 months of our debt going up $320 billion and that cannot help but have an effect on the financial viability of our country, on the financial viability of Social Security, on the financial viability of the whole world. We have to get it under control. The only methodology that I know of that will get us there, and I think most people will agree will get us there, is a balanced budget amendment locked into the Constitution which all of us revere and worship, which all of us will pay attention to, which all of us will honor and are sworn to uphold that will help us to get these spending practices under control.

I hope we can pass this balanced budget amendment. I do not have any illusions about it, but we are going to have this vote, and if it does go down again, which everybody expects it to, it will not be the last time we vote on this, we will be back next year and the year after, if that is what it takes, until this amendment is locked in the Constitution and people have to face the music here in Congress. It is about time we did.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Senator EXON be recognized at 1 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Senator DORGAN be recognized at 3:30 p.m. today to use whatever time he utilizes under the time he controls and that I be recognized after that.

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

Mr. HOLLINGS. Mr. President, I find it hard to believe my ears. What this really involves is the determined effort by the proponents of Senate Joint Resolution 1 to balance the budget with a constitutional amendment that devastates Social Security over the next 7 years by over $600 billion.

Let me read section 7 of the joint resolution:

> 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.

We suggested when this came up last year, and again earlier this year, that we were readily prepared to vote for a balanced budget amendment—we are waiting on the majority leader, of course, to make his motion to reconsider—if we add to the existing exclusion in section 7 that ignores those funds derived from borrowing and similarly exclude the Social Security trust fund surpluses.

The distinguished Senator from Utah says, ''Oh, it's so fine, we're going to finally lock it in,'' and he shows a chart with a horrendous debt. He says, ''Now we're going to finally really fix it so we can balance the budget.'' Then in the same breath, he says that ''we're going to protect Social Security.''

Social Security has long been protected. I intend to talk a little later about the history of our efforts to save it in 1983 with the National Commission on Social Security Reform on which the distinguished majority leader, Senator DOLE of Kansas, served.

But more to the point at hand: I made a motion as a member of the Budget Committee on July 10, 1990, that we put in a provision for Social Security protection. The reason being that we were beginning to rob the Social Security trust fund.

When the National Commission on Social Security Reform, the Greenspan commission, issued its report in 1983, they mandated that Social Security would be put off-budget in 1992. But when we saw what was really going on, I worked in bipartisan fashion with Senator Heinz and put into the law section 13301, signed on November 5, 1990, by President George Bush, which reads as follows:

> Exclusion of Social Security from all budgets. Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old Age and Survivors Insurance trust fund, the Federal Disability Insurance trust fund, shall not be counted as new budget authority outlays, receipts or deficit or surplus for purposes of the budget of the U.S. Government as submitted by the President, two, the congressional budget or, three, the Balanced Budget and Emergency Deficit Control Act of 1985. Exclusion of Social Security from the congressional budget, section 301(a) of the Congressional Budget Act of 1974, as amended, by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the Old Age Survivors and Disability Insurance Program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''

That is the law of the land. The Congressional Research Service and all others reading it who understand the English language know that section 7 of House Joint Resolution 1 repeals that law.

They dutifully praise the Senator from Illinois who stood for long periods of time here with me trying to balance the budget. He has come to me and other Senators on this side of the aisle and said, ''Let's see if we can't compromise.'' I replied, ''I don't mind being realistic, if you want to extend the date or any other wording.'' But Social Security has to be protected. We demonstrated the seriousness of our convictions with Senator DOLE's vote and Senator HOLLINGS' vote, just last year.

Mr. President, just November of last year, on the 16th of November, I put an forth an amendment:

> Notwithstanding any other provision of this joint resolution, the 7-year balanced budget passed by the Congress to the President shall not include the use of Social Security trust funds to reflect a balanced budget.

In other words, that put the Congress on record against any kind of unified budget that included Social Security trust funds. That was passed with Senator DOLE's and Senator HOLLINGS' vote, 97–2, and in the original instance, back 5 years ago, in 1990, it was 98–2.

Yes, we talk about protecting Social Security, but in this constitutional amendment, we avoid that particular protection that is already in the law. Why are they so adamant to do so? Because they cannot present a balanced budget, Mr. President, over that 7-year period without using Social Security trust funds and without other smoke and mirrors.

I have put it into the RECORD many a time. I will put it in again and show

you the particular budget that I submitted. And I said that if you could give me a 7-year balanced budget without an increase in taxes, a realistic budget without the smoke and mirrors, I would jump off the Capitol dome. I tried to convince them. They all said, ''Well, HOLLINGS—what's he for?''

I will put it in here right now in this RECORD. Mr. President, I ask unanimous consent that the Truth-in-Budgeting Act schedules, dated January 23, 1995, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

Reality #1: $1.2 trillion in spending cuts is necessary.

Reality #2: There aren't enough savings in entitlements.

*Have welfare reform, but a jobs program will cost; savings are questionable.

*Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings.

*Social security won't be cut and will be off-budget again.

Reality #3: We should hold the line on the budget on Defense; that would be no savings.

Reality #4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

Reality #5: Taxes are necessary to stop hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 95 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining defict excluding trust funds	287	264	222	202	185	149	121
5% VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Avg. interest rate on debt (in percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Non-Defense Discretionary Spending Cuts	1996	1997
Space Station	2.1	2.1
Eliminate CDBG	2.0	2.0
Eliminate Low-Income Home Energy Assistance	1.4	1.5
Eliminate Arts Funding	1.0	1.0
Eliminate Funding for Campus Based Aid	1.4	1.4
Eliminate Funding for Impact Aid	1.0	1.0
Reduce Law Enforcement Funding to Control Drugs	1.5	1.8
Eliminate Federal Wastewater Grants	0.8	1.6
Eliminate SBA Loans	0.21	0.282
Reduce Federal Aid for Mass Transit	0.5	1.0
Eliminate EDA	0.02	0.1
Reduce Federal Rent Subsidies	0.1	0.2
Reduce Overhead for University Research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Dept. Funding and End Misc. Activities	0.1	0.2
End P.L. 480 Title I and III sales	0.4	0.6
Eliminate Overseas Broadcasting	0.458	0.570
Eliminate the Bureau of Mines	0.1	0.2
Eliminate Expansion of Rural Housing Assistance	0.1	0.2
Eliminate USTTA	0.012	0.16
Eliminate ATP	0.1	0.2
Eliminate Airport Grant in Aids	0.3	1.0
Eliminate Federal Highway Demonstration projects	0.1	0.3
Eliminate Amtrak Subsidies	0.4	0.4
Eliminate RDA Loan Guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate Untargeted Funds for Math and Science	0.1	0.2
Cut Federal Salaries by 4%	4.0	4.0
Charge Federal Employees Commercial Rates for Parking	0.1	0.1
Reduce Agricultural Research Extension Activities	0.2	0.2
Cancel Advanced Solid Rocket Motor	0.3	0.4
Eliminate Legal Services	0.4	0.4
Reduce Federal Travel by 30%	0.4	0.4
Reduce Energy Funding for Energy Technology Develop	0.2	0.5
Reduce Superfund Cleanup Costs	0.2	0.4
Reduce REA Subsidies	0.1	0.1
Eliminate Postal subsidies for Non-profits	0.1	0.1
Reduce NIH funding	0.5	1.1
Eliminate Federal Crop Insurance Program	0.3	0.3
Reduce Justice State-Local Assistance grants	0.1	0.2
Reduce Export-Import Direct Loans	0.1	0.2
Eliminate Library Programs	0.1	0.1
Modify Service Contract Act	0.2	0.2
Eliminate HUD Special Purpose Grants	0.2	0.3
Reduce Housing Programs	0.4	1.0
Eliminate Community Investment Program	0.1	0.4
Reduce Strategic Petroleum Program	0.1	0.1
Eliminate Senior Community Service Program	0.1	0.4
Reduce USDA spending for Export Marketing	0.02	0.02
Reduce Maternal and Child Health Grants	0.2	0.4
Close Veterans Hospitals	0.1	0.2
Reduce Number of Political Employees	0.1	0.1
Reduce Management Costs for VA Health Care	0.2	0.4
Reduce PMA Subsidy	0.0	1.2
Reduce Below Cost Timber Sales	0.0	0.1
Reduce the Legislative Branch 15%	0.3	0.3
Eliminate Small Business Development Centers	0.056	0.074
Eliminate Minority Assistance Score, Small Business Institute and Other Technical Assistance Programs, Women's Business Assistance, International Trade Assistance, Empowerment Zones	0.033	0.046
Eliminate New State Department Construction Projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and Other International Exchanges	0.119	0.207
Eliminate North-South Center	0.002	0.004
Eliminate U.S. Contribution to WHO, OAS and Other International Organizations Including the U.N	0.873	0.873
Eliminate Participation in U.N. Peacekeeping	0.533	0.533
Eliminate Byrne Grant	0.112	0.306
Eliminate Community Policing Program	0.286	0.780
Moratorium on New Federal Prison Construction	0.028	0.140
Reduce Coast Guard 10%	0.208	0.260
Eliminate Manufacturing Extension Program	0.03	0.06
Eliminate Coastal Zone Management	0.03	0.06
Eliminate National Marine Sanctuaries	0.007	0.012
Eliminate Climate and Global Change Research	0.047	0.078
Eliminate National Sea Grant	0.032	0.054
Eliminate State Weather Modification Grant	0.002	0.003
Cut Weather Service Operations 10%	0.031	0.051
Eliminate Regional Climate Centers	0.002	0.003
Eliminate Minority Business Development Agency	0.022	0.044
Eliminate Public Telecommunications Facilities Program Grant	0.003	0.016
Eliminate Children's Educational Television	0.0	0.002
Eliminate National Information Infrastructure Grant	0.001	0.032
Cut Pell Grants 20%	0.250	1.24
Eliminate Education Research	0.042	0.283
Cut Head Start 50%	0.840	1.8
Eliminate Meals and Services for the Elderly	0.335	0.473
Eliminate Title II Social Service Block Grant	2.7	2.8
Eliminate Community Services Block Grant	0.317	0.470
Eliminate Rehabilitation Services	1.85	2.30
Eliminate Vocational Education	0.176	1.2
Reduce Chapter 1 20%	0.173	1.16
Reduce Special Education 20%	0.072	0.480
Eliminate Bilingual Education	0.029	0.196
Eliminate JTPA	0.250	4.5
Eliminate Child Welfare Services	0.240	0.289
Eliminate CDC Breast Cancer Program	0.048	0.089
Eliminate CDC AIDS Control Program	0.283	0.525
Eliminate Ryan White AIDS Program	0.228	0.468
Eliminate Maternal and Child Health	0.246	0.506
Eliminate Family Planning Program	0.069	0.143
Eliminate CDC Immunization Program	0.168	0.345
Eliminate Tuberculosis Program	0.042	0.087
Eliminate Agricultural Research Service	0.546	0.656
Reduce WIC 50%	1.579	1.735
Eliminate TEFAP:		
Administrative	0.024	0.040
Commodities	0.025	0.025
Reduce Cooperative State Research Service 20%	0.044	0.070
Reduce Animal Plant Health Inspection Service 10%	0.036	0.044
Reduce Food Safety Inspection Service 10%	0.047	0.052
Total	36.942	58.407

Mr. HOLLINGS. I included that to show how you could do it, how many cuts would be necessary in discretionary spending, with taxes and without taxes at that particular time. I did that because I had heard my colleagues on national TV. On ''Meet the Press,'' I heard the distinguished chairman of the Budget Committee, Senator DOMENICI, on the House side Mr. KASICH, and others say they are going to present a balanced budget.

I got together with the best of minds on the Budget Committee, the staff. We worked all through the month of January. Then we just put it into the RECORD that we had tried. I should note that the spending cuts I included were rather harsh —harsh, harsh. I was not prepared to vote for those unless we got a consensus to go along and really do the job.

But let me not get off my major point here with respect to this resolution. The reason they will not exclude Social Security trust funds and pick up the votes on this side—and they could pick up easily 5 and probably 10 votes, and they know it—is that if they include the exclusion, they will rob their plan of some $600 billion over the 6- to 7-year period.

You know, this is all about the Presidential election. I mean, after all, why have 7 years? It gets us by the election here in November and it gets us by the November election in the year 2000. So anytime you can get past two Presidential elections—and there were high hopes at one time that they were going to have the White House—you would not have any real responsibility to do anything under the constitutional amendment until after you were elected and reelected.

They certainly did not want to go along, even though they could get the balanced budget amendment to the Constitution, for which the Senator from South Carolina has previously voted. I do not mind a balanced budget amendment to the Constitution, but the reason they do not call up a balanced budget amendment that protects Social Security is because they know that they could not then vote for the fraud that is in their recent budget proposal.

I have categorically made this statement again and again for the past 15 years. No real balanced budget has been submitted in that 15-year period, no balanced budget has been submitted by this Congress or the President in the last 15 years. And to have the unmitigated gall to get up here and bring charts to the crowd—I do not know how long the distinguished Senator

from Utah has been in the U.S. Senate, but he has been here a long time. I do not know how long the Senator from Kansas has been here, our distinguished majority leader, but I know he voted with us in 1968 when we balanced the budget. I think the exact date was some time in June 1968. He was in the House and I was in the Senate.

June 20, 1968, was the date of the adoption of the conference report on H.R. 15414 imposing—listen to this, Mr. President, hear ye, all ears take heed—imposing a 10-percent surcharge on personal and corporate income taxes. It required the Federal Government to cut fiscal 1969 expenditures by $6 billion, and to reduce new obligational authority by $10 billion. It required a reduction in the number of Federal employees, extending certain existing excise taxes, accelerating payments of corporation taxes, revising or extending the effective date of certain welfare and medical assistance laws, and including provisions on various other subjects adopted by a vote in the House of Representatives of 268–150. It shows the distinguished Senator from Kansas voting ''aye.''

Mr. President, I ask unanimous consent that the voting record be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT FROM HOUSE VOTES 109 THROUGH 112

112. HR 15414. Adoption of the conference report (H. Rept. 1533) on HR 15414 imposing a 10-percent surcharge on personal and corporate income taxes, requiring the Federal Government to cut fiscal 1969 expenditures by $6 billion and to reduce new obligational authority by $10 billion, requiring a reduction in the number of federal employees, extending certain existing excise taxes, accelerating payment of corporation taxes, revising or extending the effective date of certain welfare and medical assistance laws, and including provisions on various other subjects. Adopted 268–150: R 114–73; D 154–77 (ND 96–49; SD 58–28), June 20, 1968. A ''yea'' was a vote supporting the President's position.

	109	110	111	112
Kansas:				
1-Dole	Y	Y	N	Y
2-Mize	Y	Y	Y	Y
4-Shriver	Y	Y	Y	Y
5-Skubitz	Y	Y	Y	Y
3-Winn	Y	Y	N	N

Mr. HOLLINGS. Mr. President, that is the Senator from Kansas that we know and love. He was increasing taxes. He was cutting spending. He was getting rid of Federal employees, and right on down through his record as chairman of the Finance Committee—yes, we might as well bring it out categorically—he proposed the largest tax increase in the history of the U.S. Government.

Mr. President, I ask unanimous consent to have printed an article by Judy Mann, entitled ''Fiddling With the Numbers.''

[From the Washington Post]

FIDDLING WITH THE NUMBERS

(By Judy Mann)

Gov. Christine Todd Whitman, the Republican meteor from New Jersey, had the unusual honor for a first-term governor of being asked to deliver her party's response to President Clinton's State of the Union message last week.

And she delivered a whopper of what can most kindly be called a glaring inaccuracy.

Sandwiched into her Republican sales pitch was the kind of line that does serious political damage: Clinton, she intoned, ''imposed the biggest tax increase in American history.''

And millions of Americans sat in front of their television sets, perhaps believing that Clinton and the Democrat-controlled Congress had done a real number on them.

The trouble is that this poster lady for tax cuts was not letting any facts get in her way. But don't hold your breath waiting for the talk show hosts to set the record straight.

The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Here is how the two compare, according to Bill Gale, a specialist on tax policy and senior fellow at the Brookings Institution. The 1993 act raised taxes for the next 5 years by a gross total of $268 billion, but with the expansion of the earned income tax credit to more working poor families, the net increase comes to $240.4 billion in 1993. The Tax Equity and Fiscal Responsibility Act of 1982, by comparison, increased taxes by a net of $217.5 billion over 5 years. Nominally, then, it is true that the 1993 tax bill was the biggest in history.

But things don't work nominally. ''A dollar now is worth less than a dollar was back then, so that a tax increase of, say $10 billion in 1982 would be a tax increase of $15 billion now,'' says Gale. In fact, if you adjust for the 48 percent change in price level, the 1982 tax increase becomes a $325.6 billion increase in 1993 dollars. And that makes it the biggest tax increase in history by $85 billion.

Moreover, says Gale, the population of the country increased, so that, on a per person basis, the 1993 tax increase is lower than the one in 1982, and the gross domestic product increased over the decade, which means that personal income rose. ''Once you adjust for price translation, it's not the biggest, and when you account for population and GDP, it gets even smaller.''

He raises another point that makes this whole business of tax policy just a bit more complex than the heroic tax slashers would have us believe. ''The question is whether [the 1993 tax increase] was a good idea or a bad idea, not whether it was the biggest tax increase. Suppose it was the biggest? I find it frustrating that the level of the debate about stuff like this as carried on by politicians is generally so low.''

So was it a good idea? ''We needed to reduce the deficit,'' he says, ''we still need to reduce the deficit. The bond market responded positively. Interest rates fell. There may be a longer term benefit in that it shows Congress and the president are capable of cutting the deficit even without a balanced budget amendment.''

Other long-term benefits, he says, are that ''more capital is freed up for private investment, and ultimately that can result in more productive and highly paid workers.''

How bad was the hit for those few who did have to pay more taxes? One tax attorney says that his increased taxes were more than offset by savings he was able to generate by refinancing the mortgage on his house at the lower interest rates we've had as a result. The 1993 tax increase did include a 4.3-cent-a-gallon rise in gasoline tax, which hits the middle class. But most of us did not have to endure an income tax increase. In 1992, the top tax rate was 31 percent of the taxable income over $51,900 for single taxpayers and $86,500 for married couples filing jointly. Two new tax brackets were added in 1993: 36 percent for singles with taxable incomes over $115,000 and married couples with incomes over $140,000; and 39.6 percent for singles and married couples with taxable incomes over $250,000.

Not exactly your working poor or even your average family.

The rising GOP stars are finding out that when they say or do something stupid or mendacious, folks notice. The jury ought to be out on Whitman's performance as governor until we see the effects of supply side economics on New Jersey. But in her first nationally televised performance as a spokeswoman for her party, she should have known better than to give the country only half the story. In the process, she left a lot to be desired in one quality Americans are looking for in politicians: honesty.

Mr. HOLLINGS. Mr. President, I will read one sentence. The entire article is in the RECORD so we know there is no misuse of this particular instrument here: ''The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.''

Now, Mr. President, we also have the statements from the other media. That statement was in the Washington Post on January 1 of last year. Everybody knows about that quote from the Wall Street Journal dated October 26, 1994: ''Contrary to Republican claims, the 1993 package is not the largest tax increase in history. The 1982 deficit reduction package of President Reagan and Senator Robert Dole in a GOP-controlled Senate was a bigger tax bill, both in 1993 adjusted dollars and as a percentage of the overall economy.'' That was in the Wall Street Journal, October 26, 1994.

Further, from the Washington Post of February 1, 1995: ''The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.''

Now, from the New York Times, November 3, 1995: ''It is not true that the $240 billion tax increase approved by Congress in 1993 at Mr. Clinton's behest is the largest in American history, When adjusted for inflation, the only way to make comparison for dollar amounts in different years, a tax increase engineered by Mr. Dole in 1982, when he was chairman of the Senate Finance Committee, was larger.'' That was the New York Times, November 3, 1995. That is the Senator from Kansas that we know and love.

I voted, this Senator from South Carolina, with the Senator from Kansas back in 1968 when we had the last balanced budget. I voted against Reaganomics in 1981 and went along the legislation in 1982 because we could see the disaster coming; deficits were exploding, we needed more revenues, and the budget was getting entirely out of hand. Now, Mr. President, you cannot believe your ears. You cannot believe your ears. Having increased spending over the 15-year period, $250 billion more than we have taken in, on

an average each year, we have run the national deficit—I do not need a chart; all you need is the facts—from less than $1 trillion.

From the beginning of this Nation, in 1776 with the cost of the Revolution, the War of 1812, the Civil War, the Spanish-American War, World War I, World War II, Korea, Vietnam, the cost of all the wars, we still had not run up a debt of $1 trillion. I know we had Desert Storm, but the others are supposed to have paid for it. In a 15-year period, without the cost of a war, we have run amok. We have gone from less than $1 trillion to over $5 trillion.

What is the interest cost? The interest cost now is estimated to be 353 billion bucks next year; that is the April 30 figure by the CBO. Mr. President, I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

President and year	U.S. budget (outlays in billions)	Trust funds	Real deficit	Gross Federal debt (billions)	Gross interest (Budget realities, Sen. Hollings, 4–17–96)
Truman:					
1945	92.7	5.4		260.1	
1946	55.2	3.9	−10.9	271.0	
1947	34.5	3.4	+13.9	257.1	
1948	29.8	3.0	+5.1	252.0	
1949	38.8	2.4	−0.6	252.6	
1950	42.6	−0.1	−0.1	256.9	
1951	45.5	3.7	+1.6	255.3	
1952	67.7	3.5	−3.8	259.1	
1953	76.1	3.4	−6.9	266.0	
Eisenhower:					
1954	70.9	2.0	−4.8	270.8	
1955	68.4	1.2	−3.6	274.4	
1956	70.6	2.6	+1.7	272.7	
1957	76.6	1.8	+0.4	272.3	
1958	82.4	0.2	−7.4	279.7	
1959	92.1	−1.6	−7.8	287.5	
1960	92.2	−0.5	−3.0	290.5	
1961	97.7	0.9	−2.1	292.6	
Kennedy:					
1962	106.8	−0.3	−10.3	302.9	9.1
1963	111.3	1.9	−7.4	310.3	9.9
Johnson:					
1964	118.5	2.7	−5.8	316.1	10.7
1965	118.2	2.5	−6.2	322.3	11.3
1966	134.5	1.5	−6.2	328.5	12.0
1967	157.5	7.1	−11.9	340.4	13.4
1968	178.1	3.1	−28.3	368.7	14.6
1969	183.6	−0.3	+0.9	365.8	16.6
Nixon:					
1970	195.6	12.3	−15.1	380.9	19.3
1971	210.2	4.3	−27.3	408.2	21.0
1972	230.7	4.3	−27.7	435.9	21.8
1973	245.7	15.5	−30.4	466.3	24.2
1974	269.4	11.5	−17.6	483.9	29.3
Ford:					
1975	332.3	4.8	−58.0	541.9	32.7
1976	371.8	13.4	−87.1	629.0	37.1
Carter:					
1977	409.2	23.7	−77.4	706.4	41.9
1978	458.7	11.0	−70.2	776.6	48.7
1979	503.5	12.2	−52.9	829.5	59.9
1980	590.9	5.8	−79.6	909.1	74.8
Reagan:					
1981	678.2	6.7	−85.7	994.8	95.5
1982	745.8	14.5	−142.5	1,137.3	117.2
1983	808.4	26.6	−234.4	1,371.7	128.7
1984	851.8	7.6	−193.0	1,564.7	153.9
1985	946.4	40.6	−252.9	1,817.6	178.9
1986	990.3	81.8	−303.0	2,120.6	190.3
1987	1,003.9	75.7	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−255.2	2,601.3	214.1
Bush:					
1989	1,143.2	114.2	−266.7	2,868.0	240.9
1990	1,252.7	117.2	−338.6	3,206.6	264.7
1991	1,323.8	122.7	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−403.6	4,002.1	292.3
Clinton:					
1993	1,408.2	94.2	−349.3	4,351.4	292.5
1994	1,460.6	89.1	−292.3	4,643.7	296.3
1995	1,514.4	113.4	−277.3	4.921.0	332.4
1996	1,572.0	126.0	−270.0	5.191.0	344.0
Est. 1997	1,651.0	127.0	−292.0	5.483.0	353.0

Historical Tables, Budget of the U.S. Government FY 1996: Beginning in 1962 CBO's "1995 Economic and Budget Outlook."

Mr. HOLLINGS. Mr. President, the distinguished Senator is running for President and he is getting the praises. He also ought to get the facts. He is running on his record. "He gets results, results, results." Well, heavens above, what is the result? We are spending $1 billion a day for nothing. Now, they could perhaps assess the blame to the Senator from South Carolina, or the Senator from Kansas, or any of the other Senators that have been around the last 15 years, but you can look at your books—Mr. President, they cannot blame President William Jefferson Clinton. He is the only President who has come to town since Lyndon Johnson that has cut the deficit.

The Republicans have the unmitigated gall, totally shameless, to single out the one individual that came in and said we are going to cut the deficit $500 billion, we are going to tax gasoline, we are going to tax Social Security and in return get the finest result to the economy that you could possibly imagine. Meanwhile, Senators on the other side of the aisle said they would be hunting us in the street and shooting us down like dogs and all that nonsense. We could not get a single Republican vote in the U.S. Senate. We could not get a single Republican vote in the U.S. House of Representatives.

But President Clinton stuck to his guns. We stuck to our guns. Yes, we were responsible for those spending cuts. We are responsible for those tax increases and we are responsible for the wonderful economy, the low inflation rate, the creation of over 8 million jobs and everything else. Yet they have come out to point fingers, when they are the ones who caused this waste of $1 billion a day for nothing. Interest costs have gone up from $75 billion in 1980–81 to $353 billion. Just in round figures that is a $275 billion increase in spending for nothing—no Government, no schools, no highways, no law enforcement, no foreign aid, no welfare, no nothing.

The crowd that caused this waste has now come around in this Presidential race and are trying to throw a long

pass. Please. I never heard of such foolishness—here we are dead broke, we are spending $1 billion a day. Nobody has proposed that kind of spending cut or tax increase. Now we have the distinguished Senator from Kansas who wants to repeal the gas tax, $30 billion. He wants to have a missile defense of $60 billion. He now is going to propose an across-the-board cut of $600 billion. Anything to get elected. Come on. I have a hard time when I wake up every morning and come to the office to face this problem. That is why I asked for this extra time on this measure.

They should not get the votes for this disaster. Coming around here with a constitutional amendment, like a crowd at a football game up in the grandstand hollering, ''We want a touchdown, we want a touchdown.'' Heck, we are the team. We are on the field. What have they done, other than procedure—to pass it on to the States, and after two or three elections, 7 years from now, with the State's ratification—or 2, 3 years, whatever—pass it to the States and let them ratify and come back and let the Congress then go along with the ratification. Anything to push off our responsibility and act like we are not here. They bring in charts and blame the one individual that has cut the deficit since he took office. Down in Arkansas he had a track record of 10 years of balancing budgets. He comes to town with these interest costs and a horrendous debt. What does he do? He submits a realistic budget that would have the economy in good shape, and we can not get a single vote. And they have the unmitigated gall to come up here and say they are leading the way, and that President Clinton does not want a balanced budget while they do. They are the ones who caused these horrendous deficits.

Then I look at the screen from the Republican TV channel, channel 2, and here is what it has on there. It says: ''Interest costs on the national debt account for 15 percent of all Federal spending.'' False. Interest costs on the debt are 27 percent of all Federal spending. Mark it down. I have to correct this myself. I cannot get the newspapers to do it.

Republican statement on the TV channel: ''40 cents of every Federal income dollar goes to pay interest on the national debt.'' Fact: 54 cents of every Federal income tax dollar goes to pay interest on the national debt.

Republican statement: ''Annual interest cost on the national debt almost equals annual discretionary spending.'' Fact: Annual interest costs far exceed discretionary spending. Discretionary spending—which is inclusive of international affairs—for 1996 is $267 billion. The 1996 interest on the debt is $344 billion.

Another Republican statement—they just put out—you talk about truth and who has character, come on. ''Annual interest costs on the national debt almost equals the cost of national defense.'' That is on the Republican screen right now, so all the Republican Senators can glean these quick misinformations and run out on the Senate floor and act like they have studied the problem and know what they are talking about. False. The fact is, annual interest costs far exceed the cost of national defense. The 1996 defense spending is $265 billion. Interest costs on the debt are $344 billion.

Now, Mr. President, I hardly know how you are supposed to make sense out of this ''non-sense''. All that these plans accomplish is to move the deficit from the general Government over to Social Security. And they talk like it is a given: ''Unified budget, unified budget, unified budget.'' That is my distinguished colleague from New Mexico, the chairman of the Budget Committee. I know he is a brilliant Senator, and I know he knows differently.

I want to go now to the Social Security record because, Mr. President, we have had a difficult time zeroing in on how we got to where we are. I hold the report of the National Commission on Social Security Reform, dated January 1983—right on page 23 it says: ''The National Commission was able to reach a consensus for meeting the short-range and long-range financial requirements by a vote of 12–3.''

The distinguished Senator from Kansas was included in that vote, Mr. President, and he bragged openly to the Catholic Conference on May 26—just this past month—that he helped save Social Security in 1983. In the short term, he did. He was a member of the commission. And one of their conclusions, point 21 on page 224, was: ''A majority of the members of the national commission recommends that the operation of OASI, DI, HI, and SSI trust funds should be removed from the unified budget. Some of those who do not support this recommendation believe that the situation would be adequately handled if the operations of the Social Security Program were displayed within the present unified Federal budget as a separate budget function, apart from the other income security programs.''

Now, Mr. President, there is no question that the distinguished Senator from Kansas supported that. And Senator DOLE referred, in his additional views along with Congressman Conable, who was chairman then on the House side, in statement 5, page 2, to the short and long-term deficits in Social Security: ''In our judgment, $150 billion to $200 billion is the amount required to keep the system solvent through 1990, and over the very long-term, the next 75 years, the needs of the system amount to about $25 billion a year.'' Thus, there was an understanding that we were making necessary changes to ensure the integrity of the Social Security system.

Now, moving on, to save time, Mr. President, again, on statement 5, page 7: ''Accumulating considerably larger reserves is desirable,'' said the Senator from Kansas. But now those reserves are what he is trying to eliminate—eliminate about $600 billion to get this farcical constitutional amendment. We have never written a farce into the Constitution. I hope we do not put a farce in it now, because we know what the farce is. ''Accumulating considerably larger reserves is desirable.'' And then the Senator said later on, ''Trust fund reserves have been on a downhill coast for years.'' So he was very concerned as chairman of the Finance Committee at that particular time. He stated so in his submission of the particular bill on March 16, 1983, as the chairman when he said, ''OASI, DI in the particular bill actually generates a surplus.'' Again, a particular caveat or catchall to make sure it does not go below. On page 22, on March 16, Senator DOLE says, ''If the reserves fall below 20 percent of the annual outgo, the annual COLA would be based on the lower increase in wages and prices.''

So they put in the 20-percent cushion, and constantly throughout referred to the effect on the trust funds. Now, the only reason I emphasize that is to show that in 1983 the distinguished Senator wanted to have trust funds. But they also wanted to ensure that the trust fund was off budget.

Let me read from the actual CONGRESSIONAL RECORD of March 24, 1983, on the House side.

It says:

> D. Separate treatment of trust fund operations under unified budget. Beginning with 1969, the financial operations of the Social Security trust funds have been included in the unified budget of the Federal Government. House bill: House bill provides for the display of OASI, SI and DI fund operations as a separate function within the budget. Beginning with the fiscal year 1989, these trust fund operations would be removed from the unified budget—Senate amendment, no provision.

The conference agreement, here is what they agreed to:

> The conference agreement follows the House bill except that the trust fund operations would not be removed from the unified budget until the fiscal year 1992.

So the conference committee chose to follow the recommendation in the Greenspan commission report and adopted into law that by 1992 you would take Social Security off-budget as a true trust fund.

When we started to see these surpluses being used to make the deficit look smaller, we decided we couldn't wait until 1992. On July 10th, 1990, in the Budget Committee, by a vote of 20 to 1, we put Social Security trust funds off budget and abolished the unified budget, including inclusion of Social Security. In that vote, 20 to 1, the one dissenting vote was the distinguished Senator from Texas, Senator GRAMM.

Let me say what we did when we adopted the law in 1983 and go back to what Mr. Heinz said, the former distinguished Senator from Pennsylvania, our great colleague, John Heinz, and I quote:

> Mr. President, unless we separate Social Security from the budget, it is absolutely inconceivable to me that we are going to be

able to finance Social Security in any kind of rational way in the long run. Left in the unified budget, there does not seem to be anything we are going to be able to do except spend Social Security surpluses on other programs in the surplus years and our Social Security in the deficit years. Without some assurance that this program will be treated like the Social Security insurance program that it is, how can we expect young workers who are paying millions to pay anything into Social Security today, nearly 100 million of them, to trust that the benefits that they pay in taxes are going to be in when they retire 30 years from now? The answer is, unless we separate Social Security, as I provided, I do not think we can.

So it was Senator Heinz on the Republican side, in a bipartisan initiative in 1990, by a vote of 98 to 2—who worked with me to do just exactly that by law. It is the law today. It was signed by a Republican President, George Bush, but now under this constitutional amendment is about to be repealed.

They talk about protecting Social Security. But they are trying to disregard the protection we already have. We owe Social Security $520 billion as of the end of April. That is how much has been borrowed from Social Security. Tack on under this particular constitutional amendment another $600 billion as planned in the Republican budget by the year 2002. In the end, we may pass a constitutional amendment, but even if it was adhered to and things fell into place under a best-case scenario, we would end up saying, Yes, we balanced the budget, but we devastated Social Security. We would owe Social Security $1.14 trillion. And who is going to raise taxes for that? Yet, they sit up here in solemn dignity talking about who is for balanced budgets, the very crowd that devastated us, devastated the plan.

I do not know how you make sense out of this crowd. I do not know how you make sense out of the media.

James Fallows wrote a very interesting volume entitled ''Breaking the News.'' In there he discussed the dichotomy between Walter Lippmann and John Dewey. Lippmann and Dewey both agreed that we should have an outstanding press and an expert press, and to a great extent, we do. They know these things. Unfortunately, they have gotten into the habit of taking polls, because they want to be ahead of the news. So they gather news and then they find the stories to support the polls. That is an incestuous kind of thing and consequently, the press ends up making the news rather than reporting the news.

But Dewey went further, by saying that the American public should be engaged. It is Fallows' position that the public has not been engaged, nor have they been made to feel a part of the process so that they could understand hard facts. He states in his book that the press has a duty to report the truth even if they have to go against public opinion. We as a society are not getting those truths reported.

Unfortunately, this particular Senator takes issue with the idea about the public being engaged. The public knows, and they want to be disengaged. They get this all ''spew time'' on the 7 o'clock news, they get this all spew time in the magazines, the daily press, and the media. It is a deluge. All they hear from us is this preelection off-Broadway show on the floor of the national Congress complete with charts.

The little tidbit of the moment this morning is that Medicare is going broke in the year 2001. So what has changed? That was the report when President Clinton took office. It was going broke in the year 2001. He extended—oh, they do not want to say that—he extended it into 2002; 1993 was his first assault on Medicare spending, because, yes, we not only cut spending $500 billion, we not only increased taxes some $240 billion, but we cut Medicare $57 billion without a Republican vote.

They came in here with these tremendous tax cuts, which, unfortunately, my friend, Stevie Forbes, has the Republican nominee talking about now. I hope he does not go overboard with that nonsense. Because I can report to you exactly where that nonsense started. Here it goes again.

I want to include, Mr. President, an article from the New Perspectives Quarterly of March 22, 1993, by none other than David A. Stockman, the daddy rabbit of Reaganomics.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From New Perspectives Quarterly, Mar. 22, 1993]

AMERICA IS NOT OVERSPENDING; NORTH AMERICA: THE BIG ENGINE THAT COULDN'T

(By David A. Stockman)

David A. Stockman Director of the Office of Management and Budget from 1981 to 1985, during the first years of the ''Reagan Revolution,'' David Stockman left office amid the lingering controversy caused by his revelations in the Atlantic magazine about the internal Administration politics which, Stockman said, would result in untenable deficits.

Stockman's memoirs of those years are entitled A Triumph of Politics: How the Reagan Revolution Failed. He is currently a General Partner at the Blackstone Group, a New York investment house.

President Clinton's economic plan deserves heavy-duty criticism—particularly the $190 billion worth of new boondoggles through FY1998 that are euphemistically labelled ''stimulus'' and ''investment'' programs. But on one thing he has told the unvarnished truth. There is no way out of the elephantine budget deficits which have plagued the nation since 1981 without major tax increases.

In this regard, the full-throated anti-tax war cries emanating from the GOP since February 17 amount to no more than deceptive gibberish. Indeed, if Congressman Newt Gingrich and his playmates had the parental supervision they deserve, they would be sent to the nearest corner wherein to lodge their Pinocchio-sized noses until this adult task of raising taxes is finished.

The fact is, we have no other viable choice. According to the Congressional Budget Office (CBO) forecast, by FY1998 we will have practical full employment and, also, nearly a $400 billion budget deficit if nothing is done. The projected red ink would amount to five percent of GNP, and would mean continuing Treasury absorption of most of our meager net national savings through the end of the century. This is hardly a formula for sustaining a competitive and growing economy.

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax-cutting that shattered the nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of anti-tax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

It ought to be obvious by now that we can't grow our way out. If we should happen to realize CBO's economic forecast by 1998, wouldn't a nearly $400 billion deficit in a full employment economy 17 years after the event finally constitute the smoking gun?

To be sure, aversion to higher taxes is usually a necessary, healthy impulse in a political democracy. But when the alternative becomes as self-evidently threadbare and groundless as has the ''growth'' argument, we are no longer dealing with legitimate skepticism but with what amounts to a demagogic fetish.

Unfortunately, as a matter of hard-core political realism, the ritualized spending cut mantra of the GOP anti-taxers is equally vapid. Again, the historical facts are overwhelming.

Ronald Reagan's original across-the-board income tax cut would have permanently reduced the federal revenue base by three percent of GNP. At a time when defense spending was being rapidly pumped up, and in a context in which the then ''conservative'' congressional majority had already decided to leave 90 percent of domestic spending untouched, the Reagan tax rate cut alone would have strained the nation's fiscal equation beyond the breaking point. But no one blew the whistle. Instead, both parties succumbed to a shameless tax-bidding war that ended up doubling the tax cut to six percent of GNP—or slashing to nearly one-third the permanent revenue base of the United States government.

While delayed effective dates and phase-ins postponed the full day of reckoning until the late 1980s, there is no gainsaying the fiscal carnage. As of August, 1981, Uncle Sam had been left to finance a 1980s-sized domestic welfare state and defense build-up from a general revenue base that was now smaller relative to GNP than at any time since 1940!

In subsequent years, several ''mini'' tax increase bills did slowly restore the Federal revenue base to nearly its post-war average share of GNP. The $2.5 trillion in cumulative deficits since 1981, however, is not a product of ''over-spending'' in any meaningful sense of the term. In fact, we have had a rolling legislative referendum for 12 years on ''appropriate'' Federal spending in today's society—and by now the overwhelming bi-partisan consensus is crystal clear.

Cash benefits for Social Security recipients, government retirees and veterans will cost about $500 billion in 1998—or six percent of prospective GNP. The fact is they also cost six percent of GNP when Jimmy Carter came to town in 1977, as they did when Ronald Reagan arrived in 1981, Bush in 1989 and Clinton in 1993.

The explanation for this remarkable 25 years of actual and prospective fiscal cost stability is simple. Since the mid-1970s there has been no legislative action to increase benefits, while a deep political consensus has steadily congealed on not cutting them, either. Ronald Reagan pledged not to touch Social Security in his 1984 debate with Mondale; on this issue Bush never did move his

lips; and Rep. Gingrich can readily wax as eloquently on the ''sanctity'' of the nation's social contract with the old folks as the late Senator Claude Pepper ever did.

The political and policy fundamentals of the $375 billion prospective 1998 cost of Medicare and Medicaid are exactly the same. If every amendment relating to these medical entitlements which increased or decreased eligibility and benefit coverage since Jimmy Carter's inauguration were laid end-to-end, the net impact by 1998 would hardly amount to one to two percent of currently projected costs.

Thus, in the case of the big medical entitlements, there has been no legislatively driven ''overspending'' surge in the last two decades. And since 1981, no elected Republican has even dared think out loud about the kind of big changes in beneficiary premium costs and co-payments that could actually save meaningful budget dollars.

To be sure, budget costs of the medical entitlements have skyrocketed—but that is because our underlying health delivery system is ridden with inflationary growth. Perhaps Hillary will fix this huge, systemic economic problem. But until that silver bullet is discovered, there is no way to save meaningful budget dollars in these programs except to impose higher participation costs on middle and upper income beneficiaries—a move for which the GOP has absolutely no stomach.

Likewise, the ''safety net'' for the poor and price and credit supports for rural America cost the same in real terms—about $100 billion—as they did in January, 1981. That is because Republicans and Democrats have gone to the well year after year only to add nickels, subtract pennies, and, in effect, validate over and over the same ''appropriate'' level of spending.

On the vast expanse of the domestic budget, then, ''overspending'' is an absolute myth. Our post-1981 mega-deficits are not attributable to it; and the GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

It is unfortunate that having summoned the courage to face the tax issue squarely, President Clinton has clouded the debate with an excess of bashing the wealthy and an utterly unnecessary grab-bag of new tax and spending giveaways. But that can be corrected in the legislative process—and it in no way lets the Republicans off the hook. They led the Congress into a giant fiscal mistake 12 years ago, and they now have the responsibility to work with a President who is at least brave enough to attempt to correct it.

(Mr. ASHCROFT assumed the chair.)

Mr. HOLLINGS. Mr. President, I thank the distinguished Chair. The entire article is there, but let me just read this paragraph. How did this all get started, that chart of yours—if you want to know where that chart started, it did not start under President Clinton. He has reduced the deficit.

He has reduced the deficit. The debt they show on that chart that goes from less than $1 trillion on up to over $5 trillion occurred under you and me. And I quote:

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cure the deficit. It ought to be obvious by now that we can't grow our way out.

So much for growth, so much for tax cuts, so much for the ying-yang of entitlements. They had in the Atlantic Monthly this past issue an article by my friend Peter Peterson, former Secretary of the Treasury as well as in the Department of Commerce, and eminent fiscal expert. But he says the father of all unfunded mandates is Social Security and Medicare.

It's absolutely ridiculous when you get the best of the best talking that nonsense. Social Security has a surplus of $520 billion. Medicare has a surplus of $130 billion according to the April 30 Treasury report. So we have surpluses that they would call unfunded mandates. This misconception is followed by Time Magazine saying that the biggest thing causing the deficit is these runaway entitlements. All absolutely false.

What is in deficit, Mr. President, is the general Government. There is one big sham, one big fraud that is going on here in the National Government. And the people are enraged because they know about it. They are paying more and getting less Government. And, of course, the pollsters are off on that bit about get rid of the Government, get rid of the Government, get rid of the Government. The Government is not the solution; the Government is the enemy.

The fact is that we can spend money and save money, but these interest costs on the debt keep going up and away. Payment is required just like taxes. They say two things you cannot avoid are death and taxes. The third thing is interest costs on the debt. They are interest taxes going up on automatic pilot. As we talk today, while we talk, it will go up another billion bucks. And what is broke today is the Government, not the entitlements.

Now, I commend my distinguished friend from Nebraska, BOB KERREY, and the former Senator from Missouri, JACK DANFORTH. I voted for the Kerrey amendment to the budget resolution because, yes, I agree we have to get a bridle on this animal. We are going to have to gradually raise the retirement age. We are going to have to consider other changes such as holding up on the COLA's.

I have voted for a COLA freeze in the past. I have proposed budget freezes. I have proposed automatic spending cuts across the board. I have even proposed increasing taxes to reduce the deficit. But, Mr. President, you cannot get it now from this group. They are the ones who do not want to pay for Government. And they have the audacity to come here with these runaway spending programs and ridiculous allegations that the President is against defense. It is all a political act. They know he is oversensitive about defense and that he is going along with what the Joint Chiefs want.

I was with Danny Graham. I got the first SDI award. Do not tell me about SDI and its support. I still support it. But after spending almost 90 billion bucks and having nothing to show for it, now is the time to stop, look, and listen and move in a measured way, as the distinguished Senator from Georgia, SAM NUNN, says to do and the Joint Chiefs say to do. But instead of being practical, they give us political theatre. And this particular constitutional amendment is another act where they try to make the President look bad for not being able to get the Democrats' vote.

Come on. The President did not get my vote on GATT. He did get my vote on NAFTA. I have a lot of things on which he is not going to get my vote. What are you talking about, get the vote.

But the Republicans can get HOLLINGS' vote in a flash if they protect Social Security. Just put in section 7 that Social Security funds are excluded. Why not write what the law requires and what we all say should be done to give the children and grandchildren a sense of trust, reliance, and respect for Government. There is no such thing as a unified budget with Social Security. By law Social Security is off-budget. But now they put in the constitutional amendment these different statements here.

Some may ask, what does the Senator from South Carolina want? Everybody knows, or should know, that the Senator from South Carolina works in a bipartisan fashion. This Senator, you are looking at him, got the only bipartisan thing done in the last 2 years, the telecommunications bill. I know it. The public knows it. I worked for 4 years on that. We worked with the Republicans and Democrats and we got 91 votes, 91 of the Senators on the floor. So I know how to work in a bipartisan way.

In fact, I worked with President Johnson to balance the budget in a bipartisan way. But when President Reagan came to town with the so-called Kemp-Roth tax cut, I knew we were headed for the pits. I knew it. Senator DOLE knew it. I can show you his statements critical of Kemp-Roth. He was not any supply-side chairman of Finance. He knew better. Senator Howard Baker, the majority leader, sat right down there at that first desk and he shrugged his shoulders and said this is a riverboat gamble. You did not get elected to come up here and gamble like a riverboat gambler. And I will not go along with it.

Vice President George Herbert Walker Bush called it ''voodoo.'' How in Heaven's name can you cut your revenues, increase all your spending for defense, as elicited by Warren Rudman in his recent book, and expect a balanced budget? Who is that stupid? We continue to practice pollster-driven politics and focus on hot-button issues. But the public knows better.

So I voted against Reaganomics. I voted for the spending cuts. I voted for the tax increases. And I want to correct the record in that Rudman book,

which I have a little time to do. The inference is, in that first chapter, that Senator HOLLINGS had some doubts about Gramm-Rudman-Hollings and later asked for a divorce. It implies that I acted like I was just along for the ride.

Let me tell you now, the Senator from South Carolina worked in a bipartisan fashion like a dirty dog, over the objection of the Democratic majority leader, over the objection of the Democratic chairman of the Budget Committee. On 14 votes, up or down, we got a majority of Democrats to vote for across-the-board spending cuts of Gramm-Rudman-Hollings: $36 billion a year.

Incidentally, I helped write Gramm-Rudman-Hollings. I used this budget tool as Governor. I got a balanced budget. I got the first triple-A credit rating. The distinguished former Governor and occupant of the Chair knows what I mean. We do not have a triple-A credit rating in the great State of South Carolina now. I got it. It has been lost. So I know how hard it is to work and get from Standard & Poor's a triple-A credit rating. I did it with a rule we had in the legislature of automatic cuts across the board, and that is all Gramm-Rudman-Hollings was. If you did not meet the target of spending cuts, then the law did it for you.

You could see the maneuvering and extension of a year and extension again of another year. So, 1987 we were still serious, eight of us, in a bipartisan fashion. I am qualifying myself as a witness. With six Democrats and two Republicans, Senator Boschwitz and Senator Danforth, myself and others, we voted for a value-added tax of 5 percent to eliminate the deficit and the debt. We knew we needed spending cuts. We knew we wanted Gramm-Rudman-Hollings. We knew we had to cut the size of the Federal Government. We knew we had to have spending freezes. But we also realized in that vote—and it was after a very serious, studied debate in the Budget Committee—that balancing the budget also required increasing revenues.

I appeared before the Finance Committee. I have testified twice. I met with the expert, Dr. Cnossen, who knows all about VAT's. I later met with the then-chairman, Senator Moynihan of New York, of the Finance Committee, and I am willing to appear again. I have introduced my legislation again in this Congress because I know you cannot possibly get a balanced budget without also raising revenues.

The way they have been doing it is, No. 1, rob the trust funds, not just Social Security to the tune of $1.2 trillion. They have the highway trust funds, and the House crowd just acted to take the transportation trust funds off-budget. They said, ''Wait a minute, you are taking our highway funds.'' They said, ''Wait a minute, you are taking our airport improvement moneys,'' to make the airports safe and everything else of that kind, ''and using it on foreign aid, or welfare, or defense, or whatever. You are not spending it for its purpose.''

So the House is has acted on that measure. But there are still other trust funds: They are using military pension surpluses, they are using civil service pensions, and everything else of that kind, to the tune right now of $1.2 trillion. So, we put forth, in a bipartisan fashion, a value-added tax. Then, in a bipartisan fashion, we enacted section 13301 to protect Social Security.

Thereafter, in April 1991, we wanted to answer the catcall that we heard from some Members on this side and on the other side of the aisle about the annual surpluses in Social Security. The distinguished Senator from New York, Senator MOYNIHAN, Senator KASTEN of Wisconsin, and myself, we offered an amendment to cut—what; taxes? Social Security payroll taxes.

We had the argument about the payroll taxes. I do not know why they are talking about cutting taxes again, just in time for the 1996 election. Why don't they look at how the distinguished Senator from Kansas voted back in 1991. He could have cut Social Security taxes, and supported truth in budgeting. We offered that amendment in April 1991, in a bipartisan fashion, and we got voted down.

Now, they have the audacity to come here, at this particular time, and talk on and on and on about who is for deficits. Let me be categorical about this. I know what President Reagan did, because I put into the RECORD the statement made by none other than the Director of his Office of Management and Budget, David Stockman. I was there and I saw it. I said, man, if this thing works, we can all go back home. Every Governor will start cutting his revenues. Go to the mayor of the city. I wish you would go back to your mayor wherever you live and say we have a new way of doing things. What we ought to do is cut your revenues. But cut your revenues 25 percent and see what your bond rating is then. You will have to lay off your firemen and policemen and everything else like that, and you will get run out of the mayor's office.

Try that on as a Governor. They try to give these tired arguments a kind of dignity and bring out charts and everything else. They claim they need a $500 or $600 billion cut to get the economy moving, but then they have Greenspan trying to hold growth down to 2.5 percent.

We could take care of a lot of deficits here if we had more growth, but that is another debate. The fact of the matter is, they come out with all of these things about tax cuts, getting rid of the 4.3-cent gasoline tax added in 1993, $30 billion over those years. I voted for it. It is working. In fact, we know the price of gasoline went down after we put on the tax.

It is the fourth quarter in the Presidential race. They are throwing the bomb, anything to bring the candidate alive, anything to bring the candidate alive—actually changing his entire congressional record of fiscal responsibility. You have him now for growth where he was not before. You have now for tax cuts when he was for tax increases and voted for and supported them and led the way for fiscal responsibility. You have him going along with any kind of thing to satisfy some small group that they have there—even assault weapons, I think.

Anybody knows you cannot let assault weapons be used around this country. Come on. But now they want to court another particular group in the polls, so they pick another hot-button item, and try to complete a long pass play.

Welfare reform—let it be shown that on welfare, we have worked and worked hard and had a good record. But then they wanted to abandon the children. I think it is on course again now, so I will not say any more, but I would be glad to get into that debate, because you cannot immediately save money by putting people to work, instituting an employment program, instituting day care, transportation and all these other things.

In the outyears you might, hopefully, get them off welfare, and I would go along with that and want to support it. But in the meantime, let us not continue to attack children's programs to the tune of $60 billion and then in the same breath say, Let's have $60 billion for SDI, because we've put ''Defend America'' in the title of the bill.

The time is now, Mr. President, to rebuild the strength of our economy. Our Nation's strength is like a three-legged stool. We have the one leg of values as a nation. That is strong. We feed the hungry in Somalia. We help develop democracy in Haiti. We commit troops for peace in Bosnia. We stand for freedom around the world and for this Americans are willing to sacrifice. The values leg is strong.

The second leg of military is unquestioned.

The third leg that is fractured and almost causes us to topple is the economic leg, and that is easily understood. For 50 years now, in trying to spread capitalism, defeat communism, spread democracy the world around, we sacrificed our economy. I have had many a debate on textiles. Others have had it on steel and iron and different manufacturing. The truth is that Japan is a larger manufacturing nation than the United States of America. The truth is, we have been blindsided. Read ''Blindside'' by Eamon Fingleton.

Now is the time to start rebuilding our Nation's health. Let's start with those on welfare and, more than anything else, yes, let's continue this initiative for children because in the long run, it will save us money. I wrote a book on hunger. I worked to establish the women, infants and children feeding program or WIC. You cannot rebuild a strong America by denying the infants and expectant mothers access

to nutritional programs. For every dollar we spend in WIC, we save $3.

You are not going to build a strong America by denying Head Start to 5- and 6-year-olds. For every dollar we put in to Head Start, we save $4.25.

We are not going to build a strong America by denying school lunches to the 6- and 7-year-olds.

We are not going to build a strong America by denying title I to the disadvantaged 9- and 10-year-olds.

You are not going to build a strong America by denying summertime jobs.

You are not going to build a strong America by denying student loans for youngsters, 16-year-olds, to go to college.

These are the programs we are cutting, and meanwhile we are all talking about who is really telling the truth, who is really for reducing the deficit, who is really for a balanced budget, and we go through this silly act. People blame both sides, and they should blame both sides. That is why the American public does not turn out in force for national elections.

Now is the time to get real. Cut out the balanced budget amendments and let's balance the budget. Give it to us, and I will support it, I will go to conference. As a former chairman of the Budget Committee, I will work in a bipartisan fashion. We can balance this budget. It is going to be tough, but we will all have to work together to do it. We can't afford to keep turning it into Presidential political headlines.

It goes without saying that these particular budgets have never been balanced.

Mr. President, I ask unanimous consent a letter from June O'Neill of October 18 to the distinguished chairman of the Budget Committee be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
October 18, 1995.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the legislation submitted to the Senate Committee on the Budget by eleven Senate committees pursuant to the reconciliation directives included in the budget resolution for fiscal year 1996 (H. Con. Res. 67). CBO's estimates of the budgetary effects of each of those submissions have been provided to the relevant committees and to the Budget Committee. Based on those estimates, using the economic and technical assumptions underlying the budget resolution, and assuming the level of discretionary spending specified in that resolution, CBO projects that enactment of the reconciliation legislation submitted to the Budget Committee would produce a small budget surplus in 2002. The effects of the proposed package of savings on the projected deficit are summarized in Table 1, which includes the adjustments to CBO's April 1995 baseline assumed by the budget resolution. The estimated savings that would result from enactment of each committee's reconciliation proposal is shown in Table 2.

As you noted in your letter of October 6, CBO published in August an estimate of the fiscal dividend that could result from balancing the budget in 2002. CBO estimated that instituting credible budget policies to eliminate the deficit by 2002 could reduce interest rates by 150 basis points over six years (based on a weighted average of long-term and short-term interest rates) and increase the real rate of economic growth by 0.1 percentage point a year on average, compared with CBO's economic projections under current policies. CBO projected that the resulting reductions in federal interest payments and increases in federal revenues would total $50 billion in 2002 and $170 billion over the 1996–2002 period. Those projections were based on a hypothetical deficit reduction path developed by CBO. The deficit reductions estimated to result from the reconciliation legislation submitted to the Budget Committee, together with the constraints on discretionary spending proposed in the budget resolution, would likely yield a fiscal dividend similar to that discussed in the August report.

If you wish further details on this projection, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,
Director.

Mr. HOLLINGS. Mr. President, that letter of October 18, 1995, said that we produce a small budget surplus with this 1996 budget we are under. But, Mr. President, when reminded of the law—do you think you have to remind a trust officer in a bank of the law? Do you think a director of the Congressional Budget Office has to be reminded of the Budget Act on Social Security?

I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 20, 1995.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR: Pursuant to Section 205(a) of the budget resolution for fiscal year 1996 (H. Con. Res. 67), the Congressional Budget Office provided the Chairman of the Senate Budget Committee on October 18 with a projection of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee. As specified in section 205(a), CBO provided projections (using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution) of the deficit or surplus of the total budget—that is, the deficit or surplus resulting from all budgetary transactions of the federal government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions. As stated in the letter to Chairman Domenici, CBO projected that there will be a total-budget surplus of $10 billion in 2002. Excluding an estimated off-budget surplus of $115 billion in 2002 from the calculation, CBO would project an on-budget deficit of $105 billion in 2002. (The letter you received yesterday incorrectly stated these two figures.)

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney, who can be reached at 226–2880.

Sincerely,

JUNE E. O'NEILL.

Mr. HOLLINGS. October 20, 1995, to the Honorable KENT CONRAD.

Dear Senator: After taking Social Security off budget—

Actually, the budget projected would have a deficit of $105 billion. We might get that truth out. We fought to get adherence to that law. We put up an amendment, and we cannot get support for it. But we continue to put up that amendment and everything else to say we want a balanced budget.

I have worked in the vineyards for 30 years for a balanced budget up here. I got one back when I was Governor of my State, and I will go along with you, but just do not move deficits. Let's eliminate deficits. Let's not move the deficits from general Government over to Social Security putting it in debt $1.100 trillion by the year 2002. All you have to do is add ''Social Security trust fund'' where you say, ''except for borrowed funds.'' ''Except for borrowed funds from the Social Security trust fund.''

That is all it is, a little language. They do not want to do it, because the truth hits them in the face when they go around the corner. If they put that in a constitutional amendment, there is no way in the world that they can produce a balanced budget without increasing taxes.

Their political singsong is, ''We can just balance the budget. We're conservatives, and they're spending us blind, and the liberals there, they want to continue spending and all we need is spending cuts and you can eliminate the Government.''

Mr. President, with $267 billion in domestic spending eliminated and with the $344 interest cost increase, you would still have a deficit. Do not just cut—eliminate. Eliminate Commerce or housing or energy or education. Eliminate Interior, eliminate the Justice Department, get rid of the FBI, the DEA, the Border Patrol and just eliminate it all, and you still have a deficit.

That is the dilemma we are in. Today's problems are not entitlements. It is not Social Security and AARP. My distinguished friend from Wyoming comes in here and says there is no trust fund. Well, that is his view. But in the view of the Congress and under his vote, there is a trust fund. Under the recommendation of the Greenspan commission, we put it off budget. Since 1990, we have had it formally in the law and they now want to repeal the law with section 7 of this particular constitutional amendment.

Mr. President, thank heavens for the sobriety of the Members on this side who have dutifully written a letter saying, Dear Mr. DOLE: Just go along with the protection under the law that we have in section 13301 of the statutory laws of the United States of America and you've got us five and you can pass a constitutional amendment in a flash.

They do not want a constitutional amendment. They want to get the credit, but they do not want to get the duty and responsibility. It is an absolute fraud, and they know it.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COATS. Mr. President, I yield 10 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. I thank the able Senator.

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

Mr. THURMOND. Mr. President, I rise today in support of the motion to reconsider House Joint Resolution 1, the balanced budget amendment. Last year, the House acted with wide bipartisan support as it adopted the balanced budget amendment by a vote of 300 to 132. Unfortunately, last year in the Senate, we fell 1 vote short of the 67 votes needed for final passage. Now, we have an opportunity to do the right thing and adopt this proposal.

Mr. President, 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. During World War II the attention of the Nation 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 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 Democrat-controlled House of Representatives. That was our high water mark as we fell one vote short in 1986, four votes short in 1994, and one vote short last year. This is our final opportunity this year to deliver to the American people a balanced budget amendment.

Mr. President, 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 is over $5.1 trillion. 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.

Mr. President, the tax dollars that go to pay interest on the debt are purely to service a voracious Federal 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—I repeat, only once—in the last 36 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 Federal Government abides by 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.

Mr. President, 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, and I quote:

> 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.

That is a quote of Mr. Thomas Jefferson.

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

The PRESIDING OFFICER. Who yields time?

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senate from Georgia.

Mr. COVERDELL. Mr. President, I, of course, rise in support of passage of the balanced budget amendment to the Constitution. I enjoyed very much listening to the remarks of the distinguished senior Senator from South Carolina as he outlined the benefits and the necessities of passing a balanced budget amendment to the Constitution.

You know, one of the things that leaves me perplexed about this entire debate is the fact that what we are talking about here is having the Congress ratify and send to the States the opportunity to engage in a broad national debate with regard to the passage of a balanced budget amendment. Those who rise in opposition seem to want to prevent the several States from engaging in this very valid, very important national debate. For myself, I have total confidence that the States deserve and need and will appropriately manage this debate.

Remember, for it to become a true amendment to the Constitution it will require that three-fourths of those States ratify this concept. So this concept will not come into place without massive public attention in all of the 50 States.

Surely, if three-fourths of the States conclude this is the right thing to do, then, indeed, it is the right thing to do. Yet those on the other side do not want it to get to the States. They want to lock it down here, very repeatedly, in Washington, whereas we have just heard in the last 36 years we have had 35 budgets that were not balanced, and one that was, which is, of course, why

the vast majority of Americans understand and know that we need this discipline, that the wise founder Thomas Jefferson warned us about. We need this provision of discipline in the Constitution.

I do not know how much evidence it takes. You count them off, 36 years, and we balanced the budget once, and 35 times we failed to do so, might suggest to the average American that something is a little bit out of whack, a little bit out of whack, and they are paying, oh, are they paying the price for it.

I see my colleague from Indiana is on the floor and I will yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, once again we are debating the balanced budget. We should not, any longer, be debating the balanced budget. We should be living by a balanced budget. Americans have lost their patience with this endless, fruitless process of debating the issue and our failure to achieve the issue. The question now before us, again, is simple: How do we finally make this commitment real, make it lasting, and make it binding?

The Democrats have argued—and I am not referring to the 13 Democrats that supported this effort in that close, almost historic vote that took place over a year ago; I am referring to Democrats because no Republicans are arguing against a balanced budget in this debate—Democrats have argued in the past that a balanced budget amendment is unnecessary. ''Let's not amend the Constitution,'' they say, ''just simply balance the books ourselves.'' Last year, during debate on this amendment, the minority leader stated, ''The budget is not going to be balanced in 2002 unless the responsible people in 1995 start to focus on their share of the work.'' Senator KERREY added, ''Let Senators get to work to show Americans we have the courage this amendment presumes that we lack.''

Now, that argument had some credibility when we made this debate in 1995, although it has been argued now for more than a decade, but it did have some credibility at the time. It is our responsibility. It is our job to keep the Nation's fiscal house in order and to not spend more than we take in. Of course, we fail in that job year after year after year and there is always another excuse, there is always another program that needs to be preserved. There is always an argument why we cannot do it now.

Today, that argument does not have credibility. Democrats, both the President and Members of Congress, have shown little courage and have not lived up to their share of the work. Every tough question, every tough vote we have had, especially on entitlements, has been exploited for partisan advantage. Democrats have talked of balanced budgets, while refusing to pay the cost of courage. It is a cynical display. It is a hypocritical display to say we must go forward on our own, and then put every roadblock in the way to accomplishing what they say we must do.

What lessons have we learned in this past year? If you make hard, necessary choices, the President and Democrat leaders will undermine you. If you carefully and responsibly confront runaway entitlements, they will vilify you. The President and his party are trying to create a Washington culture that rewards cowardice and compromises our future.

What do we do about it? How can we change that culture? How can we require Washington to make the difficult choices and turn our easy words into reliable results? The answer, Mr. President, is a balanced budget amendment to the Constitution. We have simply exhausted all other avenues in arriving at this goal.

We are back where we started. Congress must be mandated to do what it has consistently refused to do. No argument could be more clear and more compelling than our experience of this last few months. If balancing the budget is not a matter of constitutional principle, it will not be accomplished. It must no longer be subject to shifting and cynical political tactics. Our first duty as legislators, to preserve a strong and solvent Nation for the next generation, that commitment should be burned into our conscience and written into our most basic law, the Constitution of the United States or it will not happen.

Once again, we are here and we have the choice to make that happen. The success of this effort will depend on one thing: The President needs to persuade just 2 Democrat Senators to join 13 of their colleagues who voted for the balanced budget last year, to support this attempt at balancing the budget. The outcome is pretty much in his hands. If he refuses to act, he, then, is going to have to share the responsibility of the failure of this Congress to address what I believe is one of the most fundamental issues of our time. This is not a normal, everyday political debate we are engaged in. It concerns the very first principles of American Government and one of the most basic principles of morality. Endless debt is not just a drag on our economy, it is a burden on our national conscious.

I have quoted Thomas Jefferson on this topic before but his argument is worth hearing again:

> The question of whether one generation has the right to bend another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and be morally bound to pay them ourselves.

Let me repeat that: Thomas Jefferson said, a long time ago, but it holds true today in a way that it never has before.

> We should consider ourselves unauthorized to saddle posterity with our debts, and be morally bound to pay them ourselves.

What we are debating here is one of the most important and one of the most basic moral commitments between generations. It has always been one of our highest ethical traditions for parents to sacrifice for the sake of their children. It is the depth of selfishness to call on children to sacrifice for the sake of their parents. It violates a trust and it betrays a duty. When Americans view our actions, they see past the numbers to a set of principles. They see more than a matter of right and left. They see a matter of right and wrong.

One thing is increasingly obvious: We will not reliably consistently balance our budget until the Constitution requires it. The tug of quick political benefit is still too strong. The voice of vested interests is too loud. Buying votes by placing burdens on the future is still too easy. This amendment will force us, as a Congress, to make a choice. Will we preserve our ability to run up deficits or will we part with this destructive power once and for all?

Never has the choice been more stark or more important. It is the difference between false promises and real commitments. It is the difference between public relations and public accountability. We will never be restrained until we formally and forcefully restrain ourselves.

President Clinton's current budget is example No. 1, a case in point. It is a political charade, not a serious budget plan. It increases discretionary spending every year until 2001 and 2002—conveniently beyond the time when President Clinton will no longer be President. That is when he proposes to cut his spending level by $67 billion. Everybody knows this is absurd. It is an absurd proposal to say we will not make the hard choices, but we will force them onto the next President.

Such cuts in those outyears, after Bill Clinton has retired to Hope, AR, will be impossible. They will be too sudden and too steep—in education, the environmental, and veterans programs. But President Clinton does not mind, because all the tough decisions would be made on someone else's watch. It is another shining example of the Washington culture of cowardice.

The time for these kinds of gimmicks and maneuvers is over. Americans have been disappointed too often. We have the ability to clear away decades of decision with one clear, sincere, moral commitment—that is, that we will no longer steal from the future, that we will pass a balanced budget amendment to the Constitution, we will leave a legacy to our children other than a monumental debt. We will leave them a legacy of courage and responsibility.

What Member wants to serve in this body and leave here looking back, having had the opportunity, but failed, to rectify this extraordinary imbalance in our Nation's fiscal affairs? What Member wants to think back on their time, as they have been privileged to serve in the U.S. Senate, and say, well, I was

there, I had an opportunity to deal with one of the most fundamental, important issues this Nation has ever faced, to set a legacy for the future that will determine the prosperity and posterity for our children and grandchildren and generations to follow; yet, I passed on that opportunity because, you see, I did not want to make that a mandatory effort. I did not want to make us bound to fulfill that promise because the situation might change, or a program that I really favored might be impacted. And so, therefore, we put it off until the future, and we will ask the next Congress, or the next President to deal with that problem, and we forfeited our ability to deal with it now.

I do not want to have that as my legacy. But we have been talking about this ever since I have been here. There has always been an excuse not to go forward. There has always been some reason. As soon as we address the reason of the moment that is put up, then another one is raised. There is always a reason why we cannot go forward. We are just a few votes away from beginning that legacy.

The President, in his rhetoric, has supported balanced budgets again and again. Now he can prove himself a partner or partisan. It is his choice. I hope he will pressure his own party to support a constitutional amendment that nearly 83 percent of the American public supports. I hope he will abandon unfair attacks on the people making the hard, necessary, and courageous budget choices. I hope he will begin to bargain in good faith for a change. I hope for all these things, Mr. President. Unfortunately, I am not confident that we will see any of them, and that is a shame because it is a missed opportunity that may not come again. and I expect the American public, in just 5 months, will remember.

The moment has come to send a balanced budget amendment to the States. Let us begin a national debate, in every State legislature in this country. Americans have waited decades for this opportunity. And they have waited long enough.

Mr. COVERDELL. Will the Senator yield for a moment?

Mr. COATS. I am happy to yield.

Mr. COVERDELL. The Senator has very eloquently described the responsibility, through the Thomas Jefferson quote, that each generation has for the future, and that any time a generation consumes the future's resources for their own satisfaction, they are abrogating the freedom of the future.

My question is this: Is it not true that if we were successful in passing a balanced budget amendment to the Constitution requiring balanced budgets, there would be immense benefits for the present, that interest rates would drop, job lines would be shorter, there would be new businesses, and that the net effect would be that an average family in my State and yours would have the equivalent of making $3,000 to $5,000 of immediate new income in their checking accounts in the form of reduced home mortgages and loans, so that they could get about the business of getting America up, getting it housed and fed and ready to be the leaders of the future?

Mr. COATS. The Senator makes an excellent point and one that has not been made enough. We have a responsibility to future generations. Clearly, the one thing we can do that would most benefit the future of this country, our children and grandchildren, and succeeding generations of Americans, is to enact within the Constitution a responsibility that each of us ought to take on, but we have been unable to take on as a majority. But it will have immense benefits for the present, as the Senator has suggested.

The Federal Reserve Chairman has indicated that if we could put a real balanced budget in place, we can pretty much count on an interest rate reduction of 2 percentage points. And 2 percentage points is an immense economic benefit to the present generation. For all those seeking to buy a new home, it means, over the lifetime of mortgage payments on that home, tens of thousands, if not more, of dollars in their pockets that otherwise would be paid in interest. It means, for those who own a home now and have a mortgage, the opportunity to refinance that home and put money right directly into their pocketbooks, into education for their children, into meeting the needs of their families.

So there is an immediate benefit for all Americans and for American businesses that have to go out and raise the capital to expand, which provides jobs for Americans, and on and on it goes. A number of figures have been thrown out in terms of what this means. A balanced budget over the next 6 years, according to some who have studied this, indicates that it would add to the United States economy $32 billion in real disposable income, $66 billion in new purchases, $88 billion in new investment, and over 100,000 new housing starts. That translates into jobs, jobs, and jobs—real jobs, not minimum wage jobs.

The best thing we can do for people looking for work or seeking to improve their position and their jobs is to jump-start this economy in a way in which we can expand opportunities for Americans to work. Average Americans will save, it is estimated, $2,388 a year on mortgage payments on a house with a $75,000, 30-year mortgage. Those of us who live in urban areas, or occupy areas where housing costs are much higher, obviously, are going to save much more than that. And it would be $1,026 saved over the life of a 4-year car loan. Every 3 or 4 years, we go out to buy a new car. Most Americans do not have the cash to purchase those cars and, therefore, put a 4- to 5-year car loan on it. We are talking about $1,000 or more in the pocket of every American who buys a new car back into their wallet to spend for other purposes, or to save, that they otherwise would pay in interest. And $1,891 interest over the life of a 10-year student loan, for all those parents and families—and I am one of them, as my third child will go off to college in a month and a half—those of us that need to borrow money to help finance that education are going to be borrowing it at lower interest costs, and it will save us the average, over a 10-year student loan, of nearly $2,000.

Add all that up, and it amounts to nearly $75,000 of savings for the average family—that is, raising kids, paying for transportation, putting a mortgage on their house, trying to save some money to send their kids to college to get an education beyond high school. We are talking about real dollars. So the appeal to the American public is not just our moral responsibility and the legacy we leave for future generations for this country, but also direct economic benefits that can flow directly to this economy and to Americans in this generation.

So, Mr. President, the question from the Senator from Georgia is a pertinent and relevant question to this discussion which I want to just briefly address.

Mrs. BOXER. Mr. President, will the Senator yield so I can find out what the time parameters are? As I understand it, at 1 o'clock Senator EXON gets the floor. I ask him if I could have 5 minutes.

Mr. EXON. I am happy to yield 5 minutes to the Senator from California.

Mr. COATS. Mr. President, I will honor that and wrap up my remarks so we can keep some semblance of time.

The PRESIDING OFFICER. Under the previous order, the Senator from Nebraska is to be recognized at 1 o'clock.

Mr. COATS. I thank the Chair for the time.

I thank my friend from Georgia for yielding.

The PRESIDING OFFICER. The Senator from Nebraska.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized under the time of the Senator from Nebraska.

Mrs. BOXER. Thank you very much, Mr. President. I thank my friend from Nebraska. I am delighted to speak for a brief period of time. I greatly appreciate his yielding me that 5 minutes.

(The remarks of Mrs. BOXER pertaining to the introduction of S. 1837 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. BOXER. Mr. President, I think we are going along the same path on which we have already gone. Do we want to really balance the budget, or do we want a figleaf? Clearly a discussion and vote on a constitutional amendment debate is a figleaf when we can have the real thing. The President

was very clear. He said to the Republican leadership, ''Please, come into to my office and let us get it done.''

Every single Member of this body has voted for a balanced budget, a real one, not a figleaf. I voted for two. I voted for the Democratic plan, and I voted for a bipartisan plan. If those Republicans who were so anxious to have a balanced budget would come over and support the bipartisan plan, we would have a balanced budget. We would not have to have a figleaf. We could have the real thing.

That is important. That is what it would take. It is not up to the President. It is up to this body to come together either around their own plan and get enough votes to do it or around a bipartisan plan. I think that is the issue. The issue is not about a figleaf; it is about reality.

Sometimes I think the public is confused about this because they are told that people oppose an amendment to the Constitution because they do not want to balance the budget. In fact we have had very, very tough votes to do it. You do not need an amendment to the Constitution to balance the budget.

Mr. President, in my remaining time, I hope we get back to the issues that matter to people. No. 1, agreement on a real balanced budget; No. 2, the Kassebaum-Kennedy bill which will protect people who need health care; No. 3, the minimum wage. Then I would like to see us take up pension security, and in the few minutes I have remaining I want to call my colleagues' attention to a front page story in the Wall Street Journal today entitled ''Frittered Away—Some workers find retirement nest eggs full of strange assets. Losses can be serious.'' It goes very painstakingly through a tragedy that has befallen employees of a company headquartered in Texas with many stores in my home State of California which invested about 85 percent of its 401(k) plan assets, which belong to employees. Employees put their hard-earned money into that particular company plan. The employees now find out that the company has gone bankrupt, hundreds of them have lost their jobs, and they may have lost their retirement.

If you want to do something on the floor of the U.S. Senate that impacts the lives of people, get a real balanced budget through, get the Kennedy-Kassebaum legislation through so employees can have health care, so it can be portable, get the pension bill I introduced today through so employees know that the same rules that apply to defined benefit pension plans apply to their 401(k)'s.

The Wall Street Journal article talks about how some employers have taken the hard-earned pension contributions of their employees and put them into worthless investments. Some of them have decorated their offices with these so-called investments. The investments are worth nothing, and the employees are left holding the bag. We can make a very easy change here by applying the same protections to 401(k) plans as we already apply to other plans.

When we are here for 3 days talking about a constitutional amendment to balance the budget, I know the Senator from Nebraska has supported it in the past, but I think he will explain his frustration with this measure. We on the other side want to balance the budget. But the first thing they do is repeal the gas tax and put that money into the pockets of the oil companies. Then they talk about a huge tax cut.

It gets a little frustrating. If we really care about the people of this country, start debating a real balanced budget. Start debating the issues that matter to people.

I hope my colleagues will support my pension bill because it would protect workers from losing their 401(k) plans that they worked so hard to put their money into.

I say to my friend, I thank you very much for yielding. I look forward to his remarks.

I yield the floor.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes the Senator from Nebraska.

Mr. EXON. I thank the Chair. I thank my friend from California for her kind remarks.

Mr. President, I am very disappointed by this constitutional balanced budget amendment charade staged by the majority. My colleagues know that I am a staunch and dogged supporter of a balanced Federal budget and a balanced budget amendment to the Constitution. I have not changed in my resolve but quite obviously others have. There is something to be said for consistency and political honesty even during a political campaign. Up until very recently, I thought that if you favored one, you had to support the other. They clearly go hand-in-hand. But that was before the political shenanigans evidently brought about by election-year politics.

But watching the majority leader and the majority party become the new high priests of what George Bush called voodoo economics has caused me to question whether the Republicans sincerely want a balanced budget at all or just a meaningless campaign issue. Advocating a balanced budget amendment while advocating fiscal policy that makes it impossible to function is ludicrous.

One minute, the majority leader calls for passage of a balanced budget amendment. But in nearly the same breath, he simultaneously pushes massive tax deductions that would reduce revenues by multibillions of dollars such as deductibility of Social Security payroll taxes, repeal of the gas tax, and a laundry list of other tax breaks too numerous to mention. On the spending side, he calls for a $50 billion plus revival of star wars that would additionally worsen the deficit. All of this fiscal nonsense—it is fiscal nonsense, Mr. President—has caused me to conclude that I will not be a party to this hypocritical enterprise that falsely promises to balance the budget down the road, but avoids every hard vote to cut the deficit here and now and actually reach balance by 2002 when supposedly the constitutional amendment would kick in.

I find the about-face by the majority puzzling, to say the least. The National Review once quoted BOB DOLE calling supply-side economics a ''magic formula that would give us lower taxes, all the benefits voters clamor for, and every weapons system on the military's wish list.''

Doesn't that sound rather familiar now?

The majority leader was known for many years as downright hostile to supply siders, including his former nemesis, Jack Kemp. He once chided that Mr. Kemp liked to preach painless ways to reduce the deficit, and I quote Mr. DOLE, ''while some of us do all of the dirty work.'' Perhaps the majority leader does not want to get his hands dirty anymore. Why do you suppose that is so?

During one of his previous Presidential runs, the majority leader said that the American people ''are ready for bitter medicine'' to reduce the deficit, but now he has become the tax cut candy man.

The majority leader also liked to joke that he had good news and the bad news. Once again I quote the majority leader. ''The good news was that a busload of supply side economists had plunged off the cliff. The bad news was that there were three empty seats.''

Mr. President, no one is laughing today, not the American people who will be stuck with a new deficit bill because of the Senator's 11th hour conversion to supply side economics.

Jokes aside, I cannot fathom how anyone who had a perch so close to the unholy economic mess that supply siders created could now become their standard bearer.

Former OMB Director David Stockman recanted, at least, from the deficits that he helped create. He wrote:

> The real root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead they have incessantly poisoned the political debate with a mindless stream of anti-tax venom while pretending that economic growth and spending cuts alone could cure the deficit.

Mr. Stockman was right and everyone in this Chamber, including the majority leader, knows it. But the majority leader was already agreeing with this assessment years ago. In January 1982, he told the Washington Post:

> I do not subscribe to the fantasy that if we do nothing, deficits will disappear. Some of those in Congress who are the most vocally leading the fight against tax increases propose nothing to bring spending under control. It is hard to conceive a worse economic or political path to follow.

There is another revealing quote of the majority leader in the New Republic of January 7, 1985: ''I never thought growth would deal with the deficit.'' To continue the quote from DOLE, ''Mondale's view of it was all right. He was the wrong salesman.'' At least now we know where's the beef.

The majority leader also told the New York Economic Club in January 1984:

> Unlike some who believe we can sit on the sidelines and allow economic growth to balance the Federal budget, I believe that Congress and the administration must earn its redemption.

I say to the distinguished majority leader, so do I. We can earn some redemption today by pulling this travesty off the floor of the Senate.

Mr. President, I have spent many an hour advocating a balanced budget amendment to the Constitution. No one has been more intent on this endeavor. I went even further than some of my colleagues would dare. I took the debate from a philosophical discussion to a level where it really counts. I tried to get Congress to abide by the very policy statement set out in the balanced budget amendment.

At the beginning of this Congress, I offered an amendment that would have created a point of order against considering any budget resolution that fails to comply with the requirements set out in the balanced budget amendment.

But my colleagues on the other side of the aisle, who were white hot in their passion for a balanced budget amendment, were curiously cool to that amendment.

You hear all of these pious speeches about how we want to balance the Federal budget, but if we had a dollar for every Senate speech in favor of a balanced budget we would have had a budget surplus long ago.

Then comes along a Presidential election, and all of a sudden Senators are falling all over themselves to cut taxes. I heard one Senator say, well, this was not the first tax that he would have cut, but it was an opportunity to cut taxes, and he was not going to miss it. It is a transparent political ploy, and this Senator, for one, has had enough of it.

Last year, the Senate had a thoughtful and measured debate on the balanced budget amendment. I did not particularly savor the outcome, but I was proud of the manner in which the Senate conducted the people's business. We were thorough, we were thoughtful, we were fair, and we acquitted ourselves with repute.

But today's action by the majority wreaks of partisanship and election year politics. It is not serious or sound public policy. It is more like a sound bite. This is a crass and appalling public relations stunt concocted and orchestrated by the Republican majority and the Republican National Committee. Their motives are as obvious as their tactics are unseemly. Mr. President, I will not dance to their piper. I deplore their tactics.

Using Congress as a backdrop, the majority will do their very best to embarrass the President and divert attention away from their 15 months of failed leadership. They will grasp at every thin reed to win back the White House, even this trumped up attempt to pass a balanced budget amendment to the Constitution that everyone knows in advance will fail.

I suppose they feel they have no choice. The majority needs and wants to shift the attention of the public away from their flash-in-the-pan agenda and their inability to produce a fair balanced budget behind which the American people can rally.

Mr. President, that reminds me of an article I once read. In August 1985, David Stockman, President Reagan's OMB Director, presented Senator BOB DOLE with a supply side birthday cake. According to the press, the Senator chortled with glee to find that under the icing the cake was hollow. I say to the majority leader, so is this attempt to win votes in November.

The Senate majority leader, 20 points or so behind in the race for the Presidency, has come up with a gimmick to reduce the gas tax by 4.3 cents, which, if maintained until the magical year of 2002, could cost the Treasury $34 billion in revenues when we are already far short of any attainable goal to meet the constitutional guaranteed balance by that date. No matter the fact that the price of crude oil has fallen back to its low late in February.

According to the Wall Street Journal, the majority leader is also advocating of a $500 a child tax credit and a $500 annual credit for individuals contributing to charities. His key advisers are urging a 15-percent across-the-board tax cut. Billionaire Steve Forbes and adviser Jack Kemp are pushing a flat tax reduction. Meanwhile, President Clinton is inching toward more tax cuts as well. Where will it end? When will the tax bidding stop? When are we all going to recognize that we are on the road to bankruptcy?

I have criticized President Clinton for his tax cut proposals as well. But, by comparison, he is a piker. One thing is certain, President Clinton will not be around when the heavy lifting starts after the year 2000. At best, BOB DOLE would be approaching 80 years of age, in his second term as President. What an exciting prospect for keeping promises.

I ask my colleagues on both sides, how on Earth can we debate a constitutional amendment to balance the budget and then have a host of tax cuts in the wings that will worsen the deficit? And, yes, I say worsen the deficit, because the offset that the majority cobbles together or attempts to cobble together to pay for the tax cut will, in all likelihood, be something we are already counting on to help balance the budget. You cannot spend the same dollar two or three times.

So, if Senators want to cut taxes and then ask me to join them to support a balanced budget amendment, they will soon find this Senator unwilling to go with them down that crooked road of no return. It is madness. It is unconscionable. It is the biggest flimflam in history.

The American people should understand that if a constitutional amendment to balance the budget by 2002 is followed by the tax cuts proposed or waiting in the wings by the majority, including a huge $180 billion tax giveaway in the reconciliation bill, then future Congresses will face by far the largest tax increase ever imagined. Such a happening would be the height of fiscal and budget irresponsibility, and would saddle future Presidents and future Congresses with an unworkable fiscal dilemma.

In conclusion, if the distinguished majority leader is indeed earnest about reopening a serious debate on a balanced budget amendment to the Constitution, he will find a strong and willing ally in this Senator, as he has in the past. He knows that. I will not, however, be a party to this partisan charade. The numbers simply do not add up. We must repudiate this partisan sham. The honest, fiscally conservative vote on the Dole initiative is no.

Mr. President, I reserve the remainder of my time and I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). The Chair recognizes the Senator from Utah.

Mr. BENNETT. Mr. President, I have listened with some interest while my colleague from Nebraska has spoken. I am sure it will come as no surprise that I disagree with just about everything he has had to say, particularly with respect to the majority leader and his position. But I will not speak for the majority leader. He is more than capable of speaking for himself. I would like to get a few facts on the record that I think need to be part of this debate.

Fact No. 1: Money does not come from the budget. I know that comes as a great surprise to this body, but money comes from the economy, and if the economy is growing and vibrant, there is lots of money in the Treasury. If the economy is shrinking or depressed it does not matter how much the budget projected would be there, it will not be there. So the one thing that frustrates me the most, coming from the business world into the Congress, is this insistence upon making projections, all neat and balanced down to the last dollar, and then assuming that is the way things will turn out.

It is like a businessman who says at the beginning of the year, ''I project we will have so much revenue from our business this year. Accordingly, I will adopt a budget for x amount to spend that much revenue.'' I have been in that circumstance. We made projections for a business that I was CEO of. As it turned out, we fell 10 percent short of our projections.

That should not bother too many people. Ten percent is not that much money. The problem is, our spending was based on the projection of revenue, and we had to change the spending pattern midyear, indeed midmonth, when it became clear to us we were not going to make as much as we thought we were going to make. We had projected a 100-percent increase in that business, and we had been doing that every year up to that point. As it turned out, we only had a 90-percent increase. As I say, we missed it by 10 percent. We had to adjust immediately or we were headed for a loss year. We do not do that around here. We say oh, no, the budget projects such and such, so we will spend such and such, regardless of what happens in the real economy. Let me give the Senate an example.

We stood here, my first Congress, the 103d Congress, and heard projections of how much money would come from the tax increase that President Clinton proposed. We heard numbers, hundreds of billions of dollars will come if this is done and we need to do this to balance the budget. The deficit is so much, we are going to get so much, this is how this is all going to work out. I put in the RECORD before, so I will not do it again, an article by Marty Feldstein, one of the more distinguished economists of this country, who, looking back after 2 years, said, in terms of actual revenue, the Clinton tax increase produced only one-third as much money as was projected.

Why? Simply because the economy reacted. People were faced with tax increases in one category of their investments so they switched investments to someplace else to avoid taxes. You do not have to be, really, very smart to figure out how that happens.

So President Clinton proposed a tax increase. It was passed by the previous Congress, and then the results came in and the results were that we only got one-third as much revenue as the President had projected we would. People changed their behavior.

It is very hard to convince a computer that is what is going to happen. The computers are programmed around here to assume the static analysis, on and on and on. The Senator from Nebraska heaped great scorn upon the supply-siders and carried on with the kind of rhetoric we have heard before in this Chamber about how it was the terrible tax cuts under Ronald Reagan that produced the runaway deficits we are all living with. That has been repeated so many times that people are beginning to believe it.

Mr. President, I do not have the time to give this argument again. I have given it before, but I have discovered in the Senate there is no such thing as repetition. But I will do my best to summarize it.

In 1989, which was the last fiscal year we operated under the tax structure that was created by Ronald Reagan, income taxes produced 8.6 percent of gross domestic product coming back to the Government. So, however big the economy was, 8.6 percent of that came back to the Government in revenue. Then said those: ''Oh, no, the terrible Reagan tax cuts have caused us to not have enough revenue. Tell you what we are going to do, we are going to have first the tax increase that occurred at Andrews Air Force base and then the Clinton tax increase that came in the 103d Congress.''

And with those two successive tax increases, what did we get in fiscal 1995? The tax increase hit in 1993. What did we get in fiscal 1995? If we got only 8.6 percent of gross domestic product under the disastrous Reagan proposals, should we not be expecting 9, 9½, maybe even 10 percent? The fact is, instead of going up, revenues went down. Yes, down. In fiscal 1995, income taxes produced 8 percent of gross domestic product, almost 10 percent less of gross domestic product than was the case before.

It is very clear that the tremendous deficits that we have heard about and we have talked about and we spend time on did not come as a result of the Reagan tax cuts. Federal revenues went up every single year under President Reagan. The economy grew rapidly. Once we came out of the recession that occurred at the beginning of Reagan's term, we had the longest period of economic expansion peacetime in our history.

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

Mr. BENNETT. Mr. President, I ask unanimous consent that I be allowed to continue for 3 additional minutes.

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

Mr. BENNETT. I thank the Chair.

Mr. President, money does not come from the budget. Money comes from the economy, and we have to learn in this body and the other body and in the White House to pay attention to the results from the economy instead of spending all of our time reviewing the numbers of the budget and listening to the computers of the budget who project blindly into the future without making the midcourse adjustments.

The record is very clear. The tax program that was followed during the Reagan years produced record revenues—not reduced revenues, record high revenues. The problem of the deficit occurred on the spending side, and it occurred on the spending side because of the changing demographics in the country and the growing spending on entitlements.

Nobody is to blame for that except the elderly who do not have the courtesy to die with the same regularity that they used to, and I, for one, do not want to call upon them to start doing that now just to balance the budget.

But that is the new reality of the marketplace, that is the new reality of the economy, and we must adjust our rhetoric to that reality instead of trying to go back and fuzz the factors of the past and say, somehow, President Reagan is responsible for all of our difficulties.

No, our difficulties are rooted in the changes that are occurring in the country. We must recognize that fact, and we must put in place the structural discipline that will force us to recognize that fact in the form of the balanced budget amendment.

I thank the Chair. I did not want to leave the statements made by the Senator from Nebraska unresponded to, responding to in my own name, recognizing, as I said, that the majority leader is more than capable of responding in his own behalf.

The PRESIDING OFFICER. Under the previous order, the time from 1:30 p.m. to 3:30 p.m. will be under the control of the Senator from Wyoming, Senator THOMAS.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that I be allowed to speak for 5 minutes out of the time of the Senator from Nebraska [Mr. EXON].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I rise to oppose this balanced budget amendment, recognizing that some of the people in this Chamber, for whom I have the most respect, are for it. But I oppose it to a large extent because of what I call the dilemma of enforceability.

My colleagues will recall that when this amendment was up earlier in this Congress, we had tremendous amounts of debates on whether the courts ought to be able to enforce this amendment. I made speeches against the difficulties that courts would have, the constitutional crisis that it would put this country in, and how terrible it would be in a democracy to have nonelected, appointed-for-life judges who are not available to the public making decisions about increasing taxes or cutting Social Security or cutting Medicare or cutting programs across the board, judges who have no feel for these programs, who have no background in the programs, no staff to understand the programs coming in and making an order and saying, ''We're going to increase your income tax,'' or ''We're going to cut your Social Security,'' or cut your Medicare programs, or name a thousand other different Federal programs.

I think it would be terrible, Mr. President. I think it would just be terrible. I think it would be the stuff of revolution, as people would say, ''How did we get in this situation?''

Indeed, as we outlined these difficulties of this bill earlier when it was being discussed, finally the sponsors of the resolution agreed, at least they agreed to the extent they accepted an amendment. Some would say they accepted the amendment just to get the necessary votes; others would say they accepted the amendment because they knew it was the right thing. But in any event, the amendment, as I understand it—the Nunn amendment which is now part of this—states as follows:

The judicial power of the United States shall not extend to any case or controversy arising under this article, except as may be specifically authorized by legislation adopted pursuant to this section.

I suppose that is the present state of the amendment. What does that mean, Mr. President? It means this whole thing is a sham. It is either enforceable, and enforceable by the courts, so that the Supreme Court tells you what the size of your taxes are or what the amount of your Social Security payment is, or else it is not enforceable, and it is a sham.

People say, ''Well, make your choice, Senator. You can't argue on the one hand against the courts enforcing it and on the other hand argue that if they don't enforce it, it's a sham.'' The fact of the matter is, that is the truth. Either horn of that dilemma is not breachable by this amendment.

There is really only one way to balance this budget and to do so in a way that makes sense to the American people, and that is for the Congress to do it. That is because the Congress, in every district in America, has an elected Representative who can come and represent the people, go back home in town meetings and communicate with the people, be on television, receive letters, respond to letters, communicate with the public and, in fact, represent the people in the most fundamental decisions that this country is made of; that is, what is the size of your taxes, what are the amounts of your benefits, and what are the functions of Government.

That is central to a democracy, that is central to our country, Mr. President, and the public ought to be entitled to be heard on that. That is why I think to try to get this automatic pilot, this constitutional amendment just will not work.

We tried it before. We tried it with Gramm–Rudman. I voted against the Gramm–Rudman because there is no magic automatic pilot. There is no substitute for elected Representatives making decisions in the interest of the public.

I remember when we passed Gramm–Rudman.

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

Mr. JOHNSTON. Mr. President, may I be allowed 3 additional minutes?

The PRESIDING OFFICER. The Senator has 3 additional minutes.

Mr. JOHNSTON. We had a provision in Gramm-Rudman called sequestration. My colleagues will remember that well. If the budget was not balanced, or if we did not meet the target provided in Gramm-Rudman, there was to be this automatic guillotine that fell. There was going to be a chopped-off spending by a prearranged formula, and it was all going to be arranged and that was going to substitute for the backbone of Congress.

Of course, what happened, we got right up to look at that gleaming guillotine which was going to cut off spending, and the Congress, predictably, said, at least the opponents of Gramm-Rudman said, it was going to be this. We said, ''No, stay the guillotine, stay the sequestration, don't do it.''

Here we are with a different kind of guillotine. Either we are going to have a permanent block in the guillotine, which is what the Nunn amendment says, nonenforceability, or we are going to go back to the old guillotine.

Mr. President, can you imagine what the American public would say if the Supreme Court made an order that said, ''We're going to increase your income tax by 50 percent?'' Why, there would be rioting in the streets. You say, ''Oh, the Supreme Court wouldn't do that.'' Oh, no?

How is the Supreme Court supposed to balance this budget? You know, they have to do it quickly. Do you think they can go through every one of these little programs, thousands of programs, and snip each one? They cannot do that. They do not have that knowledge.

Can they cut them across the board? You cannot cut programs across the board, Mr. President. There are contractual arrangements. You take one of the budgets I have something to do with, the Corps of Engineers, they go out and make contracts. You cannot come in and say, ''Well, we're going to pay you 95 percent or 80 percent of that which you're entitled to under the contract.'' You cannot do that constitutionally. You cannot do it in good sense. So you cannot cut things across the board. You have to have big amounts of money. So where do those big amounts of money come from? Two places—taxes or entitlements. You spell entitlements ''Social Security'' or ''Medicare.''

So, Mr. President, if anybody around here thinks that you can easily give the Supreme Court of the United States the power to raise your taxes and raise them big time, or to cut your Medicare and to cut your Medicare big time and raise these costs for our senior citizens, or do the same thing with Social Security, you have to be kidding, Mr. President. People have not thought this through if they think the American people would accept that or if they think that is sound Government or good policy.

The other horn of the dilemma is, if you make it nonenforceable, it does not mean a thing except for a campaign speech. It is a good substitute for real policy, which means that you really frustrate the goal of the balanced budget. I mean, if you have this thing where you say, ''Look, don't ask me to cut these programs. I have already voted for the balanced budget amendment,'' then that is a good substitute for real policy. The only thing we need to do, Mr. President, is exercise real backbone, exercise real representation.

I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired. Who yield time?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming Mr. [THOMAS], is recognized.

Mr. THOMAS. Mr. President, I rise to continue this discussion on the balanced budget amendment. It has been a long discussion. It is not a new discussion. It is one that has gone on for years. Unfortunately, it is one that is going to go on for a number of more years.

Let me comment for a moment on the presentation of the gentleman from Louisiana. I respect him very much. Certainly he is one of the most polished and dependable Members of this body.

I disagree with him in this instance. I disagree on the notion that somehow the courts will inject themselves into this and this will not work. I cite the fact that some 35 States, mine included, has it in their constitution. We have not had the problem with the involvement of the courts.

The courts in some instances can come to the legislature, can come to the Congress and say, ''What you have done is unconstitutional, and you need to redo it.'' That is a legitimate function of the court. They may do that, I suspect, in the spending area, but not to establish what you are going to spend. ''What you're doing is not right, and you have to do it again.'' There is a substantial amount of evidence that that does work.

Mr. JOHNSTON. Would the Senator yield?

Mr. THOMAS. Sure.

Mr. JOHNSTON. Is the Senator aware of the huge amount of experience in the States where they have either constitutional provisions requiring a balanced budget or prohibiting the incurment of debt, or other constitutional provisions with respect to the raising of money under which legislatures, by clever schemes, get around these provisions?

I cite, as one of those, legislation that I was involved in, I mean, both legislation and litigation—I hate to make this question too long—involving the dome stadium in Louisiana where the law said, ''No bond issued under this amendment may bear the faith or credit of the State,'' and where the legislature and the Governor came in with a clever artifice and got around that, and you ended up with bonds which bore the faith and credit of the State. Or, more recently, where the Louisiana Constitution said it takes a two-thirds vote to raise taxes, and they created a special taxing district by majority vote which raised the money and raised the taxes and got around the constitutional provision.

I cite those two examples as being typical of what has happened all across this Nation in avoiding the effect of those. Is the Senator aware of those?

Mr. THOMAS. Yes, of course. Let me give you an example. The Senator has been here for 20 years, or whatever, and we have not balanced the budget in the time the Senator has been here.

The Senator points to some areas—I do not mean this personally—but this has not been done. The Senator points to some possibilities that might happen under a constitutional amendment. Look at what has happened without one.

So I say to the Senator that—he talks about a sham. The sham is that we have gone on for 25 years here and we have spent more than we have taken in. Every time we talk about it, everyone who gets up in this place says, ''I'm for balancing the budget. I'm going to balance the budget.'' What is the evidence? The evidence is you have not.

Mr. JOHNSTON. The last 4 years we have cut down the deficit by more than 50 percent.

Mr. THOMAS. By raising taxes, the largest tax increase in history, I agree. I did not vote for it. The Senator did, did he not?

Mr. JOHNSTON. No.

Mr. THOMAS. I am sorry. I do not think that is the way to do it. I think we are looking for some sort of discipline. We just have an honest disagreement about this. I think that the constitutional amendment provides the discipline within which this body or other legislative bodies can work.

Obviously, the Senator mentioned Gramm-Rudman. It did not work because there was not the discipline. This body found its way to go around that, did they not? They said this is an appropriations but did not score it under GRAMM-Rudman.

Mr. JOHNSTON. Well, if the Senator will further yield?

Mr. THOMAS. Sure.

Mr. JOHNSTON. Should it be enforceable or not enforceable?

Mr. THOMAS. Of course, enforceable.

Mr. JOHNSTON. Of course, enforceable?

Mr. THOMAS. Yes.

Mr. JOHNSTON. The Nunn amendment is part of it at this time.

Mr. THOMAS. I am not sure.

Mr. JOHNSTON. I am advised it is part of this, which makes it nonenforceable, save for an act of Congress. Then you have the Supreme Court. I mean, should the Supreme Court be able to raise your taxes?

Mr. THOMAS. I claim my time back here. We can stand here, as we do, and as has been going on now since I have been here, in the House for 5 or 6 years, and particularly this year, and think of all these reasons why it cannot be done. ''Oh, so Social Security is there.'' ''Oh, it's not enforceable.'' ''Oh, the courts are going to get into it.''

But, you know, you really come down to the bottom line. And the bottom line is this year, for the first time in 25 years, the Congress sent to the President a balanced budget. The President promptly vetoed it. So I think you have to ask yourself, is it morally and fiscally responsible to balance the budget? Do we have a responsibility as representatives of our constituency to say, ''Look, we're not going to spend more than we take in except in an emergency?'' I think that is reasonable. I know the Senator would agree to that. But that has not happened. So we go into all these reasons and all these excuses why we cannot do that.

First of all, all we are doing is we are sending a constitutional amendment to the States. The folks will have another chance to look at this, which I think makes some sense. But I feel very strongly that we have tried the other things.

Some say, ''Well, you shouldn't tamper with the Constitution. The Framers didn't put that in there.'' I do not think the Framers also expected that you would have the largest line item in the budget being interest on a debt that has been built up because we do not balance the budget.

I think we are making some progress. I have to tell you that part of the largest tax increase in history helps do that. I think on the other side of the aisle you found, for the first time, some people willing to reduce spending, cut that back some. The combination of those two things are moving us in the right direction. There are two different points of view on it. That is why we are going to vote one of these times.

Mr. JOHNSTON. I will not prevail upon my friend to yield further. I thank him for yielding. I appreciate his courtesy.

Mr. THOMAS. I thank the Senator very much.

In any event, I just think it is time we have to take a look at what we are doing. Certainly a balanced budget amendment is something most people have thought was a good idea. A number of people on that side of the aisle thought it was a good idea a couple years ago; now, in the last time we voted, did not. Of course it takes two-thirds. It is a difficult thing to do.

Mr. President, one of the things that we ought to talk about a little bit, and I think about a great deal, is, why is it important to me as a citizen in Casper, WY, why is it important to anyone who pays their taxes, and is part of this Government? It seems to me that is where we ought to start.

First of all, I think a balanced budget has a great deal of impact on our lives. We have gone for a very long time with an unbalanced budget and we did not think much about it. There were no great discussions about it until fairly recently. Why? Because the debt has gotten so large that very likely next year the largest line item in the budget will be for interest of $260-some billion, which will not be available to spend in other areas.

People have made the good point that if we did not have the interest payment, the budget would be balanced. But we do. I have heard others say, ''Let's get rid of the debt. It is just Government debt.'' That is not true. You and I own Treasury notes. It belongs to people. It is a real debt. We have to pay that interest. That is part of it.

Another is, if you did not take all that money out of the economy, we would have, I think, a strengthened economy. We would have more jobs. Interest rates will be lower with a balanced budget. We have seen that happen fairly recently as we move toward that. Those are things that affect you and me as we live at home and work.

This is not some esoteric exercise about budgets, about legislation. It is a very real thing. Interest rates are lower on your home, on your school costs for your kids, on your car. It is very real. It makes a great deal of difference for the economy to be stronger, and jobs make a great deal of difference.

Furthermore, and maybe just as important to most of us, is that there is a moral and fiscal obligation with our Government to not spend more than we take in. That applies to everyone else. But we say, ''Well, if we want something and we do not have the money, we will charge it to our kids, our grandkids.'' That is what we have done.

This business of reducing the deficit, which is terribly important, has nothing to do with the corpus of the debt. We still have $5 trillion out there that we have not even started to do anything about. We are still trying to reduce it. Over this 6-year period, as we move toward a balanced budget, the debt continues to grow, the interest continues to grow.

Mr. President, I think it is fairly easy to get up here politically and go into great economic ideas and so on, but the facts are pretty basic. That is, that it strengthens this country. It strengthens families. It is responsible. It is morally right. We have not done it. We need to do something different. The idea that you continue to do the same thing and expect different results is simply not a realistic expectation.

Mr. President, we have asked for some time—''we'' being the freshman class—for the next 1½ to talk about this issue. I suppose some of us take a little different view than others in this body in that we all came through the last election. We are very conscious of what our voters said to us 2 years ago. Most of us would agree that one of the strong messages was the Federal Government is too large and costs too much and we need to do something about that. If you talk about balancing the budget in my State, it is one of the highest priorities of anyone there. I think those of us who have just been here now for less than a year and a half have a little bit of special interest in it. That is why we have asked for some time as freshmen, to have a special order on balancing the budget.

I yield to my friend and associate from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized for 7 minutes.

Mr. SANTORUM. I thank my friend from Wyoming, I thank the Presiding Officer, and I thank my friend from Minnesota, who is ready to talk.

This is an important debate. It almost is anticlimatic. The fact is that it is widely reported in the press that we do not have enough votes to pass the balanced budget amendment, an amendment that passed the House of Representatives, that this is just an exercise. Unfortunately, it has been minimized as a result of that.

I think it is important. I am glad the Senator from Wyoming has been our leader on the floor on these issues, has taken the time to get the freshman on the Republican side—the freshmen Members are all Republicans; I guess that would be the Republican side—to get up and talk about why we think this is important and why the public should be, again, focused on this issue.

I do not think there is anything more fundamental for the Government to do than to run an operation that is balanced. Almost every State government runs an operation that balances the budget every year. It is incumbent upon Government to act in a responsible fashion with the taxpayers' dollars and do so in setting priorities. It is hard to do. You have heard a lot about all the money that needs to be spent on a lot of different programs. There are a lot of things we need to do.

I see the pages down here and young people up in the gallery. I visited high schools and colleges just over the last week during the break, and it is hard to look into the faces of the young people in this country and say to them, ''Look, it is much more important for us to get reelected. It is more important for us to have an issue to scare people on things like Medicare and education spending. It is more important for us to play politics, for our political career, than it is to solve the problems that face this country that are going to be burdening you to even a greater degree than it is burdening this generation of Americans.''

I think we need to do a little soul searching at this point. One thing I found when I got in the Congress, you can always find a reason to vote no. There is always something in every piece of legislation, even if it is one sentence, you can always find a reason, an excuse, to be opposed to something and walk away from taking the responsibility.

I remember when I was in the minority in the House, it was very easy to walk away and say, ''I am in the minority. It is not really my job to move legislation here. Yes, it is a good bill, but maybe I will take a pass on this because I am afraid of one little political twist.'' That is what we have done here on the balanced budget amendment. We found there are several Members who have found a reason to vote ''no''. That is the Social Security issue. That is the reason to vote ''no'' on something they say they are for. And they protest, ''We want a balanced budget,'' but it is the Social Security issue holding us back.

I think that balancing the Federal budget is bigger than any one single program in Washington. A lot of great programs have passed here, a lot of not so good programs have passed here, but nothing rises to the level of doing the basic fundamental requirement of any government, and that is to balance its books.

For those who hide behind Social Security, I say to them: Where were you and where are you when it comes to doing something for these young people on Social Security? Where are the brave souls who stride to the well and say, ''We need to do Social Security reform because these young people who are paying taxes right now have absolutely no hope of seeing Social Security payments when they retire.'' Where are the brave people who want to preserve Social Security, not as a political issue for their next election, but as a real issue for the next generation?

I ask everyone who is hiding behind that issue, and I ask all the people who are listening right now, to examine those Members and examine the people who are using this issue and find out how truly they want to protect Social Security. I believe this is just a political issue they can hide behind so they can vote no on something they really do not want to do, which is the bottom line, balance our books, constrain Government spending.

I am hopeful at some point we will pass this. I have a lot of faith in the American public that when elections come around in November, they will send more Members to the U.S. Senate and Members of the House of Representatives, who will support a balanced budget—hopefully, from both parties. They will send a clear message that, yes, we understand that tough decisions have to be made, but that is why we sent you to Washington—to make the tough decisions to move this country forward.

So I am not discouraged at all. This is something that is going to happen. We are going to balance this budget. We have passed one balanced budget, which was not signed by the President. We passed major entitlement reform. Twice we passed welfare. We passed Medicare reform and Medicaid reform. We have done the heavy lifting to balance the budget. People say that we can do it today. We have done it today. We passed the balanced budget. So do not talk to me about we do not need this balanced budget because we can do it already. We did it already, and the same people who said we do not need the balanced budget amendment voted against the balanced budget proposal we sent to the President. The same President who says we do not need a balanced budget amendment vetoed the balanced budget resolution that we sent to him, which was the act to do that.

So, again, if you look at the Social Security issue, you know, it is just, we are for it, but we are going to hide behind Social Security. The other argument is that we do not need the balanced budget amendment because we can do it ourselves. We did it ourselves, and they were against that, too.

So I think we just have to question what the real motive is here. Do these people really want to balance the budget, or do they just want to tell you they want to balance the budget? I think the answer is pretty clear. When the rubber hits the road, when it is either ''yes'' or ''no'' on a constitutional amendment to balance the budget, the answer is ''no,'' and their excuse is Social Security. When it comes to reforming Social Security, the answer to reform is, ''No, we cannot do that, we cannot touch it.'' The other excuse is that we do not need this because we can balance it ourselves. When we put one on the floor specifying where the changes need to be made in order to put the budget in balance, the answer was ''no.''

So it is ''no'' to a constitutional amendment, ''no'' to Social Security reform, ''no'' to a balanced budget act. But, ''Yes, we are for it. In general, we are all for this.''

Well, you cannot be for it and vote ''no,'' ''no,'' ''no'' when it comes time to put your words into actions. I hope that at some point we do put the words into actions and that we do it soon.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent that I also may proceed under the time set aside for Senator THOMPSON.

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

Mr. GRAMS. Mr. President, I am proud to be here today and to join with my freshman colleagues as we stand firmly together in our support for a balanced budget amendment to the U.S. Constitution. Sixteen months in the Senate have not dulled our enthusiasm for its enactment. We are more committed today than ever before.

Mr. President, it is a rare occasion in life when a person is granted a second chance, an opportunity to right a wrong. When those moments come along, we hope that we have learned from our mistakes and that when we are given that chance to approach things differently, we will step forward and do the right thing.

My colleagues and I have an opportunity this week to do that right thing and repair a wrong made within this Chamber a year ago when we denied the American people, by a single vote, the balanced budget amendment that they have repeatedly called upon us to pass.

The balanced budget amendment lies at the heart of what I believe to be the defining issue of the 104th Congress: deciding the priorities of the Federal Government and its budget.

Naturally, there have been disagreements over where these priorities lay. Each of us have different ideas about how the Government should—and, more importantly, should not—spend the taxpayers' money. But even with

these disagreements, there are several basic principles on which we should all agree. The balanced budget amendment embodies these common areas of agreement because it deals with the future of our children and grandchildren, and, therefore, it deals with America's future.

After all, that future is what our efforts to ensure a balanced budget are all about. In order for our children to enjoy the same economic security that we inherited from our parents, we must begin the process of controlling our Federal spending. Our parents and grandparents did not leave us a debt to pay—even after financing such major undertakings as World War II. They paid those bills and did not pass that debt on to us. But this generation has compiled a $5 trillion-plus debt that we are now going to be asking our children and grandchildren to pay, and we cannot even reach an agreement on balancing the budget so we do not continue to do that.

With a balanced budget, then and only then, can we hope to pass on to our kids an inheritance of prosperity rather than a lasting legacy of debt. Right now, that future does not look so bright if we do not change our ways.

This year, the national debt has surpassed the astounding figure of $5 trillion. It is increasing at an average of $650 million every day. Even today, we are spending more on our interest payments than we are spending to defend this Nation.

By the way, as of 12 o'clock this afternoon, every child born in this country today already owes $19,357.86 as their share of the national debt. The moment they are born, they are $19,000-plus in debt. Over his or her lifetime, that child can expect to pay over $187,000 in taxes just to cover the interest on that debt. That is about $4,700 a year, or more than $400 a month that they are going to pay just to cover the interest on that debt.

To meet its annual interest obligations, Congress has repeatedly raised the taxes of working Americans. As a result of an overwhelming burden of taxes, families now are having a tough time raising their children, paying their bills, and trying to make ends meet.

The Congressional Budget Office projects that spending on mandatory expenses, such as interest on the debt, will exceed 70 percent of total Federal outlays by the year 2003—meaning that less than 30 cents of every tax dollar will be available for education, environmental protection, crime prevention, and highways.

Is that the legacy that we want to leave to our children? For that reason, we should all agree that balancing the budget without raising taxes must be the foremost goal of this Congress.

It is our responsibility and duty to ensure the American children of this generation and the next a strong economy, a good education, a clean environment, and a debt-free future, but also that they have the ability to have their own dollars in the future to continue the efforts and not just to pay interest again on this Congress' mistakes.

A constitutional amendment mandating a balanced budget is perhaps our best hope. There are those who question the need for an amendment requiring a budget that is balanced. After all, they argue, should a responsible Congress not be able to balance the budget without the need for a constitutional requirement? Yes, we certainly should. Congress should have the backbone to limit its spending and set priorities, just as every Main Street American family has to do.

If a family in my State of Minnesota wants to buy a house, it works out a mortgage and a payment schedule that fits the family budget. Eventually, that debt is paid; it is not passed on to the next generation. That is what the vast majority of Americans do when they make a major purchase. But that is not how the Federal Government operates. It borrows the money, without any kind of schedule for paying it back, except to go and raise taxes, or borrow it in the name of our children, and that debt continues to build, and the payments keep being deferred. And the debt, again, is passed down to our kids.

We often hear the argument of the need for borrowing and spending today to help our kids. Those short-term arguments will, in fact, in the long-term, harm the very people that those arguments say they want to protect.

If that family in Minnesota decides it needs to tighten its belt, it does. Congress simply punches another notch or two in the leather. Congress simply does not have the backbone to restrain itself; it never has and maybe never will.

Look at the facts. Congress has spent more than it has taken in for 55 of the last 64 years. We have not bothered to balance the budget since 1969. But for my colleagues who sometimes get lost in statistics, here is the reality of what our fiscal irresponsibility means to average Americans. Today, every family of four owes $3,500 on the interest on the national debt. That means $3,500 less to care for our kids, $3,500 less to keep our families fed and clothed.

A balanced Federal budget would actually put those dollars back into the family budget. Economists have universally predicted the positive effects achieved with a balanced Federal budget. By the time 6 years have passed and the budget is brought into balance:

GDP will grow by an additional $10.8 billion than it would under current law, interest rates will drop, and Americans will boost their spending power through an additional $32.1 billion in real disposable income.

A decrease of just four-tenths of a percent in the mortgage rate would save the buyer of a $100,000 home some $10,000 over the life of a 30-year mortgage, and there are estimates that interest rates could fall a full 2 percentage points, which would create even greater savings.

An additional 104,000 family homes would be built, and 600,000 more automobiles would be sold. That is good for the economy, that is good for jobs, and that is good for everyone.

Job providers would be empowered to create new jobs and pay higher salaries for those jobs, as many as an additional 6.1 million new jobs, by some estimates.

Makes the minimum wage increase look petty, does it not? So what does all this really mean on Main Street? Well, for an average American family with two kids, a mortgage payment, car and student loans, a couple of pets and lot of monthly bills, a balanced Federal budget would put nearly $1,800 a year back into the family bank account by the savings that we would reap from a balanced budget. Let people earn more, and then let them keep more of that money. There are those in this Congress on this Senate floor who say no, that Americans need to give Washington their money, and then come ''hat in hand'' begging for our compassion as Washington then sits in judgment of who gets what. And who are they going to take that money from to pass it out?

Coupled with the $500-per-child tax credit that makes up the cornerstone of our balanced budget legislation, a typical family of four would reap a balanced budget bonus of $2,791 every year.

Yes, the concept is simple enough, and those practical statistics should be all it takes to convince anyone of the need for a balanced budget. But our internal battles over the past year have demonstrated just how difficult it is to carry out such a seemingly simple idea. We have proven, more than ever before, the need for a balanced budget amendment.

Through the commitment of this Congress to eliminating the deficit and erasing our debt without raising taxes on middle-class families, we were able to move $40 billion closer to a balanced budget last year by controlling the growth of government spending and rooting out a great deal of waste and inefficiency. But as each of my colleagues will remember, it was a battle that took every ounce of our energy.

Because of the opposition of the President and my colleagues across the aisle to even these modest, sensible spending reductions, we endured 2 protracted Government shutdowns, 14 temporary spending measures to keep the Government from running out of money, 3 Presidential vetoes of our appropriations bills, and a final veto of our actual balanced budget legislation. At the end of the day, we had moved closer to a balanced budget. I am proud of our efforts. We must not stop working for a balanced budget amendment, however.

Under the leadership of a Republican Congress, each and every person is

dedicated to achieving a balanced budget by the year 2002. If this Congress could not force the big spenders in this body and the White House to mend their money-hungry ways and balance the budget through simple legislation—just as past Congresses could not do in 1964, 1976, 1978, 1979, 1980, 1985, 1987, and 1990—what chance do future Congresses have without the moral authority of the U.S. Constitution to back them up?

The American people know it will never happen without a balanced budget amendment, and they are calling on us—overwhelmingly—to pass it. Again, if we pass this balanced budget amendment, all we are doing is going to give the States and the voters of those States the opportunity to say yes or no. We do not make that decision on this floor. We are saying we are going to give the American people the opportunity to say yes or no to a balanced budget. But there are some that do not believe the American people can make that decision.

A Gallup Poll published just 2 weeks ago in USA Today showed that an astounding 83 percent of the American people support this amendment. It was the most popular item surveyed, and why should it not be? It makes perfect sense.

In Minnesota last year, just days before the Senate voted on the balanced budget amendment, I was joined at the capitol in St. Paul by members of my State's House and Senate delegations, elected officials from both sides of the aisle who were less interested in party labels than ensuring America's economic security. On behalf of working families who cannot understand why Washington refuses to get its finances under control, on behalf of families who are terrified by the legacy of debt we are building for our children and grandchildren, we signed a petition urging Congress to immediately pass the balanced budget amendment and send it to the States for ratification.

Together, we sent a strong, unqualified message to all Minnesota taxpayers that we heard their message and were no longer willing to accept business as usual from the Congress.

Today, we are all a year older, a year wiser, and just as committed to our purpose as we were 1 year ago.

Unlike the Federal Government, which has managed to amass a $5 trillion debt, Minnesota does not rack up debt year after year.

Unlike the Federal Government, Minnesota does not spend beyond its means, building deficits that will take years to wipe away.

Unlike the Federal Government, Minnesota does not promise the Moon, while mortgaging the stars in order to deliver.

Why is it that Minnesota has succeeded where the Federal Government has failed? Why have 48 States abided by a balanced budget every year? Because the Minnesota State Constitution requires that we balance our budget, as do 48 other States.

Not only does Minnesota and 48 other States have to balance their budgets, but families and individuals have to balance their budgets, too. Businesses that cannot balance their budgets soon find themselves out of business. The only place where a balanced budget is not the rule is in Washington. That is what we are here to change.

As support for a balanced budget amendment grows among the public, the fear of what it will mean to those who have built their careers so recklessly spending the taxpayers' hard-earned dollars have intensified. As we move closer and closer to enacting this critical legislation, they see the writing on the wall, and frankly, they are scared, so scared, I have been told there may be colleagues of mine who would change a vote they made on behalf of this legislation a year ago to vote ''no'' this time around.

Well, the public should be outraged that there are those to whom a piece of legislation so vital as the balanced budget amendment is nothing more than a game, and their vote nothing more than a political poker chip, to be traded at will when the stakes begin to rise.

I would remind those colleagues of mine who speak out against this amendment that we would not be having this debate were it not for 30 years of deficit spending by this body. If we let the American public down again—as we did on March 2 of last year, when this Chamber turned back the balanced budget amendment—we will feel the anger of the people at the polls in November, and I believe they will speak with an even louder, more unified voice than they ever have before.

As I conclude, I turn to the words of President Thomas Jefferson, a leader who understood the importance of economic freedom in a free society, and the dangers of imposing our fiscal burdens onto our children.

He wrote:

> The question of 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, morally bound to pay them ourselves.

Mr. President, those words are just as relevant today as they were when penned by Jefferson nearly 200 years ago, during the founding days of this Republic.

For all our differences—in beliefs and purposes—we should all share the common goals of building a better economic future for the coming generations, and giving them the freedom to seek success unfettered by any constraints we may impose. As we debate the merits of the balanced budget amendment, let us not lose sight of that goal. I urge my colleagues to support this amendment, and to do it for the sake of our children and our grandchildren.

Mr. President, I yield the floor.

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, we continue down the road toward bankrupting our country. The fact that I keep repeating this, and that others keep repeating this and perhaps we get used to hearing this, does not make it any less true. It cannot be repeated often enough. And behind closed doors Democrats, Republicans, people in the Congress, people in the White House, all admit what has to be done to keep from turning this country into one that is second rate when we leave it to our kids.

The most frustrating part of the last year and a half that I have spent in the U.S. Senate is witnessing close up the fact that we do not have the ability or the willpower to do what we all know is necessary and what we all know is the right thing to do. That is why I believe that our last clear chance to do so is undoubtedly a constitutional amendment to require us to balance the budget.

We all know that Medicare is on its way to insolvency. We all know that Social Security is on its way to insolvency. We claim to have reached a consensus in this country that we need a balanced budget—not only that but that we need to balance it with real numbers and not phony numbers; and, not only that, that we need to do it in 7 years.

But with all of this knowledge and all of this consensus and agreement behind closed doors and all of this coming together in terms of what needs to be done, we cannot take the first step. We have spent the last year to year and a half proving to the American people that we cannot really take the first step toward doing what we know has to be done. And yet there are those among us who continue to say we do not need a balanced budget amendment. Of course, we need to balance the budget, but we do not need a balanced budget amendment to require us to do so. All we have to do is to do the right thing.

I challenge anyone to give any evidence over the last year, year and a half that we have shown any ability or will to do the right thing. It does not exist.

We talk about a 7-year balanced budget. The President has a proposal. We have a proposal. Under the best of circumstances, even if either of these proposals were adopted, it is doubtful that it would be carried out; the proposals are back-end loaded. The President has some 60 something billion of cuts in the last 2 years of that 7-year time period. It is extremely doubtful, to say the least, that those cuts would actually be made when the time came. It is a matter of rolling our sins forward for yet a few more years when most of us are out of office and do not have to face the consequences and under the assumption that future Congresses will have the courage that we do not have except we are making their

job tougher than the one we have today.

Even if it does happen, even if we get everything we want, for example, on this side of the aisle, we are looking at the end of that road at a $6 trillion debt. We are looking at the end of that road at the imminent retirement of the baby boomers. And the people who keep up with the demographics point out to us what that is going to mean.

By the year 2030, there will be twice as many people over the age of 65 as there were in 1990 and only 20 percent more workers, so those people paying in those FICA taxes for those retirement programs are going to be dwindling in number while the retirees are expanding. We all know what the results of that are going to be.

We all know we cannot continue down this road, and yet it is another election year and so the President vetoes our attempt to balance the budget. He opposes our attempt to pass a constitutional amendment, and our friends on the other side of the aisle fall in in lockstep.

Mr. President, this is not an esoteric economic issue. It is about the future of this country and the kind of America we are going to leave and what it is going to look like to our kids. What it is going to look like is astronomical tax rates they are going to be paying if we continue the spending pattern that we have had. It is going to mean astronomical interest rates that they are going to be paying. It is going to mean more and more reliance on foreign money and foreign investment coming into this country to help us pay the interest on the debt.

It is going to mean diminished savings. We already have the lowest savings rate in the industrialized world, the United States of America does, one of the lowest investment rates in the industrialized world in the United States of America. That is why we are looking at such low growth rates. You add to that the taxes that are going to be necessary to finance this astronomical debt as it goes out here, the interest rates that are going to come from that, and you are talking about economic disaster that is facing us. There is really not any serious debate about that. And all those people who complain about any kind of effort to balance the budget because they are looking out for the kids, they are looking out for the elderly, they are looking out for the young folks, what are you going to say to those young folks then when they cannot even go out and buy their first home when they start their families? What are you going to say when they cannot even buy a car because of the interest rates? And the tax rates they are going to pay. It will not make sense to work any more under those circumstances.

Yet we heard in the last couple days now the latest bid in the tax cut game from the President is to finance 2 years of college for people. I can only say we can debate that issue later, but we better be financing maybe 10 or 15 years of college for people because they better stay in college. There are not going to be any jobs out there for them at the rate we are going. Everybody cannot go to college and stay forever. There has to be a work force out there, and they have to have reasonable interest rates to pay when they go to buy the items to build their family. They will have no need to buy a home. We are making it so they will not be able to do that.

We are the first generation in our history that even considered borrowing against our kids and those yet unborn to finance our own consumption. That is shameful. That is what we are doing. And yet we continue to say we do not need a constitutional amendment; we just need to do the right thing, when today, even today, every man, woman, and child is paying $1,000 a year just to finance the interest on the debt.

Some say, well, we are making progress. We passed the largest tax increase in the history of the world, and we temporarily reduced the deficit, knowing that when the baby boomers start retiring in the next few years, it looks as if a rate that is slowing down is going to go off the charts in an upward direction.

We say, well, look at what we did last year: We cut $23 billion from the budget from the year before. A drop in the bucket, Mr. President. We did not touch any of those areas that are increasing, some at the rate of 10 percent a year, that are going to have to be reformed if there is any hope of saving them.

Yet now we hear all of the same old arguments against the balanced budget amendment—we should not be tinkering with the Constitution. And I certainly think we should not be tinkering with the Constitution. But the Founding Fathers assumed that changed circumstances required us to seriously address our Constitution from time to time.

I would say the circumstances have changed. Thomas Jefferson and George Washington never thought about the possibility of bankrupting the next generation before they were even born. Those are the changed circumstances we are looking at today.

I would also say, Mr. President, if we have an economic meltdown in this country, there are going to be changes in regulations, there are going to be changes in statutory law, and, yes, there are going to be changes in the Constitution that are worse than our worst nightmares right now about what those changes might be. So the answer to that is to make some reasonable changes to get us on a flight path that shows some possibility of saving ourselves from ourselves.

Is that a pitiful situation or not? Of course it is. It should not be that way. But we have given ourselves now ample opportunity under all kinds of circumstances to so-called do the right thing, and yet here we are a year, a year and a half later. Every time somebody makes a proposal, the other side goes on television with 30-second attack ads to make sure we do not do anything responsible, because this is an election year. And yet they say we do not need a constitutional amendment. I say we need to do whatever is necessary to keep from handing this country over to our kids in a way that we would certainly not want our parents to have handed it over to us, and they, in fact, did not.

The other argument we hear, of course, is one that the opponents of the balanced budget amendment want to protect Social Security. Mr. President, in my brief time here I have learned that if you want to stop something, if you want to throw a roadblock in the way of something being accomplished, you run out the old Social Security red herring and try your best to scare the elderly, because if you can scare the elderly, you can create enough temporary political confusion that you can prevent any kind of reform.

This is, of course, what has happened again. Six of my colleagues on the other side of the aisle in 1994, when there was no chance of a constitutional amendment for a balanced budget passing, voted for the amendment. Last year, when we had a real good shot at getting it passed, we fell one vote short. One Senator switched back and voted against the constitutional amendment. And the reason for that is they discovered that it might have endangered Social Security in some way.

The argument goes that because we include the receipts that go into Social Security and the expenditures that go out of Social Security in the entire budget, in some way that is endangering that program, and if we somehow pulled it out and set it over here to the side, that in some way would protect it. Of course, it is an appeal to fear. It is an appeal to ignorance. It has no relationship to reality.

It has been pointed out on this floor by my Republican and Democratic colleagues alike. Senator SIMON of Illinois just the other day, of course, pointed it out as a fig leaf that some will try to hide behind because they do not want a constitutional amendment to balance the budget. Time magazine called that argument ''mendacious nonsense,'' the idea that the constitutional amendment to balance the budget would somehow endanger Social Security.

The fact of the matter is, only if we get the reforms necessary to keep from bankrupting this country can we protect and preserve Social Security. So the contrary of that argument is the case. Not to mention the fact that all we are doing is treating it the way that we have been treating it for three decades in this country, Democrat and Republican administrations alike.

President Clinton's last budget kept it all together, just the way we have always done. We did not hear any cries from our friends on the other side of the aisle when that happened. They voted for it. They voted for that budget, to keep all Government revenues

and all Government expenditures together. You are not looking at a realistic situation if you do not consider them together. We all agreed on that. So the Johnny-come-lately argument.

Not to mention the fact that if, in some way, Social Security was sequestered from the entire budgetary process, that would make, of course, balancing the budget impossible because it would require $360 billion more cuts than what we have to make now. We have shown we cannot do what is necessary now, but if the income and the outflow of Social Security were taken out of it, we would have to cut programs another $360 billion. The opponents of the balanced budget amendment know this. They know it would make it absolutely impossible to be workable under those circumstances. We strained and fought for a year and a half. We got $23 billion in cuts—not $360 billion, but $23 billion.

But the point they make is that Social Security is now in surplus, so if you put it all together in the general budget, the general budget is getting the benefit of Social Security because it is in surplus and it makes the deficit look smaller. And it is true. It is true. That is the way the books are kept, and that is true, when you talk about for the next 15 years, for the general budget.

You know, those are Americans, too, getting the benefit of the general budget. Many of the same people who get the benefit of Social Security get the benefit of the programs in the general budget. But for the next 15 years, the numbers on the Social Security side will assist on the general budget side. And that is true.

But typical of the way that we think in Washington, DC—which is, if we are lucky, a couple of inches past our nose—we are not looking down the road. We are not caring about anybody but ourselves. We are not even caring about our own children. Because look at 16 years out. Social Security is in surplus now, but along about 2011, Social Security goes into the red, and we will be paying out more in Social Security, at a steeper and steeper rate, than we are taking in. So, by being a part of the general budget, under those circumstances Social Security gets the benefit of that, because where is the money going to come from to make the Social Security payments if not from the general budget?

Nobody, no opponent of this measure, is coming here and saying we need more Social Security taxes. Nobody wants to advocate this. So where is the money going to come from?

The point is, approximately $850 billion annually will be needed by the year 2030 to fund Social Security, to pay current the liability over and above payroll tax receipts. So, by the year 2030, Social Security is going to need $850 billion from somewhere. We are in surplus now, but here is what it is going to look like starting about 2011. But by 2030, we have dug a real big deep ditch for ourselves. Nobody wants to talk about that.

Mr. President, just to repeat, the so-called saving Social Security by not going along with the bookkeeping entry that we have done for three decades, Democrats and Republicans, is a total red herring, a figleaf to hide behind by those who do not want to stop the culture of spend, spend, spend, and hopefully elect, elect, elect in a campaign year.

Mr. President, in conclusion, I urge we take what I referred to earlier as this last clear chance that I believe we have this year to take that first step—it is not a solution; goodness knows we are a long, long way from a solution—but to take this first step toward doing something responsible so we can hand this country over to our kids and to our grandkids in halfway decent shape, the way our parents and forefathers did for us.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I yield myself 10 minutes from Senator THOMAS' time.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, the question I fear most as a Senator is not a question from a news reporter, it is not a question from a constituent visiting my office, it is not a question from a constituent at home; it is the question that I fear my grandchildren will ask me, and it is this. ''If you were a Senator back then, why didn't you do something? Why didn't you balance our budget, so my family would be able to have jobs and afford an education?'' Mr. President, that is the question I fear the most.

A great-grandparent, born in 1900, paid about 24 percent of the family income in Federal, State, and local taxes. That is after the benefits were taken out. A 26-year-old mother today, who may be working in an office or raising her children at home, will pay at least 34 percent of the family income in taxes after benefits. That is already one of the highest levels in our country's history. But if we do not change our ways, the real bad news comes for her children. Her young baby will pay 84 percent of lifetime income in taxes if we do not balance the budget in this country. That is what it will take to continue our current policies for Government spending. Our grandchildren cannot support such a burden of spending, debt and interest. At 84 percent, they will not be able to find jobs at all, much less pay their bills.

I do not ever want to be asked why I did not change the course of this country. I did not come to Washington to support the status quo. I came to change the way they do business in Washington, DC. I came to get Washington off the backs of the hard-working American people so they can earn more and keep more of what they earn. That is the American dream.

With a balanced Federal budget, the Joint Economic Committee forecasts that interest rates will fall by 2 percent. Let us look at what that means for the American family.

Senator PHIL GRAMM came up with this chart to talk about what it will mean to each family to have interest rates lowered by 2 percent. Our children's education? We would save $1,369 on a 10-year student loan because interest rates would be 2 percent less. There would be a $680 saving on a car loan over 4 years. For a small business, it would mean a savings of $4,716 on a 8-year loan.

Farms that are struggling right now, especially in my home State of Texas, where we have a terrible drought, nevertheless have loans to pay. A 2-percent drop in interest rates would save the farmer $2,067 on a 6-month loan.

What most Americans pay the most interest on is homes. On a home mortgage, 30 years, a 2-percent drop in interest rates would create $1,880 per year in savings—almost $2,000. That is like saying we are going to cut your taxes $2,000 just by balancing the budget. So, with more interest kept in our pockets instead of paid to the bank, we will be able to send more of our children to college, give more of our children jobs in small businesses, and earn enough to pay for our homes and cars.

Yesterday, my office got a letter addressed to all Senators signed by 91 interest groups asking us to oppose the balanced budget amendment. It was signed by all sorts of groups: Labor unions representing teachers, postal workers, Government employees and auto workers; the American Association of Retired Persons; the League of Women Voters; the Americans for Democratic Action, several environmental groups; and several churches of many different faiths.

Why did 91 of these groups come together? What is their common bond? They are asking the hard-working people of America to work for their priorities. Many of these groups balance their budgets every year on the backs of the American taxpayer, the same taxpayer who goes to work every day hoping to earn enough money to do a little bit better for their children.

These groups had the nerve to say, ''The American public has a right to know how a balanced budget will be achieved before a balanced budget amendment is enacted. Which important programs—education, health care, Social Security, transportation, job training—will either be dramatically cut or eliminated threatening America's vital interests?''

That was the question asked by these 91 groups. Where have they been? Where have they been for the last 2 years? For the first time since Government careened out of control, we have done exactly that. We have told the American people exactly how we will balance the budget over 7 years, and we are asking for a constitutional amendment that will assure that once we do

the work to balance it, that never again will a Congress be able to rob from our future generations to pay for what we are going to do today.

This Republican Congress has passed a balanced budget twice. It balanced a budget last year that did not touch Social Security, that allowed for increases in Medicare and Medicaid, that funded education, the environment, job training and transportation, and protected our children by cutting taxes on their parents and providing their futures will be deficit free.

But, what happened? President Clinton vetoed the balanced budget. So we have delivered a balanced budget in writing, and if they are looking for the details, they can look in President Clinton's wastebasket. And while they are there, maybe they will look at some of the promises that have been made by the President, because 4 years ago yesterday, June 4, 1992, President Clinton told the American people on television that if he was elected, he would present a 5-year balanced budget plan. He went back and forth on that over the last few years, but then when he did submit what he called a balanced budget to Congress, he did it by saying that all the tough cuts would come after the year 2000 when he would be gone, if he is elected to a second term.

I think that is the difference between the President and the Congress. The President has said one thing and made those promises and he has done something entirely different. Congress said what they would do in 1994, and they have kept their promises to the American people. We have set our priorities, and we have kept our promises.

So when the interest groups line up to oppose change, I think they should really consider what they are doing to their own members. Do the auto workers want to lower interest rates so they can build and sell more cars? Do the Government employees want lower prices on their homes so they can afford their part of the American dream? Do retirees want to leave a better world to their grandchildren? I know they do, because they contact my office all the time saying that they do.

To make this happen, we must change the way we do business in Washington. We must stop the deficit spending and make sure that no future Congress does it again.

To stop the deficit spending, we need a permanent constitutional protection so that we will not be able to go out and borrow money on our children's future. The more the population ages, the more economic growth stagnates from high tax, slow growth policies the more urgent our problem will become.

I urge my colleagues to vote with me to take action now to protect our country's future for our children by passing the balanced budget amendment and sending it to the States for ratification. We will be better remembered by our grandchildren if they have the same kind of America that we have been privileged to grow up in. And, Mr. President, I do not want to face my grandchildren 20 years from now and have them ask the most dreaded question: ''If you were a Senator back then, why didn't you do something?''

We can take action on the balanced budget amendment this week, and we can set the future course for our country and for our children and for our grandchildren.

Thank you, Mr. President. I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I am authorized to yield such time from Senator Thomas' time as I may need.

Mr. President, in a free country, some questions are never answered finally and definitively but must be addressed anew by each generation. It is, I think, for that reason that the words of Thomas Jefferson at the beginning of our Nation's history are so apposite today. Thomas Jefferson said:

> To 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.

That method of phrasing the question in Thomas Jefferson's time is every bit, if not more, applicable today during the course of this debate as it was almost two centuries ago.

This debate is most fundamentally about a moral question, about our right as Members of Congress, as representatives of the people of the United States to spend money, to advance programs—however well-intentioned, however successful—for which we are not willing to pay and to send the bills to our children and our grandchildren.

The question is practical as well as moral: Constant deficits, the increase in the burden of debt, the increase in the rate of interest which the Federal Government must pay on that debt and, equally significant, the interest rates individuals must pay when they purchase homes or automobiles, that businesses must pay when they wish to expand and give more opportunity.

Burdens—the burdens of regulation, the burdens of a large Government—are enhanced by unbalanced budgets, by the creation of bureaucracies, agencies, rules and regulations for which we are unwilling to pay but are willing to undertake only because we can send the bill to someone else.

Mr. President, there are a series of objections to this proposal. I hope it is not oversimplifying it by saying in some connections, they come from those organizations and those individuals who simply fear for the survival of their programs if present-day taxpayers are required to pay for those programs. Those fears are perhaps well-founded.

Clearly, if this amendment were a part of the Constitution of the United States, we would spend less on today's programs. We would be required to set priorities to determine which are the most important programs to a far greater extent than we do at the present time.

A second objection which I have heard is, ''Oh, it won't be enforceable anyway. People will find escape valves, ways to get out from under the requirements of this constitutional amendment.''

A third is that we are turning the entire proposition over to the courts of the land, that courts will be able to impose taxes or cut spending if the Congress does not do it itself.

These are just some of the parade of horrible theories with which opponents regale us during the course of this debate. Some of them may or may not to a certain extent have a degree of validity.

But the other half is reality, Mr. President. For all of the fine words about our balancing the budget without a constitutional amendment, no Congress and administration has done so in 30 years. Yet, there has hardly been a Member of this body or the other body during that three decades who has not given lip service to the proposition that a balanced budget is a good idea. It has just not been quite so important as some other idea which each of those hundreds, perhaps thousands at this point, of Members of Congress have had. Reality, in other words, Mr. President, speaks far louder than any words we can possibly state.

I must admit that I was persuaded by some of those arguments a decade ago. I voted against a predecessor to this constitutional amendment based on the proposition that Congress ought to do the job itself. Well, Mr. President, fool me once, shame on you; fool me twice, shame on me. It had not happened before I came to this body; it has not happened since I came to this body.

I simply leave off with the proposition that if we do not change the structure in which we operate, the same excuses, the same reasons will be presented a decade from now that are being presented here today, and it is very likely that we will be no closer to that balance, that we will continue to pile unjust burdens on our successors, that we will continue to fail the moral duty that Thomas Jefferson outlined for us.

Just last year this constitutional amendment was defeated, largely by the votes of Members of this body who said, ''We don't need a constitutional amendment. We simply need the moral courage to pass a balanced budget ourselves.''

We took up that challenge, Mr. President. The Presiding Officer was a part of it. I was a part of it. We did, in fact, in this body and in the House of Representatives pass a balanced budget plan that would have met the requirements of the constitutional amendment had it been a part of the Constitution. We did that for the first time

in 30 years. And we were faced with a veto by the President of the United States.

In turn, the President of the United States then presented what he claimed to be a balanced budget, though all of the heavy lifting, all of the significant spending cuts would not take place until after the next President's full term had expired. That has not been accepted.

As recently as 2 weeks ago, Mr. President, for the first time in several decades, a group of Members from both parties in this body, Democrats and Republicans, came together and came up with an alternative proposal for a balanced budget that significantly impacted the entitlement spending programs which are at the heart of our deficit challenge. But, Mr. President, they failed, even though they got 46 votes out of 100 in this body. They failed. And they failed, among other reasons, because of the deafening silence from the President of the United States, a silence which communicated disagreement, disagreement based on the proposition that the President of the United States would no more have signed that bipartisan proposal than he would the Republican proposal of last December.

So, Mr. President, why should anyone listening to this debate believe that what has not taken place for 30 years will take place if this constitutional amendment is defeated? Every element in our history tells us that it will not. Each individual Member is more committed to something that he or she considers more important than the balanced budget, absent the discipline this constitutional amendment will impose on us.

So, Mr. President, I think this debate comes down to our own individual answers to a series of questions.

Do we really want a better economic future for our children and grandchildren?

Do we want them to be able to live in better homes because mortgage interest rates are lower?

Do we want them to have greater opportunities and more choices of jobs in a more prosperous economy?

Do we want their incomes to be higher because their Governmental burdens are less?

The answer to each of these questions, of course, from everyone here is in the affirmative.

But the fundamental question, Mr. President, is, do we want those goals for the future badly enough to do something about it, badly enough to take a difficult vote at this particular time?

Do we, Mr. President, want to live up to the advice of Thomas Jefferson? Do we care enough about our ethical and moral responsibilities to those who come after us to say, ''The present system has not worked. We need a new system''?

Only if we pass this constitutional amendment, only if we allow this debate to take place in 50 State legislatures, as they debate the confirmation of such a constitutional amendment, will we carry out our duties.

History tells us, Mr. President, that we will not do it on our own. This constitutional amendment is needed. We hope for the endorsement of the President, which we are almost certain not to get. But we hope, even more significantly, for the courage, the concern for the future, the concern for our economy, the concern for our moral duties that can, in my opinion, only be carried out if this constitutional amendment is passed and submitted to the States for their ratification.

Mr. President, 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. KYL. 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. KYL. Mr. President, I yield myself such time from the time of Senator THOMAS as I may consume.

Mr. President, we are talking today about the balanced budget amendment that we will soon be voting on again. There have been several different kinds of comments made about the need for the balanced budget, probably the two most prominent being, No. 1, the fact that in the short-term we will all be financially better off if the Federal budget is in balance interest rates will immediately begin to come down. All economists agree that interest rates will drop once the market understands that we are going to balance the Federal budget. That 1-, 2-, or 2.7-percent drop in interest rates, depending on which economist you believe, means Americans will have more money to put in their pockets immediately.

In my home State of Arizona, the average home mortgage is just under $100,000. The interest that would be saved as a result of balancing the budget for every Arizonan with that average home mortgage would amount to $2,655 every year—$2,655. This is real money. For the average student loan it is $547. So, if we here in the Congress can pass a balanced budget amendment and send that to the States for ratification, the markets will adjust, will lower interest rates, and all of us will benefit as a result of that, through immediate financial savings.

There are many other ways this occurs. The Federal Government has borrowing costs which I will discuss here in a moment. Those borrowing costs are reduced. As a result, we do not have to pay as much in taxes to cover those borrowing costs. It applies all throughout the economy, both the private sector and the Government sector. Balancing the budget will reduce interest rates, and that will mean money in our pockets. That is an immediate benefit for all Americans, regardless of income status, regardless of where they live. It is very, very important.

Second, Mr. President, the other primary argument about the balanced budget has been the valid observation that we owe our children and our grandchildren the promise of a future that will be as good for them as our lives have been for us. We want them to have as much opportunity as we have had. That will not be the case if we continue to run up the debt and then ask them to pay it in the future. It is very much like young people getting in over their heads with their credit cards. We know that credit card interest rates are pretty high. Soon after you have loaded up your credit card, you can hardly make the monthly payments. You have to sell one of the two cars you own. You have to maybe take out a second mortgage on the home, or in a case I know, someone had to sell their home to pay the interest accumulating on this debt. That is what we are asking our children and grandchildren to do if we keep increasing the Federal debt with annual Federal deficits.

Until there is a balanced budget amendment this is not going to stop. How do we know that? Some of our colleagues who opposed the balanced budget amendment last year made the argument, ''If you just let us do it, we will do it. That is what we were elected to come here to do, to make the tough decisions.'' We said, ''All right, let's do it.'' For the first time in 26 years, Mr. President, we passed a balanced budget, on November 17, 1995. The problem is on December 7, 1995, President Clinton vetoed that balanced budget. Because of the impossibility of overriding his veto, we have not been able to agree upon a budget that would achieve balance. That is, until just 2 weeks ago, at which time the Republican Senate again passed a new budget that would be in balance after 6 years.

This effort to ensure that our children and grandchildren have the same kind of future that we have had also has very real monetary consequences. I have a brandnew grandson, whose name is Jonathan. He owes the Federal Government $187,000. He is a year old. This is kind of a tough burden for him. That $187,000 is just to pay the interest on the Federal debt during his lifetime. That does not pay anything else. It does not pay for defense, for education, for health care, or for anything else; it just pays the interest on the debt. But that is how much he owes. It is unfair.

One of the reasons that I ran for the U.S. Congress when I did was to try to ensure that when I finally left this world, I left it better off than I inherited it. I have now acquired a position of great honor and opportunity to try to do something about that commitment that I made. All of us have said the same thing in one way or another. If we are not committed enough to do something for these young children and grandchildren that we have, to guarantee that they have as good a future as we have had, then we are not doing our job. We understand that, without the

constraints that are required to comply with the Constitution, we are not going to balance the Federal budget, and those kinds of obligations are going to continue to be imposed upon our children.

I said in the beginning that those were the two primary arguments for the balanced budget amendment. I do not see how anybody can argue that they should not call for the adoption of the amendment. I wanted to focus on a different aspect of it that still relates to this question of interest payments because I think it puts into perspective how far out of whack this has become.

I want to relate some figures on how much in the way of interest we are paying. What is the interest we are talking about again? This is interest on the accumulated $5 trillion-plus in Federal debt. Each year, we have a Federal budget deficit that adds to that debt and, therefore, adds to the interest. Here is what the interest payments now amount to. Compare this first with 1965, 30 years ago. The Federal Government in that year paid $8.6 billion in interest. I remember a couple of days ago when I was presiding, and the Senator from Illinois, Senator SIMON, who has been a very strong advocate of the balanced budget amendment and who, unfortunately, is going to be leaving the Senate at the end of this year, said—talking about the figure of $9 billion—''Back then, $9 billion was a lot of money.'' It reminded me of one of his predecessors who represented the State of Illinois, Everett Dirksen, who was famous for saying, ''A billion here, a billion there, pretty soon you are talking big money.'' Here is what this $9 billion in 1965 has come to. In 1995, 30 years later, instead of $9 billion in interest, the Government paid $232 billion in interest. In just 30 years, it went from $9 billion to $232 billion.

What does that mean in terms of the obligation of the average family? In 1965, that interest cost of a little under $9 billion amounted to 17.6 percent of all individual income taxes paid. In 1995, the $232 billion in interest cost was over 30 percent of income taxes. In other words, just think about April 15 when you paid your tax bill. Almost one-third of that was interest on the Federal debt. What did the Federal Government get for that? What did we get for that? Absolutely nothing. That is just interest on the debt. It did not buy a single airplane for defense, it did not buy anything regarding health care or education or support for the elderly, or any other Government program that is of interest to the people of this country. It just paid the interest on the debt.

Now, let us compare it to a couple items in the Federal budget. Let us compare it to national defense. In 1965, 30 years ago, interest costs were 16.9 percent of the outlays for defense in that year. But, in 1995, this $232 billion in interest costs was almost 85 percent of all outlays for defense. In other words, here is the defense budget. Thirty years ago, we paid, in interest, about 17 percent of what we were paying for defense. Today, we pay, in interest, 85 percent of what we are paying for defense. In other words, it is almost getting up to the same amount that we pay for defense, which is the single largest component of our discretionary budget.

So let us compare it to our discretionary spending. In 1965, interest costs were equal to 38.9 percent of all domestic discretionary spending. Domestic discretionary spending is the money we spend for agriculture, for subsidies, for health care, for defense, and all of the other things. But, in 1995, that interest cost was 92 percent of domestic discretionary spending. In other words, Mr. President, we paid almost as much in interest costs as we did for all of the domestic programs that were funded by the Federal Government.

So, Mr. President, it is clear that this interest cost is huge, it is growing, it is not productive, and it takes money that could be spent for other things. As a result of reducing this interest expense, we would all be far better off, and it will not happen unless we pass an amendment to the Constitution to require a balanced budget.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, is leader time reserved?

The PRESIDING OFFICER. Yes.

MEDICARE WILL GO BANKRUPT IN 2001

Mr. DOLE. Mr. President, the Medicare trustees have now released their report on the state of the Medicare trust fund, and the news is not good. Instead of going bankrupt in the year 2002, as they had previously forecasted, the trustees now conclude that Medicare will go bankrupt in the year 2001—just 5 years from now.

For the past year and a half, this Republican Congress has attempted to deal honestly and forthrightly with the impending Medicare meltdown. We have put forward a budget that would protect, preserve, and strengthen Medicare by reducing the unsustainable rate of growth, while still allowing for a healthy growth rate.

We did not claim that our plan was perfect or that it solved a long-term problem. But it was a real attempt to alleviate a crisis that will immediately impact 37 million Americans and will have repercussions on tens of millions more.

Along with our proposals to provide for short-term solvency in the Medicare trust funds, I also suggested, on numerous occasions, that President Clinton appoint a blue ribbon, bipartisan advisory committee, similar to the one I served on in 1983 that rescued Social Security, to help deal with this long-term crisis in Medicare. I was interested to see that Secretary Shalala made a similar recommendation today.

My response to the initial report of the Medicare trustees was based on my belief that leadership means more than just talking about the problem; it also means doing something to solve it. It is also clear to me that if we are to be successful, we must put politics aside and work on a bipartisan basis.

Unfortunately, President Clinton has been unwilling to do that. Ever since the trustees—three of whom are members of the President's administration—issued their original report, the administration has chosen to either ignore the warning of Medicare's impending bankruptcy, or to engage in a very sad campaign to frighten America's senior citizens.

It is an undeniable fact that the Republican proposal allowed spending for Medicare beneficiaries to increase from $4,800 to $7,200 per person over 7 years. It is also an undeniable fact that in their ill-fated health care reform proposal the Clinton administration advocated slowing Medicare's rate of growth. Despite that fact, however, the President vetoed our Medicare proposal. We have heard nothing—nothing at all—but attacks on Republicans for ''slashing and cutting'' Medicare. When the President was asked not long ago why he continued to use these terms even though they are not true—and I happened to be listening to the press conference—he said that the media made him do it. Maybe they did. But he has been doing it.

With the release of today's report, the inescapable conclusion is that, while the rhetoric flew, Medicare was put at further risk. Those who say that talk is cheap should now know that 18 months of misleading rhetoric may have gained points in the opinion polls, but it also put Medicare another $90 billion-plus in the red.

The bottom line is that the 37 million Americans who depend on Medicare deserve better. Future generations of Americans who will need Medicare deserve better.

The choice is clear. America's leaders can spend the next 5 months focusing on the next election, thereby allow Medicare to grow ever closer to bankruptcy; or we can focus on the next generation, and do what we must to save Medicare.

It will not be easy nor simple. The solution cannot be a shell game, moving money from one part of Medicare to another. A tax increase is also not the answer.

I call on the President to come forward with real initiatives so we can preserve the Medicare Program and to join with Republicans on a bipartisan basis, as I have proposed before, to address this very serious problem.

So we have 37 million Americans who depend on Medicare. That is the bottom line. Future generations are looking to whether or not there will be any Medicare trust fund or any Medicare benefits. I think we need to fix Medicare just as we fixed Social Security in 1983 on a bipartisan, nonpartisan basis.

I remember walking onto the Senate floor in 1983 right in that aisleway when we thought everything had evaporated—collapsed. I met Senator MOYNIHAN coming in the door. And we stood here and talked for 2 or 3 minutes about we could not let this happen; there were too many millions of Americans who depended on Social Security. So together we got it back on track. And the end result is we did in effect rescue Social Security.

Now someone is going to be asked to do the same with Medicare. I would call on the President to stop running the TV commercials, to stop trying to scare senior citizens, to stop trying to frighten seniors with some of the ads paid for by union dues. Millions and millions and millions of dollars have been spent on political attacks and TV attacks on Republicans who want to fix, preserve, and strengthen Medicare.

Today is the day of reckoning. Today even the administration says, ''Oh, well. We ought to fix this.'' We are going to fix it, or it is going to be bankrupt. And I believe it will be fixed.

So the President now I understand would like to work it out. He has had a whole year to bash Republicans, a whole year to scare senior citizens, and now he understands—at least the people around him understand—the seriousness of this shell game.

So I call on the President to come forward with real initiative so we can preserve the Medicare Program and join with us. As I said, our plan is not perfect either. Maybe we can come together. This is a very serious problem. It is not going to go away. It is not going to go away. The trustees' report is very clear on that particular area. It is not going to go away. We have to fix it. We have to stand up and be counted.

We cannot have it both ways. We cannot scare seniors on the one hand and fix it on the other. It is time to tell the American people the truth. It is time to tell the American people—to give the American people the facts.

So I would be prepared—I am certain my colleagues will be prepared—to work with the administration if in fact they want to work on a bipartisan basis. This is serious business—37 million Americans who want us to make progress to do it the right way—to preserve and strengthen Medicare.

Mr. HOLLINGS. Will the distinguished Senator yield?

Mr. DOLE. I am happy to yield.

Mr. HOLLINGS. I referred earlier to the BOB DOLE we know and love. I earlier remarked because he and I have worked to try to balance this budget over the years. More particularly I put in the RECORD a statement, and the vote and record made of the Greenspan commission upon which the Senator served where they recommended that Social Security after a period of years be off budget. Of course, the vote the Senator and I both joined in doing just that. In 1990 we put it off budget. The law was signed by President Bush. Now we have the Senator's amendment, and he got my vote. If we just do exactly what he intends, I think here in section 7, ''total receipts shall include all receipts of the U.S. Government except those derived from borrowing.'' That has been interpreted as borrowing from the public. Why borrow from Social Security? In other words, we owe Social Security $530 billion. These budgets which have been put out by both sides all use Social Security. So by the year 2002 we will owe $1.1 trillion.

So you can pick up not only my vote. By the letter we sent —I have talked to these Members; five of us, and at least more—pass this constitutional amendment by just protecting borrowing from the public but in conformance with the law which the Senator and I support; not borrow from Social Security. In other words really eliminate the deficit rather than move the deficit from the general Government over to the Social Security fund.

Mr. DOLE. Let me indicate first that I acknowledge the Senator's efforts over the years to face up to the budget problem. He has demonstrated it with his votes. I think in this case though—I do not have the amendment before me. I know what it says. I think if we do that over a period of years, others would like to do it right now—we phase it out. I think the Senator is saying he would prefer we do it immediately. We have been doing it the way proposed here for some time. Even in the 7-year budget plan we proposed, of course, we did not use Social Security.

So our view is—my view on this balanced budget which I will discuss tomorrow—is that we need to make it very clear precisely what we are doing because we need this discipline. We need to send this to the States, and give the States a chance to ratify it. If Kansas does not want to ratify it, or South Carolina, or Arizona, or Idaho, that is their right. But if three-fourths of the States do not ratify the amendment it does not became part of the Constitution.

I think the Senator from South Carolina also shares our views on Medicare. He is one Senator who will not stand here and let Medicare go belly up. I hope that there will be enough bipartisan support that whatever the problem is can be remedied and remedied very quickly.

Mr. HOLLINGS. If the distinguished Senator will yield, we would not do it immediately. In other words it would be part of the Senator's joint resolution, or balanced budget amendment, to the Constitution, and as the Senator's comments just indicated it would go back to the States for several years to be ratified. In the meantime, it would be in there and protected but it would not control immediately. And while they are ratifying we could be working, as the Senator indicated, to bring it into line without using Social Security funds.

So I do not see the harm done if we could just include that. We can pass the balanced budget amendment to the Constitution.

Mr. DOLE. I would be pleased to look at anything the Senator suggests. The Senator from Idaho, I believe, has about the same approach. At least it might be the same result obtained by the Senator from South Carolina. He will be our next speaker.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

Mr. KEMPTHORNE addressed the Chair.

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

Mr. KEMPTHORNE. I yield such time from the time of the Senator from Wyoming as I may consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KEMPTHORNE. Mr. President, as we listen to this critically important debate on the balanced budget amendment, we hear all of the different figures. The fact that $19,000 is owed by every man, woman, and child currently in America; the fact that we spend almost $300 billion in interest on the debt—all of these numbers. But I have a hard time understanding this. How do you put that in perspective—how big is that—in the few moments that I am going to speak? Because I am going to make the formal part of my speech a part of the RECORD. But in the few moments that I am going to speak—that is 5 minutes—we will have $5.5 million in interest payments.

So what does that equate to? That means that instead of paying that interest we could put 100 police officers on the street. It means that during those 5 minutes that I will be speaking we could instead use that $5.5 million to immunize more than 45,000 kids in America. It means that we could provide a year of Head Start for almost 1,500 kids in America. That is what we are consuming just in the few moments that I will be speaking.

Today, as I walked over here, I saw all the Americans that are visiting this Nation's Capitol today. I think it is tremendous to see the citizens coming and seeing this Nation's Capitol. Just outside the door are the rich portraits that we have of George Washington and the Founding Fathers. We think about our history and what this country is founded upon. George Washington said in his farewell address to the Nation that he warned Congress to ''cherish public credit and to use it as sparingly as possible avoiding occasions of expense.'' And Thomas Jefferson, who believed so strongly in a balanced budget, said that it was so important ''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.''

Those are the principles upon which this Nation was founded.

So how have we abided by those words? Are we paying our debts as we

go? No. The last time that we had a balanced budget in the United States of America I was 17 years old. I now am the father of a 17-year-old daughter.

It has been a generation since we have had a balanced budget. We do not have the discipline, so we need to make it part of the Constitution.

Now I want to just step back, Mr. President, and address the big picture. Again, we mention all these numbers. But I just hope all Americans realize that while we try to get a two-thirds vote in the Senate of the United States, because it has passed in the House already, the balanced budget amendment, that does not mean we have accomplished a balanced budget for the country.

That simply means Congress is saying we will now put the question to the 50 States of the Union because we are the United States of America. We are not the Federal Government of America, so we place that question before the 50 States so that the people of America can affirm whether or not they feel we should have a balanced budget amendment.

It is hard for me to understand how this body can come to the conclusion that for some reason we must not ask that question of the American public. It is inconceivable especially when you look at the track record of how we have so poorly spent those finite resources, the dollars of the citizens of America, because it is not the Government's money. It is the people's money, and they should be brought into this process.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota has the floor. The Senator from North Dakota is recognized for 1 hour.

Mr. DORGAN. Mr. President, I am going to yield time to the Senator from Arkansas, [Mr. BUMPERS] as soon as Senator BUMPERS comes to the Chamber. Following that, I intend to make some remarks about this subject.

I see Senator HOLLINGS from South Carolina is in the Chamber. I listened intently to Senator HOLLINGS and always enjoy his presentations. He knows this subject. As the former Chairman of the Budget Committee he has been involved in this subject for a long, long time. And I think if one looks at the record of Senator HOLLINGS on taxing and spending issues, no one in this Chamber could credibly argue he does not want a balanced budget. No one has been a more vigorous fighter for a balanced budget in the Senate than Senator HOLLINGS from South Carolina. The point Senator HOLLINGS has made is there is a right way to do this and a wrong way to do this.

This is a copy of the Constitution. This copy is a little small booklet, the kind that Senator BYRD, our distinguished colleague from West Virginia, carries with him. He is fond of saying this is his contract with America, the Constitution of the United States.

This, incidentally, was written over 200 years ago by 55 men—55 white men, to be exact—who convened in a small room in a place called Constitution Hall, the assembly room of Constitution Hall in Philadelphia, PA. Those 55 men spent the summer writing a Constitution for our country. I was selected to be one of 55 people who on the 200th birthday of the writing of the Constitution went back into the same room and held a celebration, a 200th birthday celebration of the writing of this remarkable document, the Constitution of the United States. And on the 200th anniversary, 55 of us went into that room, 55 men, women, minorities—a wonderfully diverse group of Americans convened in that room.

That little room up in Philadelphia has at the front of the room the chair where George Washington sat—yes, the very chair sat in by George Washington as he convened and chaired, presided over, the constitutional convention.

If you read the accounts of the deliberations, Ben Franklin sat over on this side, Mason, Madison. Thomas Jefferson was not there; he was in Europe. But he contributed through his writings enormously to the Bill of Rights of the Constitution. But you could not help, while sitting in that room celebrating two centuries of the Constitution of the United States, you could not help getting some goose bumps about what all of this is about.

This is the longest surviving, most successful democracy in the history of humankind. This democracy survives because the Constitution gives the power to the people. It is a country that belongs to the people.

The Constitution starts:

> We the People of the United States, in Order to form a more perfect Union, establish Justice, ensure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

''We the people.'' This is quite a remarkable document in the history of humankind.

Some in this Chamber view this as a mere rough draft. We have had over 140 proposals in this Congress alone to change the U.S. Constitution. I do not see many people walking around here who look much like Ben Franklin or Thomas Jefferson. And I worry that this Congress on a dozen different initiatives believes it can improve on the work of our Founding Fathers, who created a document that provides timeless truths about how democracy can work to serve the interests of the people.

I am going to talk about that in the context of this debate, a debate today about how to change, or whether to change, the Constitution in order to deal with this issue of deficits and fiscal policy. But before I begin that discussion, I want to call on my colleague from Arkansas, Senator BUMPERS.

Senator BUMPERS, like a lot of Senators in this Chamber on both sides of the political aisle, is someone for whom I have deep respect. No one has served this country more honorably and provided better service in the cause of democracy than my colleague from Arkansas, Senator BUMPERS. He not only is, I think, probably one of the best orators of the Senate in many decades; he is a person with a remarkable depth of knowledge about these budget issues. He sees where we have been, where we are heading, what is important, what we ought to be doing for the future of this country.

So I am just delighted to yield whatever time he may consume. Let me yield 20 minutes to the Senator from Arkansas, [Mr. BUMPERS].

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Arkansas, [Mr. BUMPERS], is recognized for up to 20 minutes.

Mr. BUMPERS. Mr. President, first, I thank my distinguished friend from North Dakota for yielding. Second, I especially thank him for his very generous laudatory comments, all of which are true, of course, and to thank him for his very valiant, noble efforts in the cause of constitutional government.

He made an observation which I have made many, many times but frankly across the Nation seems to fall on deaf ears, and that is we are the oldest democracy on Earth. Our Constitution, which should be sacred to all of us, is the oldest organic, existing law in the world, and yet many of my colleagues want to treat it as an unfinished, rough draft. Every time we have a politically popular thing crop up in this country, everyone wants to amend the Constitution. Without denigrating specific colleagues, nor really denigrating the Senate as a body, I do not know a single person in the Senate that I want to defer to instead of James Madison, defer to instead of Benjamin Franklin, defer to instead of John Adams or John Jay.

Arthur Schlesinger, one of the preeminent historians of this country, has said, and I think with a great deal of acumen and accuracy, in 1787 the greatest gathering of minds ever assembled under one roof met in Philadelphia to craft this document which we solemnly swear, when we are sworn into the Senate, we will support and defend—the Constitution of the United States.

Is that a sacred, solemn oath we take, or is it something we do just for political reasons, because we have to, or because of legal reasons? I have heard it said in this body that 83 percent of the people in this country when asked, ''Would you favor a constitutional amendment to balance the budget,'' 83 percent of the people say yes. What they do not tell you is that 83 percent of the people of this country also say they are contemptuous of politicians who have to look at a poll in order to find out what they think.

The Senator from South Carolina, from Oregon, the rest of us, have a solemn duty to be educators as well as legislators. The people of my State did not all attend law school and study constitutional law. They have not all read ''The Federalist Papers.''

I am chagrined, irritated, and angry because in this body we want a constitutional amendment to balance the budget. We want a constitutional amendment to limit terms of Senators, as though the people of your State do not have enough sense to know who they want to vote for; or a constitutional amendment that would ban flag burning; a constitutional amendment that would require our children to recite certain prayers in school, and on and on it goes. This is just a snipe hunt. As a matter of fact, this amendment gives snipe hunting a bad name.

What does this amendment do? SAM NUNN, our distinguished colleague from Georgia, when we considered this before, very thoughtfully added an amendment saying the courts will not have any jurisdiction over this. I am not sure we can legislatively make that decision here, but assume we can; that answers the question ''Will all Federal courts have jurisdiction?'' Under the Nunn amendment, they would not. But let us just assume that, as my good friend from South Carolina is wont to say very often in this Chamber, we pass a budget resolution to say this balances the budget, pat ourselves on the back, give ourselves the good Government award, head on home and tell the constituents how great we are.

But, wait, some person that is aggrieved says, ''Look, that budget resolution is based on flawed assumptions about revenues and expenditures. You have it all out of kilter.'' Would he have a right to go to court and demand that Congress do this thing right, the way the people of this country told them to do it? I do not know the answer to that.

Will the Congress be required to raise taxes and cut spending to achieve it? Can they do it all one way or the other? I suppose they could, but I am not at all sure. Numerous questions remain unanswered. How does this amendment force Congress to reach an agreement about which specific spending cuts or which tax hikes we should adopt?

Finally, if you go to court, do you have standing? And what if the Supreme Court says this is a political question, which they often do where politicians are involved; where does that leave it? High and dry, just like we were last fall.

Mr. President, I have listened to a good portion of this debate from my office on C-SPAN. I cannot believe people come to the floor and they say, ''I do not have the courage to make the tough choices, to vote for a balanced budget; therefore, please vote for this constitutional amendment so the courts or the law will make me do it.''

Frankly, I do not want to get too strident or partisan about this, but if I were sitting on the other side of the aisle, that is exactly what I would be saying.

In 1993, every Member in this body, every single Senator, had a chance to vote for a meaningful deficit reduction package. It has been said over and over, but it bears repeating, that when we adopted that package in, I think, August 1993, not one Republican could find it in his heart to vote to reduce the deficit by $500 billion. The Vice President sat in the Presiding Officer's chair and cast the tie-breaking vote. Two-hundred and fifty billion dollars in tax increases, $250 billion in spending cuts. You cannot find a better way to start reducing the deficit. And OMB said, if you pass this, over the next 5 years the deficit will be $500 billion less than it would otherwise be.

Mr. President, that turned out to be grossly wrong. The figure now, according to OMB, is $846 billion.

Bill Clinton, to his eternal credit, I do not care whether you like him or do not like him, but I can tell you one of the reasons he is going to be reelected President is because he did not sit around waiting for a constitutional amendment to do something. He submitted a package of deficit reduction proposals to this body and we adopted it without one single Republican vote.

I inform my Republican friends who are all so enthusiastic about this amendment today, that deficit reduction package we adopted constitutes a reduction not of $500 billion, but $846 billion. So, my Republican friends, my question is this: Why not repeal it? You did not like it then. You are trying to kill the gas tax part of it now, which has to be the silliest thing I have ever heard. But I want to ask you, why not repeal it if it was that bad?

We lost two of the finest U.S. Senators ever to sit in this body because they voted for that package, and their opponents took advantage of it and said, ''He is a taxer and spender.'' They lost their seats for doing the most courageous thing any Senator could do. People sit in their seats today who are spineless, who did not have the courage to vote for it.

So I say to my Republican friends, repeal it and then tell us where are you going to find $846 billion, because that is what you have to find.

When Bill Clinton ran for President he made a promise to the American people and I thought it was fair. It was a political promise, of course. Any promise a politician makes is political. But he said: You elect me President and in the first 4 years I will reduce the deficit by 50 percent. We were looking at a $290-billion-to-$300-billion deficit that year, 1993, which turned out to be $264 billion, and which has been going down every year.

Because of that bill in 1993, the deficit this year is not going to be 50 percent of the projected $292 billion. The projection was that the deficit would be $292 billion in 1996. Current figures place the deficit at $125 billion, not a cut of 50 percent, a cut of almost 60 percent.

I can tell you, this fall, if I were President Clinton, I would keep a chart, about twice the size of these I am using, with me every minute of every day to show the American people why they should be dancing in the streets, because a few courageous Senators screwed up their nerve and did what they were supposed to do.

What else does this constitutional amendment require? Nothing, in the year 2002.

It gives the States 7 years to ratify it. We do not have to do anything for 7 years.

You know, I think if I were a Republican, I would probably be taking the same tact they are. I would be so embarrassed about a lack of courage, a lack of responsibility in refusing to vote for something responsible, to bring the deficit down when the chance finally emerged.

So, what is their solution? Well, I do not know what kind of a tax cut Senator DOLE will propose. I have heard figures up to $600, $700 billion. I do not know what it is going to be. But here is their method of balancing the budget: build a ballistic missile defense system which will cost American taxpayers $50 billion to $60 billion and deploy it by the year 2003.

''What kind of a system is that going to be?''

The Republicans respond, ''Don't know. Don't have any technology yet, but we can start spending the $50 billion.''

The people ask, ''Where's the money coming from without raising the deficit?''

The Republicans reply, ''Don't know. Find it somewhere.''

What else? The gas tax, repeal of that 4.3-cent gasoline tax we passed in 1993. It will accommodate the big sport utility vehicles and the vans and the big trucks. It will encourage people to drive more and further pollute the environment, as well as losing about $2 billion.

The people want to know, ''Where is that $2 billion coming from?''

Again, the Republican response is, ''Don't know.''

What else? Airline ticket tax. We conveniently let that lapse on December 31 of this year, and we have already lost about $3 billion this year on the airline ticket tax.

''Why haven't we reinstated it?''

''Don't know.''

What does it do? That loss of revenue raises the deficit by $3 billion.

What other proposals do the Republicans have for balancing the budget? Well, there is a $7 billion cut for small business. I can tell you, I yield to no one in my commitment to small business. I used to be a small businessman, and it was a struggle. I can tell you, they hurt me every time they raised the minimum wage. It did not hurt for very long. Back in those days, you had to do $250,000 a year in order to qualify,

and I was not doing that much business.

So what are the Republicans going to do here? They propose $7 billion in additional tax cuts for small business. It is tough for anyone to vote against that.

What else? Well, we are going to continue selling Federal lands that belong to the taxpayers for $2.50 or $5 an acre, beneath which lies billions and billions of dollars worth of gold; sell it to them for $2.50 or $5 an acre and not require them to pay the taxpayers 1 cent of royalty. This has been going on since 1872, and you cannot stop it. I know, because I have tried desperately for 7 years.

It is shameless and unbelievable. Republicans who do not have a mine within 500 miles of their States vote to defend this practice for the benefit of the biggest mining companies in America.

What else? Continue the shameless way we let our parks concessions. I urge my colleagues to listen to this story. Matsushita Electric Co. bought Universal. Universal, among other things, owned the Curry Co., which had the right to all the concessions in Yosemite, National Park. It is a beautiful, beautiful park. Everyone here has visited it.

As you know, since the memory of man runneth not, as we lawyers like to say, the people who own the parks concessions in Yellowstone, Yosemite, and Grand Canyon took in around $500 million to $600 million a year in revenue, and they returned about $18 million to the Government.

I say to my colleagues, when we go home and tell the chamber of commerce, ''Please reelect me, and if you do, I will treat your money just like it is my own,'' that we should consider this example. I want everyone in the U.S. Senate who would let a contract that produces for the person you contracted with $500 million to $600 million and you received $18 million to stand up. I want everyone in the U.S. Senate who would sell his land that had $11 billion worth of gold under it for $2.50 or $5 an acre and not receive a dime of royalty to stand up. I want all those Senators to stand up. You told the Chamber of Commerce you would treat their money and the public lands as if it were your own.

Finally, Matsushita bought Universal. There was a hue and cry in this country about a Japanese company owning the concessions at Yosemite. And $100 million a year, I say to my colleagues, is what that one produces. And so the Japanese said, ''Look, we don't need all this flack. We'll just return it to you.''

So the Parks Foundation said, ''Well, why don't we take it and we will relet the contract.''

So they took it and they relet the contract and the company they selected last year returned $20 million to the U.S. Treasury, more than all the others combined have been returning, because we negotiated a decent contract. But if you tried to do that on all the national parks, we have a half a dozen on this side and about 50 on that side who will squeal like a pig under a gate: ''Oh, you can't do this, you can't do that, that's jobs in my State.''

So we tried cutting taxes and balancing the budget in 1981, Mr. President. Do you know what we got out of it? We went from a $1 trillion debt to a $3 trillion debt in 8 years. It was hogwash in the beginning and it still is. You cannot do it. We did not do it. You cannot cut taxes massively like we did in 1981 and hope to balance the budget. So what are we paying for? If we did not have to pay interest just on the debt that was accumulated in the 8 years of Ronald Reagan's Presidency—let me repeat this. I ask for 1 additional minute.

Mr. DORGAN. I yield the Senator 1 additional minute.

Mr. BUMPERS. If we did not have to pay interest on just the increased deficit that was accumulated when Ronald Reagan was President, we would not be standing here debating today because we would have a nice healthy surplus.

Mr. HOLLINGS. Amen.

Mr. BUMPERS. Mr. President, ''thems the facts,'' and that is what brings us here today: using a constitutional amendment as a figleaf, a political ploy to keep from making the hard decisions just as they did in 1993, just as they will in 1996.

Finally, I am not voting to tinker with what James Madison did 207 years ago that has made us the strongest, longest living democracy in the world. I am not voting for something that nobody in this body can explain how it will work. It is nothing but utter chaos.

I plead with my colleagues, don't snap on this one. I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from North Dakota controls 32 minutes.

Mr. DORGAN. Mr. President, the Senator from Arkansas has spoken eloquently about this issue. I will try to add some to the debate.

I began the discussion talking about the Constitution of the United States, the constitutional convention that produced the framework for our democracy.

I will discuss what this attempt is here on the floor of the Senate. Is it an attempt to balance the budget, as is being alleged, or it is an attempt to simply change the Constitution? The reason I ask the question is there are plenty of people here in the Senate who seem to want to support every single proposed constitutional amendment that is offered. We have had thousands of proposed changes to this Constitution. We have changed it very, very rarely, and we have made it difficult to change.

One reason for doing that, as the Senator from Arkansas suggests, is it is hard to see people walking in this Chamber who resemble in philosophy and in spirit Thomas Jefferson, or James Madison, or George Mason, or George Washington. So we have made it difficult to change this document.

This country has taken on too much debt. That is clear. It is not the case, as some stand up daily in the Senate and say, ''Well, the American people must pay their bills every day. They don't have any debt.'' That is not the case. This country has $21 trillion in debt, $21 trillion in debt. There is just over $5 trillion is U.S. Government debt, over $4 trillion of consumer debt, and $4 trillion-plus, nearly $5 trillion of corporate debt, business debt. It totals $21 trillion in debt: mortgages for houses, lines of credit for businesses, Government debt, bonds, Federal debt. There is too much Federal debt. That is not being debated today.

The Senator from Arkansas pointed out that in 1993 we had a vote here in this Chamber about debt and deficits. The Senator asked the question: Who is willing to stand up and cast a hard vote, a really tough vote to reduce the Federal deficit? Who is willing to cast an honest vote, a vote that says to the constituents, ''I'm standing here and I'm willing to cast a vote to cut Federal spending now; I'm willing to cast a vote to increase some taxes now because that must be done in order to reduce the Federal deficit?''

It was not popular. The political and popular thing would have been to say, ''Well, if this is heavy lifting, if this is about really reducing the deficit, if this is about really increasing some taxes and really cutting some spending, count me out. I don't want to be part of anything that requires some political risk. Just count me out.''

But there were a lot of people in this Chamber who said, ''Count me in. Let me stand up for that. This isn't about rhetoric or changing the Constitution. This is about reducing the Federal deficit.''

Do you know that we passed that bill by one vote, as the Senator from Arkansas said? We did not get one vote from the other side of aisle, not even one by accident. You would think occasionally someone would make a mistake in this Chamber. We did not get one accidental vote in this Chamber. I understand that as well. We had the majority and we had the ability and the responsibility to advance the legislation.

I said it before, and I will say it again, I am pleased I voted for that. It has substantially reduced the deficit. It is not easy to do. It is not popular to do. But it is the right thing to do.

The job is far from over. We have to continue the effort.

But I find it fascinating that folks come to this Chamber day after day, hold up the Constitution, and point their fingers across the aisle and say, ''We demand you support us to amend

the U.S. Constitution to require a balanced budget, and if you don't, you don't support balanced budgets.'' I find it fascinating that those same people come to the Chamber in the very next breath and say, ''By the way, we want to balance the budget, and we also want to build a new star wars program for $60 billion.'' The question is, how are you going to pay for it? They say, ''We don't know. We want to balance the budget, but we want to build star wars.''

The majority leader was asked recently at a press conference when they said they wanted to build star wars—the question from the press was, ''Senator, how much do you think this is going to cost? And where is that money going to come from?''

The answer from the majority leader of the Senate was, ''Well, I'll leave that up to the experts.'' Translated: ''I don't know. I don't care.'' Defend America, build a new star wars program. CBO says it will cost up to $60 billion just to build it, let alone operate it; $60 billion just to build it, from the same people who come here and say they want to balance the budget. You ask, ''What is this going to cost?'' They say, ''I don't know. We'll leave it up to somebody else.''

Can you imagine them shopping for a car. They look in a showroom and say, ''I want that yellow one.'' Someone says, ''Aren't you going to ask how much it costs?'' They say, ''I don't care. Leave it to the experts.'' They do not care about how much it costs. The same people that demand of us that we accept their prescription for the U.S. constitution because they say they want a balanced budget, those same people trot on the floor of the U.S. Senate with schemes to increase spending by up to $60 billion for a star wars program, schemes to enact all sorts of tax breaks, most of which will benefit the upper income people in this country, and then they tell us, ''Believe us. We really want a balanced budget.'' Nonsense.

What they want to do is amend the Constitution. If they wanted a balanced budget, they have had plenty of opportunities. They could have voted with us in 1993 in a proposal that honestly does the things that balance the budget. It will not be the Constitution that balances the budget. It will be the acts of men and women in the Senate to deal with spending and revenue issues that will balance the budget.

I will address a couple of issues that have been raised. Some say, ''Well, this is the same amendment that has been voted on before. Some of you voted for it before and did not vote for it this time. What on Earth is going on?''

There is a pretty fundamental difference between this and what was voted on before. We have voted on constitutional amendments before in the Senate. I have voted for a constitutional amendment. I voted against a constitutional amendment, as has the Senator from South Carolina. I voted for the constitutional amendment that says, let us balance the budget honestly and not misuse the Social Security trust funds to do it. I have voted against the constitutional amendment to balance the budget that would take into the Social Security trust funds a giant scoop and take the money and shovel it over here into the operating budget of the United States and misuse the money.

How would you feel about a business, any business in your town or any town, that says, ''I'll tell you what. You're asking me about my financial performance this year. I'll tell you what. It's actually pretty good. I had to take my employees' pension money to bring it over on to the operating statement to make it income. I made it pretty good because I took my employees' pension fund. All in all, this year did I do pretty well? Yeah, I did, with the employees' pension funds being used.''

Show me a businessperson who stands up and says that, and I will show you someone who is doing 2 years of hard tennis in a minimum security prison in this country. You cannot do that in this country. You cannot misuse pension funds.

Interesting. I was on a television program last night that I shall not name: ''Crossfire.'' Mr. Novak asked the first question about the issue of the Social Security funds. And he says, as others have said, ''Oh, that's a bunch of nonsense. What a hoax.'' Let us talk about the hoax.

Lots of folks out there today are working, and working hard. They got up early, they went to work, they worked all day, and they finished. Maybe at the end of the day today they got a paycheck. They looked at that paycheck, and it shows that some money was taken out of that paycheck to put in the Social Security trust fund—it is called FICA taxes—put in the Social Security trust fund. The promise of the Federal Government is very simple—this is not rocket science—the promise of the Federal Government is, ''We'll take the money from your paycheck, and we promise you it goes into a trust fund—ergo the word ''trust'' is used—and the trust fund will be used when we need it, when the baby-boom generation retires.''

I said yesterday that my colleagues will remember what the baby boomers are—the war babies. The war babies were the largest baby crop in American history. I am told that when folks came back from the Second World War, there was an enormous outpouring of love and affection. As a result, we had the largest baby crop in America.

When that largest baby crop in America retires after the turn of the century, we will have a maximum strain on the Social Security system. One of the sober things that was done in the 1980's in this Congress was to say, we will accrue more money in the Social Security trust funds each and every year in order to save for the time we will need it when the war babies retire.

The result is this year $69 billion will come in in excess of what is needed this year in the Social Security system. That is forced national savings, to be available when the war babies hit the retirement rolls.

Regrettably, the majority party says in their budgeting scheme—and I should say also it has happened under Democrats; and it is wrong under either party—that we want to use that money and use it as an offset to show it as revenue in order to balance the Federal budget. We are not going to have the trust fund; we are going to put it over here under operating revenues and use it to balance the Federal budget.

Now, it is interesting. Senator HOLLINGS changed the law and he prohibited them from actually putting in writing what they are doing. So the result is this. I have here the budget that was passed by the majority party that they claim was a balanced budget. It, of course, is not in balance.

Here is a page from their budget resolution that they wrote—we did not write, they wrote. It says ''Deficits,'' in the year 2002: $108 billion. Why would they put a bill on our desk that says ''Deficits,'' $108 billion in the year 2002, and stand up and crow that they balanced the budget? Why is that the case? Because they intend to use $108 billion in trust fund money, almost all from the Social Security trust fund, in the year 2002 to show this as a zero balance.

The Senator from South Carolina prevents them from doing that by law, so they cannot really put it in writing. All they can do is intend to do it. You misuse the money and put in writing that there is still a $108 billion deficit. I do not know how that goes over in your town, but I come from a town of 300 people and they tend to look at the fine print and they tend to understand what is happening. You cannot misuse the Social Security trust fund like that and claim you balance the budget by taking money out of trust funds. That is not the right thing to do.

I have said that there have been three stages of denial on the floor of the Senate about this issue. I am still trying to figure out who claims to be right. Three Senators—and I will not name them—three separate Senators have stood up on different occasions and said the following three things. First, there is no Social Security trust fund. It does not exist. Second, there is a Social Security trust fund, and we are not misusing it. We promise. And third, there is a Social Security trust fund. We are misusing it. We promise to stop by the year 2008. Those are the three stages of denial on the Social Security issue.

I think the three of them ought to have a meeting with the rest of their caucus and figure out, which is it? Is there no trust fund? Are you not misusing it? Are you misusing it and promise to stop later?

Of course, we all understand the real answer. I was part of a group in 1983 that constructed the 1983 reform package for Social Security. It was one of the sober things we did in that decade. We decided to create savings in the Social Security system to be available when we need them at the turn of the century. Well, we will not have saved anything if we stay on this road. And we certainly will not have saved anything if we allow the majority party to convince enough people in the Senate to enshrine in the Constitution a requirement that the Social Security funds be used to balance the budget.

Now, we have had, essentially, the same vote on similar documents on two different years. In 1994 Senator SIMON, whom I admire greatly, who has been a proponent of this amendment, said on the floor of the Senate, ''We guarantee we are not going to use the Social Security trust funds.''

I said to him that I happen to know that the constitutional amendment that you originally offered included a provision to prevent the use of Social Security trust funds. I said, ''Is that right?'' And he said yes. That was his original position, but he changed it because it had to be bipartisan and the other side would not accept that provision. He said: We will guarantee we will provide a statutory remedy to prevent the Social Security trust funds from being used. We had a vote. I thought that was fine. We will have a guarantee.

The next year, in 1995, a similar resolution comes up, not identical, but similar. Instead of providing a guarantee that they will not use the Social Security trust funds, we had a vote that guaranteed they would use the Social Security trust funds and would enshrine that in the U.S. Constitution.

What a charade. I would not vote for that in 100 years. What a total charade. Then people say, ''Well, it was the same.'' It was not the same. The difference between promising not to use it and guaranteeing you will use it is a difference of about a $600 billion misuse of Social Security trust funds.

I want to finish these comments by talking just for a moment about something Abraham Lincoln said. When they were dedicating the battlefield cemetery at Gettysburg in November 1863, there were going to be two speakers. Of the two speakers they invited, one was Dr. Edward Everett, known to be one of the greatest orators of his day. He had been president of Harvard University. He had been a U.S. Senator, had been a Secretary of State, and was known to be one of the greatest orators of his time. He was invited to speak at this dedication of this battlefield cemetery. Of course, Abraham Lincoln was invited to speak at this battlefield cemetery dedication too.

Dr. Edward Everett was introduced and he stood up, and the history book records he spoke 2½ hours. After 2½ hours he sat down. Then the President of the United States was recognized, and he spoke for 2 minutes. After he sat down and was on his way back to Washington, he wondered to his aide whether what he said would be long remembered. He felt Dr. Edward Everett, one of the great orators of his time, had spoken at great length for 2½ hours, and he had gotten up and given just a couple of minutes.

Of course, the result of that day is that Lincoln's address, the Gettysburg Address, as brief as it was, has become perhaps the best known and most admired statement given in the history of our Nation. At the end of his statement, as brief as it was, was the following:

> The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that all these dead will not have died in vain; that this nation, under God, shall have a new birth of freedom; and that government of the people, by the people, and for the people, shall not perish from the earth.

This is truly government of, by, and for the people. This document, a document we debate today, a document that some propose we change now, this document provides the framework by which self-government works in America. This is not an idle debate. This is not a vote anyone dare take lightly.

I stand with my colleagues today to say I stand second to no one in this country who believes that we need to set this country back on course, fix the things that are wrong, celebrate the things that are right, and believe in America's promise. But I will not be one of those who blithely follow the windsock, who need to know the direction of yesterday's poll or today's poll or tomorrow's poll to figure out what I shall do next in proposing changing America's basic document, the U.S. Constitution.

Mr. BUMPERS. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. BUMPERS. Mr. President, I was particularly taken by the observation of the Senator from North Dakota about the Gettysburg Address, because Dr. Edward Everett was considered the greatest orator in America. After he spoke for 2, 2½ hours on a very hot, steamy day, Lincoln found it very difficult to stand up and follow a man of such oratorical skills and national renown. On the train on the way back to Washington, he thought that he had been an abominable failure. He could not imagine people taking his words very seriously after that oration. Of course, the rest is history. But I just want to point out to the Senator from North Dakota that Garry Wills has written a great book, just on the Gettysburg Address, really more than I want to know about the Gettysburg Address, but it is a fabulous book which goes into great detail about the events of that day.

I would like to share one final observation—and I know the Senator from North Dakota is as well acquainted with these figures as I am—when you stop to consider that there have been 83 or 84 resolutions to amend the Constitution introduced in the U.S. Congress since January 1995, 83 proposals by Members of this Congress to tinker with that sacred document. There have been 2,300 proposed constitutional amendments since I came to the Senate. They were like snowflakes falling when I began serving during the days of busing and the segregation fight was still raging. And since the Nation adopted the Constitution, 17,000 have been proposed. I say that to my distinguished colleague to simply point out the contempt with which so many of my colleagues hold that sacred document.

Well, I have voted for one constitutional amendment since I came to the Senate 22 years ago. I regret that. But I can tell you, my record will be intact when the roll is called on this amendment.

I yield the floor.

Mr. DORGAN. Mr. President, I yield 10 minutes to the Senator from California, Senator FEINSTEIN.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Senator from North Dakota and I thank the Chair.

Mr. President, on May 23—13 days ago—there were three votes on budgets. There was one for the Republican budget, which received a party vote; there was one for the President's budget, which received a party vote; and there was one more on a budget put forward by the centrist coalition.

Now, one of the things that became very clear in budget balancing in this body is that there are different points of view on both sides of the aisle. Republicans do not tend to support a Democratic budget, and Democrats do not tend to support a Republican budget. This was borne out.

Well, for some 6 months, under the leadership of Senator CHAFEE and Senator BREAUX, 11 Republicans and 11 Democrats sat down around a table and said, ''look, we know we have to balance the budget. How are we going to do it, and what does each party need to do?''

Believe it or not, we produced a document that came five votes short of being adopted by this body. With five more votes, we would not have needed a constitutional amendment to balance the budget, and we would have balanced the budget within 7 years. I believe it is still possible to do succeed.

I support a constitutional amendment to balance the budget. I even sponsored one, with a number of my colleagues, last year. But, in my view, if Congress does not have the will to

actually balance the budget, it may, at some point, need castor oil. And that is all this amendment is. I heard people on the floor this morning make the statement that now is the time to bite the bullet. Now is the time to make the hard choices.

Does this constitutional amendment restructure Medicare? No.

Does it restructure Medicaid? No.

Does it bring on welfare reform? No.

Does it provide for ballistic missile defense? No.

Does it have the tax increases to pay for one? No.

Does it have a tax cut in it, which so many want? No.

Does it solve any problem at all? No, it does not.

It does one thing. It says that the people of three-quarters of the State legislatures will vote and decide whether there will be a constitutional amendment to balance the budget by the year 2003.

The bill before us today is the same bill rejected by this body last year. I voted against it then because I do not believe it is the right amendment for this country, and I will vote against it today for these same reasons.

Let me give you a couple of these reasons. A constitutional amendment cannot possibly be ratified right now in time to do any good. It would take the 3-year period that I described. The Medicare trustees announced yesterday the Medicare trust fund will actually reach insolvency in 2001—a year earlier than originally projected. This is a loud and clear message—or should be—that we do not have the luxury of waiting any longer to balance the budget.

Additionally, the amendment before us says that, for all time, the Social Security trust fund will be stolen to balance the budget. This body would send to the States a constitutional amendment that would utilize the Social Security trust fund, for all time, to balance the budget.

I think it is painfully clear to all of us that there is no way to achieve the goal of balancing the budget in 7 years without using, to some degree, funds that really should, by law, be set aside for Social Security. Our earlier speakers, including Senator DORGAN, Senator HOLLINGS, and others know it as well as anyone in this body. Every plan put forward to balance the budget this year includes Social Security funds to some degree or another.

However, today we are considering a constitutional amendment. The amendment would permanently use Social Security trust funds to balance the budget. It allows absolutely no flexibility to protect the solvency of the trust fund for future generations who will depend on it. That is not right because, all during this period, Americans will be working and paying payroll taxes for their Social Security retirement. Workers will pay their 6.2-percent FICA tax to contribute to their retirement and employers will match that 6.2 percent. People have a right to know that this trust fund will be there when they retire.

This amendment, by locking into the Constitution the requirement that Social Security funds are used to balance the Federal budget, in perpetuity, abrogates that contract with American taxpayers.

Under this amendment, Social Security funds could wind up being used to pay for general governmental programs, just as Senator DORGAN spelled out. It is like taking the pension fund, if you operate a company, and putting it on your operating budget. You just would not do it.

Furthermore, I mentioned earlier that this constitutional amendment would have to pass muster with three-fourths of the States. If you think the debate in Congress has been difficult on this issue for the last few years, just wait until the voters of 50 States, or the legislatures of 50 States, start debating the permanent inclusion of the Social Security trust funds in the Federal budget under this balanced budget amendment. I venture to say that the likelihood of its ratification is dim, at best.

Well, what is the upshot of all of this? The upshot is that we have the vehicle to balance the budget, without altering the Constitution, and we should just do it.

I want to read this list. This is the first time I have ever seen this in the time I have been here. Forty-six Members—22 Republicans and 24 Democrats—voted for a centrist budget. The Republican supporters are: BENNETT, BROWN, CAMPBELL, CHAFEE, COATS, COCHRAN, COHEN, D'AMATO, DEWINE, FAIRCLOTH, FRIST, GORTON, GREGG, HATCH, HATFIELD, JEFFORDS, KASSEBAUM, LUGAR, SANTORUM, SIMPSON, SNOWE, and SPECTER.

These 24 Democrats voted with the 22 Republicans: AKAKA, BINGAMAN, BOXER, BRADLEY, BREAUX, BRYAN, CONRAD, FEINSTEIN, GRAHAM, INOUYE, JOHNSTON, KERREY, KOHL, LEAHY, LEVIN, LIEBERMAN, MOYNIHAN, MURRAY, NUNN, PELL, PRYOR, REID, ROBB, and SIMON.

With the centrist budget amendment, we were five votes short of achieving the tax cut Republicans wanted, and minimizing the cuts in vital programs that Democrats wanted. We came within five votes of achieving significant savings for a wide variety of Federal program. In Medicare, we made enough changes to assure the solvency of the trust fund until 2007, and made some necessary changes in part B, as well. We took steps to meet the needs of Medicaid, restructuring the program, and provide welfare reform while retaining a Federal safety net. We also adopted a balanced tax cut, for individuals and businesses, including education, capital gains reform, research and development tax credits—all put together in a package that both parties could buy into.

I was really very disappointed that there were not five other Members of this body who could stand up and we could get the job done.

I do not believe that a constitutional amendment, particularly one that includes the Social Security trust fund, is ever realistically going to be ratified by three-quarters of the States. There are enough people in this Nation who pay those FICA taxes who do not want to see their FICA taxes used for anything other than their retirement.

Therefore, I respectfully submit to this body that the centrist coalition, which balances the budget in 7 years, uses the Congressional Budget Office numbers, does not make unnecessary and precipitously deep cuts in important programs, represents the Nation's best interests and is really the way to go.

I thank the Chair. I yield the floor.

Mr. DORGAN. Mr. President, how much time is available?

The PRESIDING OFFICER. The Senator has one-half minute remaining.

Mr. DORGAN. How much time is remaining to the Senator from South Carolina?

The PRESIDING OFFICER. Forty-seven minutes.

Mr. DORGAN. I yield whatever time I have to the Senator from Oregon, and I believe the Senator from South Carolina would like to yield as well.

Mr. HOLLINGS. I yield 15 minutes to the Senator from Oregon.

Mr. WYDEN. Mr. President, I thank my colleagues from South Carolina and North Dakota.

Mr. President, colleagues, as of now everyone knows what is going to happen when the Senate votes on this measure. The script on this issue has been published. It is played, and it is almost like yesterday's news. There probably is more likelihood that Michael Jordan is not going to show up for the playoffs than there is going to be a surprise on this issue.

I am here today to say that it does not have to be this way, my colleagues. I have introduced along with Senator HOLLINGS, Senator DORGAN, and Senator DASCHLE a constitutional amendment to balance the budget that is identical to the measure introduced by Senator DOLE, save for one change. Our measure simply says that you cannot go out and raid the Social Security trust fund. You cannot go out and take $600 billion, money that belongs to working people, to young people, to seniors, and use it to balance the budget.

I call our effort—and it has really been led by Senator HOLLINGS for all these years. I think that we are the straight bookkeeping crowd. We are the crowd that wants some truth in budgeting. We are the folks who are saying it is time to end this accounting fiction which has been perpetrated, as Senator HOLLINGS has said, in direct contravention of section 13301 of the Budget Act.

The Budget Act is clear. There is no ambiguity about it. It says that you cannot use Social Security funds to mask the overall Federal deficit. You cannot do it. Both political parties unfortunately have done it.

So what we want to do in our straight bookkeeping kind of effort is to try to make sure in the interest of both the cause of balancing the budget and protecting the Social Security program that we do what the law requires, and we do what is in the public interest.

I happen to think that, if you do it as we propose, what is going to happen is you are going to have to make tough choices on both the budget and Social Security more quickly.

I have come from a round of town meetings—and I am sure all of our colleagues have—at home. One of the things I heard consistently is that lots of folks feel that the Congress has put off the tough choices—put them off until after the election, put them off for years. If you do what we propose, you bet you have to make some tough choices, and you have to make them earlier. Maybe we are going to have to say no to some pork barrel spending programs.

I believe that if you wall off the Social Security program, as we propose, that you do not let the surplus be used for balancing the budget, and you are going to see when the Social Security stands, as it should, separate from the Federal budget that we have to make some changes there too. We have a Social Security advisory commission that is going to report fairly shortly. They have a number of recommendations. They are going to be tough for people to swallow. But let me say that at a time when more young people think that they are going to see Elvis than think they are going to get a Social Security check that we are going to have to make some tough choices with respect to Social Security.

So with our proposal—by making sure that the overall deficit is tackled responsibly and tackled more quickly—by walling off the Social Security program, as the Congress intended in the Budget Act, we believe that the country will get the discipline and tough choices that are needed, and get them earlier.

I want to announce also this afternoon that it is my intention, after further consultation with the minority leader, Senator DASCHLE, and Senator DORGAN, to ask unanimous consent after the Senate has voted on the measure of the majority leader—it is my desire and my intention—to ask unanimous consent that our measure, a constitutional amendment to balance the budget without raiding Social Security, be considered immediately after the vote on the measure offered by the majority leader.

I think it is time to talk about a constitutional amendment to balance the budget that has some legs. I think that we have had enough of this exercise in failure. The script has been written. We do not have to conclude this debate with a debate that fails. We can conclude it in a manner that will bring us real truth in budgeting, will ensure that the books are kept, and will allow us to have a constitutional amendment to balance the budget.

So let me be clear on this. I and those that support this measure are willing to write into law that there would be a constitutional amendment to balance the budget. This is not a statute. This is a constitutional amendment to balance the budget. And it is identical to the measure offered by the majority leader save for one respect.

It is my intent to ask unanimous consent to have that measure considered immediately after the vote on this measure offered by the majority leader. I hope that measure will be considered. I believe that, if it is considered, we will get a minimum of 70 votes on that particular measure.

My source for that appraisal is that on February 10, 1995—Senator HOLLINGS was here, I was not—but on February 10, 1995, on a measure that in effect recommitted a constitutional amendment to balance the budget to committee to do exactly what Senator HOLLINGS and I propose now—that particular measure got more than 80 votes.

I would like to conclude my remarks in really a bipartisan kind of fashion by picking up on what the majority leader said early this week.

The majority leader said early this week, ''If the President wants a balanced budget, we will have a balanced budget.'' I am here to say that, if the majority leader wants a constitutional amendment to balance the budget, we will have a constitutional amendment to balance the budget. It is a measure that will get a minimum of 70 votes on this floor. It is a measure that will write into law a specific constitutional amendment to bring about the discipline the American people want, and it will be bipartisan. But it also will be one that will keep faith with our working people and with our seniors who are paying those whopper payroll taxes—15.3 percent between the worker and the employer. Millions of Americans pay more in payroll taxes than they pay in income taxes. They want a balanced budget, but they do not think we ought to do it by raiding the Social Security Program. The measure we hope to get a recorded vote on after the measure proposed by the majority leader would give us a chance to meet the desires of the American people for a balanced budget but one that also ensures that their Social Security is protected.

I thank my good friend from South Carolina for yielding me this time.

Mr. President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, let me thank the distinguished Senator from Oregon. First, I will surprise him by thanking him for the telecommunications bill. I welcome him to the Senate and thank him for introducing a constitutional amendment for a balanced budget that does not move the Government's deficit over to the Social Security trust fund.

But more particularly, with respect to the telecommunications bill, I wish to thank him for his work. We passed that bill by an overwhelming majority here in the House and in the Senate. It came out of the conference committee and we reconciled the differences—which was a very difficult job. And, just before Christmas the distinguished Vice President appeared on NBC News, where he was being interviewed, and proclaimed, ''We now have the information superhighway, and I got everything I want.''

Well, that really put the Speaker of the House into a tizzy, and we, the conferees, were told that our telecommunications bill was dead. Between that time, some 10 days before Christmas, and the first week of February, Congressman BLILEY and I had to hold the fort, but we worked in a bipartisan fashion. We did not change a single word.

What really occurred is that our colleague, Senator WYDEN, won the special election out in Oregon, causing the Speaker of the House to say, ''Heavens, we have to show we can do something.'' I said we have an overwhelming majority ready for the telecommunications bill in the House and in the Senate, and that is how we got it.

So I think it ought to be stated for the record that the Senator from Oregon was instrumental in ensuring passage of the telecommunications bill. And perhaps tomorrow if the Republicans really want a balanced budget amendment to the Constitution, we will obtain one. All that is required is a specific language in section 7 of the resolution excluding Social Security funds from deficit calculations. The present language includes Social Security funds. So there is no argument about the form, the present language already has exceptions in section 7: ''Total receipts shall include all receipts of the U.S. Government except those derived from borrowing.''

That has been interpreted as borrowing from the public. But how about borrowing from yourself, borrowing from the Social Security trust fund. All they have to do is change ''from borrowing'' to ''from the public and Social Security trust fund.'' That is all we have to add. I and several Senators on this side of the aisle formally informed the distinguished majority leader in a letter last year that we would support a balanced budget amendment that protected Social Security. I waited all year long for a joint resolution that I could amend. We in the Senate are used to putting an amendment on anything so you can get a vote. But oh, no. A constitutional amendment can only be offered as an amendment to another joint resolution. So, I waited and then the flag burning joint resolution came up in December.

And so I said I have an amendment. In fact, I had two. I had one constitutional amendment that would have allowed the Congress of the United States to control expenditures in Federal elections. It would have overturned the flawed decision of Buckley versus Valeo.

My other amendment was a real balanced budget amendment that protected Social Security, identical to the balanced budget amendment that the Senator from Oregon will ask unanimous consent to consider tomorrow. I will be in there supporting the Senator, and I hope we can work it out. I hope it is not true that they want to pass up this opportunity, because it is right here.

I am tired of the media saying the balanced budget amendment failed by one vote, when they know differently. That is technical reporting, because the truth of the matter is that they could easily have picked up at least five votes if they had agreed to add language excluding Social Security.

So I will be working with the Senator, and I thank the distinguished Senator from Oregon on his leadership. I thank publicly, of course, the Senator from Arkansas, for coming to the floor. I also want to thank Senator DORGAN of North Dakota. He understands all these particular problems and issues, and he is the most eloquent, I know, in the Senate on all of them. He gives categorical leadership and very commonsense observations, and you can follow his rationale. I happen to agree with most of it all the time. The Senator from California, Senator FEINSTEIN, has been a leader in trying to do something about a balanced budget.

But let me go, Mr. President, to statements made earlier before I forget them. The distinguished Senator from Texas, Senator HUTCHISON, got right to the point saying, why don't we do something. She kept talking about generations in the future and everything else like that.

We tried to do something, not pass it off in a 7-year passing of the buck. This constitutional amendment is really putting off the tough decisions. It is not biting the bullet or making any hard decisions. Heck, you can say anything in rhetoric, in language. But should know from hard experience that actions speak louder than words.

I came in as a Governor of a State, where the budget I inherited was totally in the red. We had in the constitution of 1895, still do in the constitution of the State of South Carolina in 1895, ''thou budget shall be balanced.'' But that didn't mean anything. There a number of accounting gimmicks that they employ like borrowing and moving trust funds.

And so at this particular point, Mr. President, I want to ask unanimous consent to list the 48 States with a balanced budget requirement, the type of requirement, whether it is constitutional or statutory. They are all supposed to be balanced at the end of year. The chart lists the balances in the general funds and in the transfer funds. So the States, even with the constitutional requirement, do not a balanced budget give.

I can tell you here and now, if I say it once—I have the time, fortunately—I say it again: A constitutional amendment requiring a balanced budget does not a balanced budget give. They play the gamesmanship.

I ask unanimous consent to have this printed in the RECORD, so we will have those documents in there to show the game that the States are playing.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATES WITH BALANCED BUDGET REQUIREMENTS

State	Type of requirement	Balanced budget for FY 1995	Ending general fund balance (in millions)	Transfer fund (in millions)
Alabama	Constitutional	Y	54	0
Alaska	Statutory	Y	0	2,136
Arizona	Constitutional	Y	270	223
Arkansas	Statutory	Y	0	0
California	Constitutional	Y	683	313
Colorado	Constitutional	Y	484	484
Connecticut	Constitutional	Y	81	0
Delaware	Constitutional	Y	374	79.1
Florida	Constitutional	Y	129	282
Georgia	Constitutional	Y	224	288
Hawaii	Constitutional	Y	90	0
Idaho	Constitutional	Y	3	33
Illinois	Constitutional	Y	331	0
Indiana	Statutory	Y	679	419
Iowa	Statutory	Y	292	116
Kansas	Constitutional	Y	357	5
Kentucky	Constitutional	Y	261	100
Louisiana	Constitutional	Y	146	0
Maine	Statutory	Y	4	10
Maryland	Constitutional	Y	133	286
Massachusetts	Constitutional	Y	179	425
Michigan	Constitutional	Y	0	1,003
Minnesota	Statutory	Y	1,057	500
Mississippi	Statutory	Y	115	268
Missouri	Constitutional	Y	473	24
Montana	Constitutional	Y	47	NA
Nebraska	Statutory	Y	176	21
Nevada	Constitutional	Y	102	100
New Hampshire	Statutory	Y	0	24
New Jersey	Constitutional	Y	952	263.3
New Mexico	Statutory	Y	0	59
New York	Constitutional	Y	158	157
North Carolina	Constitutional	Y	892	423.6
North Dakota	Statutory	Y	31	0
Ohio	Constitutional	Y	70	828
Oklahoma	Constitutional	Y	195	45
Oregon	Constitutional	Y	496	39
Pennsylvania	Constitutional	Y	429	66
Rhode Island	Statutory	Y	5	45
South Carolina	Constitutional	Y	589	164.8
South Dakota	Constitutional	Y	0	11
Tennessee	Constitutional	Y	138	101
Texas	Constitutional	Y	1,852	9
Utah	Constitutional	Y	61	66
Virginia	Constitutional	Y	17	80
Washington	Statutory	Y	559	0
West Virginia	Constitutional	Y	64	64
Wisconsin	Constitutional	Y	127	78.2

Notes:
1. Vermont has no balanced budget requirement and reported a $15 million deficit.
2. Wyoming has no balanced budget requirement and reported a $26 million surplus.
3. 35 states have constitutional requirements; 13 States have statutory requirements.

Mr. HOLLINGS. Senator COATS of Indiana said the amendment will enforce the discipline, force us to meet our responsibilities. Of course, that is not the case at all. On the contrary, I have been trying to do that. I tried freezing, I say to the Senator. He is nice to stay around so I have someone to talk to. Usually they just go ahead somewhere else. At least I can talk to C-Span. And now I see the distinguished Senator from North Dakota.

I want to read an article. I will not read the whole article, I will just read from this, referring to ''Ace in the Hole'' in the New Yorker, in the June 10 issue that has just come out. This is an article, ''Ace in the Hole,'' by John Cassidy. I commend it to my colleagues for their reading.

Despite some suggestions to the contrary—notably by the Heritage Foundation, a conservative think tank—this year cannot be compared with 1992, let alone 1980 or 1932. In the first quarter of 1996, inflation-adjusted growth in national output, which is the broadest index of economic performance, 2.3 per cent on an annualized basis; over the full course of the Clinton Administration, such growth has averaged around 2.5 per cent a year. This record is about average for the post-1973 era but well above the growth rate of 1.6 percent eked out during the Bush Presidency. A number of other measures also suggest that the economy is doing significantly better than it was four years ago: two of the most widely followed are the ''misery index,'' which is the rate of inflation added to the rate of unemployment, and the size of the federal budget deficit.

At the moment, the unemployment rate is 5.4 per cent, and the inflation rate is 2.9 per cent. Added together, these numbers produce a misery index of 8.3, which is an extremely low number. The last year it was lower was 1968, when the unemployment rate was 3.6 per cent and the inflation rate averaged 4.2 per cent. For much of the nineteen-seventies and eighties, the misery index well into double digits. As recently as 1992, it stood at 10.4.

Perhaps the most important, and least heralded, achievement of the Clinton Administration is the improvement it has wrought in the national finances. According to the Congressional Budget Office, the federal budget deficit for the 1996 fiscal year, which began last October, will be about $145 billion. This is a large number, but it is only half the size of the deficit that the federal government recorded in 1992, which was $290 billion. And these raw numbers don't tell the full story. In ranking budget deficits, economists usually look at them in relation to the size of the economy. Measured in this way, the federal deficit this year will be about 1.9 per cent of the gross domestic product, according to the C.B.O. This figure is down from 4.9 per cent in 1992; indeed, it is the lowest such figure recorded since 1979, the year before Ronald Reagan was elected, when the budget deficit was just 1.7 percent of G.D.P.

That takes us to our distinguished friend, Senator Muskie, who was chairman. We had a Democratic House and Senate. Senator Muskie was chairman of our Budget Committee, and I was right in there behind him. I took over in 1980. So we were working and had more or less succeeded, under President Carter, in reducing the deficit from what we had inherited from President Ford. However, in came President Reagan with Reaganomics and the fiscal disaster that we are now experiencing.

I tried, during the early 1980's, what they called the Fritz freeze. They gave it a name because I was so intent. I said every Governor would come in and he would say let us just take spending the way it is now and let us just take this year's budget for next year. There would be no cuts, there would be no increases. That way we would save $50 billion at the Federal level.

We tried the freeze. We tried to hold the line. We could not get it done. I tried with Gramm-Rudman-Hollings.

And then I came with a value-added tax in 1987. There is no question that I have been trying to head off annual deficits with about $180 billion in revenues from a 5 percent VAT.

I went to Darman in 1989, after we could not get it past the Budget Committee in 1987. In 1989, when President Bush took office, I met with Dick Darman. I had been a close friend of his father's, Mr. Morton Darman. We had a good, heart-to-heart talk.

I said, ''By 1992, if President Bush doesn't get on top of this monster, it is growing so, he is going to need the Secret Service.'' I said that in a jocular fashion, but politically that is what happened to him. ''It's the Economy, Stupid.'' I will put in the chart. There have been intermittent figures, but the real deficit then was $403.6 billion. That is without using those trust funds, $403. So we were up, up and away.

I got a nice note from the President, President Bush, that he just did not think it was timely and he wanted to get himself more stabilized in office.

Again, when President Clinton took office, I went. I will never forget the conference that we had. When I suggested a VAT for the deficit and the debt, President Clinton said, ''I got a call last night from Lane Kirkland. The AFL–CIO has its annual meeting at Bal Harbour, in Florida. He said that he would go along with a VAT for the deficit and the debt.'' And I said, ''Heavens above, Mr. President, that's who opposed me.''

I came before the Finance Committee and testified for a value-added tax. I had the experts there and everything else to answer all the econometric issues and questions. It was the AFL that said, ''Wait a minute, this is regressive, regressive, a heavy burden, and everything else.'' Of course, every industrialized country has a value-added tax. Our competition in Europe has a VAT. You cannot be a member of the European Economic Community unless you have a value-added tax. Out in the Pacific rim, every country there has a value-added tax. In Korea, for example, it is 25 percent. So the competition is economically succeeding. They have 5 percent in Japan. They will be the largest economy, according to Eamon Fingleton in ''Blindside,'' by the year 2000. They are presently a larger manufacturing nation than we are here in the United States.

So I said it would solve our deficit in the balance of trade because it is rebatable at the bottom, at the border. So if you produce something here today in Washington, this desk and chair, for $500, you will pay all the corporate taxes, all the income taxes, all the sales taxes and everything else. If you ship it to Paris, France, they will add on a 17 percent VAT and sell it. But, if you produce that same chair and desk in Paris, France, they add a 17 percent value-added tax, a VAT at the time of manufacture, but when it leaves the port at Le Havre to come to Washington, DC, they subtract or rebate the 17 percent.

So you can see the tremendous advantage to move the industry offshore. We have been talking about slave labor, about child labor, about 27-cents-an-hour labor down. But let's talk about the advantage they have in Europe and in the Pacific rim where they employ value added taxes.

I have introduced this legislation again in this Congress. That particular bill now, Mr. President, is S. 237. It is in the Finance Committee.

When the distinguished Senator from Texas, Senator HUTCHISON, says, ''Let's do something now,'' let's go to the Finance Committee that the majority of the Republicans control. I will testify. We will get the expert witnesses, and we will get something done. We do not have to wait 7 years on States to find out whether or not we are going to meet our responsibilities.

I really resent the idea of us like a crowd up in the grandstand hollering, ''We want a touchdown, we want a touchdown, we want a touchdown,'' when we are the team, we are on the field.

Mr. WYDEN. Will the Senator yield just for a question?

Mr. HOLLINGS. Yes.

Mr. WYDEN. It seems to me that what you are saying is this is just about budget discipline.

Mr. HOLLINGS. Yes.

Mr. WYDEN. This is about making tough choices, and you can make them in a variety of ways. I said the other day that I thought some of what was going on in this town was like a hot-fudge-sundae approach to dieting. You can have tax cuts, you can have new weapons systems and then somehow say the books are going to balance. It is like having six or seven hot fudge sundaes a day and still lose weight.

I think what you offer in your important remarks is, this is about budget discipline, and you are going to suggest a variety of ways to do it.

Mr. HOLLINGS. Exactly. I thank the distinguished Senator. Let's make the record on the hot fudge sundae.

At the present time, the Dole agenda—and I repeat this and I got into it this morning—was the repeal of the 4.3-cent gas tax. That is $30 billion. The missile defense system is $60 billion. The across-the-board tax cuts, $600 billion.

So that is what we are up against; $690 billion that is in the Presidential campaign and, whoopee, ''I have to get elected because I can cut the revenues another $690 billion. And, incidentally, I get another $600 billion from the Social Security trust fund.'' When the smoke has cleared, we are down well over a trillion bucks.

What a charade. What a fraud. How can anybody be serious and stand up here? But they all have the same sing-song. Let me go quickly, because we are going to run out of time.

They all come in here with the same stock phrases—Thomas Jefferson, children and grandchildren, first balanced budget in 30 years, largest tax increase in history. The largest tax increase in history, one more time—I ask unanimous consent to have printed in the RECORD ''Fiddling with the Numbers,'' by Judy Mann.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

FIDDLING WITH THE NUMBERS

(By Judy Mann)

Gov. Christine Todd Whitman, the Republican meteor from New Jersey, had the unusual honor for a first-term governor of being asked to deliver her party's response to President Clinton's State of the Union message last week.

And she delivered a whopper of what can most kindly be called a glaring inaccuracy.

Sandwiched into her Republican sales pitch was the kind of line that does serious political damage: Clinton, she intoned, ''imposed the biggest tax increase in American history.''

And millions of Americans sat in front of their television sets, perhaps believing that Clinton and the Democrat-controlled Congress had done a real number on them.

The trouble is that this poster lady for tax cuts was not letting any facts get in her way. But don't hold your breath waiting for the talk show hosts to set the record straight.

The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Here is how the two compare, according to Bill Gale, a specialist on tax policy and senior fellow at the Brookings Institution. The 1993 act raised taxes for the next 5 years by a gross total of $268 billion, but with the expansion of the earned income tax credit to more working poor families, the net increase comes to $240.4 billion in 1993. The Tax Equity and Fiscal Responsibility Act of 1982, by comparison, increased taxes by a net of $217.5 billion over 5 years. Nominally, then, it is true that the 1993 tax bill was the biggest in history.

But things don't work nominally. ''A dollar now is worth less than a dollar was back then, so that a tax increase of, say $10 billion in 1982 would be a tax increase of $15 billion now,'' says Gale. In fact, if you adjust for the 48 percent change in price level, the 1982 tax increase becomes a $325.6 billion increase in 1993 dollars. And that makes it the biggest tax increase in history by $85 billion.

Moreover, says Gale, the population of the country increased, so that, on a per person basis, the 1993 tax increase is lower than the one in 1982, and the gross domestic product increased over the decade, which means that personal income rose. ''Once you adjust for price translation, it's not the biggest, and when you account for population and GDP, it gets even smaller.''

He raises another point that makes this whole business of tax policy just a bit more complex than the heroic tax slashers would have us believe. ''The question is whether [the 1993 tax increase] was a good idea or a bad idea, not whether it was the biggest tax increase. Suppose it was the biggest? I find it frustrating that the level of the debate about stuff like this as carried on by politicians is generally so low.''

So was it a good idea? ''We needed to reduce the deficit,'' he says, ''we still need to reduce the deficit. The bond market responded positively. Interest rates fell. There may be a longer term benefit in that it

shows Congress and the president are capable of cutting the deficit even without a balanced budget amendment.''

Other long-term benefits, he says, are that ''more capital is freed up for private investment, and ultimately that can result in more productive and highly paid workers.''

How bad was the hit for those few who did have to pay more taxes? One tax attorney says that his increased taxes were more than offset by savings he was able to generate by refinancing the mortgage on his house at the lower interest rates we've had as a result. The 1993 tax increase did include a 4.3-cent-a-gallon rise in gasoline tax, which hits the middle class. But most of us did not have to endure an income tax increase. In 1992, the top tax rate was 31 percent of the taxable income over $51,900 for single taxpayers and $86,500 for married couples filing jointly. Two new tax brackets were added in 1993: 36 percent for singles with taxable incomes over $115,000 and married couples with incomes over $140,000; and 39.6 percent for singles and married couples with taxable incomes over $250,000.

Not exactly your working poor or even your average family.

The rising GOP stars are finding out that when they say or do something stupid or mendacious, folks notice. The jury ought to be out on Whitman's performance as governor until we see the effects of supply side economics on New Jersey. But in her first nationally televised performance as a spokeswoman for her party, she should have known better than to give the country only half the story. In the process, she left a lot to be desired in one quality Americans are looking for in politicians: honesty.

Mr. HOLLINGS. I thank the distinguished Chair. So we know from all the quotes from the Wall Street Journal, the New York Times, and everything else that the largest tax increase was back in 1982 under the chairman of the Finance Committee, the Senator from Kansas.

The first balanced budget in 30 years—I showed the two letters that we put in from the Director of the Congressional Budget Office, June O'Neill. One day in October of last year on the present 1996 budget, she had a slight surplus, and then 2 days later when we reminded her of section 13301, she said it is a $105 billion deficit.

The distinguished Senator from North Dakota did it in more dramatic terms. Here, again, my colleagues should look at this year's budget resolution, Senate Concurrent Resolution 57. Turn to page 5: Fiscal year 2002, deficits, $108.3 billion.

Come on, how can you keep on saying the first balanced budget when the document itself shows a deficit. You talk about backloading. The President had a backloaded budget. Almost two-thirds of the cuts in that particular phony budget was to occur after the second Presidential election, the last 2 years. Two-thirds of it. It ought to be ashes in their mouths.

So there they are with their first balanced budget in 30 years. All the children and grandchildren—come on, it is us.

You can look at these particular charts and you can see at a glance, even with the President halving the deficit—and he is the only President who has—spending on interest costs continue to rise. The interest costs during the last 4 years has gone up $50 billion. That is just interest costs; that is spending on automatic pilot.

We have increased these costs, forcing the American people to pay more and get less. We are getting hit now; I cannot fully fund women, infants, and children feeding and Head Start and title I for the disadvantaged and student loans and get the economy rebuilt, do the bridges, the highways, expand the airports, and strengthen our economy. I talked about that early this morning. Why can I not do it? Because my money is going to interest costs on the national debt.

President Reagan promised a balanced budget in 1 year. He came in and said, ''Whoops, this problem is way worse. I'll do it in 3 years.'' But, Mr. President, instead he added almost $270 billion in forced spending for nothing.

The interest cost on the national debt after 217 years of history in 1981 was $74.8 billion. Let's call it $75 billion. Now it is projected at $344 billion.

He has added almost $270 billion in unnecessary spending that we get nothing for. We cannot get funds for prisons or the environment. In fact, it just was pointed out, if he had done what he promised—and they all say ''President Clinton promised; President Clinton promised; President Clinton promised''—if Reagan had carried out his particular promises, what would we have done? We would be talking about a surplus around here.

So the unmitigated gall of this crowd that comes aboard—the freshmen. It reminds me of a saying in the Navy during World War II, ''When in danger, when in doubt, run in circles, scream and shout.''

And they come down and get their 2-hour session. I do not know if I have all the time to go down through, because I was making notes. We need to focus on the problem at hand. It is not Social Security which is presently in surplus. It is not Medicare that the distinguished majority leader saw fit to come in and talk about. Medicare is in surplus until 2001, they say, which is what it was when President Clinton came to office.

So we have not gone backward. We had gotten it up to 2002 when Senator EXON and I voted for the 1993 $57 billion cut in Medicare. That is what we did in 1993.

So we have been cutting spending and making progress. As Senator HUTCHISON says, we ought to really do something. They all come in with ''children and grandchildren, children and grandchildren,'' that is on some silly pollster's chart; it is like parrots at a pet store. Then quoting Thomas Jefferson. Ha. They ought to quote Lyndon Baines Johnson. He was conscientious. He was being blamed for the Great Society, the War on Poverty, and the war in Vietnam.

I pointed out how Senator DOLE voted back in 1968 as a House Member for, what, a 10-percent surcharge on income tax for individuals and corporations, $6 billion in spending cuts, $200,000 in employees' cuts, extended excise taxes, and everything else. But we did it. We balanced the budget.

We do not have to go to what Thomas Jefferson said and a constitutional amendment that puts off everything, passing the buck to the legislatures, and the people generally arguing again for another 7 years with interest costs of $353 billion. I can tell you now the interest cost will be over $500 billion by the time they get their so-called constitutional amendment if they can get it.

Mr. President, right to the point, do not quote Jefferson on that. Quote Jefferson on what he said: If between a free press and a free government, I would choose the former. Jefferson's point was, you can have a free government, but unless you have a free press to keep the politicians honest, it is not going to stay free long. That is what is occurring. The free press has joined in the conspiracy with the politicians in making the news, getting polls, reporting ahead of time, making more news. You cannot get them to report the true deficits that we have, the true interest costs that we have, the true initiatives that we make and have made.

There is the ''Balance the budget. Who stands for a balanced budget?'' when the only gentleman in this city that has done something about it, and cannot be blamed, is President William Jefferson Clinton. You can blame me. I have been here. I am in my 30th year. You can blame the Senator from Nebraska or some of the Senators that have been here before 1992.

January 1993 is when President Clinton came to town. We are the ones who gave him the spending on automatic pilot, this horrendous debt, the horrendous interest costs. What does he do? He faces up to the task. He brings in his Vice President and he gets every Democrat to vote for $500 billion in spending cuts, increasing taxes on liquor, beer, cigarettes, and increasing taxes on gasoline, increasing taxes on Social Security.

Who is really serious about Social Security? The Senator from Pennsylvania came here and said, ''You are trying to hide. You're trying to hide,'' he said, ''hide behind Social Security.'' Who is hiding? Old Joe Louis said, ''You can run, but you can't hide.'' The Senator from Pennsylvania.

We made it crystal clear. We have it written in the law. What you are trying to do is hide, in section 7, the repeal of that law. You are the one that is hiding. You are the one that wants to move the deficit from your political accounting in the Government over to the Social Security trust fund and decimate the program. That is exactly what has been going on.

Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from South Carolina has 6 minutes.

Mr. HOLLINGS. I would gladly yield to the distinguished ranking member of our Budget Committee. I thought he was eloquent. I thought he made a masterful statement that was common sense. Out in the Midwest they think that way. I would be glad to yield to the distinguished Senator from Nebraska if he would like a little bit of time in the remaining few minutes I have.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank very much my great friend and colleague from South Carolina, whom I have admired ever since I came here 18 years ago. I served under him on the Budget Committee, and I served under him in his chairmanship of the Commerce Committee. We have worked together for so very long on the budget problems of the United States of America. But I simply say that I wish everybody who serves in Congress had his head screwed on as correctly as does the Senator from South Carolina.

During all of this rancorous debate about who is to blame, I am reminded once again of that time—it must have been in 1979—when Jimmy Carter was President of the United States. I believe the Senator was on the Budget Committee and Senator Muskie served as chairman. I remember well the statement that the Senator made when the President of the United States called us down to the White House. The President was very alarmed by the fact that the deficit for that particular fiscal year was likely to go over $100 billion, and if we did not arrest what we were doing, we were going to exceed in the next year or two $1 trillion—the horrible $1 trillion figure—on the national debt. I do not know what the interest on the debt was at that time, but obviously it was small compared to what we are now paying.

So the Senator from South Carolina is accurate in explaining what he did with regard to the remarks that have been made on the floor of this Senate today.

We are not here to find fault. We are here trying to solve a problem. But the problem we have been sinking into over the years goes back to the time when supply-side economics was ushered into this body, when Ronald Reagan became President of the United States.

As the Senator from South Carolina just said, President Ronald Reagan, who is an honorable man, said when he came into office that he was going to balance the budget in 4 years. The facts of the matter were that the budget went out of balance in those 4 years faster than it has gone out of balance any time in the whole history of the United States of America.

The facts of the matter are, while there has been so much criticism of the President of the United States today, it should be remembered and written indelibly, so it will not be forgotten, that under this President we have had 3 successive years of deficit reduction, from a figure of about a $300 billion shortfall in the budget each year, down to about $130 billion. That is what Bill Clinton has done.

So Bill Clinton is the one who has accomplished reducing the deficit faster than any President, probably going back to Harry Truman or Lyndon Johnson. We still have a major problem on our hands. It goes back, and all of this crying and moaning today goes back to that period in the early 1980's when the United States of America was under $1 trillion in national debt and was under $100 billion a year in the annual deficit.

That rose appreciably. And as the Senator from South Carolina has said time and time again, if we had not run up those deficits that were run up under Ronald Reagan, the budget would be balanced today, would be in surplus today, and we would not have all the concerns that we do have about future solvency of Social Security and Medicare.

So I simply say that the reason I am not going to vote for the constitutional amendment to balance the budget, as I elaborated on to some extent earlier today, is the fact, Mr. President, that this is a sham. This is a political sham where the U.S. Senate is being used as a tool in the Presidential race. Unfortunately, that is not the way to run the Government and that certainly is not the way to run our budget. I do appreciate very much the Senator yielding me time.

Mr. HOLLINGS. Mr. President, how much time do I have?

The PRESIDING OFFICER. According to the timekeeper, Senator EXON had 2 minutes reserved for him; so using those 2 minutes, there would still be 2 minutes left.

Mr. EXON. Mr. President, I yield the balance of my 2 minutes to my friend from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator.

In the 2 minutes I will read from the daddy rabbit of Reaganomics where they start talking about growth now, David Stockman:

> The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake for fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cure the deficit. It ought to be obvious by now that we can't grow our way out.

With the time left I see the distinguished colleague from Texas, the senior colleague from Texas. I know we will hear a lecture about who is in the wagon. It is the contention of the Senator from South Carolina that it is the Senators and Congressmen in this wagon. We have been in the wagon for 15 years, spending $270 billion for nothing, having a wonderful time, and now with this so-called balanced budget amendment we will get from a wagon into a limousine to ride around the countryside and tell them how we bit the bullet and something will happen two Presidential elections from now.

Mr. CRAIG. Mr. President, I yield the senior Senator from Texas 2 minutes.

Mr. GRAMM. Let me say to my dear colleague from South Carolina that I do not want to talk about who is in the White House. I want to change who is in the White House. Today I want to talk about drought.

THE DROUGHT

Mr. GRAMM. Mr. President, we have 45 million bushels of feed grain in emergency reserve in the United States. We pay $10 million a year in rent to store that feed grain. We have a major drought in many parts of the country. Obviously, much of it is centered in my part of the country. I thought last night we had worked out an agreement whereby we could pass a resolution calling on the Secretary of Agriculture to release this emergency feed grain to let it flow into the market and flow to people who are being forced to liquidate their livestock herds because they cannot obtain food.

It is my understanding that we have now worked that out. I think it is very important this resolution pass tonight. This is not going to make it rain in Texas, Oklahoma, and Kansas. It is not a solution for the kind of divine intervention that we need in eliminating the drought, but it is a small step in the right direction. I hope this resolution tonight will pass. I was disappointed the Democratic leader objected to it yesterday. We could have sent good news out last night. I hope we can do that tonight.

In addition, Senator HUTCHISON and I hope, tonight, to pass a resolution on haying on conservation reserve land. If you will remember, the President wisely, in an action that I applauded, allowed people to put livestock on conservation reserve land. We want to let them hay it in drought areas. I think that is also a step in the right direction.

I thank the distinguished Senator for yielding.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with consideration of the resolution.

Mr. CRAIG. Mr. President, I ask unanimous consent the amount of time the Senator from Texas used not count against the total remaining time Republicans have on the balanced budget debate.

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

Mr. CRAIG. Mr. President, for a good number of hours today the Senate has been involved in what is an important debate, the issue of a balanced budget amendment to our Constitution.

Before I begin, I want to acknowledge the hard work and leadership of several Members of the Senate and the House who have devoted many years of effort on behalf of this legislation. These have included Senator THURMOND, Senator HATCH, and of course the distinguished majority leader, Senator DOLE, on our side of the aisle; Senator SIMON, who is a true statesman and friend, and Senator HEFLIN, on the other side; and Congressmen STENHOLM and SCHAEFER, the House authors of this amendment.

This legislation has come a long way. In 1982, the Senate voted 69 to 31 to pass a balanced budget amendment. It fell 46 votes short in the House. Last year, the House passed it by 300 votes to 132. It lost here in the Senate by a single vote. Of course, we know that Senator DOLE changed his vote to preserve the right to move for reconsideration.

We are now in reconsideration of House Joint Resolution 1. That was after six Democrat Senators switched their vote and opposed the same language that they had voted for 1 year earlier. This is an issue, Mr. President, that is not going to go away. If it is not going to be this Congress, it certainly is going to be the next Congress or another Congress very soon that has to deal with this issue.

There is a very simple reason why it will not go away, because we are not here to decide whether there will be a balanced budget amendment to the Constitution, we are here to decide whether the American people ought to have a right to express their will on this issue. In other words, under article V of the Constitution, we in Congress may only propose amendments to the States for ratification.

That is what we are here to do. The reason I think, Mr. President, this will not go away is because in 1982, 63 percent of the American public said this was an issue that ought to be addressed by Congress passing a balanced budget amendment and sending it to the States. In a Gallup Poll just within the last week, by 83 percent to 14 percent—a 6 to 1 margin—they said they support the balanced budget amendment and it is time we deal with this issue. In other words, the American people, by a very large majority now, say to the Congress of the United States, ''Give us the right to choose.''

Tomorrow when we vote on this, it will be Democrats on the floor of the U.S. Senate that will refuse the American people the right to choose whether to ratify this amendment. Those who oppose the amendment, those who seek to postpone the day of reckoning when this Government must deal with this issue are simply not recognizing their moral obligation to respond as they should to this issue.

Why is it happening now, that the Senate will not pass this amendment? Why will some in the opposition not stay true to where they were on this issue over the last good many years? By that, I mean, Mr. President, acting in a bipartisan way. Why does this issue appear to have become so partisan?

The balanced budget amendment to our Constitution has always been a bipartisan issue. It is now clearly partisan. The President put tremendous pressure on Democrats in 1995. That is why six Senators switched to ''no'' votes from their previous history of ''yes'' votes. We know that. The record ought to be awfully clear that is what happened. Up until that time, we always had that strong bipartisan majority in support of the amendment. Last year, for example, 72 Democrats in the House voted for it; 14 Democrats in the Senate voted for it.

I think, Mr. President, it is truly sad and certainly frustrating when you think you have agreement on such a fundamental principle of government, only to see Senators change their votes. This is not a partisan issue but, I think, a moral issue, a moral imperative, a responsibility of this Senate, to at least allow the American people to express their will. Now we find the only response is that the welfare state mentality of this administration, and tragically enough, those who now oppose this amendment, now want to politicize it. I am afraid that is how the vote will come out.

There are two reasons why the balanced budget amendment was defeated in this past year. In this 104th Congress, the party whose majority and leadership opposed the balanced budget amendment no longer had control of the Congress. They could always manipulate the vote in the past. They could always assure it would not pass. This year, by a change in the electorate, the American people, and most importantly, the Congress, and always the interest groups involved, knew the Congress was firing with real bullets. The liberal special interest groups who are feeding off big Government spending and sending the bill to our children realized we were the closest ever to sending a balanced budget amendment to the States.

That is when the President said to his friends here on the other side, ''You have to block this. You have to stop this.'' That is why six Senators who had been with us before backed off, changed their tune, found an excuse to say something different, switched their vote from a yes to a no. This President, who had never really been for a balanced budget, was able to call the tune. Tragically enough, he and his colleagues denied the American people an opportunity to choose. The President who sent us a so-called balanced budget with an $81 billion deficit in the year 2002 is the one that is now denying the American people their constitutional right to decide this issue.

I simply call on President Clinton to release his hostages, if you will, to release the ''BBA 6'' that once were with us, the Balanced Budget Amendment Six, who once sat on the other side, proud to vote for a balanced budget amendment.

I say, Mr. President, let our colleagues go. Let the American people have a chance to decide. That is really what this effort is all about. Congresses do not enact constitutional amendments; they only propose.

But you would think, from the debate you heard today, that the vote to be cast on the floor of this Senate tomorrow will be the deciding factor that crumbles the Government, destroys the budget.

No, it will not be that at all, Mr. President. What passing this amendment would do is launch one of the most important national debates in the history of our country—a debate that would occur in every capital city in every State in our Nation among the legislators of that State, as to whether this Government balances its budget, and whether the people have a right to tell us to do so—as I think they ought to have.

Those six flip-floppers—those who voted against the amendment when they previously had all been for it—used a very interesting word, a neat little three-letter word, the ''but'' word. They used that three-letter word something like this: ''I am for balancing the budget, but not this way.'' ''I am for a balanced budget amendment, but not this one.'' ''I was for a balanced budget amendment last year, but''—but—''I discovered a new reason to be against it this year.''

Mr. President, the amendment was not any different in March 1995 from what it was in March 1994. Why did they change?

The politics changed. The politics changed dramatically in the fall of 1994, and, as I said, they knew that we were now firing with real bullets, and the chance to send a balanced budget to the American people was, for the first time, truly a real likelihood.

Members of this body may have read a book written a few years ago by a former staffer of the Democrat Speaker of the House, a book on ''Inside-the-Beltway Political Gamesmanship.'' It had an entire chapter devoted to the following rule, Mr. President:

When you are losing the argument, concede on the principle and continue to fight over the details.

The balanced budget amendment opponents, obviously, have read the book, memorized that rule, and are today implementing it on the floor of the U.S. Senate.

Now we have at least 72 Senators who say that they agree on the principle of a balanced budget amendment. But fewer than the 67—the two-thirds necessary—that will ever vote for the passage of one.

Now there appear to be 90 or 100 Senators who say, ''Well, now, we agree on the principle of a balanced budget.'' But there are more than enough votes to sustain the President's veto when, in fact, he vetoes a real balanced budget. In other words, when you are losing the argument, concede on the principle and continue to fight on the details.

Mr. President, I respect the sincerely held opinions of those who have come to the floor and oppose any balanced budget amendment. That is different. There are Senators who do that. Senator Bob BYRD of West Virginia says he opposes any balanced budget amendment. It is my understanding that he has been consistent in not voting for one. He holds true to his conviction. He does not now agree ''in principle'' and say, ''But something is wrong with the details.'' Well, I have to respect that. That is fair.

What frustrates me, and will increasingly anger the American people, is how so many in this body, or the other, say, ''Oh, I am for a balanced budget amendment in principle,'' but, Mr. President, their actions imply differently, as shown in their votes versus their words.

It is a time-tested trick in this business called ''political gamesmanship'' to make the perfect the enemy of the good.

If you want to kill a proposal like the balanced budget amendment, instead of saying you are against it, when 83 percent of the American people are for it, you simply say that it is not good enough, not quite the way we want it, and if we can only shape it a little differently, then we would have it the way it ought to be.

Now, that is nitpicking in the highest form, Mr. President. You make up the exceptions that would gut the amendment, and you say, ''This is an improvement because I cannot vote for it the way it is.'' The result is, you kill the amendment because you want to preserve the status quo.

All this nitpicking and all of the blamesmanship really misses the point. The one central question before us is this:

Would this country be better off, would the lives of American citizens be improved, if we placed the Government under a balanced budget amendment to our Constitution?

Would our children have a better life now and in the future? Would working men and women have better jobs? Would our senior citizens be more secure in the Government's ability to keep its promises to them? Would homes and education be more affordable?

Over the long run, would there be more money left over for charities, families, and Government to care for the poor, the sick, and the needy?

These are all variations of one question. And, of course, the answer to that question is undeniably yes. We know that, and the American people know that. We know of the huge amount of money, the economic vitality, that the debt of the Government now consumes.

Balanced budget amendment opponents say, ''We will not vote for a constitutional amendment to require a balanced budget until we see your actual plan to balance the budget, because we know we can produce one.''

You and I both know, Mr. President, we have produced a balanced budget, in answer to that argument, over the last 12 months.

We, in fact, produced a balanced budget and did not touch Social Security. We increased spending and increased consumer choices for every senior citizen in Medicare. We preserved the safety net for the needy and cut the redtape to make it easier for Federal-State partnerships to help them. And we continued to be responsible in protecting the environment.

All of those things were done in the context of a balanced budget. We answered their charge, and we answered their call.

And the President vetoed it.

Now we understand a great deal more about this debate. Without the extraordinary discipline that our Constitution will bring us, we probably will find it very difficult to get to a balanced budget, or even a nearly-balanced budget, unless we can, in fact, get a constitutional amendment that requires, in the supreme law of the land, that this body and the other respond every year with a balanced budget.

Here is an example of why I think that argument makes so much sense. Here is the record about the goodwill and the intent of Congresses and Presidents of the United States when it comes to balancing the budget:

The Budget and Accounting Act of 1921, also called the Anti-Deficiency Act, was intended to keep the budget balanced. The Revenue Act of 1964 was supposed to balance the budget. The BYRD amendment of 1978—offered by Senator Harry F. Byrd of Virginia—required balanced budgets. The Humphrey-Hawkins Act of 1978 called for balancing the budget. The Revenue Act of 1978 was supposed to balance the budget. The Debt Limit Increase of 1979 included language to balance the budget. The Bretton Woods amendment of 1980, as amended by a second Byrd amendment, required a balanced budget. The recodification of title XXXI, in 1982, with an amendment better known as Byrd III, called for a balanced budget. The Gramm-Rudman-Hollings Act—act No. 1—of 1985 required a balanced budget. The Gramm-Rudman-Hollings Act of 1987—act No. 2—required a balanced budget. The Budget Enforcement Act of 1990 was supposed to balance the budget.

Why, then, do we have a debt of the kind we have today, of $5.13 trillion dollars? Why are we spending hundreds of billions of dollars on interest, after all of that exercise, from 1921 to 1990, in which the specific language and the direction of the public policy of this country was to balance the Federal budget, and why do we not have a balanced budget?

The reason is very simple. We do not have an amendment to the constitution. We do not have in the organic law of the land a requirement that says to the Congress and the President that you cannot pass ''go,'' you have to make the tough choices, you have to do it.

As a result of that, the tough choices were never made. The American public was played to. There was good intent in many of those instances. But Congresses and Presidents simply could not face the kind of decisionmaking that the people expected of responsible leaders.

Now, I have heard today the flip and the flop of the red herring so many times coming from that side that it has been most difficult to hold a straight face.

What am I talking about? I am talking about Social Security. Let me say for the RECORD they are wrong. It is a false argument, and they know it. But once again the safety for the status quo is in fighting over the details.

If you do not want to face up to balancing the budget, and if you really do not want a balanced budget amendment, then you find a new argument. Just this year alone, after those six Senators were always with us, when the President said to them, you cannot be with the amendment's supporters, find a way out, they found a way out. They found a new argument. That new argument was Social Security.

At best, those making the argument—while one might wonder about their intention, and I trust that it is good—I must agree with Members on our side that they are tremendously misinformed.

At worst, there are big special interest groups with deep pockets using mass mail scare tactics to frighten innocent seniors, with one goal and one goal alone, and that is to destroy the idea of a balanced budget amendment.

Senior citizens I have talked to in my State of Idaho—and I am sure that you have also, Mr. President, in your State of Michigan—know perfectly well that a bankrupt Federal Government will not have the ability to send any Social Security checks out to anybody.

No checks will go out, if our Government is bankrupt. By killing the balanced budget amendment, opponents are killing the only way—the only true way—to save Social Security and other seniors programs.

Robert J. Myers, the former chief actuary and former deputy commissioner of the Social Security Administration, has said this. We have had him before hearings. He has publicly testified and made these comments. He says,

> ''Regaining control of our fiscal affairs is the most important step we can take to protect the soundness of the Social Security trust fund. I urge Congress to make the goal a reality, to pass a balanced budget amendment without delay.''

That is a former chief actuary of the Social Security system. He says the only way you save Social Security is to balance the budget.

Mr. President, we keep hearing about raiding Social Security. No one is raiding the Social Security trust funds. That is false rhetoric. It is wrong for them to use it, and they know it. But it gives them their excuse for opposing the amendment.

There are two things happening.

First, ever since President Franklin Delano Roosevelt, a Democrat, created Social Security in the 1930's, any surplus funds have been borrowed by the Federal Treasury and invested in Federal bonds.

Why? So that the money not needed immediately to pay out benefits could earn interest safely and soundly.

Second, ever since President Lyndon Johnson, a Democrat, put the Government on a unified budget in the 1960's, annual Social Security surpluses have been counted as reducing the overall Federal deficit in that year.

It is simply a matter of bookkeeping. Many believe it is bad bookkeeping. But in all fairness, it is no ruse. It is only bookkeeping.

Those are facts. They are reality. There have been no games played. That is the law.

Ever since our last balanced budget in 1969, these borrowing and bookkeeping practices have been happening with Social Security. Under 20 budgets passed by Democrat Congresses, under six budgets passed by divided Congresses, and so far for one budget resulting during a Republican Congress, this has been the law, and this has been the reality, this borrowing, and this bookkeeping.

The reality is that every budget submitted by President Clinton in the last year, the House Democrat blue dog budget in the last year, the Conrad substitute budget, and the Chafee-Breaux budget—all of them use this kind of borrowing and bookkeeping.

So let us not play games with the record of the Congress, with the record of the Senate, with the minds of the American people. The reality is in the answer to the question, Are you for or are you against a balanced budget? If you are for one, you will allow the American people to engage in this debate, to become actively involved.

Treasury borrowing from Social Security would continue under the balanced budget amendment, and under any and every substitute—the ones offered by Senator HOLLINGS, Senator WYDEN, Senator DORGAN, Senator FEINSTEIN, Senator REID, whomever—the reality is, under their alternatives, they continue to borrow from the trust funds because the laws of the 1930's require it.

Their alternative does nothing to change or stop the Treasury from borrowing Social Security surpluses.

Why do they not tell us this? In other words, get honest and get real. Quit playing the mind game with the American people.

There is only one way to change Treasury borrowing from Social Security, and it has nothing to do with a balanced budget amendment.

The only way to make surplus Social Security funds unavailable to the Federal Government is to pass a law that requires Social Security surpluses to be invested somewhere else outside of the Federal Government.

Has that been proposed today? It has not. Will it be proposed by any one of these Senators? We will see, but I doubt it. And if that bill were proposed, and if it became law, that law would have exactly the same effect under our amendment or their amendment.

So, to those who are suggesting that their opposition to the balanced budget amendment is because of Social Security, I say, You do not quite argue the whole argument. Bring forth your bill to change the system for investing in Treasury bonds, if that is what you believe. But stop hiding behind this ridiculous, absolutely false claim that the balanced budget amendment somehow does anything to harm the Social Security system.

Every alternative to the balanced budget amendment the opponents have put forth dealing with Social Security has loopholes in it that you could drive nearly any amount of spending through it, as long as you call it Social Security. They are more loophole than law.

Their proposal would allow Social Security to run unlimited deficits and would allow future Congresses to raid Social Security trust funds to spend for anything and everything they wanted.

Has that question been asked of them today? No, it has not. I ask it now. Is that what you are proposing—to allow unlimited deficits in Social Security to allow borrowing for other purposes? Of course, they would say no, but that is what their language would allow. But they do not seem to want to talk about it.

A flatout exemption for Social Security in the balanced budget amendment would mean more borrowing and more debt. It would mean Social Security would go bankrupt to pay for all this other spending, or there would have to be a huge tax increase to stabilize it.

Several Senators have had serious discussions to see if there was a way to protect the surpluses of Social Security trust funds from being used for other purposes, without creating loopholes.

Senator SIMON, whom I have worked with for years on this issue, Senator DOMENICI, and Senator HATCH spent an awful lot of time, and I have, too, trying to find out if there was a clean, responsible way to protect the surpluses Social Security trust funds in the context of the argument put forth by Democrats.

We know that can be done, but we have not been able to accomplish agreement with those who say that is what they want.

We said, let's prohibit Social Security surpluses from being counted to make the deficit look smaller. Let's balance the budget without using the Social Security surplus. But, when Social Security starts running deficits around the year 2019, let's make up those deficits, let's keep the lid on Federal borrowing, and let's shore up Social Security with funds from the rest of the budget.

Unfortunately, the opponents once again agreed with us on principle, but not on the details.

Let's get back to the most important point in this Social Security debate. And it is something very, very simple. If you balance the budget and if you quit creating debt, you in fact strengthen and stabilize Social Security. You solve the problem now by creating fiscal responsibility and economic growth in this country, and you accomplish that by balancing budgets and moving along the process that sets this economy free.

Deficit spending and a mounting national debt are taking a tremendous toll on real people, on real families. And if we do nothing, it will only get worse.

The President's own budget for fiscal 1995 said that unless things change, Mr. President, future generations face a lifetime total tax rate of nearly 82 percent. A new analysis by the Congressional Budget Office says that rate actually may be around 84 percent.

The National Taxpayers Union estimates that unless things change, a child born today will pay an extra $180,000 in taxes just to pay interest on the national debt. And the President and some Democrats in the Senate will not allow the American people to create the mechanism that will stop the growth of that kind of debt structure.

The Concord Coalition says that the existing Federal debt already has reduced the typical American family income by 15,000 spendable dollars a year.

On the other hand, who benefits if we balance the budget?

The kids benefit, the future benefits, and everyone who wants a job, who wants to buy a home, who wants a good education, wants to buy a car, wants the kind of economic growth that will provide his or her children the future opportunities that they had at their age when they were young.

That is what this whole debate is about—about a $2,400-a-year reduction in a mortgage payment on $75,000, 30-year mortgage. Or it is about a $1,000 reduction in interest on the life of a 4-year car loan. Or a family saving $1,900 on a 10-year student loan. And it's about creating 6 million new jobs by the year 2002.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. CRAIG. I am happy to yield to the chairman of the Budget Committee.

Mr. DOMENICI. I heard you say balanced budgets are good for the children and it is good for the future. It is good for senior citizens, too, is it not?

Mr. CRAIG. If the senior citizens want a strong and stable system of economic security, you are darned right it is good. There is something else. Senior citizens live on fixed incomes. The best thing in the world for them is a very strong economy that allows them to live and to not have their money exploited by inflation.

Mr. DOMENICI. It seems to me that almost everybody who has looked at

the Social Security system over time has said the most significant, positive thing that can happen for that Social Security system is to have a strong, growing, robust American economy with low inflation. I thought one of the big reasons we were all working on this balanced budget is because it is more apt to produce a strong, robust growing American economy than deficit spending of the type we have been undertaking for the last 40 years.

Am I correct in that?

Mr. CRAIG. The Senator is correct. A year ago we were challenged on this floor by those who opposed a balanced budget amendment and who said you can balance the budget without an amendment.

The chairman of the Budget Committee met that challenge responsibly in the way that it ought to be met and produced a balanced budget amendment, one that brought us to balance. The chairman produced a budget that honored the critical policy priorities of this country and sent it to a President, this President, and he vetoed it.

And now it is this President who is twisting the arms over here on the other side to assure that a balanced budget amendment does not pass and that the American people do not get to exercise their constitutional to debate whether to ratify it.

Mr. DOMENICI. I thank the Senator very much.

Mr. CRAIG. So the chairman is absolutely right.

Mr. President, let me try to close soon. My colleague from Alaska is here to debate this issue. Here are some other statistics that are just so darned important for all of us to understand.

The gross Federal debt now tops $5 trillion—that is more than $19,000 for every man, woman and child in this country. The gross interest payments this year are around $344 billion.

Here is what that says to all of us who try to deal with these monstrously big numbers that nobody really understands.

That $344 billion in interest payments this year amounts to $1,300 for every American. In other words, the average American household will pay $3,400 in taxes this year, not for roads or education or defense, but to pay interest on past Federal debts.

Gross interest payments this year will be equal to 54 percent of all the individual income taxes collected.

Gross interest payments on debt will be just $4 billion less than what we will spend on the entire Social Security bill for the year; $77 billion more than we will spend on all domestic discretionary programs put together; $79 billion more than we will spend on defense, the second largest Federal program; $145 billion more than all Federal means tested poverty programs put together; $148 billion more than we spent on all Medicare, the third biggest Federal program.

What is the message here? The message is that slowly but surely because this Senate has been unwilling to grapple with the true issue of getting to a balanced budget—and that is the balanced budget amendment—over the years we have seen this debt grow in proportion to the budget and the economy, and today's interest on debt is literally consuming the Federal budget and the assets of the American people.

The Economic and Budget Outlook just released by the Congressional Budget Office contains a truly frightening chapter on the long-term budget outlook. It says, if we do nothing, our children face a grim future.

Today, we are suffering from historically slow economic growth. Unless we change things, in one generation, the economy will start a real decline and our children will face a permanently declining standard of living.

If we do not pass this amendment, I fear for our children and I fear for our country.

If we do nothing:

In less than two generations, the debt burden will grow so huge that, in CBO's words, it ''would exceed levels that the economy could reasonably support.''

Our children will reach the prime of their life and then retire in a nation in the grip of a permanently worsening recession.

Our grandchildren will raise families in a declining Third World economy. Or—and I do not say this lightly—there will be a revolution.

On the other hand, these same CBO projections show what will happen if we do the right thing today:

If we balance the budget permanently beginning in 2002, real incomes for the next generation will be one-third higher than they are today.

Our path is clear.

The worst thing you can say about the balanced budget amendment is that maybe Congresses and Presidents will have the courage and vision to do the right thing without it.

The bitter experience of history suggests otherwise.

The best thing you can say about this amendment is that it guarantees we will pass on the American dream to our children and that they will continue to have the opportunity for a better life; that our seniors will be more economically secure; and that Americans today and tomorrow will have more and better jobs.

I certainly hope we can arrive at that magic two-thirds vote tomorrow. I certainly hope the President would free his balanced budget amendment hostages over on the other side and allow them to vote their true conviction as they have over the years under the leadership of the Senator from Illinois, PAUL SIMON, who has worked so hard to keep this a balanced, bipartisan issue. I am so disappointed that this issue has become a partisan-type issue. But I remain hopeful, because the balanced budget amendment will not go away. The people want it. The future needs it. And our nation deserves it.

Mr. President, I now yield——

Mr. MURKOWSKI. Ten minutes.

Mr. CRAIG. Ten minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Chair indicates to the Senator from Idaho he has exactly 10 minutes remaining under his time.

The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. I thank my colleague from Idaho. I thought his comments were certainly appropriate. Let us reflect a little bit about the vote we are going to cast tomorrow. That vote will really determine the economic stability and the vitality of this Nation as we enter the 21st century.

Mr. President, I am going to vote for this balanced budget amendment because I believe nothing short of amending the Constitution is going to change our addiction to spending and living beyond our means.

I was a commercial banker during my previous life outside this body. I recall back in 1962 the Federal Government's budget reached $100 billion. By 1971, it had doubled to $200 billion. By 1977, it had doubled again. In 1983, the Federal budget topped $800 billion. The budget for next year, fiscal year 1997, will be more than $1.6 trillion.

We have heard concerns expressed on the other side relative to the Social Security issue. It has been commented that somehow a balanced budget will have a detrimental effect on our obligation to meet our Social Security commitments.

Just think for a moment. How can we meet our obligation to our seniors, how can we meet the obligation of coming generations if our fiscal house is not in order? It has already been suggested as to what the increased tax burden will have to be on future generations.

We have been spending far in excess of revenues. That is like carrying an overdraft or carrying your accounts on your credit card knowing you cannot pay them off. So what have we been doing? We have been increasing the amount that we are spending for interest. I think it is somewhere in the area of $240 billion today. That is nearly $1,000 for every man, woman, and child in America. What does it do? It pays interest on the Federal debt.

Now, not too many people talk about the Federal debt, but we have increased the Federal debt authorization now to $5 trillion. It seems as if we go through a budget process, we add up what we need, we take a look at the revenue that we have, and instead of either increasing the revenue or cutting the expenditures we simply take what we need and add it to the accumulated national Federal debt, which is over $5 trillion.

This interest cost must be paid. I have said it on this floor time and time again. Interest is like owning a horse that eats while you sleep. It goes on and on and on. What is the exposure with the increased amount that we have to pay? As everyone knows, interest rates fluctuate. I am often reminded of what the prime rate was in

December of 1980. The prime rate was 20.5. You can imagine the interest cost on $5 trillion if, indeed, we were in that range again, and this could happen. It happened before.

After years of trying, last year this Congress came within one vote of sending a balanced budget constitutional amendment to the States. The amendment passed the House of Representatives on January 26 when House Joint Resolution 1 was approved by a vote of 300 to 132, easily exceeding the necessary two-thirds majority. The Senate added an amendment restricting the power of the courts to enforce the amendment and defeated many weakening amendments, but then on March 2 the Senate failed by one vote to adopt the proposed constitutional amendment.

We have the opportunity to address this again tomorrow.

If we look at history, we will realize that for more than one-third of a century—35 of the last 36 years, the Government has been running a continuous and unending string of deficits. Even if we adopt this amendment, it is an absolute certainty the deficits will continue into the year 2000.

I have reflected on the debt being more than $5 trillion. In 10 years, Mr. President, that debt is going to rise by 80 percent up to what? Nine trillion dollars. Put another way, in the year 2006, every man, woman, and child in America will owe Uncle Sam $32,700. For a family of four, that is $131,000.

What are we thinking of here? There should be absolutely no question that we do not have the self-discipline in this body to address a balanced budget process. With a constitutional amendment, it will mandate that process.

We have not been blind to these deficits. For the last 11 years, Congress and the President have sought to find solutions, remedies. We passed statutes and reconciliation bills, all in the name of reaching a deficit of zero. On three occasions over the past 10 years, legislators on both sides of the aisle sat down with the President and tried to hammer out some workable solutions to solve the deficit. On every occasion the promise of a zero deficit has evaporated.

Congress did not have the discipline or the political courage to do the one thing that would bring down the deficit, reduce spending. Yes, we voted to raise taxes on more than one occasion, but have we ever cut or frozen spending? No. It was only last year that we finally had the courage to face up to the challenge of runaway entitlements. Today, those entitlements account for 55 percent of Federal spending and will grow to 59 percent by the end of this century. There is not going to be any discretionary spending left.

The American public witnessed, I think, an unprecedented spectacle when the President vetoed the only creditable balanced budget proposal ever to be written by Congress.

Then—we got blamed for it—but he shut down the Government because of his refusal to give up the taxing and spending policies that have brought us to the brink of national bankruptcy and placed blame on Congress because we attempted to responsibly address the deficit.

Had this amendment been incorporated in the Constitution, the President would have been in violation of his own oath of office to preserve, to protect and defend the Constitution—which he refused to abide by vetoing a real balanced budget.

We are basically broke. Any CPA or banker can look at the Federal statement and find $5 trillion in debt; interest of 14 percent of the budget would tell you that. We can no longer labor under the assumption that business as usual in Washington assumes that every year we can run those deficits of $150 billion, $250 billion, $350 billion—$350 billion. This accumulation of debt has brought us, today, to the point where, for the first time in our history, we are forced to borrow from the credit markets for the sole purpose of paying interest on the debt.

Think of that. We are borrowing to pay interest on the debt. We are not borrowing just out there to fund our programs. We are having to borrow to pay the interest. That is why we are broke. It may surprise some people to know that over the next 10 years we would be running a surplus, we would be running a surplus in this country in the Federal budget if every year we did not have to pay that $200 billion to $400 billion annual interest bill that has resulted in our chronic inability to bring revenue and spending into balance.

I said we are broke. We are borrowing just to cover those interest costs. That is fiscal irresponsibility. We all know it. We are subject to the shifting winds of international investment flows, where a minor change of economic policy, not in this country, but in Bonn or London, or an earthquake in Japan—those are the people who are financing, if you will, a portion of our debt—could have a direct effect on what this United States Government has to pay for money to finance its debt. Can anyone imagine what would happen if the owners of our debt—18 percent of which, I might add, is owned by foreigners—if they felt there was a sudden loss of confidence in the U.S. economy, and they called in the debt, they called in just $300 billion or $500 billion of our debt? How would we pay the owners off? We could not unless we inflated our dollar to the point that what a dollar buys today would actually be worth 50 cents or less. That is how it is done.

The only way to get out of this sea of red ink is to adopt a simple mandate because we do not have the discipline to do it—we have proven it time and time again—and adopt the balanced budget amendment.

The public knows that no family or business can survive very long when, year in and year out, the principal of its debt grows and all its borrowing is dedicated to paying off the debt holders.

When future generations look back on the decisions that we made in the last decade of the 20th century, I know they will appreciate the wisdom of the people in the Congress in adding the balanced budget amendment to the Constitution. For this amendment stands for the proposition that future generations are entitled to economic freedom, unburdened by the financial debt of past generations.

It is our responsibility to end the practice of sending unpaid bills to our children and to our grandchildren. That is a principle that belongs in the Constitution in the same sense as the freedom of speech and the freedom of press belong to the Constitution.

Let me just repeat that because I firmly believe that. It is our responsibility to end the practice of sending unpaid bills to our children and grandchildren. That principle belongs in the Constitution in the same sense as the freedom of speech and press belong in that document.

I urge my colleagues to adopt this amendment, send it to the States where it can be debated by the people. Give them a chance to render their judgment.

Mr. President, I would like to introduce a bill.

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 1844 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, we are talking this evening and voting tomorrow on whether to add another amendment to the Constitution of the United States. Our Constitution has had 27 amendments added to it in 209 years. If you do not count the Bill of Rights, the first 10 amendments, then it has been amended 17 times in about 205 years. That is not very many times.

Most times that we have amended the Constitution it has been when it has become an absolute necessity. We do not revise this sacred document otherwise.

I support the balanced budget amendment that is before us. I had a chance to vote on it last year, when it failed by one vote. I supported it in 1994, when it failed by two or three votes, I believe. I voted on it in other versions in previous years. I very much support the principle of having a constitutional amendment and to have our Constitution then say that Congress should live within its income. I think this is very, very good discipline that results from such a constitutional provision, a discipline that we see in State legislative bodies. I think about 46 States have such requirements. Their requirements make legislative bodies, whether controlled by liberals or by conservatives, fiscally responsible. Fiscally responsible is mainly interpreted as living within your annual income. As families must live within that income, as businesses live within that income, the

same discipline ought to apply to the Federal Government.

Many of our early constitutional Framers, early statesmen, and early political leaders, believed in that principle so strongly that they did not feel it had to be put in the Constitution. For maybe 170 years, living within our means, was really not much of a problem. But in the last generation, the Congress and even leaders in the executive branch have gone hog wild on spending money. They have not cared about building up a tremendous debt that puts an obligation on future generations. They failed to consider it an immoral obligation that we have given to other generations.

Living beyond our income is an expression of materialism that is too rampant in American society. Living beyond one's income, in and of itself, is a major problem. Possibly, the Federal deficit is just an expression of our societal excess. But to some extent, maybe the lack of leadership shown by us in the Congress of the United States on the principle of not balancing the Federal budget is an example of not living within our income and has fed that base materialism of the American people. I see our discussion today and the amendment we are dealing with as an effort to reject that sort of fiscal policy and reject the materialism that it promotes within our American society.

So we have another chance on this vote for a balanced budget constitutional amendment. Who knows, maybe some think this is the last chance. I do not think it is the last chance if we do not pass this tomorrow. This is not going to go away, so people might as well realize that eventually the wisdom of the American people is going to win out. Their wisdom is that Government ought to live within its income, just like families must live within their income and businesses must live within their income or otherwise go bankrupt.

When is the day of bankruptcy for America? Maybe we cannot predict it. It might be next year, or it might be 10 years from now, but there is always a day of reckoning when you are not fiscally responsible. The same principles apply whether it is Government or whether it is families or businesses.

I am thankful for Senator DOLE's wisdom in reversing his vote so that he could file this motion to reconsider the balanced budget amendment and we can have another opportunity to do right what we did wrong last year. He gave us another vote on this important amendment.

Of course, I am also thankful for the U.S. Constitution, including all of its inherent imperfections. It may be imperfect, but our Constitution has continued longer than any other written form of government. I believe that this is because it is a living, breathing, and evolving document. Indeed, it is evolution that we seek.

Originally, it sought to fulfill the promises of the Declaration of Independence, and that declaration grew out of our Nation's ordeal that we remember as the Revolutionary War. People at that time were, literally, bleeding for a crusade of liberty that they believed in. They knew the oppression of a distant authoritarian monarchy. They had a yearning to be free. They believed that freedom was bestowed upon them by their creator, and the Constitution reflects that.

The Declaration of Independence was a promise of liberty. The Constitution—this Constitution that I hold in my right hand—is a fulfillment of that promise. It continues to fulfill the promise not of politicians, but of the hearts of the people of our Nation.

I believe that American people, again, sense themselves oppressed by a distant authoritarian power. That authoritarian power is Washington. It has evolved, as such, since the Constitutional Convention of 1787. The oppression that the American people feel is an ever-increasing national debt and the heavy hand of big government. That big government comes as a result of more laws and more expenditures and more programs that are not paid for on a current basis. Rather, they are left to our children and our grandchildren.

Big government, aided and abetted by Congresses and Presidents, appropriates the future liability and promissory notes of our children and our grandchildren. History teaches us that modern day Presidents and Congresses cannot resist the temptation to spend us into oblivion. Those who oppose this balanced budget amendment speak with little credibility when they propose with sanctimony some alternative way. We have tried their alternative way, and it failed.

In last year's debate, Mr. President, we were told we did not need this constitutional amendment, because if you want to balance the budget, you could just go do it without it being required by the law of the land. So we worked 8 months, in 13 committees, on a 1,800-page Balanced Budget Act of 1995. We sent it to the President around Thanksgiving time. The President vetoed our work on December 5, 1995. We received not one bit of help from people who said we did not need a constitutional amendment. They thought that we could just do it, but they were wrong.

How many times did we hear on the Senate floor, just do it, and we did it without the constitutional amendment, without the help of people who said, just do it. Then, we got a veto from a President who says now he believes in a balanced budget. At the time of the veto he had not presented a balanced budget. We still do not have it, and we will not know if we will have it, even though we are going through the process of resolving to balance the next fiscal year's budget.

I have come to the conclusion that the only viable alternative is with a congressional commitment to a balanced budget through the constitutional amendment that we have before us. Living within our means must be the law of the land. Americans must know that we current legislators, and those who follow us, cannot enslave future generations to distant creditors. If there is any inalienable right, Mr. President, surely it is the one to know that you are not burdened for the cost of something that you did not have any opportunity to enjoy.

In 1775, Alexander Hamilton said something pertinent on this issue. He said:

> The sacred rights of mankind are not to be rummaged for among old parchments, or musty records. They are written, as with a sunbeam, in the whole volume of human nature, by the hand of the divinity itself; and can never be erased or obscured by mortal power.

Mr. President, this means that the people's will is the law, and the Constitution only becomes the law as enumeration of the people's will. It tells us that sooner or later the American people will again have their balanced budget, like they did for most of the first 170-year history of our country. The people will not ultimately be oppressed by our spending habits. If we do not show a commitment to a balanced budget, the people will balance the budget with a future Congress. Their first step toward that balance will be to replace the current Congress with its irresponsible spending habits. Our first step to avoid being replaced should be to pass a resolution for this amendment and send it to the States for their review.

The key to passing a balanced budget amendment is its abundant grassroots, bipartisan support. This support reflects the fact that Americans support the amendment by very, very large margins. It should, therefore, have passed this body a long time ago by equally large margins, but it has not. It has not because some Members of the other party have decided to play politics. Some want to try to deny any victory to Republicans for purely political reasons.

I think the American people deserve better. I think that the American people deserve a Government that responds to the will of the American people. They deserve a Government that spends only what it takes in; in other words, a Government that does what simple, common sense dictates.

Somehow, common sense eludes us. In the past, year after year, Members of one Chamber or the other voted down this constitutional amendment, and year after year, the budget deficit increased. Meanwhile, year after year, our children have been saddled with increasingly larger debt.

The American people, I think, expressed their desire to eliminate the burden when they elected a Republican Congress in 1994 for the first time in 40 years.

A balanced budget would mean a stronger economy, good Government, and more jobs produced by that stronger economy. DRI-McGraw Hill, which

has been called the world's leading nonpartisan economic analysis and forecasting firm, has concluded that the balanced budget amendment would add credibility to budgeting.

This credibility would lead to lower interest rates and a stronger economy. Mr. Greenspan, the Chairman of the Federal Reserve Board, says that for individuals balancing the budget would yield $2,300 less interest on a 30-year home mortgage, $603 less interest per year on a student loan, and $150 less per year on car loans. So we are talking about real economic benefit coming from our passing something like the failed Balanced Budget Act of 1995. Possibly we will succeed this year.

This same firm found that the lower interest rates resulting from the balanced budget amendment could create half the necessary savings needed to balance the budget in the first place. This is because interest on the debt is such a large portion of our Federal budget. Lower interest rates then mean lower payments.

I believe that the American people are willing to do their part to prevent future generations from being saddled with an unconscionable amount of debt. They are willing to do so even if it means that some Federal spending they support would be affected. This is especially true if our budgeting is done fairly.

I am reminded by a constituent of mine who told me he was a lifelong Democrat. He now votes Republican because he is certain that if we do not stop spending more than we take in, we will be the ruin of our children and grandchildren.

That is what this debate is all about today. It is about passing on the American dream to our children and our grandchildren. Americans of all political persuasions are realizing that the role of the Federal Government must be limited. Even the people of the other party are taking that view now in this town. So messages from the grassroots, expressed in the last election, are getting through, not only to Republicans, but to Democrats as well.

They know that all Federal programs have not delivered what had been promised. They also know that the sums of money that are spent on these costly programs are tremendous. Many of these programs have failed or are filled with waste and abuse.

I hope that the Senators who may have supported this amendment in the past, particularly in 1994 when it was the same wording as it is now—they changed their mind last time because of pressure from the White House—will come back to the original position they had when their party controlled the Congress. That was a time when their President was not fighting the language of this amendment.

It seems what was OK in 1994 should have been all right in 1995. Senators have one more opportunity in 1996 to correct that mistake. I think the reason to do it is because our children's future is too important for us to ignore this opportunity.

I have spoken before about my first involvement in legislation to balance the budget. It was not a constitutional amendment. It was a law to require a balanced budget. There was a Senator by the name of Harry F. Byrd from Virginia at that time. I think it was in 1978. I was a Member of the other body. I worked with Senator Byrd to pass a simple law that says, ''The Federal Government shall not spend more than it takes in.''

That was a very well-intentioned but law. Quite frankly, as I look back on it, it unfortunately was a very weak response to a very serious problem that was a lot less serious then than it is today. Because under our Constitution, as you know, succeeding Congresses can obliterate anything that a preceding Congress has done.

I learned an important lesson from that Byrd-Grassley legislation. Congress needs help with self-discipline. Each of the prior efforts to balance the budget, whether it was the Byrd-Grassley law or whether it was Gramm-Rudman I, Gramm-Rudman II, or other budget agreements in the 1990's, have all failed because they can be changed so easily.

Pure and simple, big government is addicted to big spending and the big debt that results therefrom. That is why a constitutional amendment is necessary. A constitutional amendment, though difficult to get adopted in the first place, is also difficult to change. It cannot be changed like Gramm–Rudman I or II was changed. So it would not be changed by a simple unwillingness of legislative bodies to follow its mandate and bite the bullet.

We take an oath to uphold this Constitution every 6 years when we are sworn into the Senate. We see the effective restraint that a constitutional provision brings to the States, as I have spoken of already. Because State legislatures that are controlled by conservative Republicans or liberal Democrats take a similar oath, the rule of law that follows it applies and is strictly adhered to.

So only the balanced budget amendment that is before us will ultimately restrain runaway Government spending. A new day will come when we have a constitutional amendment disciplining our spending appetites. The Senate's passage of the balanced budget amendment would show the public that we have decided to get serious about protecting the American dream and passing that dream on to our children and grandchildren. It is in doubt today with big debt, high interest rates, and a growth in the economy that is slower than it takes to sustain the American dream for our expanding population.

Because of high interest rates and high taxes, there are 3 million jobs that have not been created in the present recovery since 1992 that would have been created in other normal recoveries since World War II.

Our beloved, but imperfect, Constitution has allowed us to endanger the American dream because we have not yet added the written philosophy that our forefathers had in their hearts and practiced in the Congress. They did not put it into the Constitution because they did not think it was necessary. Now, 209 years later, we find it absolutely necessary to protect our way of life. We have an imperfect document except that the Framers gave us article V so that the people can change the Constitution when necessary.

The people are now asking us to vote to allow them the opportunity to amend the Constitution. Amending the Constitution is a prescription for protecting the American dream. So this vote that we have tomorrow is referendum in giving our constituents, particularly the younger ones, the right to preserve the American dream. In my view, that is an absolute necessity. It is a very clear choice between responsible spending or losing the American dream and our way of life. I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in strong support of this amendment. I want to pay tribute also to Senator HATCH, Senator CRAIG, and Senator THURMOND, who have been among the leaders on the Presiding Officer's side, and former Senator DeConcini on our side, as well as Senator HEFLIN and Senator BRYAN.

The charge is made that we are talking pure politics. I would be naive if I did not admit there is some politics in all of this. Obviously, BOB DOLE is a candidate for President, and he wants to stress this. I have to say, in fairness to BOB DOLE, this is not a phony position on his part. This is a stand he has taken all along. I am supporting Bill Clinton for President, but I appreciate BOB DOLE's stand on the balanced budget amendment.

To my Democratic friends, if you want to depoliticize it, pass it. To my friends on the other side who are opposed to a minimum wage, you want to depoliticize the minimum wage? Pass it. It will be eliminated from the election. And the same on the balanced budget amendment.

The Presiding Officer is from New Hampshire where in the woods and the trails of New Hampshire, prior to the Revolution, there was talk about ''taxation without representation.'' My latest grandchild is now 2 months old. Nicholas Simon, 2 months old, does not know anything about the taxation that has been imposed upon him. Talk about taxation without representation, that is what we are doing to future generations. Listen to the Democratic platform of one century ago, 1896.

> We are opposed to the issuing of interest-bearing bonds in times of peace.

Incidentally, no other country in history in times of peace has moved from being a creditor nation to being a debtor nation. Not only have we done that,

we have moved from being the No. 1 creditor nation to being the No. 1 debtor nation. It is like moving from Super Bowl champ to the very last place.

We have a lot of Jefferson-Jackson dinner parties. I assume the Presiding Officer has never been invited to one of these. Andrew Jackson said, ''I am one that does not believe a national debt is a blessing but rather a curse.'' Thomas Jefferson was not in the United States when the Constitution was written. He was over in Paris, negotiating for us. When he came back, he said, ''If I could add one amendment to the Constitution, it would be to require a balanced budget.''

It is very interesting, Laurence Tribe, a professor at Harvard who opposes the constitutional amendment, says this in testimony last year:

> Despite the misgivings I expressed on this score a decade ago, I no longer think that a balanced budget amendment is, at a conceptual level, an ill-suited kind of provision to include in the Constitution.

The Jeffersonian notion that today's populace should not be able to burden future generations with excessive debt does seem to be the kind of fundamental value that is worthy of enshrinement in the Constitution. In a sense, it represents a structural protection for our children and grandchildren.

There is, as the Presiding Officer knows, a lot of cynicism toward Government, much more so than in Western Europe, where the taxes are much higher than they are in the United States. I believe a fundamental reason for that is that, with the exception of Israel, no modern industrial State spends as high a percentage of its tax dollars on interest and on defense as does the United States. The average citizen does not see much for that. They do not see much in the defense area. Clearly, we have to spend money in defense. For interest, all we get out of the huge debt is higher interest rates. That is it.

Now, I have heard some of my colleagues say they cannot vote for this because of Social Security. My friends, that is a fig leaf. It would make more sense to say, ''Your astrologer advised you not to vote for this.''

The reality is, this provides more protection for Social Security than Social Security will have without this. Those who say, ''Well, let's make it 2002 excluding Social Security,'' not one offered an amendment to the budget to do that when that was up. Yet, they suggest we should enshrine it in the Constitution.

I, frankly, worked with Senator HATCH in trying to fashion something that over a period of years—and worked with Senator DOMENICI—over a period of years would slide into that, because you cannot do it from 2002 that quickly. That would harm the economy.

It is very interesting that the chief actuary for Social Security for 21 years, Bob Myers, says it is essential for Social Security that we do it. Now, why is that the case? As Adam Smith warned us in ''The Wealth of Nations,'' a classic document, he said that the history of nations is that you keep piling up debt and then you eventually debase the currency.

That is where we are headed—there is just no question about it—as you look at those long-term projections. We are going to keep piling up the debt, and then at some point the order will be made, ''Start the printing presses rolling; we are going to print the money. We are going to debase the currency. We are going to do what the economists call 'monetize the debt.' ''

I get a publication that has a very limited circulation, I am sure, called Grant's Interest Rate Observer. It comes out every week. Here is the most recent. You will be interested in these figures: May 17, 1995, foreign bank holdings of treasuries, $444 billion. May 15, 1996, a year later, $553 billion. It goes up and up and up. And Lester Thurow, the distinguished economist, says the question is not ''if'' foreign governments and people in other countries are going to stop buying our bonds, the question is ''when.'' We have to face up to this.

I heard Senator MURKOWSKI speak just a little bit ago in which he said 18 percent of our bonds are now held beyond our country. In fact, the figure is larger than that because a lot of it is hidden. Many countries prohibit their citizens from buying bonds from other countries.

Just take the 18-percent figure. If you take the $344 billion that is the gross interest expenditure that CBO now says it will be, take 18 percent of that—if my math is correct, I just calculated it here quickly—that is $62 billion that will be sent overseas for interest this year.

Now, there are some who believe if you help the wealthy, it will trickle down and help everybody. I do not happen to believe there is much validity to that. But there sure is not much validity to sending that $62 billion to wealthy people in Great Britain or The Netherlands or Saudi Arabia or Japan. That is not going to trickle down to American working men and women. That just does not make sense.

Mr. President, $62 billion abroad is four times what we are spending on foreign aid. In other words, we are spending four times as much on foreign aid to the wealthy as we are on foreign aid for poor people. That just does not make sense.

The head of the IMF has complained that the wealthy United States goes into the financial markets and raises interest, and poor countries have to pay that high interest. Prof. David Calleo of Johns Hopkins University calls that action obscene.

Now, to the credit of Senator DOMENICI and Congressman KASICH and people in this body who voted to say we will balance the budget in 7 years, to your credit on that side, you led the way on this. I voted for it in the Budget Committee, but you led the way.

Let me say, in all candor, we are not going to have a balanced budget in 7 years unless we have a constitutional amendment. We are putting all the tough decisions in the last years. That is true in the Democratic proposal; it is true in the Republican proposal. Those of us in public life like to do popular things. We need the discipline of a constitutional amendment.

We have great interstate highways today. President Eisenhower proposed issuing bonds to pay for it. A Senator by the name of Albert Gore, Sr., said, ''Let's not have deficit financing. Let's increase the gas tax and pay for it on a pay-as-you-go basis.'' His amendment, fortunately, prevailed. We saved hundreds of billions of dollars. That is what we have to do, put Government on a pay-as-you-go basis.

I heard Senator HOLLINGS earlier today, and I have great respect for him, talking about the need for some changes in our tax structure. Let me tell you, fundamental changes are not going to happen without a constitutional amendment.

I hear people complaining about Alan Greenspan and what the Federal Reserve Board is doing. Our primary problems—and sometimes I differ with Alan Greenspan—but our primary problems are fiscal, not monetary. The $344 billion we will spend this year on interest is 11 times what we will spend on education, 22 times as much as we spend on foreign aid, and twice what we are spend on our poverty programs.

The Concord Coalition—cochaired by former Senator Warren Rudman from the State of the Presiding Officer, cochaired by Paul Tsongas, which also has Paul Volcker on its board—did an economic analysis. The deficit, in the last 20 years, is costing the average American family $15,500 a year in income. I do not know of any families in Illinois or New Hampshire or Oklahoma who would not welcome that kind of an increase. But it takes some discipline to move us in the right direction. We have shown that we do not have it on our own. We need the discipline of a constitutional amendment.

We need to have, real candidly, political cover. We ought to do it on our own, but we are not doing it. We need to go back to whatever State we are from and say that we really hated to cut this program, we really hated to increase these taxes, but the constitutional amendment forced us to do it.

If there is anyone in this body who is not certain how to vote—and there probably is not—I suggest that they look at their children, look at their grandchildren. Forget who you might offend in this body and what they think. Look at those children and grandchildren and simply ask: How do we build a better future for them? If you ask that question, then the vote will be in favor of a constitutional amendment.

I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, if I thought, 10 years ago, I would be making this statement, I would say someone is out of his mind. But I have to say now that it comes from the heart when I say this. There is no loss in the history of the institution of the U.S. Senate as great as the loss that will be incurred when Senator SIMON submits his retirement and is no longer in this body. I say that in a very sincere way because Senator SIMON and I have a few things in common, but certainly political philosophy is not one of them. He is a liberal. I am a conservative. But he is very honest about his liberalism, and he is one who puts his priorities first. His statement about his children and grandchildren is very touching indeed.

Mr. President, I think that the vote we are going to be casting tomorrow will be the second most significant vote, perhaps in the last decade, but certainly in this session of the legislature. The first most significant vote happened yesterday when we made a decision in this country not to defend ourselves from nuclear missile attack. It is something I think we made a grave mistake on, because many of the other things are not significant now when you think about the threat that is out there.

What we are going to do tomorrow is certainly significant. I decided that a way to approach this would be to take, verbatim, the arguments that have been made in opposition to a budget balancing amendment to the Constitution and address each one of them.

There are ten arguments. I will read these:

Proponents have refused to lay out a detailed plan to get a balanced budget.

How can you tell if it would be good for the country if you do not know the details? Senator SIMON talked about a figleaf. This is a figleaf. I can remember when we lost this earlier—I guess last year—by one vote, and they tried to kill it in a way that they would not have to vote against it by putting an amendment on called the ''right-to-know amendment,'' which would outline everything that we are going to appropriate, everything that we are going to fund, every tax we are going to increase or decrease, for the next 7 years. Obviously, you cannot do that.

In a minute, I will show you the political philosophy of those individuals who voted for the right-to-know amendment, because those individuals, each one of them, voted against the final bill, and there is a common thread there that we need to look at.

I can tell you what we do know, which is that the status quo is bad—bad for the country. Business as usual cannot continue. We are to the point where we have to make a change. We did not have that luxury last year, or 10 years ago, even though we are working on this as a problem. I will say this. Those individuals who are going to vote against our balanced budget amendment to the Constitution tomorrow are liberals, but they do not go home and campaign that way. They are not politically honest with the people back home on their philosophy. How many times have you heard someone on the stump stand up and say, ''Vote for me and I will increase your taxes, I will increase spending, and I will increase the deficit''? You do not hear it. Yet, that is exactly what happens.

You cannot give a detailed plan as to how it is going to happen. Back in May 1961, President Kennedy decided that it was in our Nation's interest to have a man on the Moon in 10 years. He did not say what was going to happen, or how. He did not map out the details. We could not do it yet because the rockets were not built, the spacecraft was not designed, and the astronauts were not trained. Nobody said how we were going to do it. But we committed ourselves to it, and we did it.

Here is another one, argument No. 2: Proponents want to treat people like children, hiding the hard truth from them.

I can tell you that is not the case. My wife and I have been married for 37 years. We are into grandchildren now. One time, our No. 2 son was out learning to ride a bicycle. He was a very young child. I went out there and pushed him, and he got balanced. Finally, he was able to go all the way around the block. When he came back, he said, ''You know, Dad, I wish the whole world was downhill.''

The whole world is not downhill. What we are embarking upon, if we are successful in doing it, is not going to be easy. It is something that we have to do. We do not have a choice. We are out of time. We all know that the world is not downhill. We have to pedal uphill. It will take sacrifice. But for our children's sake and future generations, we have to do it.

Third is that proponents say they are tired of Washington telling people what to do—the Washington-knows-best mentality—and that the balanced budget amendment is the ultimate Washington mandate.

My response to that is, no, they have it backward. Those who oppose the balanced budget amendment to the Constitution are the guys who have been running this show for the last 40 years, who have created this $5 trillion debt. They are arrogant in saying that we know what is better. Yes; future generations are going to have to pay for this. But that Washington-knows-best attitude is what got us where we are today, that continuing business as usual for all these years. They say that despite the fact that 70 to 80 percent of the people in America support a balanced budget amendment to the Constitution. Why? Because they know that without that fiscal discipline forcing them to do it, we are not going to do it.

I think the public spoke loudly and clearly in the elections of 1994. It was, in fact, a Republican year, and in a minute I will document this and show this to you. A lot of people that are going to be voting against this will not be around much longer. In a way, the balanced budget amendment is a mandate for fiscal responsibility on Congress, and it will not mandate unwanted regulation on the States or the people.

Argument No. 4: All these Governors who are boasting about cutting taxes in their States should know that the balanced budget amendment will require them to impose huge State tax increases.

Well, that simply is not true. I think the Governors know it. The Governors are supporting this. In fact, let us keep in mind that if we are successful in passing this at noon tomorrow, three-fourths of the States are going to have to ratify this. It is not something we can do unilaterally. I agree with the statements made about the sanctity of the Constitution. That is why the Founding Fathers made it so difficult. The States will have to make the decision, and if they think it will increase taxes, they are not going to support it. They know it will not do that. These States that have been cutting tax rates are actually enjoying increasing revenue. History has shown that is the case. You can increase revenue by cutting tax rates. President Kennedy once said, ''We have to have more revenue, and we are going to cut taxes,'' and it worked. Look what happened in the United States of America. In 1980, our total revenues were $517 billion. In 1990, 10 years later, it was over $1 trillion. It doubled in that period of time. That was a period of time when the tax rates took the largest cuts we have had in any 10-year period in history, from the marginal rates. In 1980, it was $244 billion that was derived from income taxes. In 1990, it was $466 billion. That was after tax reductions.

But this mentality we have in the White House and the administration does not agree with that. They do not look at history. They are too smart for that. Laura Tyson, the chief economic adviser to the President of the United States, was quoted in the Wall Street Journal on December 30, 1992.

She said:

> In direct contradiction to the 12 years of Republican ideology, there is no relationship between the level of taxes the Nation pays and its economic performance.

Of course, if you believe that, they just keep raising taxes. We know better. The people of America know better. The balanced budget amendment will require a rate of increase in Federal spending to be slowed down. The States will rejoice when they can do this, and three-fourths of the States have already said it shall be no problem at all in ratifying this.

Three-fourths of the States have a balanced budget amendment to their State constitution. In 1941, my State of Oklahoma had a balanced budget amendment. These same arguments

they are using today were the arguments they were using back then, and it has worked since 1941, and it has worked in the rest of States.

Argument No. 5: The balanced budget amendment is a pig in a giant poke.

I do not know what this means. I do not know that anyone else does. But I would say this: That the real pig in the poke was pointed out to me by someone who called me up. I was called up after that statement was made by a young lady, a beautiful young lady professor at the University of Arkansas, the home State of our President. She called up and had seen that apparently on C–SPAN. Of course, in Arkansas they know something about pigs. They have the Arkansas Razorbacks, and they use the pigs and the hogs and the hogs and the Razorbacks kind of interchangeably. This young lady was Dr. Molly Rapier on the staff at the University of Arkansas. She said the pig in the poke is in Washington—not outside of Washington. It is those individuals who are spending more and more and more and getting to the trough first.

The sixth argument that has been used: The balanced budget amendment will give the politicians license to cut and slash and burn needed programs.

This is the big argument they use to make it appear as if we are going to be slashing Government programs, and then they zero in on either the elderly or veterans or somebody else to make them think that we are going to be cutting programs.

The Heritage Foundation came out with a study. This was conducted by economists and Ph.D.'s from all over the country from major institutions. They came up with the conclusion—this is a couple of years ago—that we could actually reduce and eliminate the deficit in a much shorter period of time merely by putting growth caps on. I called to get an update from them today. They said if we had growth caps on all Government spending of 1.5 percent we would balance the budget in 7 years including the major tax cuts that the Republicans are asking for to stimulate the economy. These are the economists that are saying this.

So we know that this argument is being used, and it is another figleaf, as has been so articulated and presented by the distinguished senior Senator from Illinois, Senator SIMON. I think that it would do one thing, and that it would cause a counterpressure.

A study was made not too long ago about all the people who come to see Members of Congress in the House and the Senate. Over 98 percent of them are in there to get more money for some cause. Some are lobbyists, some are citizens, and some are employees that are in for more money for their causes. So there is nobody out there speaking for that 80 percent of the people who want to reduce the size of the cost of Government. This would do this.

I remember one of the best speeches I ever heard was way back in the 1960's when a great communicator, Ronald Reagan, gave a speech, his first political speech, called ''Rendezvous With Destiny.'' He said, ''There is nothing closer to immortality on the face of this Earth than a Government agency once formed.'' I think we have learned it is true. It is very difficult with the political pressures to cut the size of Government.

The seventh argument is:

> Senators are sent here to make intelligent and well-informed decisions on the people's behalf.

I have heard this so many times from liberals—saying, ''We do not need that because that is our job. We are elected to balance a budget.'' We have not done it. We have proven that we are incapable of doing it for 40 years. So we have been forced to do it.

That is exactly what this would be. This is not anything that is a new idea. Thomas Jefferson said when he came back from France during the development of our Constitution that it could have been improved by having something in there to stop the Americans from going into debt.

I can remember a guy named Carl Curtis from Nebraska back in 1974, Mr. President. I was in the State Senate of Oklahoma at that time. He had an idea. He was a great conservative from Nebraska. He said, ''I know how we can balance the budget.'' He said, ''We can get three-fourths of the States to preratify, and then we could use this an as argument saying this is a mandate from the States.'' So I introduced a resolution in the State senate in 1974, and it passed to preratify the Constitution. It is something that has been around for a long time. It is something that we have an opportunity to achieve tomorrow.

In response to the opinion polls, a statement was made not long ago on this floor by one of the Senators who is opposed to a balanced budget. He said, ''The proponents talk about public opinion.'' Years ago Talleyrand said, ''There is more wisdom in public opinion than there is to be found in Napoleon, Voltaire and all the ministers of state present or to come.''

But this is true only to the extent that public opinion is informed opinion. In the case of a balanced budget amendment it is not informed opinion. I have to tell that very distinguished Senator in all respects that he is definitely wrong.

I would submit that the people of America know that we cannot continue on the road that we are on. I would submit that Talleyrand was exactly right when he said, ''There is more wisdom in public opinion polls than there is. . .''—and to bring it to up today's vernacular, ''. . . to be found in the President, the President pro tempore, and all the ministers of the Clinton administration and the liberal Democrats who are lobbying against the balanced budget amendment.''

Let us keep in mind Talleyrand, who was there during the Napoleon reign, also had another quote which was ''Throw mud, throw mud. Some of it may stick.'' That is exactly what has been happening during this debate.

The ninth argument was:

> The 1990 and 1993 budget deals worked. The way to deal with the deficit is to continue the successful deficit reduction effort for the last 5 years. Since 1990, we have achieved over $900 billion in deficit reduction.

I do not know. There was an article in the Reader's Digest not long ago called ''Budget Baloney.'' They talk about how we are saying things here to make people think we are doing something constructive by eliminating the deficit. The debt has grown and grown during this administration.

I will have to say this. I do not want to sound like I am blatantly partisan. In 1990, when George Bush was President of the United States, he caved in to the liberal Democrats that were controlling Congress at that time, and he agreed to a tax increase. It was the wrong thing to do. I voted against it. I spoke against it when I was serving in the other body with the distinguished Presiding Officer. I can remember being on ''Nightline'' as one of the few people to stand up against his own President because it was wrong. In 1993 when President Clinton had control of both the House and the Senate it was ''the largest single tax increase in the history of public finance in America or anyplace in the world.'' Those are not the words of conservative Republican Jim Inhofe. Those are the words of PATRICK MOYNIHAN who was the chairman of the Senate Finance Committee at that time. But in both cases the results belie the claims of success.

If these two huge, painful budget deals were successful in reducing the deficit, then Heaven help us. Just look at the figures. This is the President's own budget book. Under his plan, by 1998 our debt will increase by $1.1 trillion. These are the President's figures. By the year 2000, $1.1 trillion. That is something that we cannot afford.

The last one that I want to mention is to quote the argument:

> The balanced budget amendment is nothing more than a slogan, an empty promise. Most Senators who support it will not even be here in the year 2000 when it will take effect.

You know the problem is that the Members of Congress who are responsible for creating this burdensome national debt will not be here when our children have to pay for it. It has been said several times on this floor. The Congressional Budget Office figures support the fact that a person born today, unless we change it, will have to spend 82 percent of his lifetime income just to support the Government's extravagance that we are guilty of today.

So let me just mention that talk is cheap. There are those who oppose it. Those individuals who oppose the balanced budget amendment, they are the ones—the same ones as I suggested earlier in my talk. I suggested that those individuals who voted against a balanced budget amendment the last time

and are planning to vote it against it this time, even though they will not go home and tell the people they are going to do this, are the liberals.

How do you know if they are liberals or conservatives? You do it by looking at how they are rated. You do not want to stand up and call people names. There are ratings organizations out there. The National Taxpayers Union rates as to how we vote. If we are big spenders they say we are. Of those 33 individuals who voted against the balanced budget amendment when it was up last time, all 33 voted for the largest tax increase and the largest spending increase in the history of public finance. All 33 of them got either a ''D'' or an ''F'' by the National Taxpayers Union. That is incontrovertible. They are liberals. They will not say that at home. But they are. And I suggest there is something else that is incontrovertible; that is what has happened in the past. Those individuals who were voting for the large spending increases and the tax hike and who received a ''D'' or an ''F'' are the individuals who either were defeated or who retired in the 1994 election.

So I think it is something we need to look at, and I am hoping that those individuals—as the distinguished Senator from Iowa [Mr. GRASSLEY] said, a lot of the Senators who are voting for this because they want to go the party line instead of voting with the people at home better really stop and think about it before noon tomorrow because the people at home are not going to forget.

I can suggest to you that we have had several people who are going to be voting against it who have actually made these statements at home. The Senator from North Dakota, [Mr. DORGAN], said in the CONGRESSIONAL RECORD March 1, 1994: ''This constitutional amendment, no matter what one thinks of it, will add the pressure that we reconcile what we spend with what we raise.'' And he will most likely vote against it. If not, the resolution will pass.

Senator HOLLINGS said, ''I can offer my colleagues 3.5 trillion reasons for a balanced budget amendment to the Constitution. It ought to be a minimal moral obligation of our National Government. So let us debate, pass and ratify the balanced budget amendment. By writing a balanced budget amendment into the basic law of the land, we will compel Washington to do its job.'' That is Senator ERNEST HOLLINGS, March 1, 1994.

Then we had our very, very distinguished minority leader, Senator TOM DASCHLE, from South Dakota, who said on February 28, 1994: ''Too much is at stake for us to settle for the status quo. A balanced budget amendment will provide the fiscal discipline our Nation must have in order to meet the needs of the present generation without bankrupting those in the future.''

I only say that not to embarrass my colleagues because they are all very distinguished, but they certainly had a change of heart between the time they were making these statements and what will happen tomorrow. I am hoping that two out of three of these individuals who made the statement will turn around and remember what they said in 1994 and will vote for it, and we will pass a balanced budget amendment to the Constitution.

Lastly, Mr. President, Senator SIMON talked about his grandson, Nicholas Simon, and I think that is really what it is all about. Kay and I have a bunch of kids, and our No. 3 child, Molly, just last January 9 called me up and said, ''You know, Daddy, I'm about a month overdue, and they are going to force labor today. Would you come over.'' And I was right over there. She said to me, she said, ''Daddy, would you like to come in the delivery room when we deliver Baby Jase.'' Nowadays they peek. They know what it is. Back when we were having kids, they would not let you in the hospital, let alone the delivery room. And so I said, ''Yes, I want to do it.''

I went in there and stood behind the bed, and we made it through this process. It made me appreciate my wife a lot more than I did before. And finally Baby Jase was born, Baby Jase right here was born. This is on January 9. And he had taken his first breath. He was not even a minute old when she handed him to me. She said, ''Daddy, would you like to hold Baby Jase?'' I held Baby Jase, and I looked at him, and the thing that came to my mind at that time was, as we were speaking at that very moment, Baby Jase was inheriting $19,000 as his share of the national debt; that if we do not do something to change it like we are proposing today, if we do not pass this balanced budget amendment, then Baby Jase is going to have to spend 82 to 84 percent of his earnings paying it.

What do you think he did to deserve that? He did not do anything. That is why I say, Madam President, this is not a fiscal issue that we are considering. It is probably the most serious moral issue we have dealt with since I have been in the Senate.

I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Alabama is recognized.

Mr. SHELBY. Madam President, Webster's dictionary defines the term ''red herring'' as ''something that distracts attention from the real issue. [From the practice of dragging a red herring across a trail to confuse hunting dogs].''

The reason I share this definition with you tonight is because most of the arguments we have heard in objection to the balanced budget amendment amount to little more than red herrings. The objections, I believe, are simply distractions from the real issue before us.

The real issue before us is that Federal spending is out of control, make no mistake about it, and unless we pass a constitutional amendment to control spending, our children and grandchildren will never know the America we take for granted.

The United States has a current national debt of more than $5 trillion, and based on projections under President Clinton's latest budget it will be more than $6.7 trillion by the year 2000. I have said it before and I believe I will say it again tonight, Madam President: Debtors are never free; they are only subject to the dominion of their creditors. That is the real issue here.

Throughout the debate on this issue, we have heard no less than five red herrings repeated time and again. I ask you to listen carefully as I go through them one by one and explain why they are just distractions from the real issue.

Red herring No. 1 I will share with you. Red herring No. 1: ''The balanced budget amendment would raid Social Security and put the burden of balancing the budget on the elderly.''

Nothing could be further from the truth. The fact is that there is no Social Security trust fund—no Social Security trust fund. The surplus of which many speak is actually a form of IOU. The purpose of the balanced budget amendment is to ensure the solvency of the United States so we can protect the living standards of Americans and pay our creditors. I believe if you truly care about the elderly and clearly understand the issue at hand, I see no other option than to support the balanced budget amendment.

Proponents of a balanced budget amendment know that protecting our Nation's economic solvency will do far more to protect the standard of living of every American than to rely on blatant political halfhearted remedies that, in the end, do more harm than good.

Red herring No. 2 I will share with you. Red herring No. 2 is that ''the balanced budget amendment is not enforceable. The amendment would curtail the authority of and respect for the U.S. Constitution.''

Again, there is no truth in that. The amendment speaks for itself. Section 2 of the amendment requires a three-fifths vote to increase the debt ceiling. If you consider that insignificant, I ask you, why do we vote every year to increase the debt limit? Why does the President submit his budget by the first Monday in February every year? Neither of these procedures are identified in our Constitution. Indeed, these budget procedures are based on statute.

As U.S. Senators, we are obligated to abide by the law. To suggest that Members will arbitrarily disregard the Constitution at best undermines the role Congress plays in our participatory democracy.

Red herring No. 3 I will share with you. What is it? They say, ''The balanced budget amendment will have dire consequences on the elderly and the children.'' Nothing could be farther from the truth. Again, on the one hand,

the opponents of the constitutional amendment to balance the budget will say that the balanced budget amendment will lead to draconian cuts in very critical programs. According to them, every old person, young person, and poor person will be hurt by balancing the Federal budget. But, red herring No. 2 claims that the balanced budget amendment is not enforceable. No amendment will be able to force the President and Congress to balance the budget. Who is going to sue them, they ask?

Which is it? Are we going to experience draconian cuts or are we not? The arguments against the balanced budget amendment contradict each other, they say. Since the logic is inconsistent, opponents will try to paint a dreadful picture to the American people, hoping this will elevate opposition to the balanced budget amendment.

I have a frightening picture I would like to share with the American people. Imagine a day 30 years in the future as your children are planning to retire. They have worked all their lives, spent frugally, and saved religiously. Yet the Federal Government has continued to run massive budget deficits, piling up an unconscionable amount of debt. One day your children wake up and find that the rest of the world no longer believes that the United States is able to meet its financial obligation. Thus, the value of the dollar crashes in financial markets. The Federal Reserve cannot stop the falling dollar. And, in response, the Treasury prints money. Suddenly—yes, suddenly—your children's assets are worth half of what they were a day before. Inflation is rampant and we are reduced to a Third World country. Everything your children have worked for has been taken from them because some Members of this body did not think that addressing the debt was important.

We know it is important. In order to pass the America we know on to our children, we must restrain ourselves from passing our bills on to our children and to our grandchildren.

Red herring No. 4. You have heard this. The opponents say, ''The balanced budget amendment is just some popular idea we are voting for, brought about by the Contract With America. We need time to think about a balanced budget amendment.''

Do we? The fact of the matter is that the balanced budget amendment is not a new idea at all. It has been debated right here in the U.S. Senate. One of Thomas Jefferson's well known sayings is, ''If I could add one amendment to the Constitution, it would be to prohibit the Federal Government from borrowing funds * * * We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves.''

In 1936, Congressman Harold Knutson of Minnesota proposed the first constitutional amendment to balance the budget. Since then, a number of balanced budget amendments have been proposed. We have held hearings as far back as 1979, and even voted on the amendment. Indeed, the issue has come up several times since then. Several of the Senators opposing the balanced budget amendment today have been around for many of those debates. The balanced budget amendment is not a new idea. We know the issue all too well. We are not rushing to judgment.

Red herring No. 5, that I will share with you. The opponents say—we do not believe it, but they say: ''Federal accounting does not allow for capital budgeting. Federal accounting would throw chills down the spine of any business executive.''

Trying to confront the arguments against the balanced budget amendment is like following a bouncing ball. When they are defending Social Security, the books are fine, they are in surplus. However, when we discuss the tremendous deficits and debt of the United States, the Federal accounting is somehow inept. Once again, there is an inconsistency in the opponents' reasoning. If you maintain the argument that Federal accounting is flawed, then one must take another look at the books of the Social Security trust fund. The bottom line is there is no fund, there is no surplus. According to accounting rules used by business executives, liability exceeds assets. By definition, that is not a surplus.

In addition, I hear analogies being made between the Federal budget and the homeowners who enter into substantial debt when they purchase a house. The difference is that homeowners do not buy a house this year, next year, and the year after that. A homeowner pays down the principal each month, each year. The Federal Government, on the other hand, never gets to this point because it has to borrow just to pay the interest. It is a perpetual problem that all of us are familiar with, that feeds itself.

The balanced budget amendment opponents have used every red herring imaginable, hoping just one of them will distract for a moment the American people from the issue at hand. But the fact is, Madam President, the trail of debt now tops $5 trillion, as I said earlier. The red herrings of a balanced budget amendment will not convince anyone on Wall Street or Main Street. The hunting dogs were not confused. The time has come for a balanced budget amendment to the Constitution of the United States of America if we are going to save anything for our children and our grandchildren.

I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Madam President, I note a little over a year ago this body rejected this proposed amendment. A great deal has happened since then, but none of the fundamental flaws of the joint resolution have been corrected. It still raises serious problems related to the role of the courts and the power it might confer on unelected judges to set our national budget policy. It remains a serious and real threat to Social Security. It continues to risk expansion of Presidential impoundment authority.

Madam President, all of these faults are still there, they still remain. But there have been significant events in the last year that do bear on the proposed constitutional amendment, and they go to the very heart of the arguments put forward by the proponents of the constitutional amendment.

The central reason offered by the proponents of the amendment is that without this constitutional mandate we will not balance the budget. That argument was appealing but ultimately unpersuasive a year ago. It remains unpersuasive today.

Prior to the vote in 1995, President Clinton and the 103d Congress had just finished cutting the deficit in half—the first time for 3 years in a row that the deficit had gone down, and not just by a little bit, but by half. The effects of the deficit reduction package we enacted brought the deficit down from what would have been nearly $300 billion in this fiscal year to what is now projected to be $145 billion, or even, based on the very most recent estimates, $130 or $120 billion. In far less than just one Presidential term, what would have been a $300 billion deficit is now something in the range of only $125 or $130 billion. It is a tremendous achievement in the right direction, one which I bet almost no one would have predicted could have happened in this short a time.

We were clearly on the road to balancing our Federal budget. Since that time we have seen a number of different balanced budget proposals offered by Republicans, and then others offered by Democrats, and still others offered by bipartisan coalitions. Of course, the President has become the first President in many decades to submit a budget that is actually balanced. All of those plans were drafted without the presence of a constitutional mandate. In fact, I firmly believe those plans would not have been proposed and would not have been forthcoming but for the failure of either party to find political cover in the adoption of a constitutional amendment. Without the ability to hide behind a lengthy, multiyear ratification process, this Congress had no excuse. The Congress, in effect, by not having a balanced budget amendment being considered by the States for several years, is really being forced every day to try to live up to all the rhetoric that has spilled on this floor in the name of balancing the budget.

I proposed a specific plan to balance the budget in 5 years when I was running in 1992, and I am especially pleased to be able to say that several dozen of the provisions of that plan have already been enacted into law in some form or another. They are part of the progress that we have made in reducing the deficit by more than half

since 1992. I will continue to push individual provisions from that balanced budget plan, as well as add other ideas to it.

Madam President, I believe a majority of both Houses strongly supports a balanced budget and is willing, even today, to set aside partisan differences to accomplish this most important of our economic goals. But that is not what this proposed constitutional amendment is all about. What the proposed constitutional amendment is about, or at least the idea of having this vote at this time, tomorrow, is all about, is politics.

Does anyone doubt that the outcome of this vote will be any different than the vote taken last year? Nobody has said that on either side. Then why have we returned to this issue right now? The answer is clear. This vote is being taken for purely political purposes. The drive for the constitutional amendment in my view has largely been political from the beginning.

We should not be shocked by that. Congress, by its nature, is a political institution. That is understood and to be expected in such an institution.

What is disturbing, though, Madam President, is the willingness of some to risk our Constitution in this manner to gain temporary political advantage. The so-called balanced budget amendment is only one of many constitutional proposed changes. Too many of them, I think, are again for largely political ends. I think each of them is unnecessary; some of them are grossly irresponsible.

As I noted earlier, the call for this constitutional amendment certainly cannot stem from the lack of discussion and effort and consideration of the issue of balancing the budget. There are a sufficient number of plans to do that now, and though the plans do have some significant differences, I think there is a broad middle ground on which a consensus plan that achieved balance could be enacted.

No, Madam President, for a majority of the supporters of this proposal, the constitutional amendment is more of a political device, pure and simple. It is one of a series of political statements that is repeated over and over that those folks hope will gain them the advantage with the voters. How else can one explain the almost incredible contradiction of voting for a constitutional amendment to balance the budget and saying that is your top priority and then at the same time insisting on the fiscally irresponsible deficit increasing tax cuts?

As I have noted previously on the floor, we are in the middle of a stampede of proposals for tax cuts: Gasoline tax cuts, adoption tax credits, a whole slew of new business tax cuts, apparently tacked on to the minimum wage bill in the other body, and, of course, a $122 billion tax cut in the current budget resolution which was passed by this body just prior to our recess.

The chairman of the Budget Committee in the other body was purported to have suggested the tax cuts provided for in the tax resolution might even total $180 billion. Let me note that not everyone who supports this proposed constitutional amendment has advocated these tax cuts, in fairness. Some of its advocates supported efforts to strip the $122 billion tax cut from the budget resolution and instead dedicate the savings toward deficit reduction. But, unfortunately, Madam President, those people who both supported the balanced budget amendment and were willing to forego the tax cuts—a consistent position—were just too few in number.

The overwhelming majority of those who support this amendment to our Constitution have consistently supported tax cuts over deficit reduction when it came to a vote last month. And I have said it many times on this floor, and I will say it again: What is wrong with that? What is wrong is that you cannot spend a dollar twice. You cannot spend it on deficit reduction and spend it on tax cuts. You can only spend it once, but the folks who say they want the balanced budget amendment and want tax cuts want you to think you can spend it twice, and you cannot.

The overwhelming majority of those who support this amendment to our Constitution also supported the absurd parliamentary ruling that endorsed the special reconciliation rule for a measure that is intended not to reduce the deficit—not to reduce the deficit—even though that is what supposedly the budget resolution is about, but to increase it by having more tax cuts when we cannot afford them.

Madam President, I will make the following not very bold prediction: Before the summer is out, an overwhelming majority of those who support this amendment to the Constitution will be leading the rally behind a massive tax cut plan that will be even larger than those we have seen today. The tax cut frenzy is only beginning to gather steam. There is only one plausible explanation for that inconsistency, and, gee, it looks a little bit like political expedience.

For the sake of avoiding a politically difficult stand, the overwhelming majority of those who support this joint resolution will accede to only what can be called, in my view, a reckless tax cut plan that severely undermines the very goal they maintain requires this new constitutional protection. Of course, there will be economic gymnastics to accompany a tax proposal, and we will all be told that plus is minus, that up is down by the same crowd that helped us get into this fiscal mess in the first place with trickle-down economics. And I suspect that because they desire a political victory here, some will actually come to believe their own rationale, despite the clear evidence that it did not work before.

A little over a year after failing to get sufficient support for the proposed constitutional amendment, the supporters of the joint resolution will, once again, get what they desire, and that is a vote, a vote they can use for political ends, promoting themselves or attacking others. The age of the 30-second television commercial and the 2-minute news story really does reward this kind of gesture. We all know it.

If you say you are for a balanced budget amendment, a lot of people think you are saying you have come up with a plan to actually balance the budget, even though the two things have very little to do with each other. It has spawned dozens of constitutional amendments, and it will produce more. We may live in a political world in which it is uncomfortable to do the right thing, but, Madam President, I do not think we were elected to be comfortable.

Our Nation's Founders wisely incorporated the two-thirds threshold to protect against just this kind of politically motivated abuse of our Constitution. I earnestly hope that one-third plus one in this body will tomorrow and in the future continue to have the political will necessary to stand up for that great document and give the American people the kind of Government they truly do deserve: a Government that is focused not on short-term political expedience but on the long-term solutions to our problems and, in particular, the true effort to do what we can and should do here without sending this to the States, and that is a topic and priority of our country to balance the budget within the next very few years.

I yield the floor.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. SMITH. Thank you, Madam President. A famous President not too long ago, Ronald Reagan, said, ''Here we go again.'' Here we go again, back with the same debate we heard last year in November, that somehow we do not need a balanced budget amendment, because all we have to do is balance the budget, show the political will, get the job done, make the tough decisions. That is what we hear over and over and over and over.

As has been said all day in this debate, the truth of the matter is, in spite of the rhetoric, the political will is not here, and it has not been here, which is why we must have the amendment.

I have just been fascinated, since I had the opportunity to be around the floor for the last couple of hours, both as a presider and just listening, to hear some of this rhetoric regarding the balanced budget amendment, the number of excuses as to why we do not need the amendment. It is incredible. There is one right after the other: We do not need it; it is unnecessary; we can balance the budget, make the tough decisions; just need the political will.

Yet, when it came down to doing it, we put a balanced budget on the desk

of the President of the United States and he vetoed it. We have not been able to get a balanced budget passed. So we need the amendment. It is as simple as that.

When the balanced budget amendment was before the Senate in 1995, we were told then that an amendment to the Constitution was not necessary, as we had been told many times before, if Congress did its work. Congress is not doing its work, and, therefore, we need the amendment.

It is interesting as to just what this amendment does. I think the American people should understand, and it has been said on the floor before, but we are simply asking people to vote tomorrow to let the States and the people decide whether they want to amend the Constitution of the United States.

No amendment passes here tomorrow. We do not have an amendment if the Senate gets 67 votes. That does not happen. What happens when we vote here tomorrow is that this will then go to the States where three-quarters of the State legislatures would have to agree.

That is all we are asking to do. We are simply asking this Congress, who at times appears to have this know-it-all attitude, to send this back to the States. Let the States decide whether they want to amend the Constitution. If they say no, there is no amendment.

I campaigned for a balanced budget when I first ran for political office in 1980. The national debt was nowhere near $5 trillion then. And 16 years later—16 years later—we are still debating the proposal, trillions and trillions of dollars added to the debt since that time.

To hear the rhetoric in here, you would think it was not important, it did not matter, we do not need an amendment. Why would anyone like myself and others devote more than a decade of time to fight for this balanced budget amendment or to fight for a balanced budget, either one? The answer is very simple.

I am going to take a different approach here. We have heard a lot of speeches today. If some people have listened all day, they have probably heard a lot of things repeated. I am going to take a different approach. This is going to come from the people, not from this Senate, not from this Senator, not from some bureaucracy in Washington. I want to say what impact this amendment to the Constitution will have on the people of this country, ordinary men and women, all over America. I want everyone to know what balancing the budget will do to their lives, the lives of every single American man and woman in a very real and very tangible way.

The Senator from Oklahoma, Senator INHOFE, had a picture here of his grandson on the floor moments ago. That child has an $18,000 debt today. There will be hundreds of children born here in America during my remarks on the Senate floor today. Each one will be born $18,000-plus in debt. That is their share of the national debt. Is that fair? Is that fair to that child? Is that fair for us to do that?

I was listening very carefully to the Senator from Wisconsin a moment ago. Is it really so unfair of us to ask that the people who are suffering the brunt of this debt have the opportunity to say whether or not they want an amendment? Is that so bad? I cannot understand why those with this know-it-all attitude in Washington would take that position.

Again, I repeat, no amendment becomes an amendment because we vote for it with 67 or more votes tomorrow. All we are asking is that that little child who really cannot vote yet that the Senator from Oklahoma referred to moments ago, through his family, have the right to say through their State legislature in Oklahoma and 49 other States whether or not they want to amend the Constitution because the politicians are not getting the job done. That is all we are asking. It is very clear that we understand that. That is all we are asking.

I just announced recently for reelection to the U.S. Senate, a great honor. My seat in this Senate does not belong to me. It belongs to the people of New Hampshire. Right over there on the floor—I am not using it at this moment—is Daniel Webster's desk. Daniel Webster's desk is one of the few original desks in this Senate Chamber. I often speak from it. I often write on it, write letters to constituents on it. I think about the fact that I am just a temporary steward at that desk, just a blip on the radar screen of eternity. That is all we are.

Sometimes we think that we are a big deal in here, we are in the U.S. Senate and we are very important people. But you know, in the scope of things, we are really not all that important. In the radar screen of life, of eternity, we are a blip, a very small blip at that.

Daniel Webster stood at that desk on the floor of the U.S. Senate in the old Chamber and gave some of the greatest speeches of all time. Webster and Calhoun and Clay were some of the great orators. He stood at that desk. But, again, Daniel Webster was a blip on the radar screen of eternity.

So we have an obligation. We are only here a brief time. But think about what we are doing to the children and the grandchildren and their grandchildren. The distinguished Senator from Illinois, Senator SIMON, who spoke while I was in the chair, gave a very eloquent speech. He said in jest, the Senator from New Hampshire probably had never been invited to a Jefferson dinner or a Jackson dinner because they were usually chaired by the Democrats, who obviously look at Jackson and Jefferson as heroes. I look at Jackson and Jefferson as heroes. I am not a Democrat, but I would not hesitate to go to a dinner honoring Jackson or Jefferson.

But this party that leads the defeat of this amendment is not the party of Jackson and Jefferson, I can assure you. Jackson and Jefferson would be for the balanced budget amendment. Jefferson already, early in his life, right after the Constitution was formed and written and the Government was formed, spoke out saying he felt it was a mistake that we did not have an amendment to balance the budget.

So I am often asked what is it like, what I do like the most about being a U.S. Senator. Boy, I could say a lot of things. I have met Presidents. I have met foreign leaders. I walk around here with some of the great Senators of our time. You can really get an ego about that if you want to, but I do not. I really do not. You know, without hesitation, when I am asked that question—and I am asked it often—I say every time, I like being a Senator because I enjoy helping people. That is the truth.

We get a chance to help people get through this maze of bureaucracy, whether it is an immigration case or perhaps some other matter where somebody is having a tough time with the Federal Government, perhaps a veteran or whatever.

I think about what does that have to do with this debate on the balanced budget? We can help people. We can help people by balancing this budget more than a million cases that we might resolve in our offices, more than 10 million cases that we might resolve in our offices. We can help the American people, like little Jason, whose picture was on the floor here with Senator INHOFE a moment ago, and millions of others, men, women and children, because the Joint Economic Committee estimates that a balanced budget would create 4.25 million jobs, new jobs in America, upon its passage.

That is 4 million people working, 4 million people feeding their families, not on welfare—obviously, taken off welfare if they were on it—providing revenue to the U.S. Treasury, to provide funds to do something good, hopefully, for someone else. That is 4.25 million new jobs if we pass the balanced budget. Those are not Government jobs, my colleagues. They are not here in Washington. They are jobs all across America as a result of the spurt in economic activity that would occur because that amendment passed.

The American people do not want a Government handout. They never have. They want to work hard. They want the opportunity to earn a decent living and be left alone. ''Leave us alone. Let us earn our way through life. We don't want you to give us handouts. We want you to get out of the way. You are here to protect us, to defend us. And you're not protecting us and you're not defending us when you run us into debt and you give it to our children, $5 trillion.''

That is today. If you think of debt today as a hockey stick, the first 200 years of our Nation was the toe of that hockey stick, and the next 10 or 15

were the handle of the stick. It goes up like this. Then the next 10 or 15 we are going to go so far out of the way, $10, $15 trillion, that, as others have already said many times today, we will file the equivalent of chapter 11, bankruptcy. It will happen. Then what happens to our grandchildren?

The debate is about our grandchildren and their children. It is about simply asking those young folks and their parents and relatives to have the opportunity to vote through their legislatures to pass or reject a constitutional amendment. That is all this debate is about on the Senate floor. Anybody who says anything else is simply not accurate.

What else does a balanced budget do for those people out there who work, those whom we represent? How about our sons and daughters who go to get a good education in college? I have a daughter who just graduated from Lafayette College in Easton, PA, on May 19. The cost was roughly $100,000 in 4 years.

In higher education, whether it is public or private, it is not cheap, obviously. It is going up.

Now, think about those 21-22-23-year-olds who earned their diplomas last month, or perhaps a few this month. Many of them are facing, today, an uncertain job market. Why is it uncertain? Because of the fiscal irresponsibility of this Government, for one thing. I have already mentioned how a balanced budget can help in their job search because we can create another 4.25 million jobs. Maybe they would get one.

Assume for a moment one of the graduates is fortunate and finds a good job, and he or she probably has a few student loans that need repayment. Lower interest rates from a balanced budget would save on the average 10-year student loan for a 4-year private college, an average figure, a 10-year student loan, get the loan for 10 years, going to a 4-year private college, if the budget were balanced, the lowering of interest rates that would occur from balancing the Federal budget would save that recipient of that loan nearly $9,000 in that 10-year loan—$8,885 to be exact. When the American people are told about cuts in education or informed of a new proposal to provide a $1,500 tax credit for tuition, they should take the news with a grain of salt. The President vetoed a balanced budget that would reduce student loan costs by $9,000. That is what he vetoed. To atone for the veto, the President then says we will give everybody a $1,500 tax credit so they can go to college. If these kids paid off their student loan, and they could pay them off faster with $8,000 or $9,000 less, there is more money available to the student loan pot to those coming along.

Bill Cosby, in a graduation speech at my daughter's graduation, said, ''Pay off your student loans.'' That was his advice. Pay off the student loans. If you do, others will follow you and they will have the opportunity to get an education. If you had $9,000 less in interest on those loans you could pay them off a heck of a lot faster. That is what the balanced budget amendment means to them.

A balanced budget will do more for education in America than any tuition tax credit, any Government loans, or, frankly, Goals 2000. It is 9,000 bucks in the pockets of that young man or woman, just from passing balancing the budget.

I used to be a schoolteacher. I think I know about education. I was a schoolteacher, a school board member, and a father for 21 years. I think I know a little bit about education. Do not take my word for it. Ask any students who graduated a few weeks ago and they will tell you the same thing. A balanced budget will dramatically improve the lives of those young men and women who are just getting started in life.

That is why we were elected, to help people. This helps people. This is not a vague, opaque kind of mysterious concept we are debating here on the floor of the Senate today. This affects every man, woman, and child in America directly. There are many families in New Hampshire working two or three jobs just to make ends meet, as I am sure there are in Oregon, Texas, and everywhere else. They do it to put food on the table and pay the mortgages. The mortgage payment comes due every month, rain or shine, sickness or health. It is the largest bill most Americans ever pay. Think about this for a moment. That is the biggest line item in your entire family budget other than the money you pay to the Federal Government in taxes.

A family in New Hampshire with an $80,000 mortgage, and you can put this in any other State, $80,000 mortgage, would save $107 each month—each month—if the Federal books were balanced. Over the life of a 30-year loan, that family would save $38,653. Now, if someone could tell me what Government program or what act we could take here on the floor of the Senate today that would provide $38,000 in the pockets of the American people, better than that, I would like to know what it is. That is the positive spinoff of balancing the Federal budget—helping people.

Again, we are talking about dramatically improving the lives of people, not just residually, dramatically helping improve the lives of the American people with a balanced budget. What Government program could do as much for the American family as a balanced budget? AmeriCorps? I do not think so. Funding for the arts? Peanut subsidies? I am afraid not. Battling the budget is what we need to do. That helps people.

Madam President, there is another point that is often lost in this debate. The question before the U.S. Senate is whether or not we should send this budget to the States for ratification. Amendments to the Constitution are not just sent down Pennsylvania Avenue for a Presidential signature or for a veto. I alluded to this earlier but I want to say it again, they are sent to all 50 States, 38 legislatures, three-quarters of them must pass identical language, identical language, before this amendment becomes a part of our Constitution. Should the decision be made in Washington, DC, or Concord, NH, or Butte, MT, or wherever else—how should that decision be made? Where are the families sitting around the table? It is not here on the Senate floor in Washington, DC, where they are working their budgets out and worried about how they will make their payments. It is in the small towns and cities all over America, where families live and work and try to earn a living and want the Government to help them, but to stay out of their way.

The balanced budget amendment is not a debate about accounting. It is not a debate about politics. It is not a debate about anything except real people. That is what this debate is about. What you have to ask yourself when you come down here on the floor tomorrow to vote, you have to ask yourself three or four major questions: If I vote ''no'' on the balanced budget amendment, do I help the college graduate struggling with student loans? Do I help him or her? The answer to that question is, no, you do not. You hurt them. Second, do I help the single mother who is having trouble with her mortgage payment? The answer is, no, you hurt her. I have heard people on this Senate floor on the other side of the aisle talk about their compassion for single parents and the difficulties that young women with children at home have as they try to go through life working and taking care of those children. I had a single mother because my dad died when I was 4 years old. I know what it was like. Believe me, I know what it was like for her. And it was tough. I know what it was like, and I know how much that would have meant to her to have that much more money in real income in her mortgage and perhaps to help me with my college loans had she been able to have a balanced budget.

Do you help create a job for a laid off mill worker if you vote ''no?'' The answer is no, you do not. You insure that he or she will probably be laid off a little bit longer. There is no compassion there. Do you let these people and their elected representatives in the States have the opportunity to debate the merits of amending the Constitution? Do you allow them to have that opportunity? The answer is no, you do not if you vote ''no.'' You say, ''I am sorry, we do not want you to have that opportunity. We don't want it to leave here. (A) we do not want to balance the budget; (B) we do not want to help people; and (C) we do not want you to have the opportunity to talk about that in your State legislature.'' That is what you say when you vote ''no.''

What do you really say, though? Here is what you do say: Washington knows

best. We have all the answers here. We can get 66 votes or less and we can beat you and you cannot get the opportunity to vote in your State.

My colleagues, in conclusion, the choice is very clear. There has been a lot of emotion on the floor here these last few hours, but the choice is very clear. You want to help people? You want to really help people without a Government handout? Vote for this constitutional amendment to balance the budget because it will not get done, the budget will not be balanced without it, and you know it. I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Madam President, we have all listened with a great deal of interest all day as this debate has gone on. We look at it from different angles, I guess. There are some of us who come to this body and engage in this debate, and we take a look at the world from different angles. I happen to look at it from the bottom up. I have been pretty much one of those people at the working end of the American spectrum, I guess. I came up the hard way. You know, for once, I had an idea that this year maybe common sense would prevail. I really had hopes of that. I am not a lawyer, not highly educated.

When you think about how simple this little debate is, it is just about sending an idea to be considered by the people who live in our respective States. That is all it is about. It is not about pain, or hurting, or what we are going to do. If we had a constitutional amendment that said we have to balance the budget, do you think it would cut down on the little squabbles we have in our debates on the budget? No, I do not think so, because everybody has a different set of priorities. But the idea is just to send it to the States, to let America take a look at it, and to let the citizens turn over in their own minds whether we need an amendment to force Congress to balance the budget.

You know, Americans watch us every day, and folks at home say, ''Why do you not get along better up there?'' ''Why do you have these heated debates?'' I guess I have listened to the Senator from Arkansas and his speech regarding mining. I have listened to that for 7 years now, almost 8. It never changes. And some who do not really understand the issue sometimes get confused. As we talk about this issue, this issue of a balanced budget—and, remember, it is no sin to oppose it. In fact, it may be good that some would oppose it because that adds something to the debate. You have the right to oppose, but you do not have the right to distort the facts.

We are talking about passing a proposed amendment to the Constitution of the United States and sending it to the States for ratification. My friend from Illinois had it right. As Americans watch us, he said, ''Do it.'' Do we have the courage to do it? We have heard all of the arguments. Of course, if common sense is not going to take over, then we have to argue another end of it. Basically, I kind of come from the philosophy on taxation that, yes, a certain amount of Government is needed and desired by most Americans—in fact, I would say all of them. But we still have a responsibility to that earner to allow him or her to earn more and to keep more so they can do more for themselves and their communities. I do not have the right to jerk the future away from young people.

I have a daughter that will graduate from medical school a year from right now. I do not have a right to jeopardize her future to practice her profession. I have a son that has the same kind of a future—a very bright future. But I, as a legislator or citizen do not have the right to jerk that future away from him. Do you know what? I do not think anybody else does either.

You have the right to oppose this amendment. You do not have the right to distort. Last year, Congress passed a budget that would have balanced in 7 years. President Clinton vetoed it. In fact, in order to avoid a balanced budget, he forced a shutdown of the Federal Government—not once, but twice. Congress was finally able to pass the budget for the year, but it fell short of its goal and did nothing, fundamentally, to change the way Government spends the hard-earned money of our citizens.

Eighty percent of Americans favor a balanced budget amendment. And the country is watching right now, this week, to see if this Congress caves in to the President once more. More than any other piece of legislation that we vote on this year, this constitutional amendment will have the longest and the most lasting effect that we will do in this 104th Congress. So I stand here as a supporter of it and ask my colleagues on both sides of the aisle to take a look. Just think, and use your good old common sense, and do the right thing.

President Clinton proved one thing last year: One man can stand in the way of real progress, and he can stand in the way of real reform. Last year, the President pressured six Democrats, who already voted for the amendment in previous votes, to kill the amendment when we had a chance of passage. One vote. It proved that he alone was the man that stood in the way of success.

Ironically, President Clinton used to support a balanced budget amendment to the Constitution. In 1985, when he was a Governor, he boasted about his work with the National Governors' Association, and he said, ''The NGA is on record in a resolution as supporting a constitutional amendment for a balanced budget, something Republicans could never have passed without the help of Democratic Governors, and I was one of them.'' He referred to his own State's constitutional requirement to balance the State budget as his own salvation.

Now, does the President want a balanced budget? He says he does nearly every time he is asked. But I am wondering if his words are supporting his actions. But irrespective of that, do we, as Members of this Congress—irrespective of what the President thinks—do we have the courage and do we have the discipline to pass this amendment and send it to the States?

Well, as I already mentioned, the President rallied the Democrats in Congress to kill the balanced budget amendment last summer. On top of that, only one of the record five separate budgets that President Clinton submitted to Congress even came close to balancing the budget. He vetoed the Republican budget and shut down the Federal Government, not once but twice, and the Republican budget would have created balance by the year 2002.

Is it not ironic today, when we turn on the television and there are the trustees of the Medicare trust fund saying that we were wrong last year in saying that the trust fund will be completely out of money by the year 2002. We were wrong. It is going to be out of money in 2001. We have heard Senator after Senator stand on this floor and say, ''We can take care of it, and we do not need all of these draconian, these extreme measures,'' when actually we were allowing the trust fund to grow at around 7 percent a year. They called that a cut. This is the only town in America where that can happen. And because we did not have the nerve to deal with that situation a year ago, we are now a year behind in taking actions to make sure that the Medicare trust fund is solvent, is strong, and will be there for generations to come. Some chose to stick their heads in the sand and ignore the problem.

If that sort of makes you a little bit mad, whoever is listening and watching, it is supposed to. We did not do our responsibility last year when we were told by the same set of trustees, three of which work for the President in his administration as Cabinet Secretaries—yes; they were on the television today telling us that we are in deficit spending now, and we will continue to be and will be broke and out of money by the year 2001. Despite the President's action, the public debate about the balanced budget has been won.

Look at the polls. Look at the polling. One says that if you love this country, there are two kinds of freedoms, and the basic of all is economic freedom, because there can be no political freedom unless we have economic freedom under our system. We can change the system and all be ruled by a benevolent ruler. Even he operates the Treasury, and we all become servants and subservient to an all-powerful being.

I think when our forefathers put together this great Constitution, I will say that as the debate went on, they would probably, the American people, if that had been televised, they would

have been a little bit cynical about Government then, because there were some great debates.

What did our forefathers do when they put together the Constitution? I will tell you. They probably did not have the great vision of seeing America as it is today, but they had a very, very strong sense of history. And if we learn anything in the study of history, it is that those who forget it are damned to repeat it. When we revive history to make it suit our own taste or to be politically correct, then we are tinkering with the compass because we are going to make some decisions based on history.

Those forefathers were products of a feudal system. They knew that in order for ''free men''—two words—to survive in self-government, it took about three things. It took education, it took discipline, and also it took those who studied history and do not forget it.

I ask my colleagues by voting for a balanced budget amendment now, we are taking one of the many steps that is needed in order to secure a stable future for our children. We do not do anything in this body for immediate action. Maybe some of us do. We cast votes that make us feel good. It is not always good for the Nation, but it makes us feel good. Look what we have done. We do it because the effects of our action here come many, many years later. It is the foundation that was laid by our fathers and our grandfathers that enabled us to do the things today, what we have to do, and we have to protect that heritage and that great history, and pass it on to the next generation. We cannot continue to have runaway deficits and accumulate mountains of debt and expect to remain competitive and financially solvent in today's global economy.

So we stand in support of a balanced budget. It is even more important today. Just think of the technology that we have today—three little inventions, three little inventions that have, in comparison, or relative to this building, brought the world down to the size of a basketball. We can talk and interact with anybody in any other place in the world, wired or wireless, in 5 seconds. Those three inventions are the transistor, the jet engine, and the silicon chip. It changed our whole life. We cannot go back to the old days. We cannot do it. And the only way that we stay a leader in a global economy is if we stay economically solvent.

No other nation has the potential of leading the rest of the world than this country, the only superpower that is left. Yet, we would allow the power to be eroded by not being careful with our funds as we should be. Just because we have a balanced budget amendment does not mean that we are not going to have—my good friend, the Senator from Florida is on the floor, and he is going to have different priorities than I have. He just is. We would expect that, but we can work them out when both of us know that we have to solve problem No. 1 on the ground, and it has to be solved within certain parameters.

My heavens, common sense may take over. Who knows? Sometimes in this town, though, they say there is a vaccine for that. It is called Potomac water.

So I support the balanced budget amendment. I urge my colleagues to support it just from the standpoint that it is like good old Quaker Oats; it is the right thing to do.

Mr. President, I yield the floor.

Mr. BRYAN. Mr. President, I support a constitutional amendment to balance the Federal budget. It is a sound and necessary approach to solving the severe fiscal crisis that is beginning to plague this country year after year.

I believe that the force of a constitutional amendment is needed to mandate an end to profligate spending decisions that have hijacked the economic growth and security of this Nation over the past quarter of a century. Each year, when elected officials debate the Federal budget, responsible spending decisions are buffeted about by the winds of political rhetoric. There is no final arbiter to insure that sound economic decisions are made in the best long-term interest of the country. We need this constitutional amendment to force us to take the proper steps to repair and preserve the economic superiority of the United States of America.

Mr. President, I am concerned about the future of this country, and about what failure to balance the budget today can do to burden the lives of our children and grandchildren tomorrow.

For example, there have been a number of balanced budget proposals proffered in just the past year. The President has offered balanced plans, the House and the Senate have created their own balanced plans, and last week a bipartisan group of Senators offered yet another balanced budget plan. And yet, with all of these alternatives and professed commitment to a balanced budget, the Congress and the President have been not been able to reach agreement on a single one of them. Perhaps we need the force of the Constitution of the United States to give us the courage to stand up, take responsibility, and make the tough choices that balanced budgets require.

Our burgeoning Federal debt is the greatest crisis facing our Nation today. It is devouring our savings, robbing our ability to invest in infrastructure and education, and saddling our children with an enormous bill that will eventually have to be paid. The interest payments on the debt consume dollars that could otherwise go for urgent needs such as infrastructure and education.

In 1980, the cumulative Federal debt was $910 billion. A decade later the debt had tripled, and today it stands at $4.9 trillion. Simply limiting the Government's ability to borrow is not enough to achieve deficit reduction or to control the compounding interest on the national debt. According to the Congressional Budget Office, ''significant deficit reduction can best be accomplished by legislative decisions that reduce outlays or increase revenues.''

If we do not balance the budget today and continue on our path of irresponsible spending, what will happen? Here are a few examples:

In the year 2000, annual interest payments on the Federal debt will grow to about $305 billion—an increase of over 50 percent in just 4 years. Interest payments on the debt will surpass defense spending and become the largest Federal expenditure.

In the year 2012, unless policy changes are enacted, projected spending on entitlement programs and interest on the debt will grow so rapidly that they will consume all tax revenues collected by the Federal Government.

In the year 2012, unless changes are made, the Government could theoretically close all Federal prisons, national parks, the Pentagon, and eliminate spending on research and development, education, roads and bridges and still not have enough savings to eliminate the deficit.

In the year 2030, to bring the deficit down to the current level, the Bipartisan Commission on Entitlement and Tax Reform concluded that either all Federal taxes would have to be increased by 85 percent or all Federal spending programs would have to be cut in half.

When I took the oath of office in 1983 as Governor of the State of Nevada, the Nevada State Constitution required a balanced budget. The necessary, excruciating task of balancing the State budget took strong executive and legislative leadership. Those tough decisions were made, and each year the State budget was balanced.

Nevada is not alone in requiring a balanced budget, in fact, many States across the Nation require Governors to submit, and legislatures to pass, budgets that reconcile revenues and expenditures. It is time that the Congress and the President come together and make the tough decisions that are required for fiscally responsible governance.

History has shown that nothing is more desired and nothing is more avoided than the will to make tough choices. The last time our Federal budget was balanced was 1969.

Mr. President, we are sitting on a time bomb. Our obligation to finance the national debt eats away each year at our ability to address the critical needs of our population. Passing this amendment will signal to the American people that we are concerned about the solvency of this country, and it will demonstrate our commitment to preserving important government resources that are a lifeline for so many of our citizens. I strongly urge the passage of the constitutional balanced budget amendment.

Mr. ASHCROFT. Mr. President, the United States of America was born of

dislike and disgust of taxation. Unfair and burdensome taxation was the impetus for the Declaration of Independence. You would think we would have learned a lesson from this.

Unfortunately not. Government taxes on the American people have reached all time high, choking off economic growth. Working Americans now pay 41.3 percent of their income in taxes—a 1.3-percent increase since President Clinton came into office. We spend nearly as much for interest on the national debt as we spend on the defense budget and 40 cents of every income tax dollar goes to interest. A child born today is destined to pay $187,000 in interest on the national debt during his or her lifetime.

And these astronomical rates are not high enough to meet current spending needs. Future generations could see tax rates of up to 84 percent, if we don't stop this profligate spending.

We have tried over and over again as a deliberative body to stop the cycle of deficit spending. We had the Gramm-Rudman-Hollings Act, then we had Gramm-Rudman II, and then we had the budget deals of 1990 and 1993. Yet we have not been able to get one Senate to hold the next Senate on the path to a balanced budget.

While one Senate cannot bind the next Senate, this Senate certainly shackles the next generation to this generations' debts. The result: the cost of current programs—from which we all now benefit—is being foisted upon the next generation. And that next generation of Americans, who haven't yet earned their first paychecks, can't vote—they have no say in what we are doing. That is obscene; that is immoral; that is un-American.

Beltway robber barons, elected and unelected, are addicted to spending. The only way to end this psychological dependence to pass the balanced budget amendment.

The balanced budget amendment would outlaw deficit spending and force government to balance its books. It would return accountability to the Constitution and restraint on our spending —in short, integrity in our Government. It will rightly return the power of the purse to the people.

The belief we can only control government by controlling its capacity to take our money is as old as the idea of democracy. Money was—and is—the source of the Government's basic power. The tale of history bears testament to this truth. The Magna Carta prescribed that the king could not impose taxes—except through the consent of the great council. Charles I was executed because he tried to govern without seeking the consent of parliament in spending public money.

Congress today doesn't have to vote to raise more taxes in order to spend more money. Instead our legislature takes the debtor's path: spend and beg; spend and plead; spend and borrow. Our current system lets the Government spend on credit and sign the taxpayers' name on the dotted line.

For too long this body has assembled to satisfy the appetites of narrow interests at the expense of the public. The American people are fed up with a Congress that spends the as yet unearned wages of the next generation. Thomas Jefferson was right when he proscribed in 1789, ''no generation can contract debts greater than may be paid during the course of its own existence.''

The balanced budget amendment is not a quick fix. It is real reform that will end deficit spending except in times of war. Constitutional measures that enforce a balance budget have worked at the State level and will work at the Federal level. I know, from my service as Governor in one of 49 States that require a balanced budget. As Governor, I balanced budgets 8 years in a row. Not only did we balance the budget, we put into place a cash operating reserve fund of several hundred millions of dollars. We established a rainy day fund because we knew there would be episodes of fiscal crisis and financial difficulty in the future that we would need to meet. And we knew, since we were required by our constitution to have a balanced budget, that we would need to prepare for it in advance. Experience has shown that State constitutional balanced budget provisions force legislatures and executives to prioritize and cut spending. Passage of the balanced budget amendment would do the same for the Federal Government.

During this debate concerning a balanced budget amendment to the constitution, we have heard frequently and forcefully that there is no need for us to amend the U.S. Constitution. It has been argued the constitution gives Congress the authority to balance the budget—for the Federal Government to live within its means. Mr. President, Congress does not lack authority. Congress lacks self-restraint. Congress doesn't need permission to balance the budget, it needs to be forbidden from doing otherwise. When it's time to stand firm, when it's time to prioritize spending, when it's time to make tough choices—Congress seems to experience a collective collapse of will.

Mr. President, last year you and I and other Members of this Chamber endured a balanced budget amendment debate, and ultimately we fell one vote short. We fell one vote short in March 1995 because a number of Senators reneged on their promise to vote for the amendment. We fell one vote short because six Senators who voted against the balanced budget amendment who voted for it 12 months earlier. We fell one vote short because many of our colleagues said over and over again: ''All we need is the will and the courage, and the determination to balance the budget.'' Well, I am here to tell you that that was just one more lame excuse.

This profligate spending must stop. In 1962, the Federal Government's budget reached $100 billion. By 1971 it had doubled to $200 billion. By 1977, it had doubled again. By 1983, it had doubled again. The budget for next year, fiscal year 1997, will be more than $1.6 trillion—the budget doubled again. Of course, spending has far exceeded revenues, so much so that we have accumulated a Federal debt of over $5 trillion. In fact, we haven't seen a budget surplus for 25 years. And next year the Federal Government will spend around $240 billion just to pay for interest on the Federal debt—that is nearly $1,000 for every man, woman, and child in America.

Mr. President, deficit spending is not only a threat to our prosperity and our children's future, it is the method by which Washington's imperial elite has circumvented the public, the law, and the Constitution. Deficit spending allows beltway robber barons to run this country without regard to the people. Whether it's pork projects or political payoffs, the Washington elite know how to play the game.

That must end. A balanced budget amendment will compel the Members of this body to raise taxes if they want to spend more money—what better way to restrain spending than that. A balanced budget amendment will make clear to all that the special interest is rewarded when the citizen is penalized.

What will a balanced budget amendment mean? Accountability to the Constitution and restraint on our spending—in short, integrity in our Government. It will rightly return the power of the purse to the people.

The balanced budget amendment is not a quick fix, it is real reform and it will be felt. It will be felt first and foremost by an imperial elite who have long run this town. It will be felt by a brood of beltway barons—elected and unelected—who are robbing the next generation of their yet unearned wages. And most importantly, it will be felt by the American people who will have succeeded in restoring their right to self-governance.

Mr. MOYNIHAN. Mr. President, last year I presented three papers to the Senate urging opposition to this constitutional amendment. The first paper argued that the existing deficits were a recent event and marked a sharp departure from the fiscal problems of earlier administrations, which were directed primarily to the problem of a persistent full employment surplus, with its accompanying downward pressure on consumer demand. The second paper related the singular events of the 1980s, which led to huge deficits and a huge debt. The third paper explored the folly and danger of writing into the Constitution decrees concerning fiscal policy which would have been inappropriate to a small 18th century republic, and would be potentially destabilizing to a world power in the 20th century.

In the FY 1973 budget, OMB Director George P. Shultz explained the ''full-employment budget concept'' as follows:

. . . expenditures should not exceed the level at which the budget would be balanced under conditions of full employment.

Which is to say that in the absence of full employment, as was the case in FY 1973, the Federal government should deliberately contrive to incur a deficit equal to the difference between the revenues that would actually come in at levels of underemployment, and those that would come in at full employment. Far from being inevitable and unavoidable, there were points in the business cycle where a deficit had to be created. Otherwise, surpluses would choke off recovery.

The term ''full employment surplus'' had originated earlier. The January 1962 report of the Council of Economic Advisers explained that as the recovery from the recession of 1958 got underway, economic activity grew and so did the revenues of the Federal government. But Congress would not spend the additional revenue. As a result, the recovery stalled. This untoward event was ascribed to ''fiscal drag.''

Beginning in 1980, the Reagan White House and Office of Management and Budget set about creating a crisis by bringing about deficits intended to force Congress to cut certain programs. In a television address 16 days after his inauguration, President Reagan said:

There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance.

Haynes Johnson wrote of this in Sleepwalking Through History: America Through the Reagan Years (1991). I will simply quote a footnote on page 111:

[Stockman's] former mentor MOYNIHAN was the first to charge that the Reagan Administration ''consciously and deliberately brought about'' higher deficits to force congressional domestic cuts. MOYNIHAN was denounced and then proven correct, except that the cuts to achieve balanced budgets were never made and the deficits ballooned even higher.

A balanced budget amendment would undo all that we have learned about economic policy over the past 60 years. There was enormous volatility in economic activity prior to 1945—volatility that would be considered unacceptable today. For example in 1906, output increased by 11.6 percent, to be followed 2 years later by a decline of 8.2 percent in 1908, and an increase of 16.6 percent in 1909. And in 1918, output increased by 12.3 percent to be followed by 3 consecutive years of negative growth including a drop of 8.7 percent in 1921. And then, of course there was the Great Depression. After increasing by 6.7 percent in 1929, output fell by 9.9 percent in 1930, another 7.7 percent in 1931, and then a further devastating decline of 14.8 percent in 1932. After World War II all this changed, following a brief adjustment period, as the country converted from a wartime to peacetime economy. Since then, the largest reduction in output was 2.1 percent in 1982.

In the 1970's I asked Council of Economic Advisers Chairman, Charles L. Schultze, what would happen if we had tried to balance the budget in the middle of the 1975 recession. He reported back that the computers at the Council ''blew up''. GDP—then called GNP—dropped another 12 percent in an economy in which output was already 5 percent below capacity. During the debate on the balanced budget amendment last year, this simulation was repeated by the Treasury Department and by my own staff with the same results. A moderate recession in which the unemployment rate increases by 2–3 percent turns into a major contraction—may I say depression—in which unemployment soars over 10 percent and output falls by 15 percent or more. In the entire post-World War II era the unemployment rate exceeded 10 percent only for a brief 10 months during the 1981–82 recession.

Let us not undo the progress we have already made—progress easily seen if we look at the facts.

Last year, in my third paper opposing this constitutional amendment, I noted:

As a result of the deficit reduction policies we have had three straight years of deficit reduction—the first such string of declines since the administration of Harry S. Truman. Here are the numbers:

FY 1992: $290.4 billion.
FY 1993: $255.1 billion.
FY 1994: $203.2 billion.
OMB 1995 est.: $192.5 billion.
CBO 1995 est.: $176 billion.

With a year of hindsight I confess to being somewhat inaccurate. Remarkably, the deficit for fiscal year 1995 was even lower than projected: $163.8 billion compared to projections of $176 to $192 billion. The fiscal year 1996 deficit will be even lower, resulting in 4 consecutive years of deficit reduction.

And the budget outlook improves almost monthly. While I was on the floor opposing a balanced budget amendment last February, the Congressional Budget Office was projecting a fiscal year 1996 deficit of $207 billion. By August 1995, CBO had lowered its projection to $189 billion. And then again another reduction in December 1995 to $172 billion. Even the latest CBO forecast of $144 billion released last month is outdated. Following new revenue estimates from the Treasury Department, June O'Neill, Director of CBO, indicated on May 20, 1996 that her agency had lowered its estimate of the fiscal year 1996 deficit to $130 billion.

Some will note that the latest estimates incorporate the effects of both an expected fiscal dividend from a balanced budget and legislative actions that reduced discretionary spending.

But the bottom line is even better than expected, so let's give a cheer.

The deficit has been cut by more than 50 percent from $290 billion to about $130 billion in 4 years.

The deficit is now about 1.7 percent of GDP.

And we have a primary surplus—that is, excluding interest payments, revenues exceed outlays.

Adopting a constitutional amendment to balance the budget—which I argued in 1981 in the Wall Street Journal is tantamount ''to writing algebra into the Constitution''—can only jeopardize the remarkable progress we have already made. We can and we will complete the job of balancing the budget without this amendment.

I urge the Senate to once again reject this proposed balanced budget amendment to the Constitution.

Mr. HELMS. Mr. President, the distinguished majority leader, Mr. DOLE, has scheduled for the Senate a reconsideration of the enormously important issue of amending the U.S. Constitution to require that Congress return to the principle of a balanced federal budget.

One of my heroes, Thomas Jefferson, put it this way:

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.

That, Mr. President, tells it all, and that is one of the many reasons that I so strongly support the balanced budget amendment. It is indeed wrong—in fact, it is criminal, for Congress to mandate the Federal Government to spend more than it takes in. It is demonstrably destructive to the economy, and ultimately to our society. It is a horrible legacy to impose upon our children and grandchildren.

The Congress has a moral duty to stop the charade of out-of-control deficit spending which has shackled future generations with a debt that causes wage stagnation and anemic economic growth. For too long, the Congress discarded its duty and responsibility, and has shamelessly supported bloated appropriations for political expedience.

For a very long time, this institution has condoned the free-lunch syndrome, which has never existed, and never will. Mr. President, as of the close of business Tuesday, June 4, the Federal debt—down to the penny—stood at exactly $5,139,963,594,008.65, or $19,395.97 for every man, woman, and child in America.

A deliberate debt of this magnitude, knowingly run up by Congress, is bizarre. It is, in fact, a con-game. And that is what the 1994 election was all about: restoring integrity and accountability to Government. To their credit, Republicans in Congress delivered on their commitment when the Balanced Budget Act of 1995 was enacted, cutting Federal spending by $961 billion over 7 years. And although the budget proposed annual increases in spending—over and above the $1.6 trillion appropriated for fiscal year 1996—President Clinton vetoed it because it didn't spend enough.

Mr. Clinton, after having himself proposed a Federal budget that projected deficits as far as the eye could see, engaged in a comical series of proposed budgets that, he asserted, would balance the Federal budget in 10, 7, 9 or 8 years—take your pick. Even the Washington Post declared that the proposed Clinton budget ''relies on gimmicks that almost no one believes would survive.'' This illustrates why it's imperative to have the U.S. Constitution mandating a required balanced budget.

On March 2, 1995, the Senate failed, by one vote, to approve this amendment. All but one of the Republican Senators supported it. But only 13 Democrat Senators supported it, which doomed the balanced budget amendment last year.

Today we have one more opportunity to approve the amendment in this, the 104th Congress.

Again, Thomas Jefferson said it best:

> To preserve our independence, we must not let our leaders load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.

Will the Senate heed Jefferson's wise counsel? We shall shortly see.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I appreciate this opportunity to conclude the debate on today of a balanced budget amendment. As the Presiding Officer said in his remarks, and as my friend from Montana reiterated in his, it has been a long day, filled with active debate and some emotion, on this important subject. I do not intend to keep the Senate long with my remarks, but I would like to make a few statements relative to the decision that we will make tomorrow.

As I have in the past, I shall vote for the constitutional amendment to insert into the U.S. Constitution a provision requiring a balanced budget as a fundamental principle of our Nation's public policy. It is unfortunate that we have to vote on a constitutional amendment to force us to do something that we ought to do and that most Congresses throughout the history of this proud Republic have done. However, we have reached the point at which I have concluded that a constitutional amendment will be necessary in order to provide to this Congress and to future Congresses the necessary constitutional backbone in order to maintain a policy of a balanced budget.

What does the passage of a balanced budget amendment to the U.S. Constitution accomplish? The passage of this amendment will not, as the Presiding Officer has stated, place this into the U.S. Constitution. It refers this matter now to the States, and it will be the responsibility of three-quarters of the States through their appropriate legislative process to make a determination as to whether this shall be added to the Constitution. Certainly the passage of this amendment will not result in a balanced budget or the diminishment by even a penny of the U.S. deficit. Rather, this is a statement of an objective and the provision of constitutional methods by which to give some assurance that that objective will be reached. This is not a substitute for the long road of difficult decisions that will in fact be required in order to reach a balanced budget.

This amendment may make us feel patriotic. It may make us feel good. But it is not a cure-all for our budget woes. The budget deficit will not suddenly disappear because of the passage of this amendment.

I reflect on a decision which this Senate made a few days prior to Memorial Day. I was part of a group which has worked over the past several months to develop a balanced budget plan, a plan which, within 6 or 7 years, would bring our deficit into balance and would make those structural changes that would give us some confidence that once in balance, the budget would stay in balance past that 6- or 7-year period. This effort, which has been referred to as the centrist coalition or as the Chafee-Breaux coalition, was a serious effort to develop a proposal which would actually achieve the objective of a balanced budget.

I think in the development of this proposal and in its disposition by the Senate that there are some important lessons. The first of those lessons is that this effort by the centrist coalition was bipartisan. It happened that the final proposal was developed by 22 Members of this Senate, 11 Republicans and 11 Democrats. It was not intended that it be so equally balanced, but that was how it finally evolved. I believe that there is an important lesson here, and that is that almost any serious effort in this Government which is intended to have a sustaining life must be based on a broad foundation of bipartisanship. There is an arrogance and an ignorance which is associated with efforts which assume that one individual or one party can carry a major reform.

It has been said, and I believe correctly so, that the U.S. Constitution was the first time that the basic structure of a government was written with one of its fundamental objectives being that that government should not function efficiently. Our Government was designed to be difficult. Our Government was intended to be such that no government, by its alacrity and by its effective organization, would be able to trample on the rights of minorities or individual citizens. The very fact that it is difficult to accomplish anything with our form of government underscores the importance of starting the process of change with a bipartisan spirit.

So, while there have been many speeches given in the last few hours about the heroic efforts to try to balance the budget which then foundered because of the Presidential veto, I suggest they had no chance of getting to the destination in the first place and were not serious efforts at getting to that destination because they failed the fundamental, initial test of an effort at serious bipartisanship. Our effort, the centrist coalition, was a serious bipartisan effort.

What happened to our effort? Our effort failed. It failed by a vote of 46 yeas and 53 nays. It had 22 Republican votes and 24 Democratic votes, so its essential bipartisanship from the beginning carried through to the final vote. It was good news that the vote was as close as it was. Frankly, I was surprised that there were 46 Members of the Senate who would be prepared to put their names behind the very tough choices that were contained in that centrist coalition.

The bad news was that in fact it did lose. That failure indicated that, for another year, we were not going to have a plan for a balanced budget. It also indicated the gap, the chasm, between the rhetoric and the actions of people who will stand and, with such flourish, indicate their commitment to a balanced budget but, when there is an actual opportunity to vote for a bipartisan bill, do not. This was a bipartisan bill which a significant number of Members of both parties were prepared to support and with some expectation that, if it were actually passed by the Congress, that the President would sign it into law. That it failed is an indication of the gap between rhetoric and the actual tough choices that we have to make.

There have been a number of analogies on the floor in the past few hours. One of those analogies, which I think the Presiding Officer used, was of a hockey stick, to describe that we had an essentially balanced budget for most of our Nation's history and then in the last few years we have gone off the chart, in terms of deficits. If I could use that hockey analogy, and hockey is not a sport that is particularly well known to me, I would say that those who give speeches in favor of a balanced budget are like a hockey player at practice, where the net is empty and all you have to do is take the puck and, with your hockey stick, knock it into the net. If you are sufficiently skilled, that is not a particularly difficult thing to do.

What happens when the actual game starts, when the full teams of both sides are on the ice? Then you might have somebody in the net with the skill of John Vanbeesbrook, who is the goaltender for the Florida Panthers. The challenge comes to be able to score when you have a difficult target to hit.

That is the nature of the challenge we are going to face and which the passage of this constitutional amendment is not going to allow us to avoid.

At some point, whether we pass this amendment or whether we do not pass this amendment, collectively, and in a bipartisan spirit, we are going to have to make some very tough choices. There has been lots of discussion about why we are doing this. We are doing it in order to help the people of America

be able to buy a home, get a job, pay off their student loans. We are doing it because it is our generation's responsibility. A frequently stated reason is we are doing it out of a sense of responsibility to our children or grandchildren. I want to join that chorus.

Mr. President, this happens to be a picture taken of my wife and myself and our eight grandchildren. These three, who are triplets, were born approximately 14 months ago. I am pleased to report that one of those triplets, whose name is Adele Gibson, took her first steps yesterday, and I was there to observe her taking three of those first steps. She is ready to start her life of increased mobility and independence. It is for Adele and her cousins and the millions of other grandchildren of America for whom we take this action.

This amendment will force us to make some of the tough decisions that we have become too accustomed to avoid. The passage of this amendment is not a time to exalt. Passing this amendment is not a victory. We may have, by passage of this amendment—should we be able to get the constitutional number to do so tomorrow—performed the equivalent of the hockey exercise of getting the puck into an empty, unguarded net.

The challenge is going to be when we can do the tough work of scoring against the difficult opponent of inertia, the difficult opponent of special interest, the difficult opponent of people who have developed a set of expectations that are necessarily going to have to be challenged if we are to move in a different course. These choices will be difficult, and many of them will not be politically prudent. However, they must be made.

So, Mr. President, I state again that it is my intention tomorrow to vote for the constitutional amendment which will establish as a fundamental policy of the Government of the United States of America that we will balance our budget. But I do not wish anyone who observes this process, and certainly none of us who will participate directly in it at noon tomorrow, to be under any delusions that we have done some heroic act by voting for this constitutional amendment. We have just stated that we are unable to make the tough choices without the threat of a constitutional crisis in failing to do so and, thus, are prepared to impose the shackles of that crisis upon ourselves and those who will serve here in the future.

We have stated that while we have been unwilling to make the tough choices to date, that with those shackles we will be forced to do so.

So this is a time of sober reflection on our failure rather than exaltation at a temporary success.

I hope that my colleagues will provide the necessary constitutional margin to pass this amendment tomorrow, because without it, I do not see any evidence in our actions and actions as recently as the past 2 weeks that give me cause to believe we will, in fact, make those tough decisions to balance the budget of the U.S. Government, achieve the benefits that will come from that and be faithful to Adele Gibson and the other grandchildren of America.

Thank you, Mr. President.

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

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

TRIBUTE TO BILL COHEN

Mr. DOLE. Mr. President, the State of Maine has a rich tradition of sending independent and thoughtful voices to the U.S. Senate. Margaret Chase Smith and Ed Muskie are just two Senators with whom I have served who have carried on this tradition.

For the past 18 years, that tradition and the best interests of Maine citizens have been very ably represented in this Chamber by our colleague, BILL COHEN.

One thing I have learned about BILL COHEN is that he does not know how to just touch the surface of an issue. If I gave him an assignment, or if he involved himself in a problem, then along with learning everything there is to know about that problem, he also would provide innovative solutions.

Military preparedness, the Central Intelligence Agency, lobby reform, health care fraud and abuse, Medicare, international trade, these are just a few of the countless areas that have benefited from BILL COHEN's intellect and energy.

As my colleagues know, BILL has also found time to publish a number of books, including a very thoughtful look at his first year in the Senate, a spy novel, an account of the Iran-Contra investigation, and a number of volumes of poetry.

BILL's departure from the Senate will leave him with more time for writing, and more time for thinking. And I have no doubt that his writing and his thinking will continue to influence American public policy for many years to come.

SENATOR PAUL SIMON

Mr. DOLE. Mr. President, it is no secret that one regret I will have when I leave the Senate is the fact that we did not send a balanced budget amendment to the States. And I know that regret is shared by many in this Chamber including our colleague, Senator PAUL SIMON. The balanced budget amendment is a cause that Senator SIMON has courageously advanced since his arrival here many years ago in 1985. Perhaps his aversion to deficits and red ink arose from the fact that Senator SIMON began his career at age 19 by editing and publishing a small newspaper.

Whatever the reason, Senator SIMON hit the nail on the head when he stated that allowing skyrocketing deficits to continue was ''a policy of folly.'' If I know Senator SIMON, I know that he will continue to write and speak against this policy of folly until it is changed.

The balanced budget is not the only debate to which Senator SIMON has devoted his considerable intellect and energy. Education reform, the impact television has on our children, and world hunger are just three of the many issues Senator SIMON has embraced during his 12 years in this Chamber.

I will also long remember the support Senator SIMON provided during the battle for passage of the Americans With Disabilities Act. His long and distinguished public career also includes 8 years in the Illinois House of Representatives, 6 years in the Illinois State senate, 4 years as Illinois lieutenant governor, and 10 years in the U.S. House of Representatives. Somehow, this prolific writer has also found time to author 15 books and through all his nearly 50 years of service, from his day as crusading editor until today, he has maintained a spotless reputation for total and complete integrity.

Though we come from different sides of the aisle, I can say without hesitation Senator SIMON's retirement will deprive this Chamber of one of our most thoughtful Members. Elizabeth joins me in wishing he and Jeanne many more years of health and happiness.

SENATOR MARK HATFIELD

Mr. DOLE. Mr. President, in the suite of offices I have been privileged to occupy as Republican leader hangs a picture of Senator Charles McNary of Oregon. Senator McNary served as Republican leader for over 10 years in the 1930's and 1940's, and he served for over 26 years in the Senate.

He was the longest serving Senator in Oregon history until his record was broken by our colleague, Senator MARK HATFIELD. All Oregonians would agree that not only has Senator HATFIELD made history in terms of longevity, he has also set standards in terms of integrity.

Senator HATFIELD and I have served together in this Chamber for over 27 years. In that time, we have agreed on many issues and we have disagreed on many others, but I can say without hesitation that not once in the years we have served together did I ever doubt that MARK HATFIELD was standing up for what he truly believed was right for Oregon and for America.

Senator HATFIELD has devoted himself to many causes in the Senate, including improving Oregon's infrastructure, medical research, and the search for a cure to Alzheimer's disease. Perhaps he is best known for his dedication to the cause of peace, a dedication

arising from service in World War II where he saw battle at Iwo Jima and Okinawa, and was among the first U.S. servicemen to enter Hiroshima following the atomic explosion.

Before entering politics, he was a college professor, and when he returns to Oregon in January he will once again enter the classroom. The fact is, however, that for Senator HATFIELD the U.S. Capitol was also a classroom and the lessons he has taught us all, lessons in statesmanship, leadership, and friendship, will remain with us and with this Chamber for many years to come.

Mr. President, I yield the floor. I thank my colleagues.

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

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

MORNING BUSINESS

Mr. BURNS. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

DEATH OF RED CROSS RELIEF WORKERS IN BURUNDI

Mr. KASSEBAUM. Mr. President, yesterday three Swiss Red Cross relief workers were killed in Burundi. I want to express my condolences to the International Committee of the Red Cross and the families of the deceased.

The ICRC staff were attacked as they returned from a project providing humanitarian relief to the civilian Burundian population. ICRC is the largest humanitarian organization in Burundi, providing water to over 200,000 people, as well as cans, pots, and blankets. The Red Cross agricultural programs keeps 150,000 people alive.

Over the years, when I have traveled in Africa, I have always been impressed with the courageous work of the ICRC. From Somalia to Rwanda, Angola to Liberia, the ICRC performs critical functions—often, as we saw yesterday, at great personal risk. In many of these crises, I simply do not know what we would do with the ICRC.

The International Red Cross has long been identified as a neutral organization which meticulously avoids taking sides in armed conflicts. For that reason, the brutal attack on the relief officials—in a vehicle clearly marked with Red Cross emblems—is particularly outrageous.

Mr. President, while much of the rest of the world—and even most of Africa—is moving forward into the 21st century, some countries continue to deteriorate into almost medieval levels of brutality with a total disregard for human life. Over the past year, the violence in Burundi has increased dramatically as both the Burundian military and rebels based in Zaire have killed civilians at will.

While the extremists pursue a strategy of intimidation, the civilians of Burundi suffer. In recent months, thousands of innocent people have been killed. Tens of thousands have been displaced from their homes, many forced into Zaire and Tanzania.

As the level of violence grows, Burundi risks spiraling totally out of control into a cycle of genocidal brutality.

Mr. President, it is difficult to know what to do in this type of situation. Clearly, as security permits, we will support humanitarian relief operations. The United States and our Europeans allies will continue to engage in active diplomatic efforts to stop the killing. I commend the administration, particularly National Security Adviser Tony Lake, for taking a trip to Burundi to signal high-level concern. And the United Nations is exploring a numbers of options to address the continued violence.

But I believe the primary responsibility—and the most effective means—to stop the killing lies with those on the African Continent.

First and foremost, the Burundians themselves must stand up and say that enough is enough. The military—the primary perpetrators of the violence—must end the brutality and perform as a neutral, professional force protecting, not killing, their citizens. The Hutu rebels based in Zaire must stop their campaign of terror. All parties must stop spreading fear and pursue their goals through dialog.

Mr. President, the neighboring states—those most affected by the insecurity in Burundi—must play an active role in reestablishing stability in the region.

Former President Nyerere of Tanzania is leading an active diplomatic initiative to bring the Burundian parties together. I commend President Nyerere for his efforts, and the United States should continue to strongly support him.

I would urge the Organization of African Unity to become more engaged in Burundi. The Secretary General of the OAU has issued a statement on Burundi. But the OAU, in order to be relevant, must stop talking about ending conflict and begin to take actions to stop conflicts.

Finally, as the primary host to refugees from Rwanda and Burundi, Zaire has a clear interest in promoting peace in Burundi. Yet, all evidence points to the continued destabilizing role of Zaire in central Africa. President Mobutu and Prime Muinister Kengo must use their influence to stop the arms trafficking to the Hutu rebels based in Zaire. They must arrest the intimidators spreading fear among refugees. And they must improve security on the border.

Over the years, I have been one of the first to criticize President Mobutu for his human rights and economic policies in Zaire. He has destroyed the physical and social infrastructure of his country, potentially one of Africa's richest and most powerful. Now he is feeding instability in Burundi and Rwanda despite the interests of the Zairian people in stability. President Mobutu should understand that his role in central Africa will be noted and remembered by the United States.

Mr. President, once again I want to express my deep sadness over the brutal murder of the three International Committee of the Red Cross relief workers in Burundi. They died in a noble cause: helping innocent civilians stay alive. It is my hope that their deaths will be among the last in Burundi—and not just one more tragic event in the continued slide into uncontrollable ethnic brutality.

FOREIGN OIL CONSUMED BY UNITED STATES? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending May 31, the United States imported 8,700,000 barrels of oil each day, 900,000 barrels more than the 7,800,000 barrels imported during the same week a year ago.

Americans relied on foreign oil for 57 percent of their needs last week, and there are no signs that this upward spiral will abate. Before the Persian Gulf war, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? Politicians better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 8,700,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the Federal Government is existing on borrowed money—more than $5 trillion of it. As of the close of business yesterday, June 4, 1996, the Federal debt stood at $5,139,963,594,008.65. On a per capita basis, every man, woman, and child in America owes $19,395.97 as his or her share of the Federal debt.

More than two centuries ago, the Continental Congress adopted the Declaration of Independence. It's time for Congress to adopt a declaration of economic responsibilities—and an amendment requiring the President and Congress to come up with a balanced Federal budget—now.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one nomination which were referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT ON SMALL BUSINESS AND COMPETITION—MESSAGE FROM THE PRESIDENT—PM 152

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Small Business:

To the Congress of the United States:

I am pleased to transmit to you my annual report on the state of small business, and to report that small businesses are doing exceptionally well. In the year covered by this report, a record 807,000 new firms reported initial employment. Firms in industries dominated by small businesses created almost 60 percent of the nearly 3.3 million new jobs. Business failures and bankruptcies declined at some of the sharpest rates in a decade.

Small businesses have both contributed to and benefited from the recent strength of the economy. The deficit reduction plan I initiated in 1993 has cut the budget deficit in half. The economy has created 8.5 million new jobs since January 1993—almost all of them in the private sector. The combined rate of unemployment and inflation is at its lowest level in more than 25 years.

A major success story has been in the women-owned business sector. Women are creating new businesses and new jobs at double the national rate. Today, women own one-third of all businesses in the United States. Clearly, there is no stopping this fast-growing segment of the economy.

Last June I met in Washington with nearly 2,000 small business owners—participants in the national White House Conference on Small Business. They took precious time away from their businesses to tell us about their problems and their ideas for resolving them, turning over a list of 60 recommendations for Government action. Their ideas are reflected in many of the recent initiatives of my Administration.

IMPROVING ACCESS TO CAPITAL

One of the keys to a healthy small business sector is access to adequate start-up and working capital. The Small Business Lending Enhancement Act of 1995, which I signed last October, helped to increase access to capital through the Small Business Administration's (SBA) section 7(a) loan guarantee program. Last year, the SBA provided nearly $11 billion in long-term credit and other financial assistance to more than 67,000 small businesses, bringing SBA's total loan portfolio to $26 billion. The number of 7(a) guaranteed loans has increased dramatically, up 52 percent from fiscal year 1994 to fiscal year 1995—and that's with a smaller budget and fewer employees at the SBA. Moreover, during that same period, the number of 7(a) guaranteed loans to women-owned businesses grew by 86 percent; loans to minority-owned businesses increased by 53 percent; and loans to businesses owned by U.S. veterans grew by 43 percent.

Other initiatives are under way. My administration has been working with banks and banking regulators to remove impediments to small business lending by financial institutions. The Riegle Community Development and Regulatory Improvement Act of 1994 amended the banking and securities laws to promote the growth of a secondary market for small business loans. And my administration is looking to reduce small business securities filing and disclosure burdens. In June 1995, the Securities and Exchange Commission proposed regulations that would further this small business goal.

EASING THE TAX BURDEN

The Federal Government should reward rather than discourage entrepreneurs who take risks and create jobs. To that end, we have worked to simplify the tax code and make it more equitable for small firms.

In April 1995, I signed legislation to increase to 30 percent the share of health insurance premiums that self-employed individuals can deduct on their tax returns beginning this tax year—and we're working to increase that amount.

Small firms are less likely than their larger counterparts to be able to provide retirement plans. While 75 percent of workers in businesses with more than 1,000 employees have pension plans, only 24 percent of workers in businesses with fewer than 100 employees have them. I have proposed a new pension plan targeted to the needs of small businesses—the National Employee Savings Trust (NEST). The NEST would provide benefits similar to those of a 401(k) pension plan and would be simple to create and operate.

My Administration has endorsed other improvements that make existing pension plans safer and more beneficial for business owners and employees alike. For example, we have proposed to eliminate the ''family aggregation'' restrictions on pensions for family members, so that spouses or children who work in the same or related businesses can earn their own retirement benefits.

Our 1993 economic plan made 90 percent of small businesses eligible for tax relief. It established a targeted tax preference for capital gains, reduced the record-keeping requirements for the meals and entertainment deduction, and raised the small business expensing limit for equipment by 75 percent, to $17,500. We have proposed to increase further the value of equipment that can be directly expensed to $25,000.

My Administration is also taking steps to ensure that tax regulations are as simple and understandable as possible. For example, administrative guidance has been published to provide tax relief to S corporations and partnerships, simplify depreciation computations, and ease inventory capitalization for small businesses.

We are pursuing tax form simplification through our Simplified Tax and Wage Reporting System (STAWRS). This joint effort among Federal and State agencies will simplify, unify, and streamline tax reporting so that taxpayers will eventually be able to file their State and Federal tax and wage returns at one location, electronically. All these efforts will bring tax reporting into the modern age while reducing the paperwork burden for small business.

SHRINKING THE REGULATORY AND PAPERWORK BURDEN

Regulation and paperwork continue to be a key concern of America's small business owners, and I am proud of the progress my Administration has made in addressing this concern. For example, the SBA is streamlining all its regulations and converting them to plain English. An application form for the most common SBA loans used to be an inch thick and take 5 to 6 weeks to approve. We've reduced the form to one page and cut turn-around time to 3 days.

I've said it before: the era of big Government is over. We have been working hard to give the American people a Government that works better and costs less. We are eliminating 16,000 pages of unnecessary regulations and streamlining 31,000 more—shifting decision-making out of Washington and back to States and local communities. In addition, we are directing Federal agencies, where possible, to cut by half the frequency of reports the public is required to provide to the Government.

More broadly, much of our National Performance Review effort to reinvent Government has been pointed specifically at helping small business. The U.S. Business Advisor, which provides Internet access to information from all Federal agencies, and the U.S. General Store for Small Business, which offers business owners one location for dealing with the Federal Government, illustrate our commitment to reinventing how Government serves the small business community.

In March 1995, I announced a new approach to lessening the regulatory burden on small firms. Under this commonsense approach, small businesses can now avoid paying penalties for violations if they correct the problem within an appropriate period of time. And for those violations that may take

longer to correct, a small business may get up to 100 percent of its fine waived if that same money is used to correct the violation.

I'm proud to have succeeded in putting more teeth in the Regulatory Flexibility Act (RFA). Under the 1980 Act, Federal Government agencies must analyze their proposed regulations for their effects on small firms—and revise them if they will create an unfair burden. In the past, however, because the agencies' analyses could not be reviewed in the courts, small businesses had no meaningful recourse if an agency made a poor decision. On March 29, I signed into law the Small Business Regulatory Enforcement Fairness Act of 1996, which allows for judicial review of Federal agency RFA analyses. The Act also emphasizes compliance assistance and requires agencies to provide small businesses with simple and clear guidelines to assist them in complying with the regulations that affect them.

As small business owners have told us, they care about environmental protection and occupational safety; after all, they drink the same water, breathe the same air, and share the same workplace hazards as everyone else. My Administration has challenged small businesses and regulatory agencies to find cheaper, more efficient ways than government regulation to meet the high environmental and workplace standards Americans want.

OPENING MARKETS AND EXPANDING TRADE

Every year the Federal Government spends $200 billion on goods and services, and small businesses receive a substantial share of that market. I am committed to expanding further the opportunities for small businesses to win Federal contracts. I fought for the Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform Act of 1996, which have simplified the procurement process and made it easier for small firms to do business with the Federal Government.

The 1994 law also created a new Government-wide electronic commerce system, FACNET, which will eventually permit electronic submission of bids and proposals. I encourage small businesses to take advantage of these new procurement procedures to provide more goods and services to the Government.

In addition to the Federal marketplace, foreign markets offer significant opportunities for small business owners to compete and win. While the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) are opening markets abroad, my Administration's National Export Strategy had made it easier here at home for small businesses to export. Among other things, we've opened 14 U.S. Export Assistance Centers to provide one-stop access to export information, marketing assistance, and finance.

TECHNOLOGY AND INNOVATION

Technological innovation by small firms is a major reason for America's leadership in the world economy. Through the Small Business Innovation Research and Small Business Technology Transfer programs, the Federal Government taps into the brain power of small businesses to meet its own research needs. In the process, these programs help spur technological innovation to foster new businesses and jobs.

The Small Business Innovation Research (SBIR) program alone has nearly doubled awards to small businesses during my Administration—up from $508 in 1992 to more than $900 million in 1995. And the quality of SBIR research proposals has kept pace with the program's expansion.

We've also dramatically expanded the Manufacturing Extension Partnership to help America's 380,000 smaller manufacturers become more competitive in world markets. Sixty locally managed manufacturing extension centers—up from seven in 1993—are delivering much-needed services to this important small business sector.

As this report documents, changes are coming at lightning speed. Small business owners recognize that they will need all the technological skill and ''connectivity'' they can muster just to keep up. Through manufacturing extension centers, FACNET, the U.S. Business Advisor, and other information networks, we can help make available the information small businesses need to start up and succeed.

THE HUMAN FACTOR

If the heart of our entrepreneurial economy is small business, then the heart of small business is its people—small business owners and their employees. We need to work with small businesses to strengthen and support this dynamic human resource.

We've seen what business growth can do for communities, and we hope to encourage more business formation in empowerment zones and enterprise communities: legislation before the Congress would provide more tax incentives and waivers of some regulatory requirements in these areas. SBA's one-stop capital shops specifically target empowerment zones and enterprise communities.

As I mentioned earlier, we're taking steps to modify the tax code in ways that will make it easier for small businesses to offer health care and retirement plans to their employees. We also want to make sure that workers and their families can keep their health insurance even when they change jobs. I have urged the Congress to enact the Kassebaum-Kennedy bill, which would make health insurance coverage more ''portable'' for our Nation's workers.

We want to make better use of our work force training dollars by consolidating and streamlining many of our Federal work force training programs. Under our proposal, States and localities would have more flexibility to administer these programs in the way that will do the most good for our workers and small business owners.

I'm pleased that young entrepreneurs were represented at the White House Conference on Small Business and that the conference looked to our economic future by endorsing more mentorships and workplace educational opportunities for young people. These private-sector-led efforts form an essential part of the work-based learning program I envisioned when I signed into law the School-to-Work Opportunities Act of 1994.

It takes a great deal of courage to start something new, to carve a reality out of a dream, often with few resources, sometimes in adverse surroundings, and in an economy that demands much of its participants. That is why we celebrate and listen to America's small business owners and why we will continue to look for ways to nurture and support this powerful economic engine—the small business sector.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 5, 1996*.

MESSAGES FROM THE HOUSE

At 3:55 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 234. An act to amend title 11 of the United States Code to make nondischargeable a debt for death or injury caused by the debtor's operation of watercraft or aircraft while intoxicated.

H.R. 2650. An act to amend title 18, United States Code, to eliminate certain sentencing inequities for drug offenders.

H.R. 2977. An act to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes.

H.R. 3235. An act to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for 3 years, and for other purposes.

H.R. 3376. An act to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1997, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it request the concurrence of the Senate:

H. Con. Res. 181. Concurrent resolution expressing the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding.

The message further announced that the House has passed the following bill (S. 1136) to control and prevent commercial counterfeiting, and for other purposes, with an amendment; the House insists upon its amendment, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. HYDE, Mr.

MOORHEAD, Mr. GOODLATTE, Mr. CONYERS, and Mrs. SCHROEDER as the managers of the conference on the part of the House.

At 6:12 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1861. An act to make technical corrections in the Satellite Home Viewer Act of 1994 and other provisions of title 17, United States Code.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 234. An act to amend title 11 of the United States Code to make nondischargeable a debt for death or injury caused by the debtor's operation of watercraft or aircraft while intoxicated; to the Committee on the Judiciary.

H.R. 2650. An act to amend title 18, United States Code, to eliminate certain sentencing inequities for drug offenders; to the Committee on the Judiciary.

H.R. 3376. An act to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1997, and for other purposes; to the Committee on Veterans' Affairs.

MEASURES PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 2977. An act to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes.

The following measure was read and placed on the calendar:

H. Con. Res. 181. A concurrent resolution expressing the Sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2831. A communication from the Director Bureau of Alcohol, Tobacco and Firearms, transmitting, pursuant to law, the report of technical amendments; to the Committee on the Judiciary.

EC–2832. A communication from the Chairperson of the U.S. Commission on Civil Rights, transmitting, a draft of proposed legislation entitled ''The Civil Rights Commission Amendments Act of 1996''; to the Committee on the Judiciary.

EC–2833. A communication from the Agency Freedom of Information Officer, U.S. Environmental Protection Agency, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC–2834. A communication from the Assistant Attorney General, Office of Policy Development, Department of Justice, transmitting, pursuant to law, the report of final guidelines entitled ''Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act'' (RIN1105-AA36), received on May 13, 1996; to the Committee on the Judiciary.

EC–2835. A communication from the Chairman of the U.S. Sentencing Commission, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on the Judiciary.

EC–2836. A communication from the Office of the Attorney General, Department of Justice, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on the Judiciary.

EC–2837. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a final rule entitled ''Certification of Designated Fingerprinting Services'' (RIN1115-AD75), received on May 29, 1996; to the Committee on the Judiciary.

EC–2838. A communication from the Director of the Federal Bureau of Prisons, Department of Justice, transmitting, pursuant to law, the report of a final rule entitled ''Special Food or Meals'' (RIN1120-AA37), received on May 13, 1996; to the Committee on the Judiciary.

EC–2839. A communication from the General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, the report of five interim and final rules relative to Low-Income Public Housing Performance Funding System (FR 3760, 3514, 3887, 3718, 3919); to the Committee on Banking, Housing, and Urban Affairs.

EC–2841. A communication from the Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, the report of a rule relative to flaring or venting gas and burning liquid hydrocarbons, (RIN1010–AB96) received on May 13, 1996; to the Committee on Energy and Natural Resources.

EC–2842. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Energy and Natural Resources.

EC–2843. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, the report of a rule relative to the American Trust Fund Management Reform Act of 1994, (RIN1076–AD28) received on May 16, 1996; to the Committee on Energy and Natural Resources.

EC–2844. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the report on the Youth Conservation Corps for fiscal year 1995; to the Committee on Energy and Natural Resources.

EC–2845. A communication from the Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a final rule relative to subsistence management regulations for public lands in Alaska (RIN1018-AC82); to the Committee on Energy and Natural Resources.

EC–2847. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–2848. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–2849. A communication from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting, pursuant to law, the rule concerning the Oregon Caves National Monument, (RIN1024–AC26) received on May 30, 1996; to the Committee on Energy and Natural Resources.

EC–2850. A communication from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting, pursuant to law, the rule entitled ''The Glacier Bay Vessel Management Plan Regulations, (RIN1024–AC05) received on May 30, 1996; to the Committee on Energy and Natural Resources.

EC–2851. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, the rule entitled ''Acquisition Regulation,'' (RIN1991–AB27) received on May 23, 1996; to the Committee on Energy and Natural Resources.

EC–2852. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, the rule entitled ''Contractor Litigation Cost Policies,'' received on May 13, 1996; to the Committee on Energy and Natural Resources.

EC–2853. A communication from the Director of the Office of Surface Mining, Reclamation and Enforcement, Department of the Interior, transmitting, pursuant to law, the report of four rules entitled ''The Indiana Regulatory Program,'' (IN132FOR, TX029FOR, IN133FOR, HO003FOR) received on May 23, 1996; to the Committee on Energy and Natural Resources.

EC–2854. A communication from the Director of the Office of Surface Mining, Reclamation and Enforcement, Department of the Interior, transmitting, pursuant to law, the report of twelve rules entitled ''The Indiana Regulatory Program,'' (IN132FOR, TX029FOR, IN133FOR, HO003FOR, MO025FOR, MO026FOR, OK015FOR, IN112FOR, NM036FOR, CO029FOR, VA105, IL089FOR) received on May 22, 1996; to the Committee on Energy and Natural Resources.

EC–2855. A communication from the Director of Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, a rule concerning Propylene Glycol, received on May 21, 1996; to the Committee on Labor and Human Resources.

EC–2856. A communication from the Assistant Secretary of Labor for Occupational Safety and Health, transmitting, pursuant to law, the rule entitled ''Personal Protective Equipment in Shipyards,'' (1218–AA74) received on May 22, 1996; to the Committee on Labor and Human Resources.

EC–2857. A communication from the Director of Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, a rule concerning drug products, (RIN0910–AA01) received on May 23, 1996; to the Committee on Labor and Human Resources.

EC–2858. A communication from the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant

to law, the rule entitled ''Training Personnel for the Education of Individuals with Disabilities,'' received on May 23, 1996; to the Committee on Labor and Human Resources.

EC–2859. A communication from the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant to law, the rule entitled ''Foreign Language Assistance Grants,'' received on May 24, 1996; to the Committee on Labor and Human Resources.

EC–2860. A communication from the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant to law, the rule entitled ''Foreign Language Assistance Grants,'' received on May 24, 1996; to the Committee on Labor and Human Resources.

EC–2861. A communication from the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant to law, the rule entitled ''Notice of Final Funding Priorities for Fiscal Years 1996–1997 for a Research and Demonstration Project,'' received on May 29, 1996; to the Committee on Labor and Human Resources.

EC–2862. A communication from the Assistant Secretary of Labor for Employment and Training, transmitting, pursuant to law, the rule entitled ''Unemployment Insurance Program Letter 22–96,'' received on May 31, 1996; to the Committee on Labor and Human Resources.

EC–2863. A communication from the Director of Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, a rule concerning chlorofluorocarbon propellants in self-pressurized containers, received on May 31, 1996; to the Committee on Labor and Human Resources.

EC–2864. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''Compensation for Disability Resulting from Hospitalization, Treatment, Examination, or Vocational Rehabilitation,'' (RIN2900–AH44) received on May 23, 1996, to the Committee on Veterans' Affairs.

EC–2865. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''National Cemeteries,'' (RIN2900–AI06) received on May 28, 1996, to the Committee on Veterans' Affairs.

EC–2866. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''Gender Policy for VA Publications and Other Communications,'' (RIN2900–AI09) received on May 28, 1996, to the Committee on Veterans' Affairs.

EC–2867. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a Revenue Procedure 96–33 relative to examination of returns and claims for refund, credit, or abatement, received on May 28, 1996; to the Committee on Finance.

EC–2868. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of Treasury Notice 96–32 relative to weighted average interest rate update, received on May 28, 1996; to the Committee on Finance.

EC–2869. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a Treasury Regulation relative to nonpayroll withheld income taxes, (RIN 1545–AT86) received on May 28, 1996; to the Committee on Finance.

EC–2870. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of Treasury Announcement 96–26 relative to refund requests, received on May 28, 1996; to the Committee on Finance.

EC–2871. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of Treasury Notice 96–24 relative to weighted average interest rate update, received on May 28, 1996; to the Committee on Finance.

EC–2872. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of Revenue Procedure 96–29 relative to closing agreements, received on May 28, 1996; to the Committee on Finance.

EC–2873. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the rule entitled ''Payment by Employer of Expenses for Meals and Entertainment, Club Dues, and Spousal Travel,'' (RIN1545–AS74) received on May 29, 1996; to the Committee on Finance.

EC–2874. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the rule entitled ''Enterprise Zone Facility Bonds,'' (RIN1545–AM01) received on May 29, 1996; to the Committee on Finance.

EC–2875. A communication from the Acting Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, the rule entitled ''Nationality Procedures,'' received on May 23, 1996; to the Committee on Foreign Relations.

EC–2876. A communication from the Administrator of the Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled ''Import Quotas and Fees,'' (RIN0551–AA46) received on May 24, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2877. A communication from the General Sales Manager of the Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a rule relative to agricultural commodities, (RIN0551–AA43) received on May 24, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2878. A communication from the Administrator of the Cooperative State Research, Education, and Extension Services, Department of Agriculture, transmitting, pursuant to law, the rule entitled ''The Rangeland Research Grants Program,'' received on May 24, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2879. A communication from the Administrator of the Agricultural Marketing Services, Department of Agriculture, transmitting, pursuant to law, the rule entitled ''The Fluid Milk Promotion Order,'' received on May 30, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2880. A communication from the Administrator of the Agricultural Marketing Services, Department of Agriculture, transmitting, pursuant to law, the report of three rules relative to Oregon-California Potatoes, received on May 31, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2881. A communication from the Acting Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, the report of a certification and justification; to the Committee on Appropriations.

EC–2882. A communication from the Secretary of Defense, transmitting, pursuant to law, a notice relative to eleven retirements; to the Committee on Armed Services.

EC–2883. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to a multiyear contract for the C–17 program; to the Committee on Armed Services.

EC–2884. A communication from the Deputy Under Secretary of Defense, transmitting, pursuant to law, the report on the Defense Environmental Quality Program for fiscal year 1995; to the Committee on Armed Services.

EC–2885. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the report on the possible use of private-sector sources for air transportation of military personnel and cargo; to the Committee on Armed Services.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. BOXER:

S. 1837. A bill to require that 401(k)-type pension plans be subject to the same prohibited transaction rules that apply to traditional defined benefit pension plans; to the Committee on Labor and Human Resources.

By Mr. FAIRCLOTH (for himself and Mr. HELMS):

S. 1838. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the centennial anniversary of the first manned flight of Orville and Wilbur Wright in Kitty Hawk, North Carolina, on December 17, 1903; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PRESSLER (for himself, Mr. BURNS, and Mr. STEVENS):

S. 1839. A bill to authorize appropriations for fiscal year 1997 to the National Aeronautics and Space Administration for human space flight; science, aeronautics, and technology; mission support; and Inspector General; and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PRESSLER (for himself, Mr. GORTON, Mr. HOLLINGS, Mr. BRYAN, and Ms. SNOWE):

S. 1840. A bill to amend the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN (by request):

S. 1841. A bill to reform the Nation's welfare system by requiring work and demanding personal responsibility; to the Committee on Finance.

By Mr. JEFFORDS:

S. 1842. A bill to amend the Employee Retirement Income Security Act of 1974 to improve protections for workers in multiemployer pension plans; to the Committee on Labor and Human Resources.

By Mr. INHOFE (for himself, Mr. LOTT, Mr. THURMOND, Mr. THOMAS, Mr. JEFFORDS, and Mr. COCHRAN):

S. 1843. A bill to provide for the allocation of funds from the Mass Transit Account of the Highway Trust Fund, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MURKOWSKI:

S. 1844. A bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water based recreation and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. BOXER:

S. 1837. A bill to require that 401(k)-type pension plans be subject to the same prohibited transaction rules that apply to traditional defined benefit pension plans; to the Committee on Labor and Human Resources.

THE 401(K) PENSION PROTECTION ACT OF 1996

Mrs. BOXER. Mr. President, today I introduced a bill to protect America's 401(k) retirement savings.

Mr. President, this bill is designed to close a major, unintended loophole in Federal pension law, a loophole that jeapordizes 401(k) pension plans.

The legal protections afforded traditional pension plans are not applied equally to 401(k) pension plans. Traditional pension plans, known as defined benefit pension plans, may not invest more than 10 percent of their assets in securities and real property of the corporation they work for. Federal law further requires that all traditional pension plans investments be diversified. This protection does not uniformly apply to 401(k) plans.

This increases the investment risk to 401(k) plans. This Increased investment risk is borne totally by 401(k) plan members, not by the companies sponsoring the 401(k) plans.

Furthermore, Mr. President, 401(k) plans do not have Pension Benefit Guaranty Corporation insurance, as do traditional pension plans, in the event the employer corporation goes bankrupt. So the protections of diversity become even more urgent.

The protections for traditional plans were wisely put in Federal law when the Pension Reform Act, known as ERISA, was adopted in 1974. The limitations were designed to prevent the recurrence of the many pension scandals that predated the passage of ERISA, scandals in which employers used their employees' pension plans as the company piggy-bank. Scandals in which the sponsoring company went bankrupt and the employees lost not only their jobs, but their pensions.

Unfortunately, these protections do not apply to 401(k) plans. That is an unintended consequence, a quirk of history.

When ERISA was passed, there was no section 401(k). 401(k) was added 4 years later, in 1978, to a section of ERISA governing profit sharing plans, not pension plans. At the time no one thought 401(k) plans would be any more than small supplemental, profit-sharing plans.

At the time, no one predicted that 401(k) plans would become the predominant form of pension plan. Consequently, no one thought to protect them as ERISA protected pension plans. Consequently, Federal law permitted 401(k) plans to invest more than 10 percent of their assets in the employer sponsoring the 401(k)plan. In fact, 401(k) plans are permitted to invest all of their assets in the sponsoring company.

That was hardly noticed when 401(k) was added in 1978; 401(k) plans were tiny—thought of as profit sharing plans. But today, the investment loophole represents a danger to the retirement security of Americans. It is a danger to the 23 million Americans who belong to 401(k) plans. It is a danger to the 675 billion dollars that these Americans have saved in their 401(k) plans.

Today's Wall Street Journal reports just how dangerous it is. The Journal today describes the plight of thousands of employees of Color Tile, Inc. Until January, Color Tile was a major name in retailing, operating 774 stores in 48 States, coast-to-coast. There were 62 stores in my State of California alone.

Suddenly in January, Color Tile went into bankruptcy; 234 stores were closed. Hundreds of employees lost their jobs, many with only 30 minutes notice. The jobs of thousands more are at risk. Unfortunately, so are their pensions.

Color Tile employees were shocked to learn after the bankruptcy that nearly 85 percent of Color Tile's 401(k) assets were Color Tile stores. The 401(k) plan owned 44 stores leased to Color Tile. As a result of the bankruptcy, Color Tile broke many of the leases on stores owned by its employees' 401(k) plan. Moreover, the 401(k) plan borrowed to build many of the stores. Those mortgage-loan payments to the plan's banks still have to be paid, but, because Color Tile repudiated many of the leases, rent payments to pay bank loans are no longer available. As a result, the plan told shocked workers last month, that it isn't ''clear that the plan has sufficient cash to pay the bills, including mortgage payments.''

For Color Tile employees, things could not be much worse. Color Tile's only pension plan is the 401(k) plan. The employees are facing, not only the loss of their jobs, but their pension savings.

This would not be possible if 401(k) plans were protected by the rules that protect traditional pension plans. If my bill had been law, Color Tile's pension plan would not be in jeopardy.

My bill would simply apply the same pension protections to all plans—401(k) and traditional pension plans—that deliver retirement security. For the first time, 401(k) plans would have the same 10 percent conflict-of-interest limitations on investments with the sponsoring company that have always applied to traditional pension plans. It would be illegal to do what Color Tile did to its employees.

It would be illegal for a company to borrow more than 10 percent of its employees 401(k) plan assets—as the company slides into bankruptcy. That's exactly what happened to the employees of Metacor, Inc., of Deerfield Beach, FL. In the 24 months before Metacor filed for bankruptcy, the company used its employees 401(k) plan as a piggy bank. The 401(k) plans made 34 separate loans to Metacor in those 24 months, until nothing was left to loan. Most people believe that was made illegal in 1974 when Congress passed the Pension Reform Act. They are misinformed. Unfortunately, we exempted 401(k) plans. My bill would close that loophole.

The only plans exempted under my bill would be plans designed as true profitsharing plans, stock bonus, or stock option plans—plans not designed specifically for retirement.

My bill also exempts employee-directed 401(k) plans, because employees should be able to waive the 10-percent limitations if they want to. It's their money.

My bill would have protected not only the employees of the 62 Color Tile stores in my State—8 in Orange County alone—but the employees of Color Tile stores everywhere. Had this bill been law, the employees of the 12 stores shut down in Illinois, the 5 stores shut in Wisconsin, the 4 stores shut in Virginia, the 3 stores shut in Michigan, the stores shut in Texas, Oregon, and Minnesota would not be worried today about losing their 401(k) pension plan assets.

Remember many have already lost their jobs, now many are losing their pensions too.

The employees of stores shut in my State, California, in Visalia and San Diego, would not be worried about their 401(k) plan.

Mr. President, I hope my two colleagues—the Senators from the State of Mississippi—are listening. One of you may soon be the majority leader and in a position to greatly help the passage of this bill.

I say to both of them: you can remember the 225 former employees of the Cleveland, MS, Color Tile factory. You can help assure the unfolding tragedy of the Color Tile 401(k) plan will not happen again. You can help pass this bill. I will work with you.

Here is a picture of 12 of those Mississippi employees. This picture was taken at the front gate of the factory after it was closed in February. This picture is America. Unfortunately, it says that America needs better protections for 401(k)'s.

This is Dorsey Kelsey, 57 years old. Dorsey worked at the plant 18 and a half years, as a janitor. Her husband is Robert Kelley. Robert worked at the plant for over 20 years. Between them, Robert and Dorsey had $20,000 in the 401(k) plan. $20,000 that Robert needs, but can't get access to, if he ever will. Robert and Dorsey are why we need this bill.

This is Woodrow ''Moose'' Issacs, 57, also of Cleveland, MS. Moose was a maintenance mechanic and worked at the plant for 38 years. His last statement from the 401(k) plan, as of September 30, 1995, showed he had $57,900 in the plan. A good deal of that money he may never see.

Raymonda Almond, 53, of Boyle, MS was in outside sales. She worked for the plant for 9 years and saved $17,000.

She planned on using the money to supplement her Social Security when she retired. Now she needs it to live on, but cannot get access to it. Some of it she possibly never will see.

She will just have to make do with Social Security.

Paul Locke, 24 years old, worked at the plant for 3½ years. He was a full-time student at Delta State University and worked full time at Color Tile. He saved $4,000, money that he was going to use as a down payment on a house when he graduated. That house will probably have to wait.

I could list the other seven former Color Tile employees in this picture, some holding their children, some holding grandchildren. Suffice to say that collectively this picture represents $199,900 in savings in the 401(k) plan. Saved through years of work at Color Tile. Money that is at risk because the Federal Government is not adequately protecting 401(k) plans.

Mr. President this picture says more than I could ever say about why we need this bill. I ask all my colleagues to join me in protecting 401(k) pension plans—just as well as we protect traditional pension plans.

It is time to close an unintended and unforeseen loophole in ERISA. It is time to apply the 10-percent limitations on conflict-of-interest investments to 401(k) plans. Let us protect 401(k) members just as we protect the members of traditional pension plans.

By Mr. FAIRCLOTH (for himself and Mr. HELMS):

S. 1838. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the centennial anniversary of the first manned flight of Orville and Wilbur Wright in Kitty Hawk, NC, on December 17 1903; to the Committee on Banking, Housing, and Urban Affairs.

THE FIRST FLIGHT COMMEMORATIVE COIN ACT

Mr. FAIRCLOTH. Mr. President, I rise today, joined by my colleague from North Carolina, Senator HELMS, to introduce the First Flight Commemorative Coin Act. This revenue-neutral legislation instructs the Treasury Secretary to mint coins in commemoration of the Wright Brothers' historic 1903 flight on the North Carolina coast.

Mr. President, in the cold morning hours of December 17, 1903, a small crowd watched the Wright flyer lift off the flat landscape of Kitty Hawk. Orville Wright traveled just 120 feet—less than the wingspan of a Boeing 747—in his 12-second flight. It was, however, the first time that a manned machine sailed into the air under its own power.

The residents of Kitty Hawk, then an isolated fishing village, thus bore witness to the realization of the centuries-old dream of flight.

The significance of the Wright Brothers' flight reaches far beyond its status as the first flight. There flight represented the birth of aviation. On that morning, aeronautics moved from untested theory to nascent science, and it triggered a remarkable technological evolution.

In fact, just 24 years after their fragile craft rose unsteadily and took to the air, Charles Lindbergh crossed the Atlantic Ocean. In 1947, less than half a century after the pioneer 31 mph flight over Kitty Hawk, Chuck Yeager shattered the sound barrier over the Mojave Desert.

The rapid aeronautical progression, which the Wright Brothers initiated on that December morning in Kitty Hawk, is, of course, remarkable. Mr. President, it was just 66 years after the Wright Brothers' 120-foot flight—a timespan equivalent to the age of many Members of this body—that Neil Armstrong traveled 240,000 miles to plant the American flag on the Moon.

Today, some 86,000 planes lift off from American airports on a daily basis, and air travel is routine. It was with a sprinkling of onlookers, however, that the Wright Brothers ushered in the age of flight on that cold winter morning in Kitty Hawk.

The site of the first flight, at the foot of Kill Devil Hill, was initially designated as a national memorial in 1927 and is visited by close to a half-million people each year.

I think that First Flight Commemorative Coin Act is a most appropriate tribute to the Wright Brothers as the centennial anniversary of the first flight approaches. The coin will be minted in $10, $1, and 50¢ denominations, and its sales will fund educational programs and improvements to the visitor center at the memorial.

These commemorative coins are struck to celebrate important historical events, and, of course, the proceeds are an important revenue source to the custodians of these legacies. The centennial anniversary of the Wright Brothers' flight merits our observance.

Mr. President, I ask my colleagues for their support, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''First Flight Commemorative Coin Act''.

SEC. 2. COIN SPECIFICATIONS.

(a) DENOMINATIONS.—The Secretary of the Treasury (hereafter in this Act referred to as the ''Secretary'') shall mint and issue the following coins:

(1) $10 GOLD COINS.—Not more than 500,000 $10 coins, each of which shall—

(A) weigh 16.718 grams;

(B) have a diameter of 1.06 inches; and

(C) contain 90 percent gold and 10 percent alloy.

(2) $1 SILVER COINS.—Not more than 3,000,000 $1 coins, each of which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(3) HALF DOLLAR CLAD COINS.—Not more than 10,000,000 half dollar coins each of which shall—

(A) weigh 11.34 grams;

(B) have a diameter of 1.205 inches; and

(C) be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code.

(b) REDUCED AMOUNTS.—If the Secretary determines that there is clear evidence of insufficient public demand for coins minted under this Act, the Secretary of the Treasury may reduce the maximum amounts specified in paragraphs (1), (2), and (3) of subsection (a).

(c) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 3. SOURCES OF BULLION.

The Secretary shall obtain gold and silver for minting coins under this Act pursuant to the authority of the Secretary under other provisions of law, including authority relating to the use of silver stockpiles established under the Strategic and Critical Materials Stockpiling Act, as applicable.

SEC. 4. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the first flight of Orville and Wilbur Wright in Kitty Hawk, North Carolina, on December 17, 1903.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year ''2003''; and

(C) inscriptions of the words ''Liberty'', ''In God We Trust'', ''United States of America'', and ''E Pluribus Unum''.

(b) SELECTION.—The design for the coins minted under this Act shall be—

(1) selected by the Secretary after consultation with the Board of Directors of the First Flight Foundation and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 5. PERIOD FOR ISSUANCE OF COINS.

(a) IN GENERAL.—Except as provided in subsection (b), the Secretary may issue coins minted under this Act only during the period beginning on August 1, 2003, and ending on July 31, 2004.

(b) EXCEPTION.—If the Secretary determines that there is sufficient public demand for the coins minted under section 2(a)(3), the Secretary may extend the period of issuance under subsection (a) for a period of 5 years with respect to those coins.

SEC. 6. SALE OF COINS.

(a) SALE PRICE.—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, shipping, and profit).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) SURCHARGES.—All sales shall include a surcharge of—

(1) $35 per coin for the $10 coin;

(2) $10 per coin for the $1 coin; and

(3) $1 per coin for the half dollar coin.

(e) MARKETING EXPENSES.—The Secretary shall ensure that—

(1) a plan is established for marketing the coins minted under this Act; and

(2) adequate funds are made available to cover the costs of carrying out that marketing plan.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this Act.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. DISTRIBUTION OF SURCHARGES.

(a) IN GENERAL.—All surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the First Flight Foundation for the purposes of—

(1) repairing, refurbishing, and maintaining the Wright Brothers Monument on the Outer Banks of North Carolina; and

(2) expanding (or, if necessary, replacing) and maintaining the visitor center and other facilities at the Wright Brothers National Memorial Park on the Outer Banks of North Carolina, including providing educational programs and exhibits for visitors.

(b) AUDITS.—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the First Flight Foundation as may be related to the expenditures of amounts paid under subsection (a).

SEC. 9. FINANCIAL ASSURANCES.

The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this Act will not result in any net cost to the United States Government.

By Mr. PRESSLER (for himself, Mr. BURNS, and Mr. STEVENS):

S. 1839. A bill to authorize appropriations for fiscal year 1997 to the National Aeronautics and Space Administration for human space flight; science, aeronautics, and technology; mission support; and inspector general; and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NASA AUTHORIZATION ACT FOR FISCAL YEAR 1997

Mr. PRESSLER. Mr. President, today, as chairman of the Senate Committee on Commerce, Science, and Space, I introduced the NASA Authorization Act for fiscal year 1997. The bill is cosponsored by the chairman of our Space Subcommittee, Senator CONRAD BURNS, who has provided the committee with great leadership and direction on space policy matters.

In the past, the main challenges NASA faced were technological. Today, NASA faces a new set of challenges which are mainly budgetary, but they are no less daunting than the Apollo missions to the Moon. To the credit of Administrator Dan Goldin, rather than complain about the current budget challenge faced by the Federal Government, he has faced them head on. Last year, he developed an ambitious budget-cutting plan to reduce his agency's budget by more than $5 billion over the next 5 years. Under the plan, NASA funding would drop from its current level of $13.9 billion to $11.6 billion by the year 2000.

To date, NASA has not revealed precisely how it will make these cuts while at the same time fulfilling its commitment to its major ongoing programs—including multibillion-dollar initiatives like space station and Mission to Planet Earth. There is a growing sense NASA's budget is already cut to the bone and further cuts by Congress might prevent the agency from realizing its bold visions in space science and exploration. With that in mind, my bill is aimed at providing NASA sufficient funding authority to continue the missions and programs that have inspired our Nation and the world.

Mr. President, my bill authorizes $13.7 billion in fiscal year 1997 to support a diverse and forward-looking space program to move NASA into the 21st century. It authorizes all of NASA's major current programs such as Mission to Planet Earth, space station, space science, and aeronautics and, in almost all cases, at their requested funding levels. It also continues funding for the new Reusable Launch Vehicle Program aimed at providing private industry the technology to eventually build a shuttle replacement. The bill contains an authorization for NASA's new radar satellite program which is so critical to U.S. leadership in space science and our competitiveness in the growing satellite remote sensing market.

Mr. President, let me make special mention of certain portions of the bill.

I believe Mission to Planet Earth may be NASA's most important and relevant program. The satellite data from Mission to Planet Earth will deliver direct benefits to the taxpayer in contrast to the speculative spinoffs promised by other space activities. For this reason, the bill fully funds this activity at the requested level of $1.4 billion.

Using the latest satellite technology, Mission to Planet Earth will help researchers understand and predict the global climate trends that affect our lives. As a Senator representing an agricultural State, I have a keen interest in this program's potential to provide detailed data on soil conditions, topography, crops, and other information critical to the farming and ranching community. I also take great pride in the selection of the EROS Data Center in Sioux Falls, SD as one of the regional data centers that will collect and distribute this satellite data.

I am very concerned that, under the new budget constraints in which we find ourselves, some may seek to sacrifice Mission to Planet Earth, and space science in general, to fund space station. That would be a disservice to the Nation and I will oppose any such move strongly.

I am pleased with the direction of the baseline plan for the Mission to Planet Earth Program and am concerned about the possibility of NASA taking any imprudent and unnecessary efforts to restructure the program. Accordingly, the bill specifically prohibits NASA from changing the program unless, 60 days before such action, NASA has reported to Congress on the nature and overall impact of the planned changes.

The bill also provides the full $2.1 billion requested funding for space station. However, this authorization should not be interpreted as a ringing endorsement of that program. I am a longstanding support of the program, but, in recent years, I have become concerned that it has become too expensive, too complex, and too dependent on the contributions of Russia, the latest station partner.

In a June 1995 report, the General Accounting Office [GAO] estimated that the total cost of the design, launch, and operation of the space station will be $94 billion. That is almost seven times the entire annual budget for NASA. Given the history of past missions, it is fair to assume that $94 billion price tag for the program will increase over time. If that happens, we may wake up to find the enormous space station budget has crowded out every other NASA program to become NASA's only mission. Because of my reservations about space station, I may well reconsider my support in the future. But, for now, with the start of the space station assembly only 1 year away, I am supporting full funding in fiscal year 1997 for the space station effort.

The bill also authorizes NASA's Reusable Launch Vehicle Program, which will support the X–33 and X–34 activities to pave the way for the later development by private enterprise of a replacement for the shuttle in the next decade. Employing 1970's technologies and costing $400 million per flight, the shuttle may have outlived its usefulness. However, within today's budget constraints, the Government cannot afford to foot the entire bill for a new multibillion dollar spacecraft development program. That is why the Reusable Launch Vehicle Program, with its emphasis on sharing financing with industry and its goal of moving our national space transportation system toward privatization, seems a viable concept worth pursuing.

The bill also authorizes $35 million for NASA feasibility studies and subsequent development and operations work for a new radar satellite program. Earlier this year, at the urging of the Commerce Committee and the Congress, NASA announced its commitment to study the feasibility of developing a new civilian radar satellite with scientific applications. Because radar satellites have the ability to see through cloud cover, they will dramatically enhance the capability of the Nation's existing optical-based satellite

systems such as Landsat. With Japan, Europe, and Canada already operating radar satellite systems, and with Canada poised to deploy one later this year, the United States cannot afford to be left behind in this critical technology.

In my role as chairman of the Senate Committee on Commerce, Science, and Transportation, it has become apparent to me that small-city, rural States like my home State of South Dakota are often forgotten in our vast $70-billion Federal science and technology enterprise. That part of America wants and deserves to be part of the technological revolution. More importantly, it wants to contribute. It is in the national interest to strengthen the scientific talent, resources, and infrastructure in our rural States through appropriate research, education, and outreach activities. The bill attempts to accomplish this in several ways. It increases funding for the Experimental Program To Stimulate Competitive Research [EPSCoR] from its current level of $4.9 million to $10 million. NASA's EPSCoR Program, was well as similar programs in six other science agencies, have been instrumental in providing Federal funding for academic research in rural States. My bill also funds the efforts of two separate university-led consortia formed to process Mission to Planet Earth satellite date into useful information for the farming and research communities in the Upper Plains States region.

Finally, Mr. President, my bill urges NASA to consider the use of underutilized military and other Federal Government facilities before committing to new leases of the construction of new facilities to fulfill agency requirements. With the end of the cold war and the drawdown of our military infrastructure, we have many facilities and property that are unused or woefully underutilized. In my home State of South Dakota, I can cite the Ellsworth Air Force Base as an example, but every Member in the Senate can no doubt identify an underutilized military facility in his or her State that might be put to some cost-effective use in our U.S. space program. I strongly believe that NASA should start taking a serious look at using some of these valuable assets and properties that have served as the foundation of our national defense before making huge financial commitments to new leases or facilities. My bill would simply require NASA to engage in this kind of review as a matter of agency policy.

Mr. President, I believe NASA is up to the challenge of keeping America preeminent in aeronautics and space despite the intense budget pressure and despite the increasing competition from other spacefaring nations. I am convinced this authorization bill provides NASA with the support it needs to meet that challenge.

• Mr. BURNS. Mr. President, I am proud to be a cosponsor of the NASA authorization bill for fiscal year 1997, introduced by Senator PRESSLER, the chairman of our Commerce Committee. Let me take this opportunity to thank Senator PRESSLER for crafting a bill which provides the funding NASA will need to complete billion-dollar missions like space station and Mission to Planet Earth on schedule and prepare for the next century.

As chairman of the Science, Technology, and Space Subcommittee, I have concerns about NASA's cost-cutting plan to reduce its budget by $5 billion over 5 years and cut its spending to $11.6 billion by the year 2000. The goals and missions of our space agency must be balanced within fiscal responsibility. This legislation authorizes $13.7 billion for NASA in fiscal year 1997. This level, slightly less than the $13.8 billion budget request, will allow NASA to continue all of its major ongoing aeronautics and space programs, including Mission to Planet Earth, space station aeronautics research, and space science and exploration.

The bill authorizes the full $1.4 billion requested by NASA for its Mission to Planet Earth. This program has come a long way in recent years. Originally, it was misperceived as being exclusively focused on global warming and developing justifications for caps and timetables on industry emissions. Now we realize it is much broader than that. From several oversight hearings before the Science Subcommittee, we now know it is really about using satellite technology to help farmers predict weather on a year-to-year basis and measure soil moisture using a desk-top computer. It is about giving land planners, mappers, and foresters a cost-effective tool to help them do their work. It is about mineral exploration and archaeology. In short, Mission to Planet Earth is about using NASA's satellites to help average citizens in their everyday activities. At the University of Montana and other institutions in the Plains States, our researchers are already eager to gather data from the program so they can start developing useful applications for the community. It is time to proceed with carrying out the sound baseline plan for the program and not get sidetracked by calls for delays, cutbacks, and unnecessary studies from vocal opponents of this important initiative. The bill's full funding for Mission to Planet Earth should help the program go forward.

The bill also provides $2.1 billion for the space station account and related activities. After more than a decade of planning and hard work, the United States and its foreign partners will finally start the assembly of the mammoth orbiting laboratory late next year. Let me first say that I wholeheartedly support the space station. I believe the space station represents the next logical step in our manned space exploration program. If successful, this program will demonstrate what great nations can do when combining their talent and resources for peaceful scientific purposes. Beyond that, the space station will help our Nation maintain and strengthen its traditional leadership in aeronautics and space. While I continue to have some concerns about the heavy reliance of the current space station plan on Russian participation, I am optimistic that space station will successfully proceed within budget and on schedule.

I believe that NASA's aeronautics research program is one of the main reasons for our Nation's preeminence in aerospace. Aeronautics is the first A in NASA. Yet, for many years, aeronautics seemed to be reduced to a small A status. It always seemed to take a back seat to the higher profile space missions. However, under Dan Goldin's leadership, that is beginning to change and NASA is giving aeronautics the backing it deserves. For instance, the High Speed Research Program is developing precompetitive technologies in support of supersonic aircraft. It is estimated that the first country to market such an aircraft stands to gain $200 billion in sales and 140,000 new jobs. Similarly, the Advanced Subsonic Technology Program funds research in support of subsonic airplanes—a market that generates 1 million jobs and contributes over $25 billion annually to the U.S. trade balance. These programs are moneymakers and it is in the national interest to give them whatever support they need. Accordingly, our NASA bill authorizes aeronautics research at the requested level of $858 million.

Our bill also provides authorization for NASA's successful collection of technology transfer, education, and outreach activities. These programs have been very effective in allowing our quality research institutions in rural States and regions to contribute to the technological revolution. For instance, last May, our Science Subcommittee heard from Professor Steve Running of the University of Montana about his promising research in the use of remote sensing satellite data in forest and crop management. Our rural States can make an enormous contribution to the civilian space program if only given the chance.

In that connection, the bill provides $10 million for the Experimental Program to Stimulate Competitive Research [EPSCoR] Program—an increase of $5.5 million over the requested level of $4.5 million. This authorized increase reflects the important role that NASA's EPSCoR, as well as its counterparts at other Federal science agencies, has played in supporting vital academic research in rural States like Montana. The bill also includes sufficient funding to enable NASA to continue support for a new Rural Teacher Resource Center and a new Rural Technology Transfer and Commercialization Center to serve the Upper Plains States region. NASA made commitments to those new centers this year to fill in coverage gaps in NASA's outreach programs.

Full funding is also provided for ongoing technology programs to keep NASA on the cutting edge. The bill supports the Reusable Launch Vehicle Program aimed at developing, and flight testing, new technologies to reduce the cost of access to space and eventually lay the foundation for a Shuttle replacement. In addition, there is funding to continue NASA's commitment to a new radar satellite program. Unlike conventional satellites, radar satellites are unaffected by cloud cover or nightfall. Now that Canada, Japan, and Europe have operational systems, it is clearly in the national interest for this country to develop that capability for civilian purposes as soon as practicable.

Finally, Mr. President, I note that the bill contains buyout provisions that we worked out with NASA that are intended to reduce the need for the agency to resort to reductions in force to downsize its work force. We recognize the need for NASA to reduce its 25,000-person work force to meet its budget targets. However, such personnel reductions need to be implemented in a gradual and thoughtful manner, with proper consideration for the personnel affected. It is with that in mind that we have provided the buyout authority in the bill to encourage voluntary separations in support of NASA's downsizing effort.

Mr. President and I urge my colleagues to support this legislation when it is considered by the full Senate later this year.●

By Mr. PRESSLER (for himself, Mr. GORTON, Mr. HOLLINGS, Mr. BRYAN, and Ms. SNOWE):

S. 1840. A bill to amend the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

THE FEDERAL TRADE COMMISSION REAUTHORIZATION ACT OF 1996

Mr. PRESSLER. Mr. President, as chairman of the Senate Committee on Commerce, Science, and Transportation, I am pleased to introduce, along with Senators GORTON, HOLLINGS, and BRYAN, the Federal Trade Commission Reauthorization Act of 1996. This bill reauthorizes the Federal Trade Commission [FTC] for 2 years with funding sufficient to maintain current staffing levels.

Congress last reauthorized the FTC in 1994. That authorization was the Commission's first since 1980. In that reauthorization legislation we significantly modified the Federal Trade Commission Act. At present, we see no need to further modify the FTC's authorizing statutes. Therefore, this is an extremely simple piece of legislation. It authorizes funding for the FTC of $107 million for fiscal year 1997 and $111 million for fiscal year 1998. As I mentioned earlier, these authorization levels would simply maintain the existing staffing level of 979 FTE's.

The Federal Trade Commission is a law enforcement agency. The Commission's primary authority is derived from section 5 of the Federal Trade Commission Act through the declaration that ''unfair methods of competition * * * and unfair or deceptive acts or practices'' are unlawful. The FTC's dual mission is to enforce Federal consumer protection laws and antitrust and competition laws. The FTC has enforcement and administrative duties under 37 separate acts.

The Commerce Committee held a hearing on the FTC on May 7, 1996. We are pleased with the general direction of the Commission. Under the leadership of Chairman Pitofsky, and his predecessor, Chairman Steiger, the Commission has established a solid performance record.

No comprehensive controversy surrounds the FTC today as it did in the late 1970's and early 1980's. As one would expect of a law enforcement entity acting in complex and, often, uncertain situations, individual Commission actions are sometimes not met with universal approval. Nevertheless, there is a general consensus that the Commission is functioning efficiently and effectively.

The FTC fulfills its mission with minimal burden on taxpayers because it generates over half its annual operating budget through fees from the corporations it regulates.

I hope the Senate will join Senators GORTON, HOLLINGS, BRYAN, and myself in supporting this legislation. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Trade Commission Reauthorization Act of 1996''.

SEC. 2. REAUTHORIZATION.

Section 25 of the Federal Trade Commission Act (15 U.S.C. 57c) is amended by striking ''and not to exceed'' and inserting ''not to exceed'' and by inserting before the period the following: ''; not to exceed $107,000,000 for fiscal year 1997; and not to exceed $111,000,000 for fiscal year 1998''.

By Mr. MOYNIHAN (by request):

S. 1841. A bill to reform the Nation's welfare system by requiring work and demanding personal responsibility; to the Committee on Finance.

THE WORK FIRST AND PERSONAL RESPONSIBILITY ACT OF 1996

Mr. MOYNIHAN. Mr. President, at the request of the administration, I rise to introduce the Work First and Personal Responsibility Act of 1996. This was sent to the President of the Senate and the Speaker of the House of Representatives on April 26, 1996, by Alice M. Rivlin, Director of the Office of Management and Budget.

I do not support this bill, and will indeed oppose it with great conviction. All the same, the President is entitled to the courtesy of having his bills introduced, printed, and referred to the appropriate committee. This particular bill will be referred to the Finance Committee, of which I am the ranking Democratic member. Hence this simple duty falls to me.

I have a further purpose in introducing this bill. As Senators know, it is the fixed practice of the Office of Management and Budget to require a report from the appropriate Department or Departments on the impact an administration measure would have on the area of concern. Such a report is required of legislation passed by Congress and presented to the President for approval. Last October 24, 1995, at the first—and only—meeting of the House-Senate conference on H.R. 4, the House-passed Personal Responsibility Act and the Senate-passed Work Opportunity Act, I stated that ''when fully implemented the time limits in the House bill would cut off benefits for 4,800,000 children.'' This was not a complicated calculation. There are this many children receiving benefits, that many who can expect to receive benefits for more than 5 years, and so forth. The mean stay on AFDC is 12.9 years. I concluded my statement calling on the White House to release a report on the Senate-passed bill which had been prepared by the Department of Health and Human Services.

Three days later, on October 27, 1995, Elizabeth Shogren in the Los Angeles Times reported that the Senate-passed bill, thought to be moderate as compared with the House-passed bill, ''would push an estimated 1.1 million children into poverty and make conditions worse for those already under the poverty line * * *''

The Senate needs to know what would be the poverty impact of this newest administration proposal. It cannot be much less, or so I would think. Bear in mind that OMB estimates $41 billion in Deficit Reduction from fiscal year 1996 through 2002.

I await an early reply from the administration. There has been more than sufficient time to make the calculations. One may be sure that if there were any prospect that the bill would reduce the number of children in poverty, we would have learned this by now.

The problem of understanding within the administration and the Congress, or so it appears to me, is that there is simply too little grasp of just how bad conditions are among America's children. None of us is without responsibility for this. Some protecting the good name of the poor; others assuming knowledge about behavior and behavioral change. Too few following Hippocrates' dictum: Primum non noncere. First do no harm. But it is not too late, if only we will look at the facts.

Two weeks ago, my revered colleague, Representative SAM M. GIBBONS and I requested of the Office of Management and Budget an analysis of S.

1795, the Personal Responsibility and Work Opportunity Act of 1996, which is the latest Republican welfare reform bill. The poverty impact. Today I am also requesting an analysis of the poverty effects of the President's latest proposal. This will be critical for Members to better understand the potential effects on children of both pieces of legislation.

I ask unanimous consent that a summary of the bill and the letter of transmittal from Dr. Alice M. Rivlin, Director of the Office of Management and Budget, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TITLE-BY-TITLE SUMMARY

TITLE I—WORK-BASED ASSISTANCE

Title I repeals the Aid to Families with Dependent Children (AFDC) program and replaces it with a time-limited, work-based Temporary Employment Assistance (TEA) program. TEA continues open-ended Federal matching payments for State expenditures on welfare assistance. It also repeals the Job Opportunities and Basic Skills (JOBS) program and replaces it with a new Work First program. (Funding for JOBS, AFDC Administration, and Emergency Assistance is merged into Work First. Most activities under these programs remain allowable under Work First.) Title I requires welfare recipients to sign personal responsibility contracts and mandates that they work or engage in job training within two years of first receiving benefits.

Title I also requires States to meet welfare recipient work targets. It includes a five-year time limit on the receipt of cash benefits, but allows States to exempt a portion of the caseload from the time limits. Vouchers must be provided to children in families that lose assistance due to the time limit. In addition, Title I provides performance bonuses to States based on their job placement effectiveness. It also gives States the option to deny additional welfare benefits to families that have another child while receiving welfare benefits.

Title I mandates that States operate child abuse prevention and protection, child support enforcement, foster care, and adoption assistance programs as a condition of receiving the Federal match. States also must operate a child care program under the Child Care and Development Block Grant (CCDBG) Act of 1990. Title I amends the CCDBG Act and consolidates the three individual child care programs under current title IV–A of the Social Security Act into one program. Funding for child care is significantly increased. This title also continues the one-year entitlement to transitional Medicaid benefits for families losing welfare benefits due to employment or excess income. In addition, it allows States to enter into demonstration programs to make periodic advances of the earned income tax credit (EITC) to welfare recipients in jobs programs (as opposed to having workers file for the EITC themselves).

TITLE II—CHILD SUPPORT ENFORCEMENT

Title II proposes stringent child support enforcement measures including a State case registry of child support enforcement orders. It improves paternity establishment and requires employers to report new hires to a central State data base. Title II allows States to revoke drivers and professional licenses for parents who refuse to pay child support. It also removes administrative barriers that impede the enforcement of child support orders.

TITLE III—FOOD ASSISTANCE

Title III amends the Food Stamp and Child Nutrition programs. It adjusts the maximum Food Stamp allotment to 100 percent of the Thrifty Food Plan and reduces the standard deduction and indexes it to the Consumer Price Index thereafter. Title III also counts all energy assistance as income and includes a work requirement that makes adults age 18 to 50 with no dependents ineligible for food stamps after six months of each year unless they work 20 hours a week or participate in workfare or training (although eligibility continues if a State fails to supply a training or workfare slot). It also includes State flexibility measures and new program integrity proposals to reduce Food Stamp trafficking and program waste. Finally, Title III better targets food subsidies for family day care homes and makes other minor changes in Child Nutrition programs.

TITLE IV—TREATMENT OF ALIENS

Title IV makes only ''qualified aliens'' eligible for the TEA (formerly AFDC), Supplemental Security Income (SSI), and Medicaid programs. In addition, it gives States the option of applying the same eligibility criteria to State funded needs-based assistance. Title IV also lengthens until citizenship the deeming period during which a sponsor's income is presumed available to support a legal permanent resident should he or she apply for SSI, TEA, or Food Stamps. It makes all future affidavits of support legally binding and provides States the option to extend sponsor income deeming to State funded needs-based cash assistance if the immigrant is denied TEA, SSI, or Food Stamps.

TITLE V—SUPPLEMENTAL SECURITY INCOME REFORMS

Title V tightens eligibility standards for disabled children who receive SSI benefits. Children currently on the rolls who are found no longer eligible would not receive benefits as of January 1, 1998. It creates new guidelines for the Social Security Administration to conduct continuing disability reviews (CDRs).

Title V also creates a dedicated savings account for SSI-eligible disabled children for education, job training, and equipment or housing modifications related to their disability, and allows this account to be excluded from income and resource determinations. It establishes an installment schedule for paying past-due SSI benefit amounts, and authorizes the Commissioner of Social Security to reduce Social Security (OASDI) benefits by the amount of overpayment of SSI benefits without an OASDI beneficiary's consent.

Title V also denies SSI eligibility if drug addiction or alcoholism is the basis for the disability determination. Current SSI recipients who are eligible on the basis of drug addiction or alcoholism will no longer receive benefits as of January 1, 1997. A portion of the savings from this proposal ($50 million annually during FYs 1997–1998) will be used to fund additional drug (including alcohol) treatment programs and services through the Substance Abuse Prevention and Treatment Block Grant program.

Title V also makes individuals convicted in Federal or State court of having fraudulently misrepresented their residence in order to receive welfare benefits from two or more States ineligible to receive SSI for ten years from the date of conviction. It makes fugitive felons ineligible for SSI. In addition, it provides that the appropriation of additional administrative funds to SSA for FYs 1996–2002 for conducting Social Security Disability Insurance and SSI CDRs should trigger an increase, within specified limits, to the discretionary spending caps. The title would also provide authority to increase the discretionary spending caps, within specified limits, upon appropriation of funds for FYs 1996–1997 to the Social Security Administration to implement any changes to the SSI program pursuant to adoption of welfare reform.

Title V provides that when private insurance covers the costs of SSI eligible children in medical care facilities, these children will no longer be eligible for their full SSI benefits. Instead, they will only be eligible to receive the same $30 per month standard amount that Medicaid-covered SSI eligible children receive.

TITLE VI—SOCIAL SERVICES BLOCK GRANTS (SSBG)

This title reduces the amount required to be allotted among States for SSBG under Title XX of the Social Security Act from $2.8 billion to $2.73 billion in FY 1996, and to $2.52 billion for each of FYs 1997–2002.

DEFICIT REDUCTION

The Office of Management and Budget estimates that the Administration's welfare reform proposal saves $41 billion during FYs 1996 through 2002. This total includes $3 billion in savings resulting from the enactment of P.L. 104–121, which extended the debt limit and modified the Social Security Act, and reflects interactions with Medicaid proposals in the President's FY 1997 Budget.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, April 26, 1996.

Hon. ALBERT GORE, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: I am enclosing for the consideration of the Congress the Administration's ''Work First and Personal Responsibility Act of 1996,'' a comprehensive proposal to reform the Nation's failed welfare system. The President remains committed to working with the Congress to pass a bipartisan welfare reform bill this year that honors the values of work, responsibility, and family. This proposal will end the current welfare system by requiring work, demanding responsibility, strengthening families, and protecting children.

Under this legislative proposal, everyone who can work must go to work, and no one who can work can stay on welfare indefinitely. This proposal replaces Aid to Families with Dependent Children (AFDC) with a time-limited benefit conditioned on work. It imposes tough work requirements and time limits, including a lifetime limit of five years for receipt of welfare benefits. It gives States the means to provide child care that is essential to imposing tough work requirements and moving people from welfare to work. States are given broad new flexibility to tailor welfare reforms to local needs, but are also held accountable for continuing their commitment to move people from welfare to work. The proposal permits adjusting to changing economic circumstances and provides vouchers to meet the most basic needs of children in families whose benefits end.

The Work First proposal demands responsibility as well. It includes the toughest child support enforcement measures ever proposed. The proposal requires minor mothers to live at home and stay in school as a condition of receiving assistance and gives States the option to deny additional benefits for additional children born to parents who are on welfare.

The proposal achieves significant savings by reforming the Food Stamp and Child Nutrition programs, while preserving the national nutritional safety net. The Congressional Budget Office estimates that these reforms would save almost $22 billion over

seven years through provisions such as counting energy assistance as income and tough new program integrity measures to crack down on Food Stamp fraud. The proposal gives States unprecedented flexibility to administer the Food Stamp program, with new work requirements and time limits on able-bodied, childless adults. It continues to index basic benefits with inflation, better targets food subsidies for family day care homes, and makes other adjustments in the Child Nutrition program. The proposal protects children by preserving the school lunch program and important child welfare programs for abused and disabled children.

The proposal achieves substantial savings in other areas by requiring sponsors who bring immigrants into the country to be held legally responsible for their financial well-being, and by better targeting eligibility for childhood disability benefits. It also includes two provisions that are part of the recently enacted Public Law 104–121. The first provision modifies the Social Security Act to deny benefits to adults who are on Supplemental Security Income due to drug abuse or alcoholism. The second provision improves program integrity measures through expanded continuing disability reviews. The savings from these enacted proposals should be applied towards the total savings to be achieved through welfare reform.

The Administration's welfare reform proposal reduces spending by $41 billion over seven years. This total includes the $3 billion in savings resulting from the enactment of Public Law 104–121 and reflects interactions with Medicaid proposals in the President's FY 1997 Budget.

I urge the Congress to act favorably and expeditiously on this important proposal. Welfare reform is at the top of the President's and the Nation's agenda. The Administration is confident that agreement can be reached this year on bipartisan welfare reform legislation that is tough on work and responsibility and serves the interests of our Nation's children. We look forward to working with the Congress to achieve this urgent national goal.

Sincerely,

ALICE M. RIVLIN,
Director.

By Mr. JEFFORDS:

S. 1842. A bill to amend the Employee Retirement Income Security Act of 1974 to improve protections for workers in multiemployer pension plans, to the Committee on Labor and Human Resources.

THE WORKERS PENSION PROTECTION ACT OF 1996

• Mr. JEFFORDS. Mr. President, I introduce the Workers' Pension Protection Act of 1996 in order to level playing field for millions of American workers who participate in multi-employer pension plans. This bill will extend, to them, the protections previously established for workers in single-employer pension plans. First, the legislation harmonizes the rules for all workers by adopting a 5-year vesting requirement which conforms to vesting rules applicable to other qualified pension plans. Furthermore, this bill also protects workers' pension benefits by making sure that these multi-employer plans are sufficiently funded so that the benefits promised today will actually be there for the worker when he retires.

One benefit which has long been extend to workers in single-employer pension plans is the guarantee of benefits after a maximum of 5 years of service. Workers whose employers contribute to multi-employer plans may work for up to 10 years before they are guaranteed to receive any benefits from their pension plan. This bill extends the same 5-year vesting right to multi-employer plan participants.

Many of this country's multi-employer pension plans are significantly under funded by billions of dollars. This legislation targets those bade apples—the under funded plans. This bill addresses the problem with four provisions that are consistent with the pension reform for single employer pension plans that we passed in 1994 as part of the GATT legislation.

First, this bill would prohibit multi-employer plan trustees from increasing pension benefits unless a plan has a 95-percent ratio of assets to current liabilities attributable to employees and their beneficiaries. Pension plans would be required to operate with a balanced budget and could not run in the red as they do now.

Second, this bill would prohibit multi-employer trustees from granting a benefit increase in a multi-employer plan which satisfies the 95-percent ratio if the increase would reduce this ratio below 90 percent. In addition, should the ratio drop due to fluctuations in the market or other changes in the funding valuation, the trustees could not increase benefits again until they retain the 90-percent ratio. These ratios will allow multi-employer pension plans to operate at full funding yet maintain the discretion to rely on actuarial analysis in modifying benefit levels.

Third, multi-employer plans would be required to use a single, identified interest rate and mortality table assumptions in all calculations for all players. As in the single employer pension reform legislation in 1994, the interest rates and mortality tables must be standardized and should conform with the most recent data. As a result, these plans could not continue to use one rate when reporting to the Government and different rate when determining liability associated with under funding. This is the same commonsense approach that was applied to single employer pension plans when the GATT legislation was passed.

Finally, as did the GATT legislation, this bill would require that plan trustees provide notification of their financial status on annual basis to participating employees in easily understood terms. Once and for all participants and beneficiaries will begin to understand how secure there pension benefits really are because these interests rates more accurately predict the return on investment than current rates permitted for multi-employer plans. With a better understanding of the worth of their pension benefits workers can make informed decisions about their future retirement needs.

In the last Congress, we took significant and necessary steps to reform the pension laws for retirement security for millions of American workers. Unfortunately, a large segment of the work force was left behind and is in need of similar protection. Union employees participating in multi-employer pension plans have been contributing hard earned dollars to these plans with the expectation of receiving $2,000 to $3,000 a month when they retire. They are not aware that, if their plan goes belly-up due to significant under funding, they could receive less than $500 a month. This legislation will ensure that the pension benefits, union employees have worked so hard for and are depending on, will be there when they are ready to retire.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

SECTION-BY-SECTION ANALYSIS

SECTION 101

Section 101 prohibits multiemployer pension plan trustees from increasing benefits unless the plan is operating with at least 95 percent funding. If a plan satisfies this minimum funding requirement, it may choose to increase benefits if the benefit increase would not reduce the funding levels to below 90 percent. The plan would then be required to reach 95 percent funding again before increasing benefits.

This section also requires multiemployer plans to use the interest rate assumptions and the mortality tables that were passed into law in the 1994 GATT legislation for single-employer pension plans. These interest rates more accurately predict the return on investment than the current rates permitted for multiemployer plans. Furthermore, the mortality tables currently relied on by multiemployer plans date back to 1971 while the GATT legislation required that single-employer plans rely on more current data. This section requires that multiemployer plans rely on the current mortality tables.

SECTION 102

Section 102 amends ERISA by modifying the anti-cutback rule contained in ERISA §204(g). This provision is necessary in order to revoke any trustee action which violates the other provisions of this bill.

SECTION 103

Section 103 requires multiemployer plan administrators to notify plan participants, beneficiaries and contributing employers of the plan's funded status and the limits of the PBGC's guarantee should the plan terminate while underfunded. The notice must be written in a manner which can be understood by the average plan participant. This provision duplicates the notice requirements for single-employer plans contained in the GATT legislation.

SECTION 201

Section 201 requires multiemployer plans to adopt the interest rate and mortality tables used by single-employer plans as mandated in the GATT legislation for all purposes. For a description of these interest rate and mortality table requirements, *see* Section 101 above.

SECTION 301

Section 301 provides employers the right to seek an injunction against a plan to prevent an impermissible benefit increase. The sole relief available to employers is an injunction against trustees to enforce the provisions contained in this bill.

SECTION 302

Section 302 is modeled on ERISA Section 502(g)(I) and permits a court, in its discretion, to award reasonable attorney's fees and costs to either party in actions brought under Section 301. This Bill does not provide for either compensatory or punitive damages.

SECTION 303

Section 303 expands the list of civil actions which may be brought by the PBGC to include section 101, 102, 103 and 201. The Bill gives the PBGC, and not the U.S. Department of Labor, the concurrent power of enforcement of the Bill's provisions because the PBGC is financially responsible for guaranteed benefits.

SECTION 401

Section 401 conforms the vesting rules for multiemployer plans to the rules applicable to other qualified plans by requiring that a worker's accrued benefits be 100-percent vested no later than upon the participant's completion of 5 years of service rather than the current 10-year period.

EFFECTIVE DATES

The effective dates for the first three titles in this Bill shall apply to plan years beginning after December 31, 1996. Section 401 would be effective for plan years beginning on or after the earlier of (1) the later of December 31, 1996, or the date on which the last collective bargaining agreements pursuant to which the plan is maintained terminates, or (2) January 1, 1999, with respect to participants with an hour of service after the effective date.●

By Mr. INHOFF (for himself, Mr. LOTT, Mr. THURMOND, Mr. THOMAS, Mr. JEFFORDS, and Mr. COCHRAN):

S. 1843. A bill to provide for the allocation of funds from the mass transit account of the highway trust fund, and for other purposes; to the Committee on Environment and Public Works.

MASS TRANSIT LEGISLATION

● Mr. INHOFE. Mr. President, I introduce legislation that attempts to level the playing field for transit donor States across the country. In addition to myself, Senators LOTT, THURMOND, THOMAS, JEFFORDS, and COCHRAN are all original cosponsors.

Federal transit dollars are distributed according to the Federal Transit Act as amended by the Intermodal Surface Transportation Efficiency Act [ISTEA]. Similar to highway dollars, transit dollars are collected at the gas pump and are distributed by both formula and discretionary grants.

States such as Oklahoma that do not receive back all of the revenues that they send to the Federal mass transit account are considered donor States. Unfortunately, these States are not getting nearly as much back in Federal funding as they contribute. My proposal is designed to address this critical transit problem. Each State that contributes $45 million or less into the Federal mass transit account will be guaranteed to receive back no less than 80 percent of its apportionment.

States should be able to expect local dollars to be used for local transit needs. Oklahoma-generated revenues should be remitted back to Oklahoma to provide for improved public transportation for Oklahomans, not urban mass transit systems in other States. This bill will put equity into the mass transit apportionment system by returning these locally generated dollars home.●

By Mr. MURKOWSKI:

S. 1844. A bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water based recreation and for other purposes; to the Committee on Energy and Natural Resources.

THE NATIONAL RECREATION LAKES STUDY ACT OF 1996

Mr. MURKOWSKI. Mr. President, this is an important time of the year for Americans: It is among the first weeks of the summer vacation and recreation season, and it is National Fishing Week.

Millions of Americans are either tuning their boat engines, tying flies, dusting off their hiking boots, squeezing into their bathing suits, or putting on their water skis. In short, we're ready to go, and the vacation rush is on. Many people got a jump start last week, heading to lakes or national parks. Being lucky enough to be in Alaska, I was able to steal a couple days myself. If you want to hear my big fish stories, ask me later.

This is also an important week for at least three other reasons: I am introducing legislation to help increase recreational opportunities on this Nation's lakes and rivers; the Senate Committee on Energy and Natural Resources holds a hearing Tuesday on S. 1703, my legislation raising millions of dollars for our national parks; and the House and Senate conference is working to resolve the differences on the most important parks and conservation legislation in a decade.

Let's take a moment to take stock of some of this Nation's natural bounty and talk about a couple areas where we can take action to protect and enhance it. Let's start with the recreation lakes initiative.

The Recreation Roundtable recently reported that a body of water—a lake, river, or ocean—is the primary choice for 40 percent of Americans' recreational destination. Nearly 17 million boats are in use in this Nation, and sales of boats and boating goods are on the upswing. Fishing and the bragging rights that go along with it are two of Americans' favorite pastimes.

But, when it comes to our thousands of bodies of water, both natural and man made, are we using our resources as wisely as we should? Are we living up to our recreational potential? We probably are not.

In addition to the many natural lakes and rivers with which this Nation is blessed, we also have an enormous resource in man-made reservoirs built by Federal, State and local agencies, as well as private entities. For important practical, financial, and legal reasons, most public resources in these areas must first go to purposes such as flood control, navigation, and water supply. But, even after meeting those requirements, there is a lot of untapped recreational potential in almost every State.

The recreation lakes initiative I am introducing today will reinvigorate the public-private partnership between States, the Federal Government, and private entities to make the most of our public, water-based recreational opportunities.

While this bill concerns public assets, the private sector plays a very important role. Did you know our national forest lands provide over one-half of all skiing in the United States without the Federal Government building one lift or one ski lodge? My legislation will help build a true partnership to make the recreation on or near our man-made lakes available to all Americans.

My legislation will kick-start this partnership by bringing together Federal agencies, State and local governments, and recreation users and providers to make specific recommendations about how we can use our vast untapped recreational potential. While protecting the integrity of our lakes and reservoirs for their primary purposes, they will be charged with finding ways to make them more available to Americans.

The prudent use of these resources will protect the environment, help local communities and decrease the demand for other, overburdened resources. It will also help bring days of joy to thousands of Americans who are brought in closer touch with the great outdoors.

Speaking of the great outdoors, I want to say a few words about our national parks. This week marks the beginning of the summer vacation season, and our national parks are a main destination.

From the majesty and colors of the Grand Canyon—to the excitement of Old Faithful—to the remote beauty of Alaska's national parks, millions of Americans are traveling thousands of miles to catch a glimpse of our natural heritage. While the beauty and excitement is still there, American are facing some unsightly problems when they reach their vacation destinations. For many years, the National Park Service has struggled with a growing maintenance backlog. Increased park use and the addition of more new parks have stretched Federal park dollars to the hilt. Now, with Federal funds already tight, the National Park Service's park maintenance backlog stands at $4 billion.

The time has come to make needed repairs and to restore the luster to some of our crown jewels. We need an infusion of cash no Congress and no President could provide overnight. It is unfortunate some in this administration has chosen election-year rhetoric over substance to try and meet these needs. Federal funds can and will keep our parks open and running. But we need private funds—like those that

flowed in to restore the Statue of Liberty and Ellis Island—to help pay for the backlog of repairs in our parks.

My legislation—introduced April 25 and scheduled for a hearing this Thursday—will generate $100 million a year or more for our national parks.

It provides the National Park Foundation the means to collect funds from individuals, foundations, and corporations. It gives this official fundraising arm of the National Park Service the authority to engage in appropriate business relationships, similar to those already enjoyed by the National Fish and Wildlife Foundation, the National Forest Foundation, and the U.S. Olympic Committee.

Rather than allowing movie executives, advertisers, and publishers to continue making millions off the intellectual property and assets of our parks for next to nothing, my bill will allow our parks to get something in return. It will provide a responsible way to reduce our National Park Service's long-term maintenance backlog.

Our natural and recreational assets must be conserved and enjoyed by Americans. As we enter the summer vacation months, we must take the extra steps needed to make this possible. These two bills—our recreation lakes initiative and my bill to provide $100 million a year for maintenance of our national parks—are a good start.

We continue to work on park concessions and entrance fee reforms. A House-Senate conference committee also continues to meet to work out the details on my omnibus 60-plus item parks and conservation package. From the Selma to Montgomery National Historical Trail to the San Francisco Presidio to lands needed for the Winter Olympics, the beneficial effects of this legislation will be felt in every State.

As I stated, I am introducing legislation on a recreation lakes initiative and I ask unanimous consent that a copy of the legislation be printed in the RECORD. I want to emphasize that the study mandated by this bill will rely on existing data and is designed to develop creative solutions to involve the private sector. We do not need an elaborate multiyear effort to produce volumes to gather dust on the shelves. What we need is a thoughtful exchange of views on how best to develop the recreational potential at our Federal, man-made lakes and reservoirs, without diminishing or adversely affecting the purposes for which those areas were established.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1844

Be it enacted by the Senate and the House of Representatives of the United States in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Recreation Lakes Study Act of 1996''.

SEC. 2. FINDINGS AND PURPOSES.

The Congress finds that the federal government, under the authority of the Reclamation Act and other statutes, has developed man-made lakes and reservoirs that have become a powerful magnet for diverse recreational activities and that such activities contribute to the well-being of families and individuals and the economic viability of local communities. The Congress further finds that in order to further the purposes of the Land and Water Conservation Fund, the President should appoint an advisory commission to review the current and anticipated demand for recreational opportunities at federally-managed man-made lakes and reservoirs through creative partnerships involving federal, State and local governments and the private sector and to develop alternatives for enhanced recreational use of such facilities.

SEC. 3. COMMISSION.

The Land and Water Conservation Fund Act of 1965 (P.L. 88–578, 78 Stat. 897), as amended, is further amended by adding the following new section 13:

''SEC. 13. (a) The President shall appoint an advisory commission to review the opportunities for enhanced opportunities for water based recreation which shall submit a report to the President and to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives within one year from the date of enactment of this section.

''(b) The members of the Commission shall include:

(1) The Secretary of the Interior, or his designee;

(2) The Secretary of the Army, or his designee;

(3) The Chairman of the Tennessee Valley Authority, or his designee;

(4) The Secretary of Agriculture, or his designee;

(5) A person nominated by the National Governor's Association;

(6) Four persons familiar with the recreation and tourism industry, at least one of whom shall be familiar with the economics and financing of recreation related infrastructure.

''(c) The President shall appoint one member to serve as Chairman. Any vacancy on the Commission shall be filled in the same manner as the original appointment. Members of the Commission shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties. The Secretary of the Interior shall provide all financial, administrative, and staffing requirements for the Commission, including office space, furnishings, and equipment. The heads of other federal agencies are authorized, at the request of the Commission, to provide such information or personnel, to the extent permitted by law and within the limits of available funds, to the Commission as may be useful to accomplish the purposes of this section.

''(d) The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it deems advisable: *Provided,* That, to the maximum extent possible, the Commission shall use existing data and research. The Commission is authorized to use the United States mail in the same manner and upon the same conditions as other departments and agencies of the United States.

''(e) The report shall review the extent of water related recreation at federal man-made lakes and reservoirs and shall develop alternatives to enhance the opportunities for such use by the public. In developing the report, the Commission shall (1) review the extent to which recreation components identified in specific authorizations associated with individual federal man-made lakes and reservoirs have been accomplished, (2) evaluate the feasibility of enhancing recreation opportunities at federally-managed lakes and reservoirs under existing statutes, (3) consider legislative changes that would enhance recreation opportunities consistent with and subject to the achievement of the authorized purposes of federal water projects, and (4) make recommendations on alternatives for enhanced recreation opportunities including, but not limited to, the establishment of a National Recreation Lake System under which specific lakes would receive national designation and which would be managed through innovative partnership-based agreements between federal agencies, State and local units of government, and the private sector. Any such alternatives shall be consistent with and subject to the authorized purposes for any man-made lakes and reservoirs and shall emphasize private sector initiatives in concert with State and local units of government.''

ADDITIONAL COSPONSORS

S. 814

At the request of Mr. MCCAIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 814, a bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes.

S. 1150

At the request of Mr. SANTORUM, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1150, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the Marshall Plan and George Catlett Marshall.

S. 1233

At the request of Ms. MIKULSKI, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1233, a bill to assure equitable coverage and treatment of emergency services under health plans.

S. 1237

At the request of Mr. HATCH, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1237, A bill to amend certain provisions of law relating to child pornography, and for other purposes.

S. 1420

At the request of Mr. STEVENS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1420, a bill to amend the Marine Mammal Protection Act of 1972 to support International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 1437

At the request of Mr. THURMOND, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1437, a bill to provide for an increase in funding for the conduct and support of diabetes-related research by the National Institutes of Health.

S. 1512

At the request of Mr. LUGAR, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1512, A bill to amend title 23, United States Code, to improve safety at public railway-highway crossings, and for other purposes.

S. 1578

At the request of Mr. FRIST, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1578, a bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1610

At the request of Mr. BOND, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1610, a bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees.

S. 1612

At the request of Mr. HELMS, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1612, a bill to provide for increased mandatory minimum sentences for criminals possessing firearms, and for other purposes.

S. 1735

At the request of Mr. PRESSLER, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Oregon [Mr. WYDEN], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of S. 1735, a bill to establish the U.S. Tourism Organization as a nongovernmental entity for the purpose of promoting tourism in the United States.

S. 1757

At the request of Mr. FRIST, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 1757, a bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the act, and for other purposes.

S. 1836

At the request of Mr. SANTORUM, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1836, a bill to designate a segment of the Clarion River, located in Pennsylvania, as a component of the National Wild and Scenic Rivers System, and for other purposes.

SENATE JOINT RESOLUTION 52

At the request of Mr. KYL, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of Senate Joint Resolution 52, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of victims of crimes.

SENATE CONCURRENT RESOLUTION 63

At the request of Mrs. KASSEBAUM, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Indiana [Mr. LUGAR], the Senator from Oklahoma [Mr. NICKLES], the Senator from New Mexico [Mr. BINGAMAN], the Senator from North Dakota [Mr. DORGAN], the Senator from Montana [Mr. BURNS], the Senator from Montana [Mr. BAUCUS], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Concurrent Resolution 63, a concurrent resolution to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by the prolonged drought conditions existing in certain areas of the United States, and for other purposes.

SENATE RESOLUTION 257

At the request of Mr. FORD, the names of the Senator from Georgia [Mr. COVERDELL], the Senator from Wisconsin [Mr. KOHL], the Senator from Arizona [Mr. MCCAIN], the Senator from Louisiana [Mr. BREAUX], the Senator from Mississippi [Mr. LOTT], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Resolution 257, a resolution to designate June 15, 1996, as ''National Race for the Cure Day.''

AMENDMENTS SUBMITTED

DISASTER RESERVE SENSE-OF-THE-CONGRESS CONCURRENT RESOLUTION

KASSEBAUM AMENDMENT NO. 4042

Mr. BURNS (for Mrs. KASSEBAUM) proposed an amendment to the concurrent resolution (S. Con. Res. 63) to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by the prolonged drought conditions existing in certain areas of the United States, and for other purposes; as follows:

On page 2, line 3, insert ''and other adverse weather'' after ''drought''.

On page 2, line 9, strike ''the prolonged drought'' and insert ''disaster conditions, such as prolonged drought or flooding''.

THE EUFAULA LAKE PROJECT ACT OF 1996

NICKLES AMENDMENT NO. 4043

Mr. BURNS (for Mr. NICKLES) proposed an amendment to the bill (S. 1406) to authorize the Secretary of the Army to convey to the city of Eufaula, OK, a parcel of land located at the Eufaula Lake project, and for other purposes; as follows:

On page 2, line 7, strike the words ''approximately 4'' and insert in lieu thereof ''approximately 12.5''.

NOTICE OF HEARING

SPECIAL COMMITTEE ON AGING

Mr. COHEN. Mr. President, I wish to announce that the Special Committee on Aging, in conjunction with the Committee on Appropriations, will hold a hearing on Wednesday, June 12, 1996, at 9:30 a.m., in room 138 of the Dirksen Senate Office Building. The hearing will discuss increasing funding for biomedical research.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, June 5, 1996, to consider the possible need for changes to the Commodity Exchange Act.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, June 5, 1996, to conduct a hearing on S. 1815, the Securities Investment Promotion Act of 1996.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, June 5, 1996, at 9:30 a.m.

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

COMMITTEE ON SMALL BUSINESS

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for an oversight hearing on Wednesday, June 5, 1996, which will begin at 10 a.m. in room 428A of the Russell Senate Office Building. The hearing is entitled ''Implementation of the Small Business Agenda.''

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

SPECIAL COMMITTEE ON AGING

Mr. COATS. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet during the session of the Senate on Wednesday, June 5 at 9:00 a.m. to hold a hearing to discuss encouraging return to work in the SSI and DI Programs.

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

SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT CORPORATION AND RELATED MATTERS

Mr. COATS. Mr. President, I ask unanimous consent that the Special Committee To Investigate Whitewater Development Corporation and Related Matters be authorized to meet during the session of the Senate on Wednesday, June 5, 1996, to conduct an executive session pursuant to Senate Resolution 120.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. COATS. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 5, 1996, at 10 a.m.

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

SUBCOMMITTEE ON INVESTIGATIONS

Mr. COATS. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, June 5, 1996 to hold hearings on security in cyberspace.

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

ADDITIONAL STATEMENTS

TRIBUTE TO 100 YEARS OF THE OREGON SYMPHONY

• Mr. HATFIELD. Mr. President, I am pleased to share with my colleagues today a piece of history that is being realized in Oregon this year. The celebration of the 100th anniversary of the Oregon Symphony is truly a grand accomplishment. The Oregon Symphony has entertained, hosted, and delighted audiences all over the world, myself included.

In 1896 the Portland Symphony Society was founded, with the first symphony conducted by W.H. Kinross performing in October of that same year. Now, 100 years later and still going strong, the symphony is the sixth oldest symphony in the United States, and the oldest symphony west of the Mississippi River.

The Oregon Symphony is truly that, a symphony for all of Oregon to enjoy. The symphony is not confined to its home in downtown Portland. It is not confined by the glorious Cascade mountain range. What makes this symphony so unique is the ability it has to reach out to all of the citizens of Oregon. The symphony plays in front of audiences in school gymnasiums, parks, and small auditoriums. Wherever there is a demand in the State for the Oregon Symphony, the symphony will go.

Recently the symphony played in a full gymnasium in Burns, OR. This small community with a population of 2,880, is located in the remote eastern high desert portion of the State. The town of Burns enthusiastically welcomed the symphony. The townspeople gladly rolled up their sleeves and with their own hands built a proper stage for the symphony members in the schools gymnasium. The town of Burns sold 760 tickets for the event, a complete sellout. This concert is a true testimony to what the symphony means to the citizens of Oregon.

When the symphony cannot travel, it often makes arrangements for free concerts in Portland. The symphony routinely plays for schoolchildren from all over the State in the Arlene Schnitzer Concert Hall, showcasing their talents and educating the children in the arts.

One of the greatest moments in the history of the symphony was in 1980 with the appointment of Maestro James DePreist as music director and conductor. Under Maestro DePreist the Symphony is no longer made up of volunteer musicians, the symphony now draws some of the finest professional musicians in the country. In 1987 the professionalism of the symphony shone through as they released their first recording.

Today, the Oregon Symphony is truly something to be proud of.

Whether playing in front of a sold out audience in a high school gym in Burns, OR, or in the elegant surroundings of the Arlene Schnitzer Concert Hall, the symphony amazes and entertains crowds with a triumphant and magnificent sound. I would like to thank the Oregon Symphony, and wish it 100 more glorious years.•

TRIBUTE TO CAPT. GEORGE H. HUBAN, U.S. NAVY

Mr. NUNN. Mr. President, I rise to take this opportunity to honor Captain George Huban who will retire shortly from the U.S. Navy after 28 years of faithful service to our Nation.

Captain Huban is a 1968 graduate of the U.S. Naval Academy. Following his commissioning, Captain Huban served aboard the destroyer USS *Noa* in Southeast Asia during the Vietnam War. He later attended the Supply Corps School and served as Supply Officer on the attack submarine USS *Haddock*. Captain Huban then went on to a variety of tours including Squadron Supply Officer to ballistic missile Submarine Squadron Fifteen; contracting officer at the Naval Sea Systems Command; assistant to the Deputy Chief of Naval Operations; Supply Officer, USS *Pugent Sound;* and Commander, Sixth Fleet Supply, where he coordinated logistics support for fleet operations off the coast of Lebanon.

Following these tours, Captain Huban served at several senior staff positions. From 1986 to 1988, he served as Executive Assistant to the Deputy Comptroller of the Navy and was then named Assistant Director of Acquisition Policy in the Office of the Assistant Secretary of the Navy. Captain Huban then served as Director of Supply Corps Personnel at the Naval Supply Systems Command in Washington, DC.

His final tour in the Navy was as the Commanding Officer of the Navy Supply Corps School in Athens, GA. Although Captain Huban was born in Vermont, the residents of Athens, GA, welcomed him and now consider him one of their own. I am certain he will continue to play in active role in the community following his retirement. While serving as Commanding Officer at the Navy Supply Corp School, he has been instrumental in providing the highest quality of logistics training to officers and enlisted personnel not only to Navy personnel but to all U.S. service personnel, armed forces personnel of many of our allied nations, and Department of Defense civilian personnel. Captain Huban will be followed by Captain John Drerup as Commanding Officer at the Supply Corps School.

A man of Captain Huban's character and dedication is rare indeed. His outstanding service will be genuinely missed, and I am pleased to recognize him before the U.S. Senate. Let me also recognize his wife Patricia and daughter Cristin. The sacrifices they have made in support of Captain Huban's service are equally noteworthy. I wish him and his family all the best as he brings to a close a long and distinguished career in the U.S. Navy.

WEST ANCHORAGE HIGH SCHOOL STUDENTS

• Mr. STEVENS. Mr. President, I would like to recognize an outstanding group of students from West Anchorage High School in Anchorage, AK. Twenty-three young people, from my home State, were recently in Washington, DC to compete in the We the People . . . the Citizen and the Constitution national finals. They successfully competed against 49 other classes from around the Nation and demonstrated a thorough understanding of the fundamental ideals and values of American constitutional democracy.

The program, administered by the Center for Civic Education is the most comprehensive of its kind, reaching more than 22 million students at the elementary, middle, and high school levels in its 9 year history. The national finals, in which these students competed, simulated a congressional hearing whereby students testified as constitutional experts before a panel of judges.

I commend the following students and their teacher, Roberta McCutcheon, for their determination and dedication to such a worthwhile competition: Susan Angst, Jessica Burton, Nathan Carr, Amber Christensen, Allen Clendaniel, Claire Dennerlein, Theodore Dickson, Whitney Faulkner, Clifford Haywood, Todd Holway, Anne Kelly, Lori LeMaster, Brooke Maury, Amber Popken, Joanna Resari, Thomas Sardy, Kivlina Shepherd, Lisa Stokes, Ian Street, Zareena Tran, Kate Weber, Justin Weeks, and Kiao-Le Zhao.•

1996 ANNUAL REPORTS: BOARD OF TRUSTEES OF THE SOCIAL SECURITY AND MEDICARE TRUST FUNDS

FINANCIAL STATUS OF MEDICARE AND SOCIAL SECURITY

• Mr. MOYNIHAN. Mr. President, in their annual report released today, the

board of trustees of the Federal hospital insurance trust fund estimated that the assets of the trust fund—Part A of the Medicare Program—will be exhausted by the end of calendar year 2001. Last year's estimate was 2002. As ominous a statement as this may seem, it is meaningless. In point of fact, Medicare part A outlays have exceeded payroll tax collections since 1992, when a cash flow deficit appeared of approximately $3 billion—a deficit funded with general revenues. Medicare part A outlays that year were $85 billion, while payroll tax collections were only $82 billion.

The trustees of the old age, survivors, and disability insurance trust fund also issued their annual report today. They estimate exhaustion of the old age, survivors, and disability insurance trust fund in the year 2029. Last year's estimate was 2030. Again, meaningless. Social Security outlays will exceed payroll taxes in the year 2012. By the year 1997, outlays for Social Security and Medicare part A will exceed payroll tax collections for Social Security and Medicare. According to the 1996 trustees' reports, combined outlays for Social Security and Medicare part A in 1997 will be $514 billion; payroll tax receipts will be only $506 billion. And the combined deficit for the two programs will grow rapidly thereafter, reaching almost $100 billion in about 10 years.

EFFECT OF MEDICARE AND SOCIAL SECURITY ON THE FEDERAL BUDGET

Prior to 1992, during the period in which Medicare part A payroll taxes generally exceeded outlays, the program contributed to a reduction in the overall deficit. This is because the deficit calculation is based on the unified budget, and the trust fund into which Medicare payroll tax collections are deposited is merely an accounting device. It is irrelevant for purposes of calculating the deficit. Since 1992, with outlays consistently exceeding payroll tax collections, Medicare part A has been adding to the deficit. If Medicare and Social Security are in the black, they reduce the deficit. If they are in the red, the deficit is increased.●

EXPLANATION OF SELECTED VOTES TO THE SENATE BUDGET RESOLUTION

●Mr. ABRAHAM. Mr. President, similar to last year's consideration of the budget resolution, the Senate considered a near-record number of amendments this year, many of which were offered after time had expired and voted upon without debate. Since time was limited then, I want to spend a few moments now to offer explanations for several of the more critical votes.

As with last year's budget, several amendments were offered which targeted increased spending to certain areas of the budget. These included a Boxer amendment to increase by $18 billion Medicaid spending, a Byrd amendment to increase domestic discretionary spending by $65 billion, and a Kerry amendment to provide $7.3 billion in increased funding for the EPA, national parks, NOAA, and other areas. In all three cases, these spending increases were offset with increased taxes.

Mr. President, while I strongly support many of the programs targeted by these amendments, it will be extremely difficult for Congress to balance the budget if we choose to raise taxes every time we want to fund additional programs. By opting to tax and spend our way out of tight budgets, we are simply putting off the difficult choices which must be made. For this reason, I opposed these amendments.

Another amendment I opposed was the Domenici amendment to provide an additional $4 billion in domestic discretionary outlays for next year. I applaud the chairman of the Budget Committee for working hard to restrain spending and I support many of the programs that this additional funding would assist, including education funding. But while the actual programs benefiting from this amendment are undefined, it definitely moves us away from our goal of restraining the growth of government spending and balancing the budget. As was pointed out during the debate, this amendment would raise domestic discretionary spending $17 billion above the level that was called for in last year's budget resolution. In my mind, that is simply too much.

Another amendment dealing with taxes was the Wellstone amendment expressing the sense of the Senate that, once the $500 per child family tax credit had been adopted, the next priority for the Finance Committee should be legislation to provide a tax deduction of up to $10,000 for higher education tuition expenses.

Mr. President, this amendment does not debate the propriety of enacting tax cuts. Instead, it focuses upon who is best suited to decide what American families should do with their hard earned money—the families themselves or the Federal Government. In effect, Senator WELLSTONE is saying, I will let you keep more, as long as you use it for college expenses, because that is my priority. On the other hand, Republicans say, We are going to allow you to keep more of what you earn to use it as you—not the government—thinks best. We should not only give Americans a tax break, we should also give them the freedom to set their own priorities with their own money.

The final amendment targeting tax cuts was one I supported—the Ashcroft amendment to allow taxpayers to deduct payroll taxes from their income when calculating their income taxes. Once again, this amendment presented Senators with a clear-cut choice: Do we allow hard-working men and women to keep more of what they earn so they can spend it as they see fit, or do we take their money and invest it in more government. While I did not support all the offsets included in the Ashcroft amendment, I believe there is an overwhelming case to be made for significant tax cuts at this time. Not the least of these is the record tax burden currently shouldered by American families. According to economist Bruce Bartlett, combined local, State, and Federal taxes now consume a record percentage of the total national income. This is entirely too much, and I support reasonable efforts to help reduce this burden.

Several amendments were targeted at federal education efforts. One was the Kerry amendment to add $56 billion to the education function and offset that increased funding by reducing the tax cuts called for in the bill. In the words of Senator KERRY, this additional funding would provide enough money to be sufficient to keep pace with student enrollment and inflation over the next 6 years.

Mr. President, last year I worked extensively with Senators Snowe, KASSEBAUM, and others to ensure that our efforts to balance the budget did not hurt students. I support effective education programs. What this amendment proposes, however, is to eliminate our ability to pass tax cuts for families with children, and spend that money instead on education bureaucrats who, in some cases, oversee programs as wasteful as any in the Federal Government. Given the choice between bureaucrats and families, I chose families.

There were also several amendments that focused on Republican efforts to reform our entitlement programs. The most broad-based of these was the Kerry amendment on long-term entitlement reform. This amendment would express the sense of the Senate that Congress should enact a broad set of entitlement reforms, including raising the retirement age and adjusting the Consumer Price Index, to ensure the long-term solvency of Social Security and other entitlement programs. Senator KERRY has been an outstanding leader on the issue of entitlement reform and I applaud his efforts. Nevertheless, I believe that adjusting the Consumer Price Index should be done only after the special commission created to study the CPI's accuracy has an opportunity to publish its findings.

This was also the principle reason I opposed the Chafee-Breaux substitute budget, which received 46 votes. The substitute budget made many of the same tough choices as the underlying Republican budget, including welfare reform, slowing the growth of Medicaid, and tax relief for families. On the other hand, the amendment would have saved $91 billion from a .5-percent reduction in the Consumer Price Index. This reduction would have meant lower benefits for seniors, and higher taxes for families. It also meant the bipartisan budget could spend $117 billion more in discretionary spending over the next 6 years. While there was much to like in this alternative budget, I could not support the decision to cut

benefits and raise taxes solely in order to fund additional spending.

Another amendment focused on entitlement was the KENNEDY amendment expressing the sense of the Senate that any reconciliation bill will maintain the existing prohibitions against additional charges by providers under Medicare. For the existing Medicare system, I agree this prohibition against so-called balance billing makes sense. On the other hand, the current Medicare System is going broke, and it makes little sense to tie the hands of the Finance Committee when they search for innovative ways to preserve the current system while providing new options to seniors. In effect, the Kennedy amendment is an attempt to forestall Medicare reform. As such, it is irresponsible and I voted against it.

Finally, there were several miscellaneous amendment which deserve comment. The first of these was the Graham-Baucus amendment to create a 60-vote point of order against efforts to divert savings which result from health care fraud and abuse programs from the Medicare HI trust fund to be used for other purposes.

First, it is important to note that this amendment would have no impact on the solvency of the Medicare trust fund. As a trust fund with a dedicated source of revenues, funding for Medicare part A cannot be diverted for other uses. Nor can savings resulting from Medicare reforms be used for any purposes other than to make the trust fund more solvent. Simply put, this amendment would have no real impact on Medicare whatsoever.

Second, this amendment violated the Budget Act by creating a point of order outside the jurisdiction of the Budget Committee. It is simply against the rules for the budget resolution to create points of order against legislation originating from other committees. For these two reasons, I opposed this amendment and supported Chairman DOMENICI's point of order against it.

One amendment dealing with foreign policy was the Lott amendment expressing the sense of the Senate that the United States should be reimbursed for expenses related to U.N. actions in Iraq. The amendment calls on the United States Ambassador to the United Nations to modify the recent U.N. resolution which permits Iraqi oil sales to be used for reimbursing U.N. humanitarian expenses. I supported this amendment.

The bottom line is Iraq—through the revenue derived from its recent U.N. oil sales—should reimburse the United States for money expended during Operation Southern Watch and Provide Comfort—whereby United States troops protected Kurdish and Shiite Muslims from Saddam Hussein. The U.S. expenses were of a military nature, but were made to satisfy a U.N. humanitarian policy. As such, these efforts should not be financed from the pockets of American taxpayers, but rather from the purses of the belligerent government that made them necessary in the first place.

The last amendment I would like to comment upon is the Roth amendment to take .5 cents of the mass transit gas tax—which is 2 cents total—and apply it toward Amtrak. While the issue of Federal subsidies is for interstate passenger rail service is extremely contentious and involved, using the highway trust fund to support Amtrak clearly undermines the integrity of the fund and should be opposed. If Congress chooses to continue its support for Amtrak, it should be done through general revenues and subject to the same review process to which other discretionary spending is subject.●

PORTERVILLE HIGH SCHOOL 100TH ANNIVERSARY

● Mrs. BOXER. Mr. President, I would like to convey my warmest congratulations to students and teachers who will be celebrating the 100th anniversary of the Porterville High School in Porterville, CA.

I congratulate and commend the many teachers, staff, students and alumni for their academic, athletic, agricultural and musical contributions to Porterville High School. Through their hard work and dedication, they have made a tremendous difference in the school and in the community of Porterville.

The people of Porterville should be proud of the strong community spirit and devotion that has helped build Porterville High School into an outstanding California school. I commend these community members for their dedication to education and enrichment of the students, past and present.

I send my best wishes to them for another hundred years of success.●

NEW MEXICO SMALL BUSINESS WEEK AWARD WINNERS

● Mr. BINGAMAN. Mr. President, I would like to take this opportunity to congratulate the recipients of the New Mexico Small Business Week Award winners.

As you may know, each of the past 33 years, the President has issued a proclamation for the celebration of Small Business Week. This year, Floyd R. Correa, president and owner of Correa Enterprises, Inc. located in Albuquerque, NM, has been named New Mexico Small Business Person of the Year for 1996 by the U.S. Small Business Administration [SBA]. Floyd Correa is among 53 top small business persons, one from each State, plus the District of Columbia, Puerto Rico/Virgin Islands and Guam, who are being honored by the SBA at the national ceremonies this week in Washington.

A ''New Mexico Small Business Week Celebration'' to honor the New Mexico Small Business Person of the Year Award Winner is also taking place in Albuquerque this week, the Advocate Award Winners, the Regional Small Subcontractor of the Year, and the New Mexico recipients of the procurement award, the SBA's Administrator's Award of Excellence will also be awarded.

Mr. President, I would like to take a moment to recognize the other award winners.

One of the New Mexico Advocate winners is Judith A. Framan who was named the 1996 National Women in Business Advocate of the Year. She will also be honored at the national SBA ceremonies. Ms. Framan is also the 1996 New Mexico Women in Business Advocate of the Year as well as the 1996 Region VI Women in Business Advocate of the Year. Ms. Framan is the owner of Judith Framan Associates located in Corrales, NM.

A second New Mexico Advocate winner is Anne Haines Yatskowitz, who was named the 1996 New Mexico Financial Services Advocate of the Year. Ms. Yatskowitz is the executive director of ACCION of New Mexico located in Albuquerque.

The 1996 New Mexico Accountant Advocate of the Year Award recipient is Virginia M.K. Stanley, who is president of Stanley and Associates, Certified Public Accountants, P.C. located in Albuquerque. Ms. Stanley's efforts and commitment on behalf of small business in New Mexico have been substantial, both on a professional and volunteer basis.

The recipient of the 1996 New Mexico Minority Small Business Advocate of the Year is Vangie V. Gabaldon. Ms. Gabaldon is the executive director of the New Mexico Community Development Loan Fund Program located in Albuquerque. In this capacity, she has compiled a remarkable record of commitment to small business throughout the State.

The 1996 New Mexico Media Advocate of the Year Award recipient is Barbara M. Chavez. Ms. Chavez is a business staff writer/reporter with the Albuquerque Journal located in Albuquerque.

And finally, the 1996 Regional Subcontractor of the Year recipient is Mr. Adelmo Archuleta, CEO of Molzen-Corbin & Associates located in Albuquerque.

Mr. President, one important key to New Mexico's future economic progress is the health and growth of our small business sector. Our economy has produced more than 9.4 million new jobs in the last 3 years, and the lion's share of these have been generated by small businesses.

We have much to do to provide a richer and less burdensome economic environment, as the June 1995 White House Conference on Small Business concluded. Business and Government are communicating on how best to address the central concerns expressed by the small business sector, and New Mexico's delegation to the White House Conference has been particularly active in the implementation of the conference's proposals. Supporting our Nation's entrepreneurs and small business

owners and highlighting the achievements of our Nation's most competent champions of economic growth should be one of our highest priorities, and it is my pleasure to thank these awardees for their important contributions.●

DISPOSAL OF CERTAIN COMMODITIES

Mr. BURNS. Mr. President, I ask unanimous consent that the Committee on Agriculture be immediately discharged from its further consideration of Senate Concurrent Resolution 63, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 63) to express the sense of the Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agriculture Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by the prolonged drought conditions existing in certain areas of the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

AMENDMENT NO. 4042

(Purpose: To expand the type of disaster conditions addressed by the resolution)

Mr. BURNS. Mr. President, I understand there is an amendment at the desk offered by Senator KASSEBAUM, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Montana [Mr. BURNS], for Mrs. KASSEBAUM, proposes an amendment numbered 4042.

The amendment is as follows:

On page 2, line 3, insert ''and other adverse weather'' after ''drought''.

On page 2, line 9, strike ''the prolonged drought'' and insert ''disaster conditions, such as prolonged drought or flooding''.

Mr. DASCHLE. Mr. President, I commend the junior Senator from Kansas for calling attention to the devastating impact of adverse weather on our Nation's producers. I fully support Senate Concurrent Resolution 63, which urges the Secretary of Agriculture to make available commodities in the disaster reserve for livestock feed.

I also commend Senator KASSEBAUM for agreeing to broaden the resolution to include producers suffering from flooding and other weather related disasters. In my home State of South Dakota and throughout the eastern cornbelt, excessive rainfall this spring has prevented producers from planting their crop. This resolution acknowledges the importance of addressing the effect of both drought and flooding on producers.

Senate Concurrent Resolution 63 reinforces an initiative to utilize the disaster reserve already undertaken by the Secretary of Agriculture. Secretary Glickman has informed me that he has formally asked the President of the United States to issue an emergency declaration to allow the use of the commodities within the reserve, and he expects a positive response shortly. In light of the actions the administration has already taken in this area, some have argued this resolution is superfluous, but it is fitting for Congress to send a clear signal that we support the efforts of Secretary Glickman and the President, and I have, therefore, joined as a cosponsor of the resolution.

Before passing this resolution, it is also worth noting that Presidential approval of the use of the disaster reserve is necessary only because the recently enacted farm bill suspended the Secretary's discretionary authority to access these stocks through the Emergency Livestock Feed Program. Recently, my distinguished colleague from New Mexico, Senator JEFF BINGAMAN, introduced legislation to reauthorize this valuable program. I hope the majority will also give prompt attention to this legislation to assist producers suffering from weather-related disasters. This bill, introduced with bipartisan support, would give immediate relief to farmers and ranchers victimized by the devastating drought in the Southwest and other areas.

Finally, Mr. President, I would like to commend Secretary Glickman and the President for their quick, decisive and thorough response to the drought plaguing the Southwest and Central Plains States. Secretary Glickman has already opened the Conservation Reserve Program for haying and grazing, provided additional funds for the Emergency Loan Program, and expanded crop insurance for forage crops. Utilization of the disaster reserve to provide emergency livestock feed is yet another example of the President's commitment to rural America.

Mr. BURNS. I ask unanimous consent that the amendment be agreed to, the resolution be agreed to, as amended, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The amendment (No. 4042) was agreed to.

The concurrent resolution (S. Con. Res. 63), as amended, was agreed to, as follows:

S. Con. Res. 63

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. USE OF DISASTER RESERVE FOR ASSISTANCE TO LIVESTOCK PRODUCERS.

In light of the prolonged drought and other adverse weather conditions existing in certain areas of the United States, the Secretary of Agriculture should promptly dispose of all commodities in the disaster reserve maintained under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions, such as prolonged drought or flooding.

The title was amended so as to read:

A concurrent resolution to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding, and for other purposes.

AUTHORIZATION TO CONVEY LAND TO THE CITY OF EUFAULA, OK

Mr. BURNS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 307, S. 1406.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 1406) to authorize the Secretary of the Army to convey to the city of Eufaula, OK, a parcel of land located at the Eufaula Lake project, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 4043

(Purpose: To make a technical correction)

Mr. BURNS. I understand there is a technical amendment at the desk offered by Senator NICKLES, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Montana [Mr. BURNS], for Mr. NICKLES, proposes an amendment numbered 4043.

The amendment is as follows:

On page 2, line 7, strike the words ''approximately 4'' and insert in lieu thereof ''approximately 12.5''.

Mr. BURNS. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time, passed as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The amendment (No. 4043) was agreed to.

The bill (S. 1406), as amended, was deemed to have been read three times and passed, as follows:

S. 1406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF LAND AT EUFAULA LAKE PROJECT.

(a) IN GENERAL.—The Secretary of the Army (referred to in this section as the ''Secretary'') may convey to the city of Eufaula, Oklahoma, all right, title, and interest of the United States in and to a parcel of land consisting of approximately 12.5 acres located at the Eufaula Lake project.

(b) CONSIDERATION.—Consideration for the conveyance under subsection (a) shall be the fair market value of the parcel (as determined by the Secretary) and payment of all costs of the United States in making the conveyance, including the costs of—

(1) the survey required under subsection (d);

(2) any other necessary survey or survey monumentation;

(3) compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(4) any coordination necessary with respect to requirements relating to endangered species, cultural resources, and clean air (including the costs of agency consultation and public hearings).

(c) LAND SURVEYS.—The exact acreage and description of the parcel to be conveyed under subsection (a) shall be determined by such surveys as the Secretary considers necessary, which shall be carried out to the satisfaction of the Secretary.

(d) ENVIRONMENTAL BASELINE SURVEY.—Prior to making the conveyance under subsection (a), the Secretary shall conduct an environmental baseline survey to determine the levels of any contamination (as of the date of the survey) for which the United States would be responsible under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and any other applicable law.

(e) CONDITIONS CONCERNING RIGHTS AND EASEMENT.—The conveyance under subsection (a) shall be subject to valid existing rights and to retention by the United States of a flowage easement over all portions of the parcel that lie at or below the flowage easement contour for the Eufaula Lake project.

(f) OTHER TERMS AND CONDITIONS.—The conveyance under subsection (a) shall be subject to such other terms and conditions as the Secretary considers necessary and appropriate to protect the interests of the United States.

ORDERS FOR THURSDAY, JUNE 6, 1996

Mr. BURNS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9 a.m. on Thursday, June 6, further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day; that the Senate then immediately resume consideration of House Joint Resolution 1, the balanced budget amendment; further, that the time between 9 a.m. and 11:20 a.m. be equally divided in the usual form with Senator BYRD to be recognized from 10:50 to 11:10 a.m. and Senator HATCH be recognized from 11:10 to 11:20, with the remaining time until 12 noon divided between the two leaders as previously ordered.

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

PROGRAM

Mr. BURNS. For the information of all Senators, tomorrow the Senate will continue the debate on the balanced budget amendment with the vote to occur on passage of House Joint Resolution 1 at 12 noon. All Senators should be prepared to be in the Chamber at noon for this important vote.

On Thursday, the Senate may also consider other legislative or executive items. Therefore, additional votes are possible during tomorrow's session.

ORDER FOR ADJOURNMENT

Mr. BURNS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order following the remarks of Senator GRAHAM of Florida, and that his statement appear at the appropriate place in the RECORD.

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

Mr. BURNS. I yield the floor.

(By unanimous consent, the remarks of Mr. GRAHAM appear at an earlier point in the RECORD during the debate on the balanced budget amendment to the Constitution.)

ADJOURNMENT UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9 a.m., Thursday, June 6, 1996.

Thereupon, the Senate, at 8:35 p.m., adjourned until Thursday, June 6, 1996, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 5, 1996:

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5033:

CHIEF OF NAVAL OPERATIONS

To be admiral

ADM. JAY L. JOHNSON, 000–00–0000