SENATE—*Monday, February 28, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 10:01 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The Honorable HARRY REID, a Senator from the State of Nevada, offered the following prayer:

Let us pray.

The Lord is my shepherd; I shall not want. He maketh me to lie down in green pastures: he leadeth me beside the still waters. He restoreth my soul: he leadeth me in the paths of righteousness for his name's sake. Yea, though I walk through the valley of the shadow of death, I will fear no evil; for thou art with me; thy rod and thy staff they comfort me. Thou preparest a table before me in the presence of mine enemies: thou anointest my head with oil; my cup runneth over. Surely goodness and mercy shall follow me all the days of my life: and I will dwell in the house of the Lord forever.—Psalm 23:1–6.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 28, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

BALANCED BUDGET AMENDMENT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of Senate Joint Resolution 41, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 41) proposing an amendment to the Constitution of the United States to require a balanced budget.

The Senate resumed consideration of the joint resolution.

Pending:

Reid Amendment No. 1471, in the nature of a substitute.

Mr. FORD. Mr. President, I suggest the absence of a quorum equally divided three ways.

The ACTING PRESIDENT pro tempore. Without objection, the time will be divided four ways.

Mr. FORD. Mr. President, I suggest the absence of a quorum to be equally charged to three Members, excluding Senator BYRD.

The ACTING PRESIDENT pro tempore. In my capacity as a Senator from the State of Nevada, I object.

Who yields time?

(Mr. DODD assumed the chair.)

Mr. HATCH. I yield such time as I may need.

Mr. President, I am here not to find personal fault with anybody, but I do want to talk about the Reid amendment because it is merely a figleaf. The Reid amendment is simply a sham, a cover vote to allow Members to say to their constituents, the vast majority of whom want a balanced budget amendment and to whom they have been saying they will get a balanced budget amendment, that they supported something by that name.

Proponents of the Simon-Hatch amendment are not alone in this assessment. The New York Times reported last Friday that "the substitute version was intended to serve as a political figleaf that would allow some Senators to vote for the measure and then, after its near certain defeat, vote against the original version and still tell constituents they have supported a balanced budget amendment." That is an article entitled "Option May Doom Budget Amendment (for Now)." That is in the New York Times of this last Friday, February 25.

Indeed, although the Reid amendment was unveiled just last Thursday, the possibility of such an alternative was signaled a week earlier by a key administration official. On February 18, Leon Panetta, President Clinton's Director of the Office of Management and Budget, and a long-time foe of the balanced budget amendment, had this to say:

If you allow people to say, "Are you for or against a balanced budget," you'll lose it.

Mr. Panetta explained:

There are going to be some Members who are going to have to have an alternative proposal that they can vote for in order to give them cover to come out against the Simon proposal.

Describing the process of developing sufficient cover for Senators, Mr. Panetta further explained that "you're basically counting votes and you're basically saying to Members, 'What do you need?' To the extent that a Member says, 'I need a constitutional amendment' * * * you probably have to design an alternative amendment to the Constitution that would in some way protect them."

So there is nothing that we have not understood here. Leon Panetta made it very clear they were going to come up with a sham amendment that would get some people off the hook so they could say they voted for a balanced budget amendment when, in fact, it is nothing but a sham.

Mr. President, I do not believe the Reid amendment has any chance of passing in the Senate with the requisite 67 votes, and neither does the leadership. Even if it did, a substantial change of this nature to the balanced budget amendment will kill its chance of passage in the House of Representatives. In 1992, the Gephardt amendment which had similar exemptions lost handily. It got only 104 votes for it and over 300 votes against it.

Make no mistake, this is a killer amendment, and its purpose is to undermine a true balanced budget amendment called the Simon-Hatch-Thurmond-DeConcini-Craig amendment.

The ironies of offering the Reid amendment are very interesting to me. The real case against the Reid amendment, however, is not based on motive, it is based on merit.

On its merits, Mr. President, this alternative is simply not acceptable. In fact, it is quite ironic that Senate Joint Resolution 41, the product of years of hearings and public and congressional debate, has been criticized as trivializing the Constitution. Talk about trivializing the Constitution. The Senate will vote tomorrow on the Reid balanced budget amendment to the Constitution, a proposal unveiled just 4 days ago. Not 1 day of hearings, not one constitutional expert, not any backing from anybody. It is merely a facade so some people can cover their back sides and then vote against the real amendment, the Simon-Hatch-Thurmond-DeConcini-Craig amendment.

It is quite ironic as well that Senate Joint Resolution 41 has been criticized as being undemocratic. Talk about undemocratic. The Reid alternative, No. 1, cedes authority to suspend the operation of a constitutional requirement

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

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to balance the budget to the Director of the Congressional Budget Office, an unelected official whose appointment is not even subject to congressional confirmation and, No. 2, says the Congress may delegate the power to order uniform cuts in the budget to some unnamed "officer of Congress." We have all heard the expression "a player to be named later." If this alternative passes, we will have a similar provision in the U.S. Constitution.

Mr. President, it is ironic as well that opponents of the Simon-Hatch amendment have incorrectly criticized it as a gimmick which can be easily circumvented. It is the Reid alternative, however, that has mammoth loopholes, such as exemptions for everything outside of undefined "operating funds" of the United States, or what it refers to as "capital investments." Talk about loopholes, that could include anything in the budget.

No. 3, The Reid amendment is unacceptable as a balanced budget amendment. It is a pure and simple sham. The Reid amendment is simply not an acceptable alternative to the Simon-Hatch balanced budget amendment for four reasons:

First, the Reid amendment has no functional enforcement provision. What good is a balanced budget amendment if there is no incentive to enforce it?

Second, it allows deficit spending through so many loopholes that under it we would never get the debt under control.

Third, the Reid amendment constitutionalizes questionable economic policies.

And, fourth, the Reid amendment conflicts with the philosophy underlying the Constitution in two ways: It explicitly cedes broad constitutional authority to unelected officials in a way wholly inconsistent with traditional constitutional law and principles, and it denies fundamental norms of due process by denying access to any court to vindicate any private rights.

Each of these flaws opens the amendment to abuse and creates a vent through which the pressure to make the hard choices escapes, along with the possibility of a balanced budget. The Reid amendment allows numerous avenues for deficit spending through which Congress can continue its current profligacy. It contains numerous abdications of congressional responsibility and accountability for taxing and spending decisions. And finally, it supports continued congressional irresponsibility.

In contrast, the Simon-Hatch amendment requires Congress to take responsibility for all Federal spending and taxing decisions. It forces Congress to set priorities and make spending decisions within the limits of the available revenues. It requires Congress to spend for the things the American taxpayers are willing to pay for and no more. It stops the further abdication of congressional responsibility encouraged in the Reid amendment and requires Congress to once again take its constitutional duty seriously and in the way the framers intended.

Let me discuss the reasons I have referred to one at a time.

Mr. President, the Reid amendment has no effective enforcement provision to help assure that a budget actually be balanced. Sections 1 and 2 of the Reid amendment require that the "estimated outlays of the operating funds of the United States do not exceed the estimated receipts of those funds." However, what is noticeably absent from the amendment is a backup enforcement provision to ensure a balanced budget if those estimates are wrong.

Furthermore, section 5 of the Reid amendment allows enforcement only in accordance with some possible future legislation, ensuring that Congress can control how much or how little enforcement is available. As a consequence, the Reid amendment really is an unenforceable gimmick because there is no absolute institutional enforcement mechanism to limit the amount of debt if the estimates are wrong.

By contrast, the Simon-Hatch amendment requires that actual outlays and receipts be in balance, not just the estimates. Most importantly, to ensure this, the Simon-Hatch-Thurmond-DeConcini-Craig amendment has a critical backup provision. It requires that there be no increase in the national debt limit unless there is a three-fifths vote to waive the debt ceiling. Thus, while the Simon-Hatch amendment allows for pragmatic reliance on estimates, it does not allow the uncertainty of estimates to increase the national debt as a matter, of course. If the estimates are wrong, under the Simon-Hatch-Thurmond-DeConcini-Craig amendment, Congress must fix it. Congress must balance the actual receipts and outlays or it bumps into the debt ceiling.

The Simon-Hatch amendment's debt ceiling provision cannot be changed by later legislation. And it is this provision in the amendment, a provision noticeably absent from the Reid alternative, that provides a significant and permanent enforcement mechanism to ensure that mistakes in estimates—and they will occur—do not mean increases in debt.

Mr. President, the Reid amendment does not require that the whole budget be balanced, and it contains a number of loopholes through which large deficits could be run.

Sections 1 and 2 of the Reid amendment only require the balancing of the estimated receipts and outlays of Federal "operating funds." Operating funds is not defined in the amendment and could be defined by legislation in any way to avoid operation of the balanced budget requirement. The Reid amendment allows everything other than operating funds to be paid for by deficit spending.

According to section 3 of the Reid amendment, even this weak requirement of balancing Federal operating funds, however defined, can be avoided for a full 2 years if there is ever an economic slowdown for two quarters as estimated by, guess what, the Congressional Budget Office. Thus, if the economy slows down for two quarters, or the Congressional Budget Office determines that it has or will in its own estimation, Congress has free rein to run up deficits for 2 full years under this amendment.

Mr. President, it is unbelievable that anybody would argue this is a balanced budget amendment.

Furthermore, the Reid amendment also exempts a number of potentially mammoth accounts from the balanced budget requirement under section 4 including—get this—"capital investments." Capital investments is not defined and its meaning is not agreed upon at the Federal level. Who knows how broadly that is going to be construed? It could cover everything from education to transportation expenditures. Would welfare payments be considered investment in human capital? Virtually everything could be excluded by this loophole.

In stark contrast, the Simon-Hatch amendment requires that all Federal outlays and receipts be balanced. This means that there will not be a false requirement to balance a small part of the budget while numerous other accounts are still stacking up mountains of debt. And there is no automatic cop-out that allows deficit spending in the Simon-Hatch amendment. If there is going to be deficit spending under Simon-Hatch, it will require a broad consensus in Congress to go on record as approving it.

Mr. President, the Reid amendment constitutionalizes questionable economic policies. Section 3 of the Reid amendment allows deficit spending in times of recession or economic slowdown. More precisely, it allows 2 years of deficit spending if the director of the Congressional Budget Office estimates that economic growth has been or will be 1 percent or less for 2 consecutive quarters.

Now, this is a distorted version of Keynesianism, and it is not clear that it would work to stimulate our current economy. In fact, our recent history seems to refute such an expectation. We had record deficits and zero or low growth over the last 3 years. This sort of stimulus mechanism obviously is not working.

Moreover, we have been running deficits for three decades. Have we been in a recession requiring this stimulus for

three decades? Because of deficit stimulus has the economy avoided the business cycle for three decades? No. The correlation between deficits and prosperity is far from clear, based on our history.

Furthermore, I have not heard any evidence suggesting that the definition of recession embodied in the Reid amendment is the right one. Why is it 1 percent growth or less for two quarters as provided by the Reid amendment? Why should that then enable Congress to run up deficits for 2 succeeding years? Come on. This is not even a serious effort if you really look at it.

I have other questions about this provision. At the level we are now spending, that is, about $1.5 trillion each year, just how big of a deficit will we have to run to stimulate the economy? We already have our foot to the floor on the debt accelerator. We cannot seriously argue that pushing our debts further will be helpful.

With all these questions about the economic assumptions underlying the amendment, I think this is precisely the wrong kind of narrow economic policy to staple into the timeless Constitution.

The Simon-Hatch amendment avoids this morass by simply requiring balanced budgets as a rule unless a supermajority of Congress agrees otherwise.

A balanced budget norm is an unassailable principle. Under the Reid alternative, however, it is a rule swallowed by exceptions.

D. THE REID AMENDMENT IS AT ODDS WITH CONSTITUTIONAL PRINCIPLES IN THAT IT CEDES BROAD POWER TO UNELECTED OFFICIALS AND CONFLICTS WITH DUE PROCESS NORMS

Mr. President, the Reid amendment, if passed, would radically alter fundamental principles of our Constitution. It does not simply amend Senate Joint Resolution 41. It works a revolution in the constitutional balance of power between the President and the Congress, tilting the equilibrium in favor of the legislature. It violates fundamental norms of due process by altogether denying a potential litigant even the possibility of seeking redress for harms committed by those violating the amendment. And it overturns specific precedents of the Supreme Court of the United States upholding the doctrine of separation of powers and protecting rights under the fifth amendment.

Once again, section 3 provides, in part, that the amendment "shall be suspended" for 2 consecutive fiscal years "if the Director of the Congressional Budget Office, or any successor, estimates that real economic growth has been or will be less than 1 percent for two consecutive quarters during the period of those 2 fiscal years."

Talk about loopholes. Talk about a ridiculous provision. Talk about control of the budget by unelected officials. Talk about something that should never be written into the Constitution.

Section 5 states that the amendment "shall be enforced only in accordance with appropriate legislation enacted by Congress. The Congress may, by appropriate legislation, delegate to an officer of Congress the power to order uniform cuts."

You talk about violations of separation of powers. Talk about unconstitutional thinking. Talk about lack of due process. Talk about turning over our destiny to somebody who is not elected for anything. That is what this amendment does.

The naming of these two officials in a constitutional amendment is strange indeed, and, I believe, unprecedented. It is unequivocally clear that the delegation to the Director of the CBO to suspend the operation of the amendment upon the estimation that a "recession" exists or will exist violates the principle of separation of powers—so too does the delegation to some yet unnamed "officer of Congress" to order uniform budget cuts.

The proponents can argue, well, this is a constitutional amendment. Therefore, it will be constitutional if it passes. We all know it is not going to pass. Let me just say this: If it did, it would fly in the face of more than 200 years of constitutional law and theory and practice. It would undermine the very Constitution that we have all believed in all these years.

In *Bowsher* v. *Synar*, 478 U.S. 714 (1986), the Supreme Court, declared unconstitutional a section of the Gramm-Rudman-Hollings Act. Section 251 of the act mandated that the Directors of the OMB and the CBO submit deficit estimates and program-by-program budget reduction calculations to the Comptroller General.

The Supreme Court was right in making that decision. We warned the budgeteers at that time. They came to me as chairman of the constitutional subcommittee, and said, "What should we do?" I said, "That will be unconstitutional." It was. But they had to satisfy the House. So they went ahead and put the Comptroller General in anyway, and they were knocked down in the Bowsher case.

The Comptroller General had to review the Directors' joint report and report his conclusions to the President. The President, in turn, was required by the act to issue a sequestration order mandating the spending reductions specified by the Comptroller General—unless Congress through legislation obviated the need for the sequestration order.

In holding section 251 of the act unconstitutional, the Court noted that the Comptroller General—a congressional officer subject to removal by Congress—in determining exactly what the President had to sequester, was performing an act "executive in nature."

That is very important, Mr. President. This amendment is just going to ignore all our constitutional history and allow appointed people in Congress to make these fundamental decisions—nonelected people.

Congress may determine by law the existence and scope of executive duty. However, once Congress makes its choice through the enactment of legislation, "its participation ends" as the Court stated in Bowsher:

> Congress can thereafter control the execution of its enactment only indirectly—by passing new legislation. By placing the responsibility for execution of the Balanced Budget and Emergency Deficit Control Act in the hands of an officer who is subject to removal only by itself, Congress in effect has retained control over the execution of the Act and has intruded into the executive functions.

And it will be violating standard constitutional norms involving the separation of powers. The Constitution simply does not permit such intrusion. If this passes, it would be a constitutional amendment and it would be part of the Constitution. But it would be very unwise, very unwarranted, and would fly in the face of 200 years of constitutional history.

Mr. President, the Reid amendment does permit such intrusion. It allows two congressional officers to retain control over the administration of the amendment: The Director of the CBO, who is only removable by Congress, is delegated authority to determine the existence of a recession and suspend the operation of the amendment; and an unnamed congressional figure is delegated the authority to make budget cuts—the very act the Bowsher Court found to violate separation of powers. Not only would the Reid amendment overturn Bowsher, it would eviscerate the constitutional cornerstone doctrine of separation of powers. We must heed, Mr. President, the warning of James Madison, called by many the "Father of the Constitution," not to do what the Reid amendment does—commingle legislative and executive powers. As Madison admonished in the Federalist No. 47: "There can be no liberty where the legislative and executive powers are united in the same person, or body. * * * " The Federalist No. 47, page 325 (J. Cooke ed. 1961).

Yet that is not the only problem the Reid amendment has with the fundamental principles of the Constitution; it also violates fundamental norms of due process of law. Section 5 of the amendment provides for enforcement only by Congress through implementing legislation. Thus, if Congress does not provide for judicial review, a potential litigant is denied his day in court. Compare that with the Simon-Hatch amendment, which is silent as to judicial review but limits the relief that courts may grant to declaratory

relief to prevent the undue intrusion of the judiciary into the budget process. If standing and justiciability can be demonstrated by a litigant, and if the claim does not amount to a noncognizable political question—a possibility which I suggest is remote—Simon-Hatch would allow for a vindication of a private right. Not so with the Reid proposal. Even the opportunity to demonstrate the legitimacy of a claim is denied.

Article III of the Constitution grants to Congress broad powers to limit the jurisdiction of lower Federal courts and even the appellate jurisdiction of the U.S. Supreme Court. This proposition was settled by the post-Civil War case of *Ex Parte McCardle*, 74 U.S. (7 Wall.) 506 (1869). However, Mr. President, it has also been settled that in limiting the jurisdiction of courts, Congress may not deprive a party of a right vested in the Constitution. *United States* v. *Bitty*, 298 U.S. 393, 399-400 (1908). This the Reid amendment would accomplish. By denying access to any court—State or Federal—the amendment could in effect read out of the Constitution the fifth amendment's guarantee of due process of law.

How can anybody who wants a balanced budget amendment do that to the Constitution? That right is a fundamental right deriving from, as Mr. Jefferson so elegantly stated, "Nature and nature's God"—and not from any political process.

Mr. President, there are other issues arising from these provisions that suggest they are inconsistent with our constitutional system of Government. Section 5 of the Reid amendment allows a delegation to "an officer of Congress the power to order uniform cuts." There is no indication that the officer of Congress must be an elected official. Who will it be? It is simply unprecedented to have a constitutional delegation of power to impose across the board cuts in the budget of the United States to a single Member of Congress or, potentially, any minor unelected congressional employee.

Mr. President, what does the term "uniform cuts" mean? The Reid proponents have been implying they are across-the-board cuts, but that is not clear. If this new budget czar only makes across-the-board cuts, Congress again avoids making hard decisions about budget priorities. If the cuts are not across the board, we potentially have impoundment authority under the Constitution of the United States given to unelected officials.

It does not take any brains to figure this out from reading that amendment.

Most amazing is the fact that this alternative amendment provides that the constitutional requirement of a balanced budget can be suspended by the Director of the Congressional Budget Office. Can you imagine? What we have is a proposed amendment to the Constitution of the United States referring to the Director of the Congressional Budget Office and authorizing this unelected official, whose appointment is not even subject to Senate confirmation, to suspend the operation of the Constitution. And they call our amendment undemocratic.

Give me a break.

Mr. President, for all these reasons and more the Reid amendment, this political figleaf, this caricature of a constitutional amendment, must be rejected.

The American people must not—and will not—be fooled.

Mr. President, the only serious balanced budget amendment is the one that has been going through the process and has endured for the last 12 years, the Simon-Hatch-Thurmond-DeConcini-Craig amendment. It is the only one that will move this Nation to a balanced budget and the only one that will restore congressional responsibility and accountability to the Federal budget process. The Congress knows it, and the American people deserve, and will not accept anything less than their Senators' support for the Simon-Hatch balanced budget amendment.

Mr. President, I happen to revere the Constitution of the United States. I know that it is subject to conflicting evaluations from time to time. I understand we can differ on some constitutional interpretations, but there are some basic things you cannot differ on, and I have tried to enumerate them here today.

If this type of amendment passes—it will not—but if it does pass, we are jeopardizing our constitutional way of life and the fundamental values that have made this country the greatest country in the world.

We are causing the Constitution to lose its value with this type of an amendment. We are causing the Constitution to be treated as though it is not the most fundamentally good political document in the history of the world. And frankly we are in danger of losing our freedom if we enact something like this. But nobody believes it is going to be enacted. We all know it is a fig leaf to provide cover for those who have promised the folks back home they are going to vote for a balanced budget amendment so they can go home and say they voted for a balanced budget amendment, and we better put that in quotes a "balanced budget amendment." They will not put it that way, but that is the way it should be put so they can then slide by and not have to face the wrath of the voters. Let it be known right here and now that the wrath of the voters is going to be there. It may not be in the next few weeks or the next month, but it is going to be there when people start to look and understand what is being done here today and tomorrow in that vote at 3 o'clock in the afternoon.

I hope nobody is going to be deceived by this amendment, and I hope that we will have those who are truly undecided look at these facts and these problems and help us on this Simon-Hatch-Thurmond-DeConcini-Craig amendment and help us get it passed to see if we can get this country under control.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise in strong opposition to the distinguished Senator from Nevada [Mr. REID] and his amendment that is being debated now and will be voted on, I believe, tomorrow around 3 o'clock.

I have worked with the Senator from Nevada, and he knows my deep respect for him and friendship for him. He has been a strong supporter of the balanced budget amendment.

So I understand the Senator's concern with the present Simon-Hatch amendment that is before us and now this substitute.

But the provisions in the Reid amendment, in my judgment, would turn the balanced budget amendment into the very gimmick that some opponents of the Simon-Hatch amendment say it is. They argue that it is not well thought out, that it has loopholes, and that it is not going to work.

The Reid amendment would create two large loopholes in the balanced budget amendment by eliminating Social Security trust funds and outlays for capital investments from the balanced budget requirements. The Federal budget would be divided into capital expenses and operating expenses similar to many State budgets. I can just imagine all types of expenditures being classified as "capital expenses" in order to avoid the requirements for a balanced budget.

Congress could—and would—as we have, in the past, unfortunately engage in all sorts of budgeting gimmickry. The balanced budget amendment would truly be meaningless. The amendment of the Senator from Nevada does not require a vote to raise the debt ceiling. Those of us who have debated raising the debt ceiling realize how significant it is that this country and this Congress continuously raises the debt ceiling without regard to the consequences of our actions. We do not truly address the problem because we are afraid that a check will not go out, that the Federal Government will come to a close. The American public needs to know that this Nation is broke and we are living on future generations' money. We cannot continue to do this. This provision in the Reid amendment gives Congress the power to add to our $4.7 trillion debt with the same ease we can currently. The requirement for a supermajority vote to raise the debt ceiling under the Simon-Hatch amendment was the subject of much discussion.

The consensus was that it was necessary if we were ever going to stop the endless borrowing and actually get to a position where we could reduce the Federal debt itself, not just the growth of the Federal debt but the actual Federal debt.

Clearly, if the Reid amendment passes Congress will have a back door to continue down the path of fiscal irresponsibility.

Our Constitution has survived for over 200 years because it embodies broad principles that are timeless in their application. The Reid amendment, I think, violates the spirit of the Constitution by including details of a process better left to implementing legislation, for example, the Reid amendment provides that Congress can suspend the balanced budget requirement if the Director of the Congressional Budget Office, a nonelected person, not even appointed by the President, estimates that the economy is in a recess. It is totally unprecedented for a Government official, one that is not constitutionally created and subject to change by the will of the Congress, to be named in the Constitution. This is really a flaw that should be addressed even if we should, and I do not think we will, pass the Reid amendment.

Furthermore this "recession exemption" will allow Congress to suspend a constitutional requirement at the first sign of economic downturn. All you have to do is convince the Director of the Congressional Budget Office to say "I estimate that the economy is in recession" and the requirement for a balanced budget can be waived. That does not make sense.

If we continue to deficit spend and add to the debt at the first sign of a rocky economy we are never going to have a balanced budget.

I understand the concern that many have about including Social Security funds in a balanced budget amendment. This Senator has stood on this floor for many years and voted to preserve the Social Security Program and keep the Social Security funds safe. I know that many of my colleagues are worried about this issue but this is another red herring. Although Social Security is running a surplus today, that may not always be the case. In 1978, when I first came here, it was projected it was going to be broke and run a deficit, and we corrected that. We are all aware of the probability that sometime in the future Social Security trust funds could be in trouble. Congress has been at the forefront of providing the funds necessary thus, that has not happened.

But, what would happen if Social Security ran out of money? Including them within the parameters of the balanced budget amendment will guarantee that funds will be available to meet the obligations to future retirees.

Entitlement spending constitutes 47 percent of the Federal budget. If we are going to balance the budget we need to look at all spending, including Social Security. Those individuals who depend on Social Security, Medicaid, and other Government programs should not fear being cut off. These programs are an important priority of our Government and there is no way they will be dismantled. I think that has been proven time and time again. We saw an effort to wipe out cost of living increases in the early eighties under the Reagan administration. That is this Congress, this Senate, and the House of Representatives, that said, "No, Mr. President, we are not going to do that."

The most serious threat to Social Security is our $4.7 trillion national debt. Net interest on the debt now consumes 16 percent of the Federal budget. If the debt remains unchecked by the year 2015 interest on the debt will devour more than 10 percent of the gross domestic product. This is equal to about 40 percent of anticipated Federal spending. This interest obligation will begin to crowd out Social Security while the continued buildup of debt will impair the ability of future taxpayers to refund moneys borrowed from the trust fund. This will endanger the welfare of Social Security far more than a balanced budget amendment. Quite frankly, a balanced budget amendment will protect Social Security.

The Simon amendment has been the subject of numerous hearings and countless hours of debate. it reflects a broad consensus within Congress and outside groups. The proposed Reid amendment has had the benefit of none of this debate or hearings.

Voting for the Reid alternative is not a vote for fiscal responsibility. It is a vote for business as usual.

We do it all the time, and we are likely to do it again, although I do not believe it is going to pass, because I think enough of us understand that the Reid amendment truly will not work. It has not been well thought out and will not result in a balanced Federal budget that the Simon-Hatch amendment will do.

If some of my colleagues feel they must vote for the Reid amendment—and I respect that—then go ahead and do so. But, please, do not leave it there and then walk away and think that you have taken care of the balanced budget issue. Go on and vote for the Simon-Hatch amendment. Have the courage to vote for a true constitutional amendment. There is no reason that you need to vote just for one, to so-call cover yourself. Vote for both.

Take a chance that a balanced budget amendment will change the course of this country's fiscal deficit and put it on the right road for a change. Otherwise, all will be for naught in this effort to pass a constitutional amendment to balance the budget and this great country will suffer.

Once again, we will be sending a message that we cannot rise above special interest politics and act in the national interest. This, in turn, will feed the very doubts that have spawned distrust not only of congressional incumbents but of the political parties that are represented in this body.

I encourage every Member to think seriously about their vote and to think seriously about the nature of what we are debating here and the importance of passing a constitutional amendment that would do the job.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, it is my understanding that the Senator from Maine wishes to take 3 minutes on something not related to this debate. I have a few minutes under the time I have reserved to me, and then Senator BYRD, the President pro tempore of the Senate, wishes to take his 2 hours and 14 minutes, or whatever time he wishes.

I am wondering if we could have a unanimous-consent agreement that the Senator from Maine be recognized for 3 minutes as if in morning business; that his time not be charged against any of the proponents of the various amendments before the Senate; then I be recognized; and then Senator BYRD be recognized.

The PRESIDING OFFICER. Does the Senator make that request?

Mr. REID. I do make that unanimous-consent request.

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

The Senator from Maine is recognized.

Mr. COHEN. I thank my colleague from Nevada and also my colleague from West Virginia for their agreeing to allow me to proceed very briefly.

THE UNITED STATES HAS A MAJOR SPY PROBLEM

Mr. COHEN. Mr. President, last week, Senator BOREN and myself introduced a measure to try to respond to the recent incident that revealed that the United States has a major spy problem. I am referring, of course, to the revelation that a CIA employee with access to highly sensitive information has been on the Soviet payroll or Russian payroll for some years now.

I might say, it strikes many people as somewhat inconsistent for the Russian Government to be holding out its right hand for assistance from the United States and, at the same time, with its left hand, it is picking our pockets.

Nonetheless, I think we have to point the finger of blame not only at Moscow but also at ourselves.

Four years ago, Senator BOREN and myself introduced a measure that

would have reformed our counterintelligence system and, in my judgment, could have prevented the kind of thing that has taken place here with Mr. Aldrich Ames. He has now joined a list of a long string of those who have betrayed their country.

In the past, people betrayed their country out of ideological zeal. But the days of Philby, Burgess, MacLean, Blount, and the Rosenbergs are over. Now our Nation's secrets are sold at the espionage bazaar to the most generous buyer.

More spies have been named during the last 14 years than ever before in our history. They have been clerks, analysts, counterespionage specialists, cryptanalysts, officers, and enlisted personnel from every one of our military services. They are not high-profile, derring-do agents of spy fiction fame, but faceless, unglamorous individuals who have access to our most important secrets. They are what Tom Allen and Norman Polmar call our Merchants of Treason. And we seem to be capable of detecting them only when some family member turns them in, they surrender, or when a Soviet defector discloses their identities.

John Walker, a Navy radioman, operated a spy ring for 17 years before his former wife—no femme fatale out of Robert Ludlum or Len Deighton's novels—but a woman who worked for a time at a local shoe factory in Maine for $2.65 an hour, turned him in. Without Barbara Walker's phone call to the FBI, John Walker would in all probability still be jeopardizing the lives of every American so that he could profit.

I might note parenthetically that Walker equated himself with the skullduggery of certain Wall Street traders. He did no more than Ivan Boesky—trade a little inside information. What Ames, Walker, Whitworth, Howard, Pelton, and others did was strike a Faustian bargain of sorts—they traded our lives for cash, undermining our deterrent against war, enabling potential adversaries to neutralize the very heart of our strength.

With the fall of the Berlin Wall, it was suggested that this was all behind us. The cold war is over we were told. John LeCarre has written that the days of George Smiley and Karla are history. It is time to face new enemies—drugs, terrorism, poverty, brush fire wars, and the pollution of our planet.

Many spies may have indeed come in from the cold, Mr. President, but unfortunately many more will bask and flourish in the warm sun of our new relationship with Russia and East European nations—not to mention some of our closest allies.

The era of the cloak and dagger may be over, but the cloaks are likely to multiply and those who wear them become even more persistent in their effort to procure military, industrial, and commercial secrets.

The proposals contained in our bill, S. 1869, will not put an end to espionage. They are designed to do three things. Deter U.S. citizens from spying. Detect those who are not deterred. Help prosecute those who trade our security for their own enrichment.

Legitimate questions have been raised about rights of privacy. The subject is not a trivial one and must always remain sensitive to the fact that we do not want to Stalinize our intelligence community in the name of national security. Access to our Nation's secrets is a privilege—one that must be more carefully granted and more carefully guarded. It is our responsibility to seek and strike the appropriate balance between guarding the right of privacy against those who would betray our Nation. I believe that balance has been struck by this legislation, which would:

Establish uniform requirements for access to sensitive classified information and require persons considered for such access to make personal financial reports during that period and for 5 years after their access is terminated.

Establish a new criminal offense for possession of espionage devices where intent to spy can be proved.

Establish criminal offenses for selling or transferring top secret materials or removing them without authorization.

Require persons with access to sensitive classified information to agree to report any foreign travel that has not been authorized as part of their official duties.

Make some Government employees subject to random polygraph tests.

Tighten laws barring profit from espionage.

Expand existing authority to deny retired pay to those convicted of espionage in foreign courts.

Permit the FBI to obtain financial records and consumer reports on persons believed to be agents of foreign powers without those persons being notified.

Authorize the Attorney General to pay rewards of up to $1 million for information leading to arrests or convictions for espionage or for the prevention of espionage.

Subject physical searches in the United States to the same court order procedure that is required for electronic surveillances.

When Senator BOREN and I introduced our bill 4 years ago, it was dismissed as perhaps a relic of cold-war thinking. But we believe it is even more imperative, now that the so-called cold war is over and that the Berlin Wall is down.

"Why now?" we were asked. To which we could only respond: If not now, when? After the next Felix Bloch?

Regrettably, Mr. President, we now know that was not a hypothetical question. It is only now that a new spy scandal is upon us that people are realizing the need to improve our counterintelligence system.

Our bill, in essence, would deter those who might consider spying. It would help to detect those we fail to deter, and ultimately it would help our authorities to prosecute those individuals who betrayed their country.

Let us act swiftly before our collective memory once again fades. For if we do not act now, when will we? After the next Aldrich Ames? Mr. President, I call this to the attention of my colleagues. I think it is an important piece of legislation. We should have passed it 4 years ago. It is time that we bring it forward now and pass it.

I thank my friend for yielding the floor.

BALANCED BUDGET AMENDMENT

The Senate continued with the consideration of the joint resolution.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I hope every senior citizen and every disabled American was listening to the presentation made by the Senator from Utah and the Senator from Arizona.

The Reid balanced budget amendment balances the budget, but not on the backs of senior citizens. I also think the American public who listened to the presentation of the Senator from Utah could recognize that this is legal mumbo jumbo, his amendment better than any amendment. I am going to give you a lawyer's interpretation of why.

The American people do not need lawyers telling them what is right. The Reid amendment allows the balanced budget to take place, but not on the backs of senior citizens. It allows a balanced budget to be treated as States are treated, where you protect the pensioners and you allow capital construction. It is as simple as that, just like States are handled. Just like the State of Utah, just like the State of Arizona, just like the State of Connecticut, just like all of the States of the country, we have an operating budget and a capital budget. No legal mumbo jumbo will take away from the basic tenets of my amendment.

The Senator from Utah complains that my amendment allows Congress to delegate the power to order across-the-board cuts to a congressional officer. The Senator from Utah is correct when he says that this provision is intended to overrule the decision in Boucher versus Synar. The Reid amendment would allow Congress to provide by law that a neutral third party, the Comptroller General of the United States, could referee across the board. This is the same compromise Congress embraced in the 1985 Gramm-Rudman-Hollings Act, of which the Senator from Utah was one of the major proponents.

The Senator from Utah and the Senator from Arizona complain that my amendment delegates powers to an unelected official, the Director of CBO, to make economic determinations. The point of this provision is to provide that a nonpartisan, unelected official could make this determination. That seems totally reasonable.

But I find it amazing that the Senators from Utah and Arizona complained of ceding power to unelected officials.

In testimony before the Senate Budget and Appropriations Committees, respected constitutional scholars testified that the Simon amendment granted the President increased impoundment powers. Section 5 of my amendment ensures that this will not happen under my amendment.

You see, Mr. President, my amendment preserves what the framers of our Constitution wanted. They wanted separate but equal branches of Government. The Simon amendment makes them unequal and gives all the power to the President.

Now, the Senator from West Virginia and the President pro tempore of the Senate has lectured long—11 lectures, each an hour long—talking about what happened in Rome when the legislative branch gave up its power to the executive branch.

We are not only going to do it, we are going to do it here in the Simon amendment by constitutional amendment. Ridiculous.

If the Simon amendment passes, some minor bureaucrat, or plural, bureaucrats, in the bowels of OMB will be making the decision about where cuts will be made. Talk about delegating power to unelected officials. They have just won the Olympics.

They talk about their constitutional amendment. Which one? The one that has been floating around for 4 years or the one we are going to vote on now that they were forced to amend last week? Which constitutional amendment is theirs? Is it the one that has been around for 4 years or is it their new one?

Each one of us, Mr. President, is a politician. But politics, you see, is not everything. All of us are loyal to a party, but each has a much higher loyalty. It is to that better angel that I wish to appeal today.

The time has come to forget party, forget self, forget all the narrow sexual and political interests that divide us. The time has come to remember instead that we are united by our duty which lies to our country.

Mr. President, I think that every Member of this body knows that the amendment written by Senator SIMON will not pass. I have to tell each one listening that as much as I respect its author and his goals, it should not pass in that form.

The Senator from Utah categorized those supporting the Reid amendment with various names. I do not intend in this body to in any way denigrate those who are proponents of the Simon amendment, but we know, and I read into the RECORD at length on Friday what newspapers across this country call the Simon amendment. The Baltimore Sun, for example, calls it a "Hoary Old Hoax." Others call it a phony.

These are not names I dreamed up. These are names that newspapers categorized.

I know that it is not the goal of Senator SIMON and my friends on the other side who support his amendment to bring this Nation to an economic crash unequaled by anything since 1929. I know it is not their goal to leave this Nation's senior citizens, its disabled, its widows and orphans lying ill-fed and freezing in our streets. I know it is not their goal to allow this Nation's transportation system, this Nation's whole infrastructure to deteriorate to a point where trains could have no tracks on which to run, trucks could have no highways on which to ride and airplanes no runways on which to land and citizens no building in which to conduct the Nation's business.

I know that is not their goal, but they know that would be the end result of this so-called Simon balanced budget amendment which took no account of capital spending and Social Security. I think it says reams that the Senator from Utah talked a lot about legalities, legal complications. I remember when I tried cases. Usually lawyers did that when the facts did not support their case. They talked a lot of legal gobbledygook when the facts did not support their case. That is why I asked the senior citizens and disabled in this country to hone in on what the Senator from Utah said because he did not mention Social Security, which would be devastated as a result of the Simon amendment.

Secretary Shalala testified if all programs were reduced across the board, the Simon amendment would require $52 billion in cuts to Social Security. Need I say more? Social Security is self-funded. Employers and employees pay into that fund. It is a separate trust fund.

They know the result, Mr. President, and they know that as a consequence, there is enough common sense, enough fiscal sense to keep the Simon amendment from passing. They also know, as do I and every Member of this body, that we must reduce the Federal deficit. There are programs which will have to go, and not just wasteful or inefficient ones. Everyone in this body would like to find waste in spending. Certainly it exists. We must seek it out and attempt to kill it. Such spending is a small portion of what we expend every year. It has fallen to us rather to choose between the good which must fail and the good which may survive.

We face not just in 2001 but right now any number of hard choices, and to paraphrase a maxim I learned in school, "Hard choices make bad laws." Indeed, they do.

Originally, perhaps, our Federal system was mostly devoted to defense and foreign policy. Mr. President, I think we can agree that there are certain functions which have been assumed by this Federal Government since the 1930's which the people and the States do not want us to forsake. I think we can, I think we do agree that those functions must certainly include Social Security and the maintenance of the transportation system, including airports, canals, and more, which has been and which remain essential to this Nation's continued prosperity.

We agree on those points and yet we continue to disagree on the amendment offered. Why is that? I suspect that many of those who will not compromise on this issue, who say they wanted all or nothing take that position because they know that nothing is what they will get and nothing really is what they want. They do not really want a balanced budget amendment passed. They want to be able to say they went home and voted for a balanced budget amendment.

The Senator from Utah recognizes that the best defense is a good offense. So rather than trying to talk about the qualities of both amendments, all he can do is tend with his legal mumbo jumbo to confuse the issue. The fact of the matter is, I believe many people who are supporting the Simon amendment do not want anything to pass. They want to be able to go home and say they voted for a balanced budget amendment. They do not want this body to face the hard choices the Reid amendment would entail. They want to be able to say they would face them but for the Senators' votes.

Remember, my amendment makes it doable. It makes it doable. Instead of taking responsibility for what they want, they want others to take the blame.

My fellow Senators in both parties, for the sake of our Nation, for the sake of prosperity, and for the sake of our oaths and, really, our honor, I beg you to listen to reason. I proposed a workable, realistic balanced budget amendment, one which would pass this body and easily pass the other body and be ratified by the States. The Simon amendment is not going to pass here, but if it did, it would not pass the other body and I doubt seriously it would pass the States. But mine would because the States would be faced with a constitutional amendment that would parrot and follow what they have to do every year: A reasonable way to getting this country's fiscal house in order.

Unless you vote for this, the Reid amendment, this debate will produce

nothing except self-serving speeches, and this Nation will have received nothing except empty promises. If you really believe, if you really care, if you are really willing to face the hard choices, which is our duty to make, then I ask you to join me and support my amendment.

Mr. DECONCINI. Will the Senator yield? I want to correct the RECORD. I made a reference that the Senator from Nevada voted for the 1986 balanced budget amendment. That is incorrect. He had just been elected to the Senate. I apologize for that.

Mr. REID. I recognized it did not happen, so I was not going to correct it.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, the power of the purse is no accident, and its inclusion in the Constitution of the United States is not there by chance. The British constitution, which is an unwritten constitution, except for certain documents and statutes and cases in the common law courts, is the archetype of the United States Constitution which is the oldest written successful constitution in the world.

Montesquieu knew about the English struggle, the struggle of our English forebears to wrest from the monarch the power of the purse and to place it into the hands of the elected representatives of the people in Parliament, and particularly in the House of Commons.

Last year, I spoke about the history of the Romans. I made 14 speeches on the history of the Romans. I did that because Montesquieu was very much impressed by the Romans and by their system of Government, and it was from the Romans and the institutions of England that Montesquieu developed his political and philosophical system of separation of powers and checks and balances.

He believed that the three major departments, the legislative, the executive, and the judicial, must be separated in order to preserve freedom and liberty.

Now, Mr. President, I think it is important that we talk about the history of England and think, as we do so, as to how we came to have the United States Constitution which parallels in so many ways the Constitution of England.

Mr. President, early in the current millennium there were various kingdoms and subkingdoms in England. Eventually, the seven main kingdoms formed a heptarchy. They were East Anglia, Mercia, Kent, Northumbria, Sussex, Wessex, and Essex, and from time to time one or the other of these kingdoms would gain the predominance over the rest of the kingdoms. It was during the reign of Egbert, who reigned from 802 to 839, that Wessex achieved domination over all of the other kingdoms, and it was under the reign of Edward the Elder when all of England was considered to be one kingdom.

Now, let me begin by stating the names of the kings, the monarchs of English history beginning with the Anglo-Saxon and British kings, and the first one I have been able to trace in an unbroken line was—and these will be spelled differently from the phonetic sound or pronunciation of the name—Cerdic, who reigned from 519 to 534; Cynric, 534 to 560; Ceawlin, 560 to 591; Ceolric, 591 to 597; Ceolwulf, 597 to 611; Cynegils, 611 to 643; Cenwalh, 643 to 645.

There was an Interregnum from 645 to 648. Then, Cenwalh was king again from 648 to 672; 672 to 673 was under the monarchy of Cenwalh's wife, Seaxburg; 674 to 676, Escwine; 676 to 685, Centwine; 685 to 688, Caedwalla; 688 to 726, Ine; 726 to 740, Ethelheard; 740 to 756, Cuthred; 756 to 757, Sigeberht; 757 to 786, Cynewulf; 786 to 802, Beorhtric; 802 to 839, Egbert; 839 to 855, Ethelwulf; 855 to 860, Ethebald; 860 to 866, Ethelberht; 866 to 871, Ethelred I; 871 to 899, Alfred; 899 to 924, Edward the Elder; 924 to 939, Ethelstan; 939 to 946, Edmund; 946 to 955, Edred; 955 to 959, Edwig, and 959 to 975, Edgar the Peaceful; 975 to 978, Edward the Martyr; 978 to 1016, Ethelred II, or Ethelred "the redeless;" 1016, Edmund Ironside, the son of Ethelred; and 1016 to 1035, Cnut; 1037 to 1040 was Harold Harefoot. He was the illegitimate son of Cnut.

Then 1040 to 1042 was Harthacnut, who was the legitimate son of Cnut. He reigned from 1040 to 1042, and we are told that he died "while standing at his drink." He was under 24 years of age when he died.

Beginning on Easter Sunday, 1043, Edward the Confessor reigned until January 5, 1066.

Then on January 6, 1066, Harold II, son of Godwin, became king, and he reigned until the Battle of Hastings on October 14, 1066.

William the Conqueror took office on Christmas Day, 1066. He reigned from 1066 to 1087. William II, or William Rufus, 1087 to 1100. Then Henry I, 1100 to 1135; Stephen, 1135 to 1154; Henry II, 1154 to 1189; Richard I, Richard the Lionhearted from 1189 to 1199; John from 1199 to 1216; Henry III, 1216 to 1272; Edward I, 1272 to 1307; Edward II, 1307 to 1327; Edward III from 1327 to 1377; Richard II from 1377 to 1399; and Henry IV of Lancaster from 1399 to 1413. Then, Henry V, 1413 to 1422; Henry VI, from 1422 to 1461; Edward IV, 1461 to 1483; and Edward V, also in 1483. He was the son of Edward IV, and was murdered in the tower by his uncle, Richard III. And along with Edward V, his younger brother, the Duke of York, was also murdered in the tower. Richard III had the two boys murdered.

Then Richard III reigned from 1483 to 1485. He was killed at the Battle of Bosworth Field on August 22, 1485. Henry (Tudor) VII fought in that battle against Richard III. And that battle ended the 30 years of war that we know of as the Wars of the Roses.

Then from 1485 to 1509, Henry VII reigned; Henry VIII reigned from 1509 to 1547. Henry VIII had six wives: Catherine of Aragon, Anne Boleyn, Jane Seymour, Anne of Cleves, Catherine Howard, and Catherine Parr.

Following Henry VIII's death in 1547, Edward VI reigned from 1547 to 1553. He was the son of Jane Seymour. And then from 1553 to 1558, Mary, Bloody Mary, who was the daughter of Catherine of Aragon reigned. Elizabeth, the daughter of Anne Boleyn, reigned from 1558 to 1603; James I of England—he was also James VI of Scotland—reigned from 1603 to 1625. Charles I, his son, reigned from 1625 to 1649.

There was an Interregnum from 1649 to 1660, during which Oliver Cromwell ruled. In 1660 came the Restoration.

Charles II reigned from 1660 to 1685. James II reigned from 1685 to 1688. William of Orange, after he was crowned, jointly with Mary, was known as William III. They reigned from 1689 to 1702. Mary's sister, Anne, reigned from 1702 to 1714. Then George I, 1714 to 1727; George II, 1727 to 1760; George III from 1760 to 1820; George IV from 1820 to 1830; William IV from 1830 to 1837; Victoria reigned from 1837 to 1901; Edward VII ruled from 1901 to 1910, and George V reigned from 1910 to 1936; in 1936, Edward VIII abdicated the crown with the title of Duke of Windsor. I remember that very well, 1936. Then from 1936 to 1952, George VI reigned. From 1952 to the present time, Elizabeth II has been the English monarch.

Now, Mr. President, I would like now to trace, if I can, the development of Parliament and along with it talk about some English history.

Parliament had its roots in the Witenagemote of the Anglo-Saxon period.

The Witenagemote, the small gemots and folkmoots, the magnum concilium, and the curia regis, all of these were the base from which Parliament in later centuries came into being.

The Witenagemote was the King's Council. It was made up of the important men of the realm, the earls, the sheriffs, the thanes, the bishops, the abbots, and it advised the king in matters of war, shared with him in matters of the taxation, in dealing with foreign governments, and matters involving the military, and so on.

It was based on the importance of the individuals. It chose the king. A smaller council within this larger council was called the Witan. It was made up of members of the king's household, some of the more important officials, and it was in constant attendance upon the king. The king could not disregard the Witan or the Witenagemote. The Witenagemote chose the king, usually on the basis of his being hereditary and in the line of the family.

When William I, William the Bastard, who was the son of Robert the Devil, the Duke of Normandy, defeated Harold II at the Battle of Hastings on Senlac Hill in 1066, William I brought feudalism to England, which he implanted on the old Anglo-Saxon institutions.

There had been some great kings among the Anglo-Saxons. Alfred, 871–899, was a great king. He was educated, and he fostered a love for the arts and education. And he was one of the four brothers who were the sons of Ethelwulf, the four brothers being Ethelbald, Ethelberht, Ethelred I, and Alfred. Edmund, who was the son of Ethelstan, was killed by a thief in his own banquet hall. Edward the Martyr was killed by those who wanted to see Ethelred II have the crown. Edward the Martyr was treacherously murdered by the supporters of Ethelred II.

Cnut was the son of Sweyn "Forkbeard" of Denmark. And Cnut took to himself a temporary wife, Elfgifu. She was the daughter of the Earl of Northumbria, and to him and Elfgifu was born an illegitimate son, Harold Harefoot.

Cnut then married Emma, the widow of Ethelred II, and to them was born Harthacnut. When Cnut died in 1035 there was a brief Interregnum to 1037. Then Harold was made king and ruled to 1040. Harthacnut, the legitimate son of Cnut, then ruled until 1042. Edward the Confessor, as I have already indicated, reigned from Easter day 1043 to January 5, 1066.

Edward the Confessor married the daughter of the Earl of Godwin. Edward the Confessor was the son of Ethelred and Emma. When Edward the Confessor died on January 5, 1066, Harold II, son of Godwin, became king the next day. He only reigned from January to October. He fought his brother, Tostig, at the battle of Stamford Bridge on September 25, 1066.

At the battle of Stamford Bridge, Tostig had joined forces with Harold Hardrada, King of Norway. Both of them were killed in that battle of September 25. Harold was victorious. But at that time, he had heard that William the Conqueror had invaded the southern part of England—and they fought a terrible battle on October 1066. Harold was killed in that battle.

William the Conqueror, William I, became king. He was a Norman, and came to England and implanted feudalism. Under feudalism the important criterion was based on land holding.

The old Witenagemote, the King's Council, now became the Magnum Concilium, the Great Council. And what originally was the witan, the smaller council within the Witenagemote, now became the Curia Regis, a smaller council within the Great Council, the Magnum Concilium.

The membership of the Curia Regis, depended not upon the greatness nor the importance of the individual, as was the case in the Witenagemote. Land holding was the important criterion, under the Magnum Concilium and the Curia Regis.

The Magnum Concilium was expected to meet about three times a year. The Curia Regis that constantly attended the King, followed him wherever he went. It was made up of the chamberlain, the justiciar, the constable, the chancellor, and other household officers, such as the butler and the royal steward. The chancellor was the King's secretary.

William I died from a fall from a horse. William II was a cruel king, and reigned from 1087 to 1100, at which time he was killed in a hunting accident.

Henry, who was in the hunting party, immediately made off and seized the treasury, and made himself king.

Henry I reigned from 1100 to 1135. Under Henry I, the system of itinerant justices began. Itinerant justices out of the Curia Regis, would go into the various hundreds of shires and villages, which were administrative units, and hold court.

William I had brought the accusing jury, the sworn inquest from the continent. Henry I also used the accusing jury. As time went on, the King's court consisted of a jury, and the King's justices from the Curia Regis. A case could be taken from the shire court or from the hundred court, and brought into the King's court by a writ for a fee. Writs were used to command that the case be brought before the King's court. There was a different writ for each kind of action.

Henry II, who reigned from 1154 to 1189, was a great king. The petit jury became a formal part of the King's court, and offered a satisfactory instrument for settling civil and criminal cases. Henry II increased the number of itinerant justices. He increased the number of writs. He enlarged upon the court of exchequer which had originated under Henry I, and which was an outgrowth of the Curia Regis. The exchequer court audited the fees, fines, and the revenues collected by the sheriffs on behalf of the King. The exchequer court was probably called the exchequer court because of the checkered cloth that covered the table of accounts.

Also, Henry II created what was to become the court of common pleas. He created this court from the selection of five barons who were permanent members of the Curia Regis. And those five barons sat at Westminster the year round, and decided cases that were brought into the court of common pleas.

Richard I, who reigned from 1189 to 1199, Richard the Lion-Hearted, busied himself in the Crusades and fought in the Holy Land. As a matter of fact, he was on the way back from one of the Crusades in 1192, when he was arrested and imprisoned by the Duke of Austria. Richard I was ransomed in 1194 by the payment of a ransom, which came from a tax levied upon the people of England.

In 1199, Richard I was killed while making war in France. John became King. We remember John mostly by the Magna Carta, which was signed by him on the banks of the Thames on June 15, 1215, where he was forced by the barons to attach his signature.

There were 63 clauses in the Magna Carta. These clauses did not express any abstract principles; they righted wrongs. They were in simple language, language the common people could understand. The Magna Carta was the great charter of English liberty. It was reconfirmed in 1216 and 1217, and became a statute in 1297 when Edward I confirmed the charters.

The Magna Carta, clause XII, provided that there would be no aids, no taxes without their having the common consent of the realm—the common counsel, I believe, are the exact words—the common counsel of the kingdom.

Chapter XXXIX, which was probably one of the most important clauses, provided that no free man should be arrested, imprisoned, exiled, banished, dispossessed, or otherwise shorn of his standing except by the judgment of his peers and according to the law of the land. That "law of the land" phrase was exceedingly important, because it came to be the "due process" clause in the fifth amendment of our own Constitution and the 14th amendment. Also, as I have mentioned, clause XII is very important as we trace the developments in the power of the purse, and its being placed into the hands of the commons, the elected representatives of the people of England, and into our own legislative branch here in Congress.

Henry IV became King of England as a result of his having been made King by Parliament. He reigned from 1399 to 1413. He was the first of the Lancastrian Kings, and the power of the purse and the liberties of the people of England progressed greatly during the reign of Henry IV and the other Lancastrian kings.

Edward I has been called "The Father of Parliament." Under Edward I, Parliament began to take its form—not in its intricate details, a form that remained fluid for several years. Edward I summoned the "Model Parliament" in 1295. There had been some rudimentary Parliaments summoned earlier. King John had summoned a conference at St. Albans in 1213, and Queen Eleanor and the Earl of Cornwall had summoned a conference in 1254.

At King John's conference, there were four knights elected from each county. At Queen Eleanor's conference in 1254, there were two knights from each county. In 1264, Simon de

Montfort called a conference, which was to take place in 1265. He instructed the sheriffs to bring to that conference two knights from each county, two citizens from each city, and two burgesses from each borough.

In 1295, Edward I held what was known as "the Model Parliament." He invited two knights from each shire, two citizens from each city, and two burgesses from each borough. He invited the moneyed class, the business and commercial interests, the merchants. The King wanted money, so he called all branches of society who were in a position to supply it. He included the town and rural middle class.

In 1297, he needed moneys for his wars, and he asked Parliament for money. Before the Parliament would grant him the moneys he desired, they drew up the Confirmation of the Charters, which incorporated the Magna Carta, the Charter of the Forest, and other charters, and he signed that Confirmation of the Charters in 1297.

Then Parliament gave him his money. In the Confirmation of the Charters, the king agreed that henceforth there would be no taxes granted except by the common consent of the kingdom.

This was significant for two reasons in particular. One, it meant that in the future, Parliament would have to be convened if there was going to be any discussion of nonfeudal taxes, and all elements of society would be included, and it also was significant for the reason that henceforth Parliament would use the power of the purse to redress grievances and exact concessions from the king. That was a real milestone on the way to the full achievement of English liberty.

Edward II, who reigned from 1307 to 1327, was deposed by Parliament, one of the reasons being that he had misappropriated moneys that had been granted him by Parliament.

Great strides were made in the development of Parliament and in the power of the purse during the reign of Edward III. Edward III reigned from 1327 to 1377. The Hundred Years War was begun during his reign. He declared war on France in 1337. It lasted 116 years, to 1453, although called the Hundred Years War. Edward III repeatedly had to ask Parliament for moneys to carry on his war with France.

Parliament learned that it could effectively use this power of the purse to exact concessions from the crown, and to bring about a redress of grievances, and it used this power of the purse very effectively. Money talks. Parliament found that out.

During the reign of Edward III, the "Good Parliament" convened in 1376. It was during the "Good Parliament" that Parliament discovered a particularly effective weapon with which to bring the ministers of the King into submission. Richard Lyons, who was a customs officer and merchant, was impeached, along with other officers for having misused their offices. The weapon of impeachment was used effectively by Parliament in subsequent centuries.

In 1377 the first Speaker, so-called, of the House of Commons was named. He was Sir Thomas Hungerford. Another very important thing happened in the early part of Edward III's reign. Parliament, which had met in the Parliament chamber for several years, continued to meet in the Parliament chamber, but the knights and burgesses separated off from the hereditary Members of the Parliament. The knights and burgesses met in the precincts of Westminster Abbey. They would all meet together at the beginning of the session of Parliament, but then afterwards they separated, the knights and burgesses to meet in Westminster Abbey, and the Parliament or what later became the House of Lords continued to meet in the Parliament chamber.

They would meet separately and debate the questions and make their decisions separately, and then they would come back into the Parliament as they made their final debate and cast their votes. This was very important. This was about 1339 to 1341. Certainly, in the early 1340's, the Commons became separate from the Lords. As a matter of fact, it was in 1340 that the first appropriations were made by Commons, the first distinct instance of appropriations "made by Commons with the assent of the Lords." They were made first by what we would call the lower House.

In 1407, Henry IV sought to initiate revenues in the House of Lords. The House of Commons resisted and said that this would be in derogation of their privileges and their liberties. Therefore, Henry IV, in 1407, in the presence of both bodies, the Commons and the Lords, said that henceforth—henceforth—appropriations would be made, taxes would be made by Commons with the assent of the Lords.

From time to time this procedure was challenged. In 1552, during the reign of Edward VI, son of Henry VIII, the Lords passed a bill dealing with the treasurer. The Commons resented this, and said that they had, through custom, the power to initiate revenue bills.

They agreed with every detail that was in the bill; they agreed with the substance that was in the bill that had been passed by the Lords. But just to show that they were not going to ever have revenue bills begin in the House of Lords, they passed an entirely new bill containing the same substance, the same details as the bill that had come down to them from the House of Lords.

Under the Lancastrian's, as I said a little earlier, the Commons made great progress in developing the powers of the purse and vesting that power in Parliament.

Under the Tudors, Parliament did not fare so well. Henry VIII would seize church lands and sell them in order to avoid calling Parliament into session and asking for money. Elizabeth was very popular, so during the reign of the Tudors, Parliament did not fare too well. Elizabeth died in 1603 and James I of England became King.

James I believed in the divinity of Kings. He maintained that the King was the deputy of the Lord and that to be disobedient to the King was a sin because it was being disobedient to the Lord. He therefore made the claim that members of Parliament had no rights except rights that were accorded to them by the King. He said that they had been debating and meddling in matters that were beyond their scope, beyond their capability, and that he, the King, could punish them for misdemeanors as much while they were sitting as after the session was over.

The members of Parliament were very incensed about this and so they drew up what is known as the Apology of the Commons. They presented it to James. In the Apology of the Commons, they asserted that they, as members of Parliament, had all the rights and liberties that had been customary in England for centuries. That they had a right to debate matters of state and they would do so. They said that the voice of the people is as the voice of God. Vox populi, vox Dei.

In 1614, James dissolved Parliament, and Parliament did not meet again for 7 years—from 1614 to 1621.

James had had his problems with Parliament. He was a very arrogant monarch. He had arrested Sir Thomas Shirley and imprisoned him for debt. Parliament insisted that members of Parliament, while in session and on the way thereto and on the way therefrom, were privileged from arrest for civil causes. This was a prolonged argument. But finally James acceded to the position of Parliament and agreed that members of Parliament had freedom from arrest.

Also, there was a disputed election in 1604 between Sir Francis Goodwin and Sir John Fortescue. The King favored the election of Fortescue. Parliament decided that Goodwin had won the election. Finally, after a great deal of back and forth arguments, King James acceded to the rights of Parliament to determine the qualifications, returns, and elections of its own members. Never again was that right challenged.

James dissolved Parliament in 1614 and it never met until 1621. When it met, of course, the Parliament wanted to discuss the grievances and James wanted money. He was very hard up for money. But Parliament insisted on discussing the grievances which had occurred throughout the past 7 years.

Sir Edward Coke had his old enemy, the Lord Chancellor Francis Bacon, impeached. Bacon was found guilty of

taking bribes and was sent to the tower.

The members of Parliament presented to the King what is known as the Great Protestation, in which they stated that they had inherited the rights of Englishmen from time immemorial and that they had a perfect right to debate matters of state; they had a right to freedom of speech, which, as far back as Henry IV, in 1407, had acceded to. Henry IV, in 1407, had agreed that members of Commons and the House of Lords were free to speak their minds in Parliament and were not to be questioned in any other court or place.

Well, a few days later, James, in privy council, tore out the pages—tore the pages of the Great Protestation out of the journal after Parliament had been adjourned.

James died in 1625. His son, Charles I, succeeded him, and of course Charles I believed strongly also in the divine right of kings, and he and Parliament became embroiled immediately in their arguments.

In 1628 Parliament drew up a Petition of Right, and in that petition, Parliament stated that arbitrary imprisonment should cease, arbitrary taxation should cease, and it set forth certain other liberties that had been infringed on. And the Petition of Right is considered another great milestone, along with the Magna Carta and the Bill of Rights.

In 1629, Charles ordered an adjournment of Parliament from March 2 to March 10. When the Speaker started to carry out the order of the King, the Speaker was seized and held in his chair. And the doors of the House of Commons were locked and three resolutions were passed quickly putting the grievances of the Commons on record, after which the doors were opened and the King's messengers were allowed to enter to get to take the mace. On March 10, Charles dissolved Parliament. Parliament did not meet from 1629 to 1640.

In the meantime, Charles brought back the Lord Deputy of Ireland, Sir Thomas Wentworth—Black "Tom Tyrant." Thomas Wentworth believed in using ruthless policies. He used ruthless, dictatorial policies in oppressing and suppressing the Irish. He had long ago ceased to support Parliament. He believed in using tyrannical methods in dealing with people.

He advised Charles I that—inasmuch as the Irish rebellion continued and the Scots had moved into some of the northern counties of England, Wentworth, who had been given the title Earl of Strafford by Charles I, advised Charles to call Parliament into session and take action to raise moneys and so on and drive the Scots out of England. Strafford advised Charles I that the people of England were anti-Scottish anyhow and that they would support the King in moving against the Scots. But as a matter of fact, the Scots stayed in the northern counties and the people of England applauded the Scots because they did not like Charles I. The English reaction was not as Strafford had hoped.

So, in 1640 when Parliament met, because Charles had pawned the crown jewels and sold the crown lands and had exhausted every means of raising funds, nonparliamentary funds—he had put the country into debt—so he finally, finally had to call Parliament back in session.

Parliament was not in a mood to give Charles funds. It immediately took action against Charles' ministers. The Commons had Strafford arrested and brought him before the House of Lords but there was no evidence of treason to support an impeachment. Therefore, Commons, instead of being able to proceed with the impeachment and having the Lords convict Strafford, resorted to an act of attainder which needed no evidence of guilt but merely condemned the accused to death.

Charles I had promised Strafford that he, Charles I, would not see him, Strafford, die; that he would save him, he would stand by him. But Charles I, out of fear for himself and his family, signed the death warrant and, on May 12, 1641, Strafford was beheaded on Tower Hill before a crowd of 200,000 people.

The next year, on January 4, 1642, Charles came down to Parliament with 400 swordsmen and entered the House of Commons, intending to arrest John Pym and John Hampden and three other leaders. But they had heard he was coming and had left, having escaped on the River Thames.

Charles and his 400 swordsmen, of course, were met with cries of protest and they walked out. This was on January 4, 1642. Matters went from bad to worse. And on August 22, 1642, Charles unfurled the royal standard on the meadows of Nottingham. The civil war was on.

London, with 500,000 people, and the south and east of England went over to Parliament's side. The navy went over to the side of Parliament. Charles had strength in the northern and western counties among the well-to-do, the large land holders. The Battle of Marston Moor was fought on July 2, 1644, and, as a result of that battle, Charles lost all of the northern counties of England. The next year, in June 1645, Charles' main army was defeated by Cromwell and Fairfax at the Battle of Naseby.

On January 6, 1649, Parliament created a high court of justice to try Charles I of England for treason. The court found Charles guilty of being a tyrant, a traitor, a murderer, and a public enemy to the good people of England and declared that his head should be severed from his body. On January 30, just 24 days later, Charles was beheaded in front of his palace at Whitehall.

There was an Interregnum from 1649 to 1660. Oliver Cromwell and the army pretty much took over. England was declared a commonwealth, and the monarchy and the House of Lords were abolished. In 1654, the army wrote a constitution called the Instrument of Government. It declared England a protectorate and Cromwell, who had rejected the offer of the title of King, was named Lord Protectorate.

Cromwell died in 1658. His son Richard tried to carry on Oliver Cromwell's policies, but Richard was a weak man and was very unsuccessful. In 1660, General George Monk, who was commander of the British occupation forces in Scotland, came down from Edinburgh and took over London and declared for a free Parliament. A free Parliament was elected and in 1660 declared that henceforth England should be ruled by Kings and Lords and Commons.

Charles II, son of Charles I who had been on the continent, came back to Dover in 1660 and was crowned King. He reigned from 1660 to 1685, and it was during his reign in 1679 that the Habeas Corpus Act was enacted.

Charles II died in 1685. His brother, James II, then became King. James was an arrogant, weak king, and the Whigs and the Tories invited William of Orange and his wife Mary to England to become the sovereigns. William of Orange was a grandson of Charles I and Mary was the daughter of James II.

They reached England in November of 1688. In December, James II left England forever. He threw the great seal of England into the Thames River and took refuge in the court of Louis XIV of France, the Sun King.

In January, the English Parliament drew up a Declaration of Rights and offered to make Mary and William of Orange joint sovereigns provided they accepted the Declaration of Rights.

On February 13, 1689, they promised to comply with the Declaration and were crowned joint sovereigns. In that Declaration of Rights, which was in December of 1689 incorporated into a statute known as the Bill of Rights, William and Mary promised and acceded to certain demands set forth in that Declaration. Levying of money without grants of Parliament was proclaimed illegal, and trials by jury were assured. Freedom of speech in Parliament was guaranteed, and excessive fines and excessive bail were to end. The Bill of Rights, enacted in 1689, gave to Parliament and the people of England supremacy over the Crown.

The Act of Settlement, which followed in 1701, was enacted to guarantee that the Stuart line would never again reign in England. And in the Act of Settlement, we find another very important provision, namely, that judges

were to serve for life, not at the pleasure of the King. They could only be removed from office by the action of both Houses of Parliament upon proof of bad conduct.

We have had a brief taste to quench our thirst for water from the fountain of English liberty, and we have noted some of the great milestones along the way in the form of the great documents—the Magna Carta, the Confirmation of the Charters, the Great Protestation, the Petition of Right, the Apology of the Commons, the Declaration of Rights, the Bill of Rights, the Act of Settlement.

Let me now, Mr. President, touch upon some of the parallels between the English constitution and our own Constitution.

The first parallel is that of bicameralism—bicameralism.

Bicameralism, as we have noted, began in the 1340's when the knights and burgesses separated from the lords into a separate body, and we saw there the House of Commons emerge.

Now, in our own Constitution, article I provides that, "All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives."

There in article I, section 1 is the bicameralism which grew out of the colonial experience and from the English experience.

Article I, section 2 provides for the House of Representatives and how its Members will be elected based on population.

Article I, section 3 speaks of the Senate and states that its Members will be selected by the State legislatures. At first they were not elected by the people. They were selected by the legislatures of the States.

The seventeenth amendment providing for the election of Senators was ratified in 1913.

We will recall that during the reign of Edward III in the year 1377, the first speaker so-called was selected for the House of Commons. His name was Thomas Hungerford.

In article I, section 2 provision is made for an election of Speaker in the House of Representatives.

Also, in article I, section 2, it is provided that Members of the House shall be inhabitants of the States in which they are chosen.

Article I, section 3 says that Senators shall be inhabitants of States for which they are chosen.

Now, from where did this come? Well, this came about in England as a result of the packing of Parliament by the kings. Sheriffs would announce as their nominees, knights who were not residents of the counties which they were to represent. Therefore, in 1413 legislation was passed by Parliament providing that the members of Parliament should reside in the areas that they were to represent, and that act was repeated in 1430 and again in 1445.

Our Constitution therefore picked up on that.

One of the things that we saw throughout English history was the proroguing, dissolving, adjourning of Parliament by the kings. We saw that, from 1614 to 1621, no Parliament met. We saw that from 1629 to 1640, 11 years, Parliament did not meet.

So the members of Parliament had no opportunity to voice their grievances. They had no opportunity to make the power of the purse work. And that was cured finally in the Bill of Rights, in 1689, which provided that Parliament would meet often. Article I, section 4 of our U.S. Constitution provides that Congress shall meet annually. So we can see the parallel there.

I spoke a little while ago about Sir Francis Goodwin and Sir John Fortescue, and the disputed election involving both men. We saw that the outcome was that Parliament won the dispute with King James I. He acceded to the position of Parliament that it had the right to be the judge of the returns, elections, and qualifications of its own members. That right was never again challenged.

In our own Constitution, article I, section 5, gives each house of the Congress the right to judge the qualifications, elections and returns of its own members.

In article I, section 6, Members of the Congress are protected against arrest on civil causes while Members are in session, while they are on their way to a session, or while they are on their way from a session. We traced that back earlier to the matter involving Sir Thomas Shirley, who was imprisoned for debt. James I had quite a prolonged disagreement with the Commons. But Commons prevailed.

Article I, section 6, also provides that Members of the House and Senate have freedom of speech and debate in either House and shall not be questioned in any other place.

We saw that in 1407, Henry IV acceded to that position on part of the Commons, and stated that members of both Houses should be free to speak their will. Moreover, the English Bill of Rights of 1689 specifically protected freedom of speech in Parliament.

Article I, section 6, also provides that no person holding any civil office under authority of the United States may be a Member of the House or the Senate. Under article I, section 6, no Member of Congress may accept any office for which the emoluments have been increased during the term for which he was elected. That is a separation of powers matter, resulting from another parallel in British history, that being that the Kings would try to pack Parliaments with their favorites—Members of the House of Commons who drew pensions or other benefits from the Government. Parliament put a stop to that. And we find that provision in article I, section 6 of the Constitution.

Article I, section 7, provides that bills be passed in both Houses and presented to the President. If he agrees to the bill, he signs it. If he disagrees, he may veto it. How did that come about?

Prior to the 14th and 15th centuries, the King, sitting with the privy counsel, promulgated the law in the form of ordinances. Later, in the time of Edward I, Edward II, Edward III, the knights and burgesses presented petitions to the King even without the support of the nobles. The King and his ministers might incorporate those petitions into a statute. They might change this or that detail, or they might even do nothing.

So the members of Commons, the middle class, the knights and burgesses, were able to have their views put into a petition. If the King accepted the petition, then he and his ministers would perhaps put it into a statute, often with some changes.

In the time of Henry the IV, bills were substituted for petitions, so that the bill contained the statute in the form that the members of Parliament desired. When the King received the petition, it was in the form of a bill. He could no longer change it. The bill contained the statute.

The bill carried the statute in the form that it was to become law. The Kings and their ministers could no longer make changes. The King either signed the bill in its entirety, or he could refuse to sign it. Therefore, in article I, section 7, we see that bills from the Congress go to the President, and he may sign each bill or he may veto it. He is not to change it. He has no line-item veto. He is to sign it or reject it in its entirety.

In article I, section 9, we see the power of the purse. In article I, section 9: "No money shall be drawn from the Treasury, but in consequence of appropriations made by law." And this is the milk in the coconut, going back to the Magna Carta. As a matter of fact, the first rudimentary appropriation occurred in the reign of Ethelred II, 978 to 1016, in the form of the Danegeld, which was a land tax, and was agreed to by the witenagemote. It had certain limitations, the limitations being that the tax was to be spent to deal with the requirements of the Danish invasion. It was not to be used to pay off the previous debts.

So here was a rudimentary appropriation, which had conditions and limitations agreed upon by the witenagemote. By the time of Edward III, it was becoming customary to attach conditions to money grants.

Article I, section 8 provides that Congress shall have power to levy and collect taxes. We have traced this power through the centuries. We saw it in

clause XII of the Magna Carta. We saw it again in the Confirmation of the Charters in 1297 at the time of Edward I. We saw it in the English Bill of Rights in 1689, which made the Commons supreme over the King, because its power over the purse was secure.

Article III, section 1 provides that judges shall hold office for life, and can be removed only for bad behavior. That parallel was found in the Act of Settlement in 1701, during the reign of William III—Mary had died—and, of course, that provision has come down to us from the English model.

Article III, section 3 provides that no person shall be convicted of treason except on the testimony of two witnesses to the same overt act, or as a result of confession in open court. The English Treasons Act was enacted in 1696, and provided that no person should be indicted or tried for treason except upon the testimony of two lawful witnesses.

Then, of course, the due process clause in the 5th and 14th amendments, as I say, really had its origination in the Magna Carta, paragraph 39, which said that no freeman should be dispossessed of his property, imprisoned, exiled, except by the judgment of his peers and "according to the law of the land." "The law of the land," that phrase appeared from time to time in English history, and the words "due process" in the U.S. Constitution can properly be said to have their basis in that phrase.

The eighth amendment to the Constitution has to do with excessive bail and fines.

The English Bill of Rights declared that there should be no excessive bail required and no excessive fines imposed, and we find that in our own amendment No. 8 to the United States Constitution. We are protected against excessive fines and excessive bail.

Mr. President, we have been able to follow through the long course of the centuries the rights and freedoms and the guarantees of those rights and freedoms, long in the English Constitution. And we found that the central pillar of that English Constitution, like we found in the history of the Romans, was the power over the purse. When the Roman Senate gave away its power over the purse to the dictators and to the emperors, it gave away its power to check the executive.

Therefore, we should be instructed by these histories—the history of the Romans and the history of the English peoples—that the power of the purse is the central strand in the whole cloth of Anglo-American liberty. I am somewhat proud to be of English and Scottish descent. I do not go around calling myself an Anglo-American. I think there are too many of these hyphenated Americans. We are all Americans. We were born in this country. I am an American, not an Anglo-American. I am an American.

We should understand that the English model was the root of our own system and our Constitution. The colonial governments were built upon the English model. The English model of a bicameral legislature was translated to the colonies in the form of houses of representatives freely elected by the people, and upper houses or councils, the members of which were appointed by the Royal Governors.

The power of the purse did not come to us by chance, and this is such a matter of importance that I am chagrined, really amazed, that so little attention is being given to the votes that will occur tomorrow, so little attention being given by the press—now and then there is a column or an editorial—so little attention being given by the Members of the two bodies, so little attention being given by the people. In the 1830's or 1840's or 1850's, the galleries would have been filled to overflowing by people from this city. The carriages would be a dozen deep waiting on the outside, carriages that brought interested citizens to listen to the debates. The papers would have been filled with stories about the balanced budget.

I cannot conceive of Daniel Webster or Calhoun or Clay or Benton of Missouri, any of the great Senators of all time voting for a constitutional amendment on a balanced budget. They treasured too much this balance of powers and separation of powers, checks, and balances. They knew Plutarch, Polybius, Cicero, Demosthenes, Tacitus. They knew about classical Greece and classical Rome. They knew about Plato. They would never have supported a rape of the Constitution such as we see in this constitutional amendment on a balanced budget. They would have spoken out against it. And if we had had radios and televisions in those days of the 1800's, the airwaves would have been filled with protests because this would have been a matter of great moment to the people of the country. And it is a matter of great moment to the people of the country today. What are we talking about? The Olympics? What stories occupy the front pages? Certainly not the balanced budget.

Let me just simply say that this is a vital matter in its outcome and effect on the children and grandchildren of all of us, and to all posterity to come. Once this power of the purse, once this Constitution has been amended to destroy the separation of powers and checks and balances, then we have destroyed our structure of government, we have destroyed a Constitution of over 200 years, and the legacy that we will hand on to our children will not be something for which they will rise up and call us blessed.

Kipling wrote a bit of verse, "The Reeds of Runnymede," Runnymede, where the great Charter was signed by King John in 1215:

At Runnymede, at Runnymede,
Your rights were won at Runnymede.
No freeman shall be fined or bound,
Or dispossessed of freehold ground,
Except by lawful judgment found and passed upon him by his peers!
Forget not, after all these years,
The charter signed at Runnymede.

I yield the floor.

The PRESIDING OFFICER. At this time the Chair recognizes the Senator from Nevada, Senator REID.

Mr. REID. Mr. President, I wonder if I could enter into a dialog with my friend from Utah and the President pro tempore of the Senate. I have some speakers that would like to come to the floor. I am wondering if we could arrange some time during the day so they do not have to come and wait around. Senator FEINGOLD, for example, wants to come at 1:30 for 15 minutes. Does the Senator have a speaker at that time?

Mr. HATCH. If the Senator would yield, I am happy to accommodate the Senator. We have four right now who would like to speak, as well. I would be happy to alternate.

Mr. REID. That would be fine.

(Mr. DORGAN assumed the chair.)

Mr. HATCH. Do you have anybody to speak right now?

Mr. REID. I want to speak for just a few minutes.

Mr. HATCH. Senator MURKOWSKI will be here at 1:15. I ask unanimous consent that when he arrives he be given an opportunity to speak.

Mr. REID. How long does he wish to speak?

Mr. HATCH. I believe he wants about 15 minutes.

Mr. REID. Could I have Senator FEINGOLD speak when Senator MURKOWSKI finishes?

Mr. HATCH. Yes.

Mr. REID. And then Senator DORGAN wishes to speak, and we will arrange that.

Mr. HATCH. Senator BURNS would like some time today, so I would ask him to get over as soon as he can. And Senator DURENBERGER would also like to speak. I would be happy to work in every way with my friend and colleague.

Mr. REID. I thank the Senator

I want to compliment the Senator from West Virginia, the President pro tempore, for his wide-ranging accounting of the history of the power of the purse. The encyclopedic memory of the Senator from West Virginia is truly a marvel.

Senators and others listening, I am sure were aware that his speech dealing with history, including the reign of the British monarchs, was without notes, entirely from memory, including the spelling and the dates that they held office.

I wish to compliment the Senator from West Virginia, as well, for his stalwart defense of the congressional power of the purse. As Senator BYRD

has explained, the English-speaking world has vested power over taxing and spending primarily with the legislature since before the English civil war of the mid-1600's. This decision to lodge fiscal powers in the Government unit with ties close to the taxpayer resulted, in significant part, from the practical expedient that those legislators could most ably assess the ability of taxpayers to contribute.

Shifting this power away from Congress would result in less representative democracy. And shifting the powers to the President and the courts is exactly what the Simon amendment would do.

The Danforth amendment to the Simon amendment limits somewhat the involvement of the courts enforcing the constitutional amendment. But neither the Simon amendment nor the Danforth amendment to the Simon amendment limits the powers of the Executive.

In contrast, section 5 of my amendment explicitly precludes a President from claiming new impounding powers. As a consequence, under the Simon amendment, the President who has taken an oath to uphold the Constitution will have taken an oath to enforce article 1 of the Simon amendment. That section says: "Total outlays for any fiscal year shall not exceed total receipts for the fiscal year."

If late in the fiscal year, the Director of the Office of Management and Budget feels the outlays are exceeding revenues, then, under the Simon amendment, the President will have the constitutional duty to impound funds to prevent a violation of the Constitution. Of course, the sad part about that is that the President will also have the pleasure of choosing which programs he wishes to cut in order to ensure that the Constitution is enforced.

I say to Senators, especially those who represent small States by virtue of population: Which programs would he be most apt to cut? Of course, those that would affect small States.

This power will significantly enhance the power of the President relative to the Congress.

Earlier today, the senior Senator from Utah complained that my amendment would run contrary to the fifth amendment rights of due process because my amendment prohibits the courts and the President from enforcing the amendment. That says it all.

But it is the Simon amendment, Mr. President, that will threaten the rights of American citizens.

Let me read from the testimony of one constitutional expert, Louis Fisher, of the Congressional Research Service before the Appropriations Committee.

Mr. Fisher said:

Mr. Chairman, you talked about the power of the purse, and one thing that occurs to me that with the fall of the Soviet Union my institution, CRS, is visited all the time by countries in Eastern Europe, and Russia, and other countries. And what they study when they come here and what they are so impressed by is Congress as an institution. They marvel at Congress, a coequal, independent body, capable of checking the presidency, because they are used to a system in which power is concentrated in the executive. . . .

And I would say that the power that makes Congress very distinct, particularly from other parliamentary governments, is the power of the purse.

That is where our Founding Fathers deliberated and with this great ability did that to make our system of government very unique.

Mr. Fisher went on to say:

And the framers were so familiar to make sure that that power was put in Congress to protect not just Congress as an institution but to protect individual citizens. That is how liberties are protected.

I think if the balanced budget amendment were adopted as we have said it would give the President new leverage over impoundment and an item veto, moving money around, and that would give the President leverage over you and other Members because the President could use that not just in the budgetary arena but everywhere.

If the President wants a treaty passed, if he wants a nomination to go through, if the President, as they all do, has a special spending project that he wants, he can come and tell you that there is something in your district that is on the table to be canceled, my budget bureau is looking at it, it looks as though we might have to ax it, but while I'm talking to you I would like just to know what you are going to do next week on the vote on that nominee or on the treaty or spending package.

And this is leverage that would be so destructive to Congress as an institution, and if Congress is destroyed—I think worldwide we know that an independent legislative branch is a guarantee for individual liberty.

Just another remark on this issue of respecting the Constitution. I think in recent years we have gotten into the habit of thinking that the court, particularly the Supreme Court, is the guarantor of the Constitution. But I think you know, if you look over the last 200 years, that all three branches participate in that process. I would say in terms of behavior Congress to my mind is at the top in protecting rights and liberties and in respecting the Constitution.

It is precisely to avoid this diminution of powers of the Congress at the expense of the executive branch that section 5 of my amendment provides that Congress and only Congress shall enforce the Reid amendment when it becomes part of our Constitution. The Simon amendment fails to protect against the power grab by the executive branch, and this is, in my opinion, a fatal, fatal flaw.

Mr. HATCH. Once again Senator REID argues that Simon/Hatch implicitly grants to the President authority to impound funds, to suspend the operation of spending measures, or to rescind earmarked funding measures.

Admittedly, the law of Presidential impoundment is far from clear. However, the plain meaning and the structure of Senate Joint Resolution 41, buttressed by its legislative history, indicate that the amendment does not grant to the President any additional authority, and, in fact, is intended only to circumscribe Congress' taxing, borrowing, and spending powers.

Specifically, section 1 of Senate Joint Resolution 41 directs that outlays exceed receipts only if three-fifths of both Houses of Congress vote so provide. The only mention of the President is in section 3, which requires that the President submit a balanced budget to Congress for each fiscal year.

This view is supported by the committee report and prior floor debates, which make it clear that the amendment grants to the President no new additional authority.

Finally, section 6 of the BBA mandates that Congress promulgate enforcement legislation. This is a strong indication that Congress, and not the President, has the exclusive authority to establish a mechanism to ensure a balanced budget. The President's constitutional role is limited to enforcing that legislative mechanism.

In any event, impoundment authority is probably irrelevant. Although the Supreme Court has not decided the issue whether the President possesses constitutionally inherent executive impoundment authority, it has held that the President may not impound funds when Congress mandates that the sums be spent. *Kendall* v. *United States ex rel Stokes*, 37 U.S. (12 Pet.) 524 (1838). See *State Highway Comm.* v. *Volpe*, 479 F.2d 1099 (8th Cir. 1973); *Nat'l Council of Community Health Centers, Inc.* v. *Weinberger*, 361 F.Supp. 897, 900 (D.D.C. 1973).

This implicitly supports the position that, even if the President possesses limited impoundment authority, Congress could protect its constitutional and institutional prerogatives by promulgating detailed enforcement legislation pursuant to section 6.

Once passed, such legislation would trump any conflicting presidentially created enforcement procedure such as impoundment because the President must enforce the law Congress creates.

Mr. REID. I ask my friend from Vermont if he wishes to speak?

Mr. LEAHY. Mr. President, I say to my good friend from Nevada, as he knows, because he was here, I have waited for the last 2 or 3 hours hoping to get a chance to make a short statement which will probably take me about 10 or 11 minutes, at best.

Mr. REID. Is this in relation to the balanced budget amendment?

Mr. LEAHY. Yes.

Mr. REID. I would simply ask whose time would the Senator want to use?

Mr. LEAHY. Mr. President, how much time does Senator BYRD have?

The PRESIDING OFFICER. The Chair would advise the Senator from Vermont that the Senator from West Virginia has 13 minutes remaining.

Mr. LEAHY. On the Simon amendment?

Mr. REID. We have divided up the time by four, and he used 2 hours and 1 minute. We each have 2 hours and 15 minutes.

Mr. LEAHY. Mr. President, maybe I should vote with Senator SIMON so I could have more time to talk about this.

Mr. REID. I thought my colleague said his statement only took 10 minutes.

Mr. LEAHY. I am sure—yes, I will seek to be recognized for 10 minutes.

The PRESIDING OFFICER. The Chair will advise that the Senator from West Virginia controls 13 minutes for the remainder of the day under the previous unanimous consent agreement. The Senator from West Virginia would control that time.

Mr. REID. I am sure Senator BYRD, if he needs more time—we can work something out if he personally needs more time. So, unless there is some objection, go ahead and use Senator BYRD's time. If he needs more time, we will work that out.

I note for the Senator this is very tight because Senator MURKOWSKI is due here about 1:15.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair will inquire of the Senator from Vermont if he is seeking recognition and, if so, under what provisions of time?

Mr. LEAHY. Mr. President, I ask to be recognized for 10 minutes under the time controlled by Senator BYRD, the Senator from West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Vermont is recognized for 10 minutes.

Mr. LEAHY. We have heard everybody from the Founders of the Constitution to eminent columnists quoted in this debate on the balanced budget amendment. I have read these quotes. I have read the columns. I have read the various editorials. But I thought, considering the fact that some of the debate on both sides has become somewhat more simplistic, I would draw my inspiration not from the CBO or OMB or GAO. I thought I would go to that famous philosopher, the Cowardly Lion in the Wizard of Oz.

Balancing the budget is not about baseline and sequesters. To quote the Cowardly Lion from the Wizard of Oz, it is about courage. Let me tell you what he might say about this debate:

What makes a king out of a slave: Courage.
What makes the flag on the mast to wave? Courage.
What makes the elephant charge his tusk, in the misty mist, Or the dusty dust,
What makes the muskrat guard his musk? Courage.
What makes the Sphinx the seventh wonder? Courage.
What makes the dawn come up like thunder? Courage.
What makes the Hottentot so hot?
Who put the ape in apricot?
What have they got that I ain't got? Courage!

Mr. President, the Cowardly Lion finally got his courage. Now, we ought to get a little. We do not need a constitutional amendment to balance the budget. There are only three ways to lower our budget deficit—cut spending, raise taxes, or a combination of both. And the last time I looked, Congress has all the constitutional authority to do these.

As the Cowardly Lion points out, courage is not something given to you. It comes from within.

Since the beginning of Reaganomics, the White House, with too much complicity from Congress, has been living in a dreamland in Oz, a dreamland where we could spend more, tax less, and still balance the budget. Anybody outside of Congress and outside the administration knew that was impossible. And $3 trillion of debt later we know all too well that Reaganomics was an economic nightmare.

Fortunately, the American people gave Congress a wake-up call in 1992, and they voted for a change. Working with President Clinton, Congress has begun to get our fiscal house in order. Last year, Congress passed the largest deficit reduction package in history, and the annual deficit fell over $35 billion. Over the next 2 years, annual budget deficits are estimated to decline even further. The last time we had 3 years of declining budget deficits was when Harry Truman occupied the White House.

We must continue to work toward a cure for the deficit disease. But we are not going to do it by selling the American people a snake-oil remedy. Congress must face our spending choices honestly. We have to make tough and painful decisions.

The balanced budget amendment, if approved, would let Congress off the hook. But not the American people who would then be at the mercy of spending decisions that had been taken out of the hands of their representatives. In fact, some might call the balanced budget amendment a full-employment lawyers benefit package. The amendment could triple the number of lawyers in this country, a sobering thought if ever there was one. And even then, these lawyers would be unable to handle all the court cases we would see under a balanced budget amendment.

Here is the stark reality of what would happen under the balanced budget amendment, just in one small State, my own State of Vermont. Across-the-board spending cuts are going to hurt the most vulnerable in my home State. The Treasury Department estimates that these blanket reductions would cut, per year, $1,068 for the average Social Security recipient, $759 for each person on Medicare; $439 less for each Medicaid recipient. We would cut money to fight crime, to build highways and bridges, to protect the environment and educate our children—all of that would be cut.

The balanced budget amendment, if we have courage, is unnecessary. But it is also dangerous. It would demean the Constitution, would endanger our economy, and throw the budget process into the courts. The U.S. Constitution is perhaps the most treasured document of governance in history. Its system of checks and balances and individual rights is genius in its elegance and its simplicity.

Those who would alter this charter have a very, very heavy burden of proving the merit of amendments. They must prove the amendment has so much merit that it could bring about this change after 200 years of a Constitution that has worked so well. I think the proponents of the balanced budget amendment have not met this burden. The balanced budget amendment would invite the worst kind of cynical evasion and budget tricks. The overwhelming temptation will be to exaggerate estimates of economic growth and tax receipts, underestimate spending, and use all kinds of accounting ruses.

You think we have a separate set of books now? This amendment is going to amaze even the best accountants. We have seen far too much of this as Congress wrestled to meet past statutory targets. With Congress facing a constitutional mandate, you are going to see bobbing and weaving moves that make the Olympic slalom races look like they are a straight line.

In passing a constitutional directive that will inevitably encourage evasion, we invite scorn not only toward Congress, but toward the Constitution itself. Let us not debase our national charter in a misguided political attempt to show the American people that we finally mean business on the deficit. The way we prove that we mean business is to pass specific, politically painful legislation that reduces our debt.

Look at the economic disaster that could occur during recessions. Deficits rise because tax receipts go down and various government payments, like unemployment insurance, go up. This amendment requires that taxes rise or spending falls. As Herbert Hoover discovered back in 1930, that is precisely the wrong medicine at the wrong time.

Of course, the amendment's sponsors tell us a supermajority, 60 percent of both Houses of Congress, could waive the balanced budget requirement at any time. What they are saying is that a minority of 40 percent, can control the economic destiny of this country. I vote for majority control, not for minority control. Our economic policy has to be flexible enough to accommo-

date an ever-changing economy, an impossible task when 21 States in the Senate, 21 States of whatever size, could hold the budget hostage in times of economic emergency.

As I said before, the balanced budget amendment will surely throw the Nation's fiscal policy into the Federal courts. That is the last place issues of taxing and spending should be decided.

This amendment flatly states that "total outlays for any fiscal year shall not exceed total receipts for that fiscal year * * *" Who is going to determine an "outlay" or a "receipt"? What happens if revenue projections are off and outlays do exceed receipts? Does the President then have the unilateral authority to cut programs? Do the courts? The amendment is a full-employment opportunity for lawyers in this country.

The President and a minority of Congress would undoubtedly clash about answers to all these questions, and the Federal courts would be called upon to decide them as a matter of constitutional law—perhaps in thousands of taxpayer lawsuits brought by individuals challenging particular Government funding decisions across the country. Answering these questions could take years, working their way up to the Supreme Court, before a final decision is made.

Constitutional scholars like Larry Tribe and Robert Bork may not agree on many things, but one thing they do agree on is that a balanced budget amendment would flood the courts with unwieldy, unmanageable lawsuits to straighten out the budget years after the fact.

They also agree that it will kick massive responsibility for how tax dollars are spent to unelected Federal judges.

A balanced budget amendment is not a cure for the deficit disease, but a prescription for controversy and gridlock among the branches of Government. It would grossly alter the separation of powers that has stood for over 200 years as a testament to our Founding Fathers' wisdom. The debts of voodoo economics will be paid off by future generations. Do we really want to inflict posterity with voodoo constitutionalism as well?

Let us put an end to this debate on a balanced budget amendment to the Constitution. Congress needs to move beyond this gimmick—a gimmick that is not only unnecessary, but also dangerous. We need to begin debating the real issues facing the American people—health care reform, welfare reform, the crime bill and specific deficit reduction measures. And we need to do it now.

Let us not trivialize the Constitution with Government-by-gimmicks.

I retain the remainder of Senator BYRD's time.

The PRESIDING OFFICER. Who yields time?

Mr. REID. Mr. President, under a previous agreement, Senator HATCH has yielded 15 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska [Mr. MURKOWSKI], is recognized for 15 minutes.

Mr. MURKOWSKI. Mr. President, I wish you a good morning, and my colleagues as well.

I rise today in opposition to the amendment pending offered by my distinguished colleague from Nevada, Senator REID. As we reflect on the issue of a balanced budget, Mr. President, I can not help but recall in 1986 unloading the mail on the Capitol steps with a number of other colleagues. That mail was a public outcry concerning the merits of a balanced budget.

Today we are addressing that same issue, as it remains unresolved. Just a few days ago, we had an opportunity to see another truckload of mail come in from all over the country with regard to the balanced budget and the necessity of recognizing that, indeed, what we are faced with is a fiscal crisis.

While I listen to my distinguished colleagues consider various criticisms regarding the balanced budget amendment, I cannot help but reflect on the bottomline reality, and that is that we are now borrowing in excess of $200 billion—as a matter of fact $212 billion—to pay interest on our accumulated 4.5 trillion dollars' worth of debt. Many of my colleagues seem to think that this can go on for a considerable length of time or that we could correct it by initiating specific spending cuts.

But history indicates, Mr. President, that we simply do not have the self-discipline to do that. We do not have the self-discipline to address the entitlements, to freeze the entitlements, reduce the rate of growth of the entitlements. We have very little discretionary spending left, so now we are jockeying around again to find some other alternatives.

There are basically two alternatives. Perhaps some of my friends would suggest that given enough time, we are going to come up with a third one. There is a third way. You either increase revenues or reduce spending.

The balanced budget amendment would mandate a balanced budget. And it puts the responsibility where it belongs as opposed to using the excuse that somehow we should have the self-discipline that we do not have. I think we are at a crucial time relative to the economic viability of our Nation, because this simply cannot go on and the significance of this debate is that we have an opportunity to do something about it now.

The amendment pending by the Senator from Nevada purports to be a substitute for the balanced budget amendment that I am cosponsoring with Senators SIMON and CRAIG. Yet, even a cursory reading of the amendment shows that this amendment in itself will not even remotely serve to balance the budget.

Quite the contrary, if this amendment is adopted, we will have abandoned once more any hope of our Nation's deficit coming under control, for this amendment is so transparently flawed that it is impossible to believe that it is being offered as an alternative to a balanced budget amendment. If this substitute is adopted, it will be proof positive that this institution again will stop at nothing to avoid facing our fiscal responsibilities.

Mr. President, the central element of this substitute is the requirement, and I quote:

> Total estimated outlays of the operating funds of the United States for any fiscal year shall not exceed total estimated receipts to those funds for that fiscal year.

In defining—and I do not think we have really reflected on this—in defining "operating funds," the substitute excludes so-called capital investments. Well, Mr. President, what are capital investments? As the President's budget analysis correctly recognizes:

> The classification of spending into investment or current outlays is a matter of judgment.

Who is going to exercise the judgment on whether spending should be placed in the operating budget or the capital budget? Should this language be included in the Constitution, I am certain that we will have endless debates between the Congressional Budget Office, the Office of Management and Budget, and every agency of Government in trying to decide the appropriate allocation of spending between capital and operating expenses.

Mr. President, for several decades, the Federal budget has included general classifications relating to capital and operating expenses. In general, capital investments—and this is what is excluded in this amendment—capital investments have included physical investment in terms of research, development, education, and training. The National Performance Review contained a far narrower definition of investment to include only common commercial-type products used to support the delivery of Federal services—office buildings, computers, hospitals, automobiles, and similar physical products.

However, the National Performance Review [NPR], excluded investments in military weapons systems and bases, as well as special purpose capital projects such as the space station and dams.

Mr. President, some economists would contend that human capital investments—and mind you, capital investments are excluded—human capital investments should be included in capital spending on the theory that such necessities as childhood immunization, maternal health, and substance abuse treatment programs all promote less costly future health problems.

That is true. But the list of capital human investment projects is absolutely endless, and we all know it. Yet, they are excluded in the sense of coming under capital investments.

The loopholes that such an exemption creates would, in essence, make the amendment meaningless, Mr. President.

There is another aspect of this capital investment exception that I would like to discuss, and that deals with the issue of how to treat grants to States and local governments. Currently, for some grants to State and local governments, the recipient jurisdiction, not the Federal Government, ultimately decides whether the money is used to finance the investment or current operating expenses. How will the Federal Government categorize these grants?

Currently, community development block grants are classified in the Federal budget as physical investment even though some of these grants may be spent for operating current programs. By contrast, general purpose fiscal assistance is classified as current spending, although some of the money may be spent by recipient jurisdictions on physical investments. We will have an endless debate on these issues with no practical solutions should the current amendment be adopted.

As anyone can see, the capital investment exception contained in this substitute could be used to effectively take hundreds of billions of dollars of Federal spending simply off the table and give the American people the illusion that the Federal budget is being balanced. In fact, if we use the historical definition of Federal investment outlays that is included in the President's current budget, $239 billion of Federal investment would not be counted as Federal spending in the fiscal year 1995 that we are soon to consider.

In other words, under the proposed Reid substitute, the Federal budget deficit for fiscal year 1995—$176 billion—just disappeared, went into thin air because we decided not to count so-called capital investments. This is simply an accounting gimmick and nothing more, and the American people will not be deceived by this subterfuge.

The exclusion of investment capital from the budget calculation will not reduce spending. It will not save us a single dime in the amount of interest we will have to pay out to service that $4.5 trillion debt. What it will do is feed cynicism about the budget process as practiced in our Nation's Capital.

One other thing, Mr. President, and that is the exclusion of Social Security and disability insurance spending. This is very troubling because section 4 of the substitute excludes outlays from the Social Security and disability insurance trust funds from being counted in determining whether the budget is balanced.

What this section of the substitute does is for the first time in our history enshrine in our Constitution a program created by statute, in this case the Social Security and disability insurance programs. I assume the authors of this substitute think it is unnecessary to count Social Security outlays because the program is currently running a surplus. But as we all know, Mr. President, in the next 30 to 35 years, that surplus could very well turn into a deficit. How are we to then account for so much spending? Will we just go on another borrowing spree unfettered but any limits?

Finally, Mr. President, we do not have to wait 30 years to address the trust fund issue? We only have to look down the road to fiscal 1996 with regard to disability insurance trust funds. Let me quote from the administration's budget.

The balances of the Social Security disability insurance trust funds are expected to be exhausted in 1996.

Mr. President, all of us know that over the next year we are going to reallocate payroll tax rates to ensure that disability insurance trust funds do not go into bankruptcy. Yet under the substitute amendment we are considering, there is no urgency to change the formula. A deficit in the fund can be made up by simply borrowing—again more borrowing—and it will simply not be counted as part of the deficit. In addition, it is certainly possible that we could add other programs to the disability fund to cover medical services now provided by Medicaid or the Indian Health Service or children's health or any one of a series of social insurance programs. And under this substitute, these programs would not be covered under the balanced budget amendment.

Mr. President, this substitute should be rejected. It would exacerbate public mistrust of Congress and would in this Senator's opinion make it simply impossible to ever get us out from under the mountain of debt that threatens to bankrupt this Nation.

Mr. President, I am sure that many of the American people wonder just what kind of witchcraft we are up to here when we talk about a budget process that is anything more than revenues and expenses. The American public simply does not understand how this process can go on in the sense that we go through the budget; we have our revenues; we have our expenses; and then everything else we need we add to the deficit. The American public is interested in the reality of fiscal responsibility. That suggests you balance your checkbook, and if you do not have it in your account, your checks bounce.

So, Mr. President, we are spending 14 percent of our budget currently—14 percent—on interest on that debt. We are borrowing to pay that debt, about $212 billion in interest. It simply cannot go on, Mr. President. We have seen what Gramm-Rudman 1 has done, Gramm-Rudman 2; we have seen the 1990 tax proposals, and we have changed each time the circumstances under which these legislative corrections were intended so that we could continue to spend, so that we could continue to add to the deficit.

The reality is the American people know, Mr. President, we are going to have to pay the piper. And we are passing an opportunity on now as we consider the merits of a balanced budget amendment simply to a future time when we are going to have a crisis, and it is going to be that much more difficult to take care of.

So I would urge that my colleagues reject the pending amendment from my good friend from Nevada and support the Craig amendment which is the balanced budget amendment.

Furthermore, Mr. President, I know that many people are concerned with the effects that this may have on the vulnerability of States and various programs, but I can tell you the people of my State are more concerned about the survival of our system and are willing to make sacrifices if necessary to get Government back on track, back to fiscal responsibility, and there has to be a time to do it. I suggest this is the time.

Finally, Mr. President, I ask unanimous consent that an article which appeared in the Anchorage Daily News, Friday, February 25, in a section under the Anchorage Times, be printed in the RECORD.

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

[From the Anchorage Daily News, Feb. 25, 1994]

STOP US, PLEASE

As Congress moves forward on a proposed amendment to the U.S. Constitution to require a balanced federal budget, one can detect a plea for help from the nation's Capitol. It's like the desperate message of the serial killer written on the wall of his latest victim: "Stop me, before I kill again."

The fact of the matter is Congress has been slowly killing this nation with its inability to control spending. The numbers are staggering a $4.5 trillion national debt, expected to be over $6 trillion before the end on this decade. Six trillion dollars, by the way, is $6,000,000,000,000—and that's borrowed money on which taxpayers must pay interest each year. Over the next five years, interest on that borrowed money will amount to some $1.2 trillion.

Think of all the domestic programs, defense expenditures, health care, education improvements, whatever, that $1.2 trillion could buy. Instead it must go to interest payments on the deficit.

For decades politicians have pledged to do something about the horrible spending spree situation. The nation has seen promise after promise come and go. Well-meaning plans, like the Gramm-Rudman balanced budget law of the last decade, appeared sincere but wound up accomplishing nothing.

Entitlement programs like Medicare and other federal programs to fund highway construction, fight crime, support education and

so forth have continued to grow despite the best intentions of the administration and the Congress.

The balanced budget amendment would be a drastic solution. It would require the federal government starting in the year 2001 to balance spending and revenues each year. Only by a vote of three-fifths of both the House and Senate could spending exceed revenues in any particular year.

As a constitutional amendment, rather than a law, the court would have the authority to force Congress to fulfill this obligation. The amendment would work, but it would be painful. An estimated $400 billion to $500 billion would have to be trimmed from annual federal spending by 2001, unless massive new taxes are levied.

For the balanced budget constitutional amendment to pass it will take a vote of two-thirds majority in the Senate and House. Then three-fourths of the states will have to ratify.

The Clinton administration and key Democrats in Congress are marshaling their supporters to stop the amendment. They don't want to be constrained from spending more money to implement new domestic programs. Many special interest groups are also out in full force to derail the move.

Alaska's congressional delegation needs to hear the sentiment of Alaskans. Let Sens. Ted Stevens and Frank Murkowski and Rep. Don Young know they have your support to balance the budget.

Mr. MURKOWSKI. I would conclude by stating that this editorial is pleading to the Congress of the United States to address the opportunity before us to stop this process of runaway, fiscal irresponsibility and take the medicine now by adopting a balanced budget amendment.

I thank the Chair. I thank my colleagues. I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I yield 15 minutes to the Senator from Wisconsin [Mr. FEINGOLD].

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. FEINGOLD], is recognized for 15 minutes.

Mr. REID. Mr. President, if I could, just as matter of parliamentary inquiry, Senator CRAIG and I—I am sure with the concurrence of Senator SIMON—would like to make this afternoon a little more orderly. After Senator FEINGOLD finishes, Senator CRAIG is going to address the Senate for a reasonable period of time, 15 or 20 minutes, whatever, and then after that, if Senator BURNS is available, he would come and speak. Following that, we would arrange time for the Senator from North Dakota to speak. That would give Senators notice of what might take place in the next hour or so.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 15 minutes.

Mr. FEINGOLD. I thank the Chair and I thank the Senator from Nevada for his leadership in bringing forward this amendment.

I rise to support the amendment of the Senator from Nevada and to oppose Senate Joint Resolution 41. But in doing so let me, first of all, say that the sentiment behind the balanced budget amendment is a very real and very legitimate one. I especially want to indicate that with regard to the sincerity and effort by the senior Senator from Illinois. I know he is doing it for the right reason. I know he is doing it because he wants to eliminate our Federal deficit, and he believes that this amendment is the way to do it.

It comes out of a very legitimate frustration that the American people have about the way the Federal Government runs up debts and deficits and just has not adopted the discipline of paying as you go, the most commonsense principle that you find when you talk to your constituents.

I noticed during the 1992 campaign that the balanced budget amendment was often linked with two other proposals, the notion of a line-item veto and the idea of term limits. These were the three you always got questions about, and the reason was that they are simple answers, I think really almost pseudo answers, to the real question.

Mr. President, the real question that the people in all 50 States are asking is why is there so much spending and so much waste at the Federal level? That is why this debate is here today. In my view, the only real answer to that question is that we have to continue to do what we started to do last year in this Congress, and that is to start identifying specific cuts and making those cuts. We did that to the tune of $500 billion.

But I wish to emphasize that, of course, that was only a start, and nothing better than a start, because we still have annual deficits and the debt is going up. We all know that. The problem is that this amendment is a simplistic solution to that problem that will not work. In fact, I think the balanced budget amendment will make it more likely that we will go back to having higher deficits and make it more likely that we will have an even worse Federal debt in the coming year.

The actual issue before us today is, should we pass Senate Joint Resolution 41 or should we amend that provision as the Senator from Nevada has suggested by something that makes a little more sense?

It seems to me, having listened to the debate for a couple of days, that the Senator from Nevada is far closer to having a proposal that makes sense than does the original proposal. I think the Senator from Nevada has minimized some almost bizarre consequences that can occur if we were to pass Senate Joint Resolution 41 as it now reads.

First of all, through the leadership of the Senator from Nevada and his amendment, there has been some real effort on the floor to deal with the fact that Senate Joint Resolution 41 could heavily involve courts in an area they have never been—deciding what cuts and what taxes we should have in order to achieve a balanced budget. I know that the sponsors of the original joint resolution may want to amend it as well to reflect that concern. I think the leadership of the Senator from Nevada has helped clean that part of this issue up.

Another big difference between Senate Joint Resolution 41 and the proposal of the Senator from Nevada is the distinction between capital and operating budgets. As has been said many times on this floor, we want to use the examples of the balanced budget requirements of the States and the local governments, but at those levels a distinction is made between capital budgets and operating budgets. If a local government wants to build a golf course and they can determine that by charging green fees over 10 years they can pay for it, they can proceed to do so under a budget that distinguishes between capital and operating budgets.

As I understand it, the original proposal here would make that impossible. The Federal Government could not plan in this way, as our local governments do, and still comply with the balanced budget requirement.

I also appreciate the fact that the amendment of the Senator from Nevada takes Social Security out of this thing. I believe Social Security is a contract with the American people. I believe that those who paid into the system were promised that if they paid in they would get the benefit when they became eligible. I do not think we should leave that to chance. And in that sense the Senator from Nevada has a much more honest and a much more assuring proposal for those that worked hard for this country and for all of us who now expect to have their benefits protected.

The Senator has also made a lot more sense in the original proposal when he takes out this idea of requiring a supermajority to get anything done in this body. The majority leader made a good point the other day when he pointed out that if you like the filibuster just in the Senate, wait until you see what it will look like after you get done with having to have a 60-percent vote for any change such as the California earthquake emergency legislation, a measure that would have required a vote of over 60 as I understand it under the original proposal.

Finally, I want to give a lot of credit to the Senator from Nevada for identifying and getting rid of what I think is one of the worst provisions in Senate Joint Resolution 41; and that is the idea that to actually eliminate a Federal tax expenditure, a tax loophole, that you will not just have to have a majority of the Senate any more, but a majority of those actually seated—a

higher number than normal, another sort of supermajority.

If our goal here is to reduce the Federal deficit and actually balance the budget, why would we require more votes than normal to close a tax loophole? It will not be enough just to get a majority of 90 Senators or who are here. You would have to have a majority of all the Senators seated.

For any tax expenditure out there, whether it is the tax breaks given to the Puerto Rican drug companies, accelerated depreciation, tax-loss farming for farmers—a provision we got rid of a few years ago fortunately—or the three martini lunch, it will not be enough just to have the votes you have most of the time to eliminate them. You would have to get, in effect, a supermajority. Why would this be something we would want to have in a constitutional amendment to try to get rid of our deficit problem?

These tax expenditures are just as big a problem in our Federal Government spending habits as are other wasteful spending programs. For example, until we got going in the last budget, a corporation could deduct a salary above $1 million for a corporate executive. It was a deduction. Under this amendment, without the change suggested by the Senator from Nevada, you would need a special majority to get rid of that provision. We saw how hard it was just to get a raw majority. We needed the Vice President of the United States to come in here to break the tie. So you would have a very odd result without the Reid amendment. The result is Social Security is not protected but you give extra special protection to the tax benefits that are particularly likely to help the wealthy.

So, for all these reasons, Mr. President, I believe that the Senator from Nevada has a far better provision, a more honest provision, and one that is more likely it work.

But I also want to take this opportunity to express my reservations about the whole idea of a balanced budget amendment. I was presiding the other day, as you are now, Mr. President, when I heard the Senator from Illinois saying that it does not really matter if the effective date for the balanced budget amendment is 2000 or 2001 because he said no one is going to wait. He listed the various Senators who were not going to wait to get the job done. I agree. The Senator from Illinois won't wait.

I am afraid last year I saw a number of people out here who will wait and wait a good long time before they actually start voting for some of the spending cuts we have. They had opportunity after opportunity to vote for those cuts last year, and if you look at the record, many of those who are the strongest advocates for the original provision are among those who almost never voted for spending cuts.

The greatest risk with regard to getting a balanced budget is that we will lose our focus. It is very easy in a legislative body to lose your focus because there are so many issues. Sometimes you can almost purposely lose your focus. So you don't have to really face the tough questions, so you don't have to really deal with the fact that cutting the Federal deficit is an extremely painful process where you cannot possibly come out with everyone liking it.

That is the real danger. In fact, earlier this year in early January there was a report in the Washington Post that there was a big debate going on within the White House itself. That debate was whether or not they should just put deficit reduction behind us; a comment made by some was we did that last year. I think there is a great risk that it will be left behind. It is unclear who won that debate at the White House. There are some good signs. The President's budget looks tough. I think there should be more cuts but it definitely includes some tough budgeting that can bring the deficit down even further. But there are some bad signs. I thought one of the bad signs was when the President, in his State of the Union, said he was going to take defense cuts off the table, that there would be no more defense cuts.

So, I am really not sure where we are heading on the issue of further cuts that are needed, and I think the greatest risk here is not the failure to pass the balanced budget amendment but that this body, now, this year, and the other House as well, would say we did that last year even though the debt is still rising, and the deficit needs to come down more.

So, to evaluate the purpose and the effect of Senate Joint Resolution 41, you have to look at it in context. What will it do now? The context now is the 1995 budget proposal. The battle is to identify the priorities within that proposal to get the cuts it has proposed and perhaps to get more cuts. Then the question becomes will the passage of the balanced budget amendment help or hurt our efforts to bring the deficit down in the coming year? I am convinced, after listening to the debate and talking to people back home, that the balanced budget amendment as originally proposed will make it less likely that we will do what we were sent here to do—to bring the deficit and the debt down now.

This has been the way it has looked to me since listening to the people during the 1992 campaign. At that point I heard a lot of talk about the balanced budget amendment, but it was my conclusion that we did not need a balanced budget amendment; we needed a balanced budget. I, like many other candidates, proposed a plan that would have eliminated the Federal deficit in 5 years. Some of it taxes, a lot of it spending cuts, 2-to-1 margin spending cuts to taxes. About half of that plan has already become law because of the efforts of the Clinton administration.

I found that some of those cuts are not very easy to get, like getting rid of the space station or the Trident missile. We won few of them, and identified more cuts to make, and added some of those to our list. We found, for example, that if we go to the $1 coin instead of the dollar bill we can save $2 billion. It is an ongoing process of identifying things that can be cut and actually enacting the specific cut.

That is why I participated in the development of the Kerry-Brown plan, 1 of 15 Senators to join in. I did not like all of the things in that proposal but that was part of the process, to come together. Everybody puts their specific cuts on the table and says, OK, I am not happy with all of this—but it is a team process. We did the same thing with a group led by Senator JOHN KERRY.

All of these efforts had one thing in common that the balanced budget amendment completely lacks, and that comes down to one word: specificity. The balanced budget amendment does not begin to tell you how we are going to achieve the balanced budget it purports to cause to happen.

The way you can tell when you are actually doing the job on the balanced budget issue is when you start getting phone calls, and those phone calls should not be saying way to go on passing the balanced budget amendment. They should say how can you let us down. Anytime somebody is saying to you how could you let us down you are not doing anything. Until you have a wool farmer come up to you in your district and say how could you RUSS FEINGOLD, propose cutting the wool and mohair subsidy, or until you have a retired Federal employee call you up and say how can you delay my COLA; until you have that, all that you have done is talk.

That is my concern. This proposal, Senate Joint Resolution 41, does not tell us how we are going to get the job done, much like the Gramm-Rudman bill, which also did not work. What it does is play unwittingly into a tendency in a legislative body to go with fads. Issues become fads.

I saw this in the State senate when I was in the Wisconsin Legislature. There was a huge hubbub about the drug problem for about 6 weeks. It seemed like every member of the senate had a proposal to deal with the drug problem. We passed a few of them. Then we did not talk about the issue for 6 or 7 months. We saw the same thing with education. I have seen it time and again where people think that they have done something but they don't finish the job.

I think the passage of the balanced budget amendment would turn this issue of deficit reduction into more of a fad than a genuine effort.

In effect, if I can use a football analogy, this is a punt. We are punting the ball with the balanced budget amendment when we now have the ball and can actually gain yardage by cutting spending. What we are saying in effect, to the American people, is when we get the ball back later on from the States, we will figure out what we are going to do to cut spending. And I think that is the worst possible outcome.

We, in effect, will say we will tell you the specifics later on when we have the ball again. To me, Mr. President, this is a total evasion of our current responsibility. If you want to cut a program to save even a few million dollars in the next few years, the response will be why do that, it is such a little amount, and we have to eliminate the whole thing in a few years anyway, let us not bother with it. It will be a blank check and not deal with the small and large items over the next few years.

Mr. President, to conclude, I thank the Senator from Nevada for his leadership. I want to read two comments. One is from the New York Times and one is from my constituents. The first was in an article last Friday entitled "Beyond Budget Debate Hyperbole." There are comments by Peter Peterson, who wrote a book entitled "Facing Up: How To Rescue the Economy From Crushing Debt and Restore the American Dream." Many people thought that Mr. Peterson, given the title and work of his book, would be very enthusiastic about this balanced budget amendment proposal:

> The balanced budget amendment's sponsors say it would put pressure on the Government to find ways to bring its accounts into balance.

But Mr. Peterson is ambivalent about that argument. "Its great virtue would be its symbolism," Mr. Peterson writes. "But we must be aware that in that very symbolism there is also a danger. It might persuade us to think we have solved our problem and thus divert our attention from the real business at hand: making choices."

That, Mr. President, is what I mean by specificity. This is all about making the tough choices, not just changing a few words in the Constitution without real effect.

Finally, Mr. President, the best messages I always get are from my constituents. This is one from a couple in Wonewoc, WI, who say:

> GREETINGS, SENATOR: The front page of the State Journal carries the story of the drive to have a balanced budget amendment. First it was that Gramm-Rudman-Hollings nonsense and now this.
>
> The people send men and women to Congress to make the hard choices, to be counted on to take tough votes even if it hurts at next election time. We do not send them to Congress to hide behind some automatic gimmick with the nerd excuse, "We would like to do more, but our hands are tied by the balanced budget amendment."
>
> We all want cuts in spending but not this way.

So those are the words that probably have the greatest impact on me. These folks elected me to come out here and make the tough decisions, not hide behind an excuse.

For that reason, I urge the adoption of the Reid amendment.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, let me speak briefly to a couple of comments the Senator from Wisconsin has made today as it relates to his concern about a balanced budget amendment to our Constitution. I want to have the Senator's attention for a few moments, if I could, because I find it unique that the basis of his reaction and therefore rejection of this process is to suggest that we are not specific enough in how we would arrive at these areas that we have delineated on a section-by-section basis.

How does the Constitution speak to being specific about the right of free speech? It does not list a thousand ways in which free speech shall be obtained in our Nation. What it says is that this is a principle and this is a right that is established, and we expect our Government to carry it out because it is a right of the people. Thousands of pages of civil law later, and a variety of court tests that even go on today, free speech is adhered to—not that our Founding Fathers were so specific in the beginning, but because it was a right.

I think the Senator is every bit as concerned as I am about fiscal responsibility, and I in no way in my comments want to impugn his record in the time that he has been here. His votes in this area have been excellent. He and I have joined in a variety of areas to cut the budget. But what we might disagree on is the approach. This is why, after 14 years—not just a gimmick and not just a passing fancy, but after 14 years of efforts and hearings and hearings and votes and votes—we now have Senate Joint Resolution 41. This is the work product of over a decade. Why? Because with the American people, balancing the budget has never been a fad; it has never been a fancy. They are growing alarmed at a Congress who apparently views it as neither or they would have done it. They just do not believe in it. For over five decades now, we have seen the accumulation and phenomenal debt structure; yet, today, the Senate and House combined have no real answer for it. Ronald Reagan did not do it, George Bush did not do it. In fact, they added to the debt. We added to the debt during that time. It must be a "we," because the House and the Senate and executive are all involved.

Well, some Senators are saying, "Gee whiz, give Bill Clinton a chance. Look at all he has done in such a short time." Maybe we should say: All he inherited that had already made some cuts in 1990, and look at the taxes he added to it that helped drive down the deficit a little bit.

Mr. President, this talks about Bill Clinton's toughest budget yet. It talks about the 115 cuts in spending, or the $700 million that would be cut if we adhered to all of those 115 cuts in spending. In a $1.5 trillion budget, it is but the blink of an eye; yet, at the same time, well, the President asks for a near $150 billion increase in the Import-Export Bank and almost a $200 billion increase in the Franklin Delano Roosevelt Commission. Excuse me, those are hundreds of thousands—a doubling of that commission that has gone on since 1955 trying to figure out what would be an appropriate memorial for Franklin Delano Roosevelt when all we would have to do is put a sign over the bridge: Entering the legacy of the Franklin Delano Roosevelt, the largest bureaucracy in the world. That would not cost over $100,000. It would be just a little paint and a little time.

When it comes to rhetoric about balancing budgets, the citizens of this country have just about had enough. It is not a fad with them, it is a reality. It is a reality of 14 years of effort here in Congress by people like myself and PAUL SIMON and ORRIN HATCH and STROM THURMOND and DENNIS DECONCINI. We are not engaged in a fad, nor are we engaged in fraud. What you have before you is an amendment to the Constitution of our country, which for that 14-year period has done all of this, Mr. President. It has selected over 3,000 pages of hearing record this year alone before the Judiciary Committee itself. It collected all of these pages of hearing testimony. You see, it is business afoot that we have taken very, very seriously, because you do not just tread lightly into the Constitution. You do not go in and adjust the single greatest rudder on the ship of the United States. You do it with great caution and, I hope, with great concern.

There is another amendment on this floor. The New York Times called it a fig leaf. If it is a figleaf, I suggest that any Senator wanting to wear it best not because it will not cover much and it could greatly embarrass them.

It is an amendment with not one day of hearings, not one page of record, but thought up in the back room of some Senator's office as an illusion. Their tactic was to allow someone to escape a tough vote. Let us be honest. If you want to vote for a balanced budget amendment, vote for the one that has 3,000 pages of hearing record, the examination of constitutional scholars, and the endorsement of 250 economists from around the Nation. Do not vote for something that was brought up in the 11th hour that represents nothing but an effort to avoid the issue. That is

reality. That really is the bottom line. We can run, but we cannot hide from our responsibility, and our responsibility always has been to vote up or down on the issues, to go home and tell our constituencies why we did or why we did not.

Oh, we can wring our hands and go home and say it did not have a capital budget in it; it was going to wipe out Social Security; it was going to dry up defense. Or you could go home and say all of those are legitimate matters and responsible issues that ought to be inside a budget, and I was voting for my grandchildren and for the fiscal stability of this country and nothing ought to be off budget. We all have to make these tough votes.

That is the honest answer. But we have some gamesmanship on the floor that is or, I should say, has no second at this moment.

Let me say how important this is from my point of view, from the point of view of 3,000 pages of testimony over a decade of time before the House and the Senate Judiciary Committees. And I do this although the Senator from Nevada is off the floor. I asked his permission to do so, so that it would not appear to be something done behind his back.

I have here four pages of questions that I have submitted to the Senator from Nevada on a section-by-section basis. I have asked him to respond to this so that we can put it in the RECORD because, while these questions have been answered about this amendment, no questions have been answered about his amendment.

I think if this is going to be a responsible debate, if he does not want the New York Times to call it a fig leaf, if he does not want Leon Panetta to say, "Oh, well, we are going to drum up some substitute to give a few folks cover," then he really better answer the questions like, section 1: Whose estimate is to be used to establish estimated receipts? Would Congress have to approve the receipts estimated? If the Reid amendment does require the Congress to continue to pass annual concurrent budget resolutions, can you explain why you chose to place the relatively new statutory requirement into the Constitution? If not, what alternative mechanisms do you envision?

Those are clearly legitimate questions. I do not think that kind of detail ought to be in an amendment. There is not a constitutional scholar who believes it ought to be that way. And our Founding Fathers intentionally were general in the nature of how they phrased the specific right of the American citizen.

But clearly there ought to be this, and this is 3,000 pages of case record that is an important part of any legislation we pass and, as you know, Mr. President, is especially an important part of a constitutional amendment.

Why? Well, for all the reasons I have just given. But there is another very important reason. We hope that our amendment will pass the Senate and that the identical amendment will pass the House and that three-fourths or 38 States required to ratify it would then begin what I said last Thursday to be one of the most important debates in the history of our country on a State-by-State basis in the halls of every legislative body of our State legislatures. They will constantly refer in the debate to these records. They will research what Congress meant by section 6: "The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts." They will read that. They will then turn to this because they, too, will want to know before they pass the amendment what happens if the Reid amendment passes with none of the kind of committee record and hearing record that is appropriate.

Well, I guess it is guesstimate or it is a very busy Senator from Nevada running around the country from legislature to legislature trying to tell them what he meant. Or if a few constitutional scholars come up and say, "Well, you know, Senator, I really think you should have said it differently," do we dare at that point send out to the State legislatures a notice saying, "Oh, by the way, we have asked for a slight modification in the resolution that you are considering as an amendment to the Constitution?"

Has that ever happened before when the Congress of the United States sends out an amendment for State legislative ratification? No, I do not think so.

The reason it did not happen was that it was never a fig leaf or a cover or a fad. It was always a well-thought-out, well-researched, and well-written document. Why? Mr. President, we are dealing with the Constitution.

You know this body passes a lot of law in the course of a year. Several years ago Senators, all wise and just in their thinking, passed a luxury tax thinking they would raise a few dollars by it, and what they found out was it ended up costing the Treasury money because it threw so many people out of work because, human nature being what it was and is, you were not going to hoodwink the taxpayers, and they avoided it by changing their buying habits, plain and simple. We just revoked it a year ago. We just revoked it. And how did we do it? We did it by 51 votes or a majority vote on the floor of the U.S. Senate. We had made a mistake.

I did not happen to vote for it in the beginning, but we, meaning collectively the Congress, had made a mistake. When we make mistakes here on the floor of the U.S. Senate, we can change them with 51 votes or a majority vote.

That cannot be done with a constitutional amendment. Once we send it to the States and if 38 States ratify it, you just cannot go, "Whoops, I made a mistake." In my opinion, and in the opinion of a good number of constitutional scholars embodied in this committee record file and in the 250 economists whose names I put into the CONGRESSIONAL RECORD on Friday, they will also say that, if you pass the Reid amendment, you might just be caught in the business of saying, "Whoops."

Let me explain a little bit about why I believe that. Under the Reid alternative, it is possible to continue to run deficits as large or larger than our current deficits. How could it be? This is a balanced budget amendment. Is it not on auto-pilot? Do we not just get there in 6 years?

Under this amendment we do except under extremely extraordinary circumstances. But enacting a balanced budget amendment that would allow us to continue to burden future generations with a rapidly increasing debt is possible under the Reid amendment. All you have to do is redefine capital budget. What is a capital budget? Is it bricks and mortar? Well, in most State legislatures it is. In most State legislatures that do capital budgeting and bond the expenditure of that budget, they do it to build roads, they do it to build buildings, they do it in the acquisition of long-term investment that will last a generation.

Well, there we go—generation, future, thinking into the future. Why not on WIC? Why not on food stamps? That is a capital investment in the future of our youth.

Well. Under the Reid amendment, the Congress with 51 votes could so define under section 6 of his what it is all about. Therein lies one of the great and gaping loopholes of this Senator's amendment.

In Analytical Perspectives, page 109, it reads: "Does the Reid alternative contemplate a capital budget of—" and what they are doing is reflecting on the physical capital nature of a budget of State governments versus current Federal expenditures. And guess what they came up with. They have suggested that under the Reid amendment you could have an $89 billion capital budget. Well, that sounds about right. Or you could have a $123 billion capital budget. Why the difference? It is change in definition, broadening of the definition. Or you could have a $191 billion capital budget. Or you could have a $233 billion capital budget under the Reid amendment.

And yet, he is standing on the floor of the United States Senate with some of his colleagues, looking the American people in the eye and saying: "Pass my balanced budget amendment. Mine is the workable one."

What about enforcement? We were not willing to walk away from it. In

ours, we were willing to say, "Yes, the courts have a role. No, they do not have the right to increase taxes. They do not have the right to say where the money ought to be spent."

But there is a necessary mechanism when you are dealing with the Constitution, and that is for the courts to say whether you are or whether you are not. Not to say how you are or how you are not, but to say that you are. And that is exactly what we do in this process. We made sure that that became a part of it and all they can do is to declare—and that is a very important enforcement mechanism.

The Reid amendment walks away from that very approach. In fact, they would simply say that the Congress itself is the enforcer.

Oh, my goodness, do we not understand history just a little bit? Do we not recognize how proper we have been with the passage of different other balanced budget laws in the last two decades and how skillfully we enforced them? We enforced them all the way into a $4.5 trillion debt. Because, when the decisionmaking got tough, the Congress chickened out.

Therefore, it is phenomenally important that we arrive at an amendment that is enforceable; that does force this body on this floor to make the tough votes, not to walk away, not to redefine, not to skip lightly through the loopholes that now have the Reid amendment looking like a substantial portion of Swiss cheese.

Well, those are some of the important issues involved. Now let me talk about another issue for a moment, and that is the issue of Social Security, an issue that is extremely important to all of us. It is an issue that deserves legitimate consideration, not that it is just Social Security, but because Social Security embodies a lot of other very important issues when this comes to spending and priorities.

There are some who will say they will not vote for the amendment that I support—the Simon-Hatch-Craig-Thurmond amendment—because Social Security is still on and in the budget; that you have to take Social Security out of the budget; that you will use the trust funds and the revenue in those trust funds, better known as reserves, to balance the budget and that that would be a fiscal travesty.

What they do not say is that the reserves that are there today, and under the Social Security law when it was created, allow only the Government to borrow from the reserves; and every extra dime that is there today building for the year 2003 when the reserves will peak and the baby boomers will start reaching out for their Social Security check, all of that money is borrowed, now loaned to the Government to offset spending.

The Senator from North Dakota on Friday spoke a great deal about it and based part of his support for the Reid amendment on the fact that it takes Social Security off budget. He used the year 2003 as that moment in time.

Well, what is it? It is a moment in time in which we all have to get honest about what we are doing right now—which is terribly unfair to the Social Security trust funds—and that is we are spending against them. We are borrowing the money and we are continuing to borrow every dime that goes out. And the year of reckoning in the year 2003 is when that money has to be paid out. If I am here—and I do not know I will be—we are going to have to face some tough decisions.

Today, without a change in budgeting, those decisions would have to be made. Under a balanced budget amendment, such as the kind that Senator SIMON and I have proposed, that decision would still have to be made.

But here is the reality of Social Security that nobody wants to talk about. And that is the reality of the current Social Security tax on employers and employees and the revenue flow it is bringing in versus the baby boom population that will soon be entering in the Social Security network system. And when D-day comes—D-day means when there is not any money left and there are hundreds of billions of dollars worth of checks to go out—that day, based on our actuarial studies and the current tax for Social Security, is the year 2025. Oh, it is a long way off. No, it is not. It is about 30 years off. That is not very far off, if you are going to make decisions that embody not $1 billion but $1 trillion. And we ought to be busy right now making sure that when this day comes, there is going to be revenue there.

How do you do it? You force prioritization. You say you cannot spend here, you ought to spend over here, or you should not spend as much, or you ought not be taxing this much, or maybe in some areas you ought to be asking for more revenue.

The only way you get there, according to some of the actuarials who are fearful of us unable to meet this day, is you have to bring it inside a balanced budget. To simply leave it on the outside ignores the fact and covers it under this fig leaf of illusion that denies the reality of those very kinds of tough decisions.

I am absolutely amazed that anyone would come to this floor and say we are going to deal in a fiscally responsible way with Government expenditures, except in all of these areas we will move off budget because we do not want to deal with them because they are political hot potatoes.

Not once have you heard me say—nor will you hear me say, because I believe it is not necessary to do it—the words "cut Social Security."

But if you move it off budget, it no longer serves as a pressure to serve the right kind of prioritizing of other Federal expenditures to assure that Social Security will remain solvent, not just in the year 2003 but in the year 2025.

I am truthfully amazed, Mr. President, that anybody would suggest that you are going to hold Social Security secure and leave it off budget.

We are a rich nation today. We are, without question, one of the richest nations in the world. Because we are rich, we can be phenomenally giving—and we have been. We spend hundreds of billions of dollars a year on the poor and the less fortunate, all in the hopes of lifting them up and causing or providing for them a better environment in which they can achieve. But the only reason we are able to do that is because we are rich. And the only reason we are rich is that we can still pay the interest on the $4.5 trillion of debt that we have already borrowed.

The day we cannot pay the interest we turn from a rich nation to a poor nation. That can occur literally overnight. And when that occurs all of those programs, from Social Security, to food stamps, to shelter for the homeless will be up and in question because there simply will be no money left to provide for them at the level that was expected of them.

That is the fundamental argument behind why all issues have to be inside any budgeting process. It is, without question, one of the major loopholes, along with capital budgeting, that has been provided in the Reid amendment. We have held no hearings on the Reid amendment, there is no committee record, and therefore it has limited basis for support other than the kind of support that would be gained if it is in fact only a fig leaf or a stalking-horse.

Tomorrow evening we will vote on the amendment that has been worked for over a decade by Senators SIMON and HATCH, myself and Senator THURMOND. We will vote on an amendment that is embodied here in over 3,000 pages of committee record. We will vote on an amendment that is clearly simple and straightforward in its language, and forces this Congress, for the first time in its 200-plus-year history, to examine why it is and what it does. And no fig leaf nor any phony piece of alternative will serve us better. That is the choice. It is so simple and yet it is so difficult.

Mr. President, I ask unanimous consent a Washington Times article of February 28, and a list of "Questions for Senator REID" be printed in the RECORD, and reserve the remainder of my time.

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

BALANCED BUDGET AMMUNITION

If proponents of the balanced budget amendment are looking for the strongest arguments for their proposal, they need look no further than President Clinton's proposed budget for fiscal 1995.

Contrary to the president's boast that this is the "toughest budget" ever sent to Congress, it would increase spending for some of the most unnecessary, wasteful and ineffective programs in the government.

With the administration forecasting that the budget deficit will be $235 billion this year and close to $200 billion next year, asking for more money for programs that are proven failures is the height of irresponsibility. Yet this is what the White House has done.

While it is true that the budget calls for eliminating 115 largely minor spending programs as well as a number of other cuts, these cuts are sheep masquerading in sheep's clothing.

The 115 items would save only $700 million in annual outlays out of a $1.5 trillion budget. And even if all of the proposed cuts were approved, overall spending under Mr. Clinton's budgets would still be $110 billion more next year than it was last year.

In fact, the best-kept news media secret in Washington today is that while the president cuts some spending programs with one hand, he expands many more with the other. Among them:

The Economic Development Administration: This $265 million lending agency has lost hundreds of millions of dollars in bad loans and failed business schemes. EDA has been gouged by waste, fraud and abuse, with no evidence that it has helped any local economy, but Congress insists on keeping it alive. Mr. Clinton's proposed increase: $78 million.

The space agency: Maintaining a space program is important to America's future in technology and science, but in a time of record deficits it is hard to make a case for spending increases. Mr. Clinton wants to increase the National Aeronautics and Space Administration's $14.2 billion budget next year by $228 million.

The Appalachian Regional Commission: This 1960s-era antipoverty agency has been singled out by the General Accounting Office, Congress' auditing arm, as one of the government's most ineffective programs. Much of its $149 million budget is devoted to pork-barrel spending for road construction, with little evidence it has had any impact on poverty. Mr. Clinton would boost its $149 million budget by $31 million.

Legal Services Corp.: This $400 million agency is a vestige of the anti-poverty programs of the 1960s. Its purpose is to provide legal assistance to the poor, but this jobs program for lawyers has had little or no effect on alleviating the old War Department thought it would use in wartime. It has been on virtually every budget-cutting list as a highly expendable program. Incredibly, Mr. Clinton's budget calls for preserving the program and proposes to cancel its $1.3 billion accumulated debt and add it to the deficit.

"If you can't get rid of the national helium program, what can you get rid of," asks Rep. Christopher Cox of California.

Community Development Block Grants: Readers of this column know about the excesses of this Housing and Urban Development Department program. Enacted to help low-income communities, much of its funds have gone to wealthy towns like Newport Beach, and Palo Alto, Calif., and Stamford, Conn., to build tennis courts and bike trails and to renovate movie theaters.

Overall, Mr. Clinton is asking for nearly $400 million more for all community development programs.

The budget is loaded with hundreds of other programs that would either have their spending hiked or preserved, when they should be cut or zeroed out:

The $208 million International Trade Administration would get another $40 million; the Census Bureau $24 million more; $20 million for U.S. Travel and Tourism promotion; and $24 million for the Boat Safety program.

The Export-Import Bank, whose loans to other nations benefit Fortune 500 companies, wants its credit account outlays boosted from $472 million to $600 million. Mr. Clinton agreed.

Even the never-ending Franklin Delano Roosevelt Commission, established in 1955 to develop a memorial for FDR, is down for $347,000 this year and another $170,000 next year.

If the continued existence of these and many hundreds of other nonessential federal expenditures isn't reason enough for adopting a balanced budget law, what is?

QUESTIONS FOR SENATOR REID REGARDING REID BALANCED BUDGET AMENDMENT PREPARED BY SENATOR LARRY CRAIG, FEBRUARY 28, 1994

SECTION 1

1. Whose estimates would be used for establishing "estimated receipts"?

2. Would Congress have to approve the receipts estimate?

3. Does the gentleman believe that his amendment will require an annual concurrent budget resolution? Would this be the mechanism for arriving at the Constitutionally required estimates?

4. If the Reid amendment does require that Congress continue to pass annual concurrent budget resolutions, can you explain why you chose to place this relatively new statutory requirement into the Constitution? If not, what alternative mechanism(s) do you envision?

5. Is there anything comparable to the debt limit provision of S.J. Res. 41 that would prevent the use of rosy scenario estimates to comply with the amendment in form only?

6. Would the President have any role in a decision to approve deficit spending? Would this role include approving estimates?

7. Would the estimates be required before the beginning of the fiscal year?

8. As economic and fiscal circumstances change during a fiscal year, would section 1 require revisions of the estimates? Would Congress be required to pass a new concurrent resolution to revise the estimates?

9. What would happen if Congress did not establish or did not provide for the establishment of the Constitutionally required estimates?

SECTION 2

1. Would the amendment provide an incoming President with the option of submitting a budget later than the first Monday in February, as President Clinton did last year?

SECTION 3

1. Can the gentleman explain why his amendment provides Congress with less discretion in choosing whether or not to relax budget discipline during slow growth than it has under the Budget Enforcement Act? (The BEA provides that Congress may vote to suspend the discipline of the BEA if CBO projects negative growth for two consecutive quarters or if the Commerce Department finds that actual growth was less than 1 percent for two quarters.)

2. Why did the gentleman choose a lower threshold in determining a recession in order to waive the amendment (projected growth of less than one percent) than the threshold for a vote on suspending the BEA (projected negative growth)?

3. Is it the Senator's intent that his amendment will supersede the provisions of the Budget Enforcement Act of 1990 and prohibit a BEA vote of Congress to suspend the budget discipline of the BEA during times of slow growth?

4. Can the Senator explain how the provision for suspending the amendment would operate during periods in which there is no Director of the Congressional Budget Office?

5. Can the Senator explain why the amendment would be waived for two fiscal years after a determination that economic growth has been less than 1 percent, even though the economy might be in an expansionary phase during the second fiscal year after the determination?

6. Can the Senator explain why he granted the Director of CBO, an unelected, minor official, the authority to determine whether or not the provisions of a Constitutional amendment should be waived?

SECTION 4

1. Why did the Senator choose not to define the term "capital investment" in his amendment?

2. What is the Senator's understanding of what would be considered a "capital investment" under his amendment? Would it include spending for scientific research and development? The construction of government office buildings? The purchase of military hardware? Would it include spending for grants to state and local governments for capital expenditures? What about grants such as Economic Development Administration grants that may be used for both capital and non-capital items? Does the Senator believe, as the Chairman of the House Government Operations Committee does, that capital expenditures should recognize "human capital" such as job training, education and head start?

3. Would there be any restraint on the type of items that were included in the capital budget or the magnitude of borrowing to finance capital expenditures comparable to the restraint placed on states through bond ratings?

4. What impact would the Section of the Reid amendment have on the treatment of capital expenditures which currently are subject to the discretionary caps in the BEA? Does the amendment implicitly or explicitly exempt programs from the BEA caps? If not, would we have two sets of accounting in which capital investments are off-budget for purposes of the Constitution, but subject to caps and sequesters under statutes?

5. Is there any restriction on what could be defined as "outlays of the Federal Old Age and Survivors Trust Fund"? Could Congress fund Medicare, veterans benefits, civil service and military retirement or other spending from outlays of the OASDI Trust Fund?

6. Does the Senator's amendment make any provision for the years in which the Social Security trust fund will face cash shortfalls?

7. Is there anything in the Senator's amendment that would prevent Congress from cutting Social Security benefits?

8. If the definitions of OASDI receipts and outlays would be restricted by the amendment, would Congress be prohibited from establishing new OASDI benefits and/or changing the trust fund's funding mechanisms?

SECTION 5

1. Can the Senator explain why he chose to include in his amendment language overturning the Supreme Court case of Bowsher vs. Synar regarding the fundamental Con-

stitutional doctrine of separation of powers by allowing Congress to vest the executive authority to order uniform cuts in an officer of Congress?

2. Does the Senator believe that it is appropriate for Congress to overturn a Supreme Court decision through a Constitutional amendment without the benefits of hearings?

3. Is it the Senator's understanding that this section prohibits absolutely any judicial enforcement of the amendment unless Congress passes legislation explicitly granting a role to the courts?

4. What is the meaning of the phrase "appropriate legislation enacted by Congress"? If Congress passed no implementing legislation, does the black letter of the amendment preclude any enforcement?

5. Would the provision allowing Congress to enact "appropriate legislation" allow Congress to pass legislation denying any judicial standing under the amendment, contrary to the provisions of Article III of the Constitution?

6. Does the provision granting Congress the ability to "delegate to an officer of Congress the power to order uniform cuts," allow Congress to pass legislation requiring across-the-board cuts in Social Security?

7. Could Congress choose to exempt any programs from the uniform cuts that could be ordered under the amendments, or does the phrase "uniform cuts" mandate the inclusion of any or all programs?

8. Would the "officer of Congress" have any discretion in determining which programs would be subject to uniform cuts?

9. What examples of an "officer of Congress" does the Senator contemplate could order uniform cuts? Could the Secretary of the Senate or the Doorkeeper of the House or the Architect of the Capital order cuts?

SECTION 6

1. Why did the gentleman choose to make Section 5 (which overturns Supreme Court decisions on separation of powers and allows an officer of Congress to order uniform cuts) and Section 6 of the amendment effective immediately?

Mr. DASCHLE. Mr. President, as the father of three children, I worry about the effect of continued deficit spending on future generations of Americans. As a Senator from South Dakota, I fear what a future of mounting national debt will do to the quality of life of the people I represent and to the standing of our country in the world. For these reasons, I will vote in favor of the balanced budget amendment.

For the past 25 years, our Federal budget has not once run a surplus, or even been in balance. Rather, in every single year since 1969, the Federal Government has spent more money than it has taken in. The tab for that reign of self-indulgence is finally coming due.

During the 1970's, these deficits did not pose a significant threat to the Nation's economic future, and they were largely ignored. Over the next 12 years, the deficit almost quadrupled, ballooning from $73.8 billion in 1980 to over $290 billion in 1992. During the period, the deficits were noticed, but not seriously addressed.

Today, in this debate on a balanced budget amendment, we are being forced to face the consequences of our inaction. Quite simply, we are building a legacy of debt for our children and grandchildren, and hamstringing our ability to address pressing national priorities.

According to the Congressional Budget Office, the national debt now stands at $4.4 trillion. This means that the Federal Government owes more than $17,000 for every U.S. citizen, adults and children alike.

And this debt is not just a dark cloud looming in the distance. It has a very real and devastating effect now on the Government's ability to meet the immediate needs of its citizens and invest in the future.

Like private citizens, the Government must pay interest on its debt. For fiscal year 1993, we paid $198.8 billion in net interest, the second largest expenditure in the Nation's budget. This sum represents money that could have been used to stimulate job creation, invest in new technologies, protect our environment, maintain our defense capabilities, enhance the quality of life of low-income seniors, expand educational opportunities and reduce the deficit.

To remedy our fiscal situation, we must stop spending beyond our means. This will not require the emasculation of important domestic priorities, as some suggest. What it will require, however, is a commitment on the part of the Government to pay for the programs we want and to stop doing the things we do not really need to do.

Families understand the concept of fiscal restraint. They know that when money is tight, they will have to forgo vacations and put off buying a new car. They are accustomed to paying for the important things first—food, medical care, housing, savings for college—and then thinking about other expenditures. Parents are also sometimes forced to say "no" because what their children want is too expensive or not really needed at the time.

It is time for Government to learn a few lessons from America's families. Government must learn to set budget priorities and to pay for these priorities. It also must learn to say "no" to special interests when the programs they advocate are too costly or don't fit within the Nation's spending priorities.

Living within a budget is never easy, as families well know. There are many worthy programs which depend on Federal funds and which have the support of many in Congress. But for the sake of our Nation's economic well-being, and for the sake of our children and grandchildren, we must decide which programs we are willing to pay for and which ones we are not.

Some of my colleagues feel, as does President Clinton, that we can make these tough budget choices without amending the Constitution. I wish they were right, but history indicates that they are not.

Since I began serving the citizens of South Dakota in the Congress, there have been six laws passed to constrain Federal spending and reduce the deficit. Quite obviously, none has worked. Each time these laws required tough budget choices—choices that would have been politically unpopular—Congress and the President found ways to get around them.

Our Nation can no longer afford to evade these choices. To do so threatens our status as a world power and the standard of living for future generations. Too much is at stake for us to settle for the status quo.

According to the General Accounting Office, it is imperative that the Government take action now to address our budget deficit. By the year 2020, most of the baby boom generation will have retired, and those retirees will be supported by a smaller working population. In order to ensure that we can meet our commitments to future retirees without jeopardizing the standard of living of working men and women, we must seek to maximize economic growth during the early 21st century. Our current budget deficit is eating away at that growth and undermining our economic potential.

It is true that some progress on the deficit has been made. Last year, President Clinton and the Congress worked together to enact a budget plan that will reduce the deficit by almost $500 billion over 5 years. I supported this plan because it was a good first step toward addressing the deficit. Indeed, according to the Congressional Budget Office, the recent upswings in the economy are due largely to passage of this plan.

If we could continue to achieve meaningful deficit reduction in this manner, a balanced budget amendment to the Constitution would not be necessary. Unfortunately, however, there is ample reason to question whether Congress and the President would be able to muster the collective political will to push through another far-reaching deficit reduction proposal. As it was, last year's plan passed the Congress by only a few votes—1 out of 100 in the Senate; 2 out of 434 in the House.

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 of the future. Sworn to uphold the Constitution, Congress and the President will be forced to make the further tough decisions our bire budgetary situation demands.

By adding a balanced budget amendment to the Constitution, we as a nation are embracing the principle that Government should not spend beyond its means. This is a principle worthy of inclusion in the document that sets forth the limits of governmental power and protects the rights of individual citizens.

Thomas Jefferson, who supported placing limits on the Government's borrowing power in the Constitution, put it this way: "We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay for them ourselves." That wisdom rings particularly true today.

Requiring the Government to operate within its budget does not mean that all important new initiatives or existing programs will have to be abandoned or gutted. Nor does it mean we would be forced to renege on our current obligations to America's seniors. For my part, such a requirement would not lessen my commitment to providing universal health care coverage, protecting Social Security, or meeting other basic needs of our citizenry.

The balanced budget amendment would not take effect until 2001. The means that Congress and the President will have 7 years to address the current deficit and reach a consensus on our Nation's budget priorities. We will have time to find ways to live within our means and still meet existing obligations to our citizens, particularly the elderly. In addition, gradual reduction of the deficit over a period of years will prevent unnecessary shock to the economy.

I believe the key to keeping America strong is to invest in our future while spending within our means. A balanced budget amendment will not do this for us, but will make us do it for ourselves.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois, Senator SIMON.

Mr. SIMON. Mr. President, I yield myself so much time as I may consume.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I am not going to speak at length right now on the Reid amendment. I have indicated already I think it has just massive loopholes in it, in what is called capital expenditures, and the fact that it has no enforcement mechanism. My staff has checked out the loophole for periods of low economic growth and of the past 44 years, in 22 years that would have been another loophole in that particular amendment.

I would like to take a few minutes now to analyze an editorial that appeared in the New York Times today in opposition to the amendment that Senator CRAIG and I and others are sponsoring. Let me add my appreciation to Senator CRAIG. He has been a real workhorse on this and I have really appreciated his willingness to dig in.

Let me just quote a few sentences from the New York Times editorial. Among other things it does condemn deficits. It says, "borrowing threatens to siphon money away from businesses."

Borrowing not only threatens to siphon money away, it is siphoning money away. The Concord Coalition study—and I have been impressed by the economic research that goes into their studies even though I do not agree with every conclusion that they have—said if it were not for the deficit the average American family income today would be $50,000 rather than $35,000. And that is because of the borrowing that takes place from the Federal Government that has replaced business spending. Then they say, "At current growth rates, Congress can run deficits and still keep the debt growing less quickly than incomes."

Whoever wrote this editorial just took a look at the next 2 or 3 years and did not look at the outyears. In the outyears it goes up and up and up and up.

Then they say, "But the biggest danger lurking in a balanced budget amendment has to do with the way Congress keeps its books. The Federal budget lumps together ordinary spending for farm subsidies or administrative salaries, and long-term investment for mass transit or scientific research."

It is very interesting that the last year we had a balanced budget was 1969. That was the year we landed a man on the Moon. We did not borrow money for the space program. We did it on a pay-as-you-go basis. There is nothing we cannot do on a pay-as-you-go basis. We built the Interstate Highway System on a pay-as-you-go basis. And as far as mass transit, I would be willing to vote for a 2-cent or 3-cent gasoline tax increase for mass transit. But there is no justification for issuing bonds for mass transit. If we had a 2-cent or 3-cent gasoline tax for mass transit, that would significantly increase the amount of money spent in mass transit in New York City and Chicago. I do not know about Bismarck, ND, Mr. President—but for many of our urban areas.

Then they say, "at risk will be spending on education, training, and infrastructure." It is very interesting. Look at the last 12 years, what we have spent in the last 12 years. If you adjust for inflation, education went down, minus 8 percent. Yes, in nominal dollars we went up, but inflation went up more rapidly. Other things, defense—which a lot of people think is a big growth item—went up 16 percent. Entitlements went up 32 percent, largely because of health care and growth in numbers. But the big growth item is interest, it went up 91 percent.

What if we had a balanced budget amendment 12 years ago? Education clearly would have done better than it did. So that argument just is specious.

It says, "Though the 1993 budget law should keep deficits tame for now, they are expected to soar again by the end of the decade. But the villain is almost entirely health care costs."

There is no question health care costs are part of it. But the big villain is payment for this debt. We have from 1980 through 1993 spent $1.7 trillion on interest. That is over a 13-year period. In the next 5 years, we will spend $1.7 trillion on interest. That is a huge thing on the backs of our children and future generations.

What is interesting in the New York Times editorial is what is not mentioned. They do not mention the threat of monetizing the debt. I ask unanimous consent to have printed in the RECORD the article from the Times, and from OMB, their table that shows this.

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

(See exhibit 1.)

Mr. SIMON. The Presiding Officer, Senator DORGAN, has heard me speak about this several times now. It says that someone born when I was born, 1930—I was born in 1928, I will spend about 30 percent of my lifetime income on taxation. But when you get down to future generations and, if you assume every projection in terms of their projection on what is going to happen to the economy, and that shows 10 years of solid growth without a dip, and second we are going to save all the money they say we are going to save on health care—and I hope we do but I am not that optimistic—but they say future generations, even with this assumption, 66 to 75 percent of lifetime earnings of future generations will go for taxation.

Mr. President, that is just not going to happen. We are going to start printing money before that happens, and this whole question of monetizing the debt is not addressed at all. That is a huge, huge cloud, dark cloud on the horizon for us.

And then the second thing that they do not address at all in this amendment is our reliance on foreign individuals and foreign governments to buy our bonds; 17 percent of that ownership is publicly acknowledged. In addition, there are individuals and governments that do not want it known publicly, and they hide it. They hide it largely because, in their own countries, there are laws against them taking money out of the country. So it is hidden.

At the very least, it is 17 percent. The reality is you cannot for 25 years in a row borrow money for spending more than you take in without having bankers question what you are going to do and, at some point, those international bankers are going to question it.

Lester Thurow, a distinguished economist who came from, I regret to say, Mr. President, South Dakota rather than North Dakota—he came from Montana originally. His parents lived in South Dakota. The Presiding Officer is more on top of this than I am.

Lester Thurow says the question is not if foreign governments and individ-

uals are going to withdraw their money from us; the question is when they are going to do it.

I see my colleague from Idaho rising.

Mr. CRAIG. Will the Senator yield? The Senator has made an extremely important point as relates to who finances our debt structure. Of that 17 percent today, that represents in interest payments about $40 billion a year in interest on debt that goes overseas to foreign investors.

As I last checked, I think our foreign aid was $20.3 billion, or somewhere in that range. The thing that I find ironic about this is that we spend about $20 billion plus in foreign aid, and we like to think that most of it goes to the poor and the downtrodden, and yet the $40 billion we pay in interest to foreign investors goes to the most wealthy. It is the bankers, it is the wealthy class that has the money to invest in our debt structure that gets all of the money back. So we pay over two times as much to the foreign wealthy as we are able to put out in foreign aid to the foreign poor. Why? Because of debt.

I thank the Senator for yielding.

Mr. SIMON. I thank my colleague, and I will simply say, his figures are too conservative. The reality is, if you take 17 percent of roughly $300 billion, you are talking about $51 billion that goes overseas, and that does not count the hidden ownership. No one knows what that is.

But the point that you make is absolutely valid. The big foreign aid we have is foreign aid not for the poor but for those—I am curious where you got the $41 billion figure. That must be from net——

Mr. CRAIG. Apparently it is. In this debate, I would not dare say, well, it is only a few billion. But in that business, it really is, tragically enough.

Mr. SIMON. Even assuming your figures, the reality is this is roughly twice as much——

Mr. CRAIG. That is the point.

Mr. SIMON. As foreign aid that goes to those who are poor.

Mr. CRAIG. As you just mentioned, it goes to an entirely different class of people.

Mr. SIMON. Absolutely. The point is well taken.

Mr. President, I yield the floor.

EXHIBIT 1

[From the New York Times]

A WRONGHEADED AMENDMENT

When the Senate votes tomorrow on a constitutional amendment, proposed by Senator Paul Simon of Illinois, that would require Congress to balance the Federal budget, the outcome will be close. Such an amendment would be a political mistake. It would allow a mere 40 out of 100 senators and a similar minority in the House to block legislation that would create a deficit. And because the amendment includes no enforcement procedure, it would drag courts where they do not belong—into routine budget disputes.

Fiddling with the Constitution could be defensible if a mighty public purpose were at stake. But Mr. Simon's amendment, and substitute versions also up for voting, would engrave into the Constitution a standard—zero deficits—that makes little economic sense. The deficit, as measured by Congress, takes no account of inflation, no account of growth, no account of recession and no account of the value of public investment.

Yes, the Federal deficit over the last 15 years has been too high. When the Government spends more than it taxes, it borrows the balance. Borrowing threatens to siphon money away from businesses that would have used it for plants and equipment. When this happens, the private economy is left less productive—a blow to our children's living standards.

So Federal borrowing must be contained. But at what level? For several reasons the answer is not necessarily zero. Consider the impact of growth. As incomes rise, individuals can afford to carry more debt. At current growth rates, Congress can run deficits and still keep the debt growing less quickly than incomes. Or consider the impact of inflation. Inflation eats away at the economic value of government bonds that individuals hold. At current rates of inflation, Congress could run a $100 billion deficit without raising the real value of the debt.

But the biggest danger lurking in a balanced budget amendment has to do with the way Congress keeps its books. The Federal budget lumps together ordinary spending (for farm subsidies or administrative salaries) and long-term public investment (for mass transit or scientific research). Forced to cut out hundreds of billions from the deficit, Congress will be driven to eliminate big-ticket investments whose payoffs are far into the future and preserve lower-cost giveaways to politically powerful special interests. At risk will be spending on education, training and infrastructure.

The proposed amendment also poses a threat when the economy turns sour. During downturns, tax revenues fall off, sending the budget into deficit. Under the amendment, Congress would be required to cut spending and raise tax rates—throwing the economy into a steeper tailspin. The only way out is for three-fifths of each house to suspend the amendment—a vote that would be nearly impossible to achieve until the economy had slipped badly.

Though the 1993 budget law should keep deficits tame for now, they are expected to soar again by the end of the decade. But the villain is almost entirely health care costs. The answer to that is health care reform, not a destructive constitutional straitjacket.

TABLE 3–3. LIFETIME NET TAX RATES UNDER ALTERNATIVE POLICIES

[In percentages]

Generation's year of birth	Before OBRA93	After OBRA93	With health care reform	Health care reform but faster cost growth
1900	23.6	23.6	23.6	23.6
1910	27.2	27.2	27.2	27.2
1920	29.0	29.0	29.1	29.1
1930	30.5	30.6	30.9	30.9
1940	31.6	31.9	32.4	32.2
1950	32.8	33.2	34.0	33.5
1960	34.4	35.0	35.9	35.2
1970	35.7	36.5	37.6	36.6
1980	36.0	36.9	38.2	36.7
1990	35.5	36.5	38.3	36.2
1992	35.4	36.3	38.3	36.0
Future generations	93.7	82.0	66.5	75.2
Percentage difference: future generations and 1992	165.1	126.0	73.9	108.8

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, we had an agreement before Senator SIMON arrived that Senator DORGAN could speak next for 15 to 20 minutes. So I will preside while he does that, off my time.

Mr. SIMON. That is perfectly acceptable to me.

Mr. CRAIG. Mr. President, I was unaware and I accept that agreement certainly because we want to keep the debate moving. I ask the Senator from Oklahoma be able to follow immediately following the Senator from North Dakota.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from North Dakota is recognized for 20 minutes followed by the Senator from Oklahoma.

Mr. DORGAN. Mr. President, thank you very much for your courtesy.

I have listened with interest to this debate about the constitutional amendment to balance the budget.

This debate is now 1 week old. And I want to mention that I was reading last evening a small book that I am sure Senator SIMON has read, since he reads everything. It is a book written by Mr. Fulghum entitled "All I Really Need to Know I Learned in Kindergarten."

He points out that the lessons you learn in kindergarten are enduring lessons. They really are all that you need to know. Mr. Fulghum says the lessons are: Share everything; play fair; do not hit people; put things back where you found them; clean up your own mess; do not take things that are not yours; say you are sorry when you hurt someone; wash your hands before you eat; flush; and when you go out into the world, watch for traffic, hold hands and stick together.

I read his book a couple of times because the lessons are simple but pretty straightforward. The lesson for this debate, I suppose, is do not take things that are not yours. We are literally spending resources today that are not ours. They are our children's and our grandchildren's. But we are avoiding tough choices and we keep spending our children's resources.

We have an addiction to debt. It is not just Government debt that is a problem. Our country is addicted to debt. It is not just Government, but individuals, too. Go home and open your mail tonight and see if you do not have another credit card company asking you to please accept some of their credit so you can go deeper into debt. You are even preapproved.

Corporate debt has risen astronomically. Consumer debt has risen astronomically. Federal debt and Federal yearly deficits have increased at an alarming and dangerous pace.

But when Congress tries to cut the deficit, we get into these awful par-

tisan wrangles about whether this remedy is better than that remedy. Do we cut spending? If so, which programs do we cut? Do we raise taxes? If so, which ones? These debates can be agonizing.

This Senate is now considering two constitutional remedies. Some feel very strongly that any constitutional remedy is inappropriate. They believe very strongly that this is a terrible mistake. My friend, the Senator from West Virginia, [Mr. BYRD], a Senator of legendary service around here, someone for whom I have the highest respect, feels very strongly that any constitutional approach is fundamentally wrong.

I do not share that view. I did share it some years ago when I came to Congress. I do not share it any longer. I believe we must find the strongest possible solution to force this country's fiscal policy into some kind of balance.

The question is, what remedy will we use? I am definitely going to vote for the substitute amendment offered by the Senator from Nevada, [Mr. REID]. But even if Senator REID's amendment fails, I am willing to vote for the constitutional amendment offered by Senator SIMON. I do not believe those who brought the Simon amendment to this floor really believe that they are offering us the Old Testament; it is the word; it is the word that is unchangeable; it is the only word. No, that is not the case.

The Senator from Nevada has offered constitutional language that would amend the Constitution to require a balanced budget, but would make several changes in what is offered by Senator SIMON.

I would say to my colleagues that I, too, have had reservations about changing the Constitution in any way. I revere that document. I think all Senators do.

We have seen different attempts to change the Constitution, and I have resisted them—flag burning amendments, prayer amendments, abortion amendments. I have said, "I'm sorry, I just don't think we ought to change the Constitution in that way."

But as we have gone through these debates year after year after year, our fiscal policy has been dangerously out of balance, with seemingly no hope of getting it under some control. We are now suggesting a constitutional amendment to force us to control our budget.

A constitutional amendment? I agree with that. Is the Reid amendment an appropriate amendment? Yes, I think it is. Is the Simon amendment an appropriate and good amendment? Yes, I think it is, too.

I do not think that you must be in a position of saying I will vote for one and then against the other, or I will support the other and not the one. Let me describe why.

The Reid amendment includes a provision dealing with Social Security that I drafted. That is an improvement, in my judgment, over the Simon amendment.

The Senator from Idaho has argued that my provision makes balancing the budget easier. It is exactly the opposite in fact. If you take Social Security out of the constitutional amendment, you require a higher threshold, a higher standard, a greater amount of effort to get this budget into some balance. As the Simon amendment now stands, you conceivably could have a $100 billion yearly surplus in Social Security and a $100 billion yearly operating deficit in the rest of the budget. Under the Simon amendment you would be perfectly in balance. But you would not have forced the savings necessary in the Social Security system. The Social Security system is saving up for some lean years to come. If the rest of the Government runs a deficit, we will defeat the purpose of the Social Security surplus.

In 1983 we passed a Social Security reform bill that increased Social Security taxes, the most regressive of all taxes. We changed the retirement age from 65 to 67 and made a number of other adjustments in the system. We deliberately decided that we needed to build up a surplus between now and the year 2035—so that we would have a balance to use when the baby boomers retire.

At the end of the Second World War all these folks came out and produced the biggest crop of babies in the history of this country. The baby boomers, the war babies they call them. When they retire, we will have the maximum strain on the Social Security system.

In 1983, we decided we had to save for that day, so we created a Social Security system that deliberately runs a surplus. This year the surplus is between $64 and $70 billion.

You can say, the Federal deficit is x, but if you do not add the Social Security surplus to x, you are not speaking honestly.

This chart shows the real budget deficit according to the President's budget. Next year it will be $171 billion. But the honest number is $241 billion, because we are using $70 billion in Social Security surpluses to show a lower deficit. If you exclude the Social Security surplus, the deficits grow year by year: $242 billion, $266 billion, $272 billion, all the way to the year 2004 when our budget deficit will be $503 billion.

This problem is not getting better. This problem is getting worse.

That is why the Reid amendment, which excludes the Social Security surplus, is preferable. I appreciate very much the Senator from Nevada including my provision excluding Social Security.

This next chart shows what the debt will be if you count the assets of the Social Security trust funds. We will have a $4.9 trillion debt in 1995. In 1999, our debt will be $6.3 trillion. By the year 2004, we will owe around $8 trillion.

Some would try to justify this debt by reminding us that families borrow. They ask, "Do you know a husband and wife who pay off their car the day they buy it? Do many families write a check to buy a house?"

No. They borrow that money. That is true. But when the family buys the car and goes into debt, it has to make incremental payments every single month to reduce the debt. When a family buys a house and goes into debt, that family must make incremental payments every single month to reduce the mortgage. No one in this Chamber can name a single month since 1980 in which the public debt has fallen. In every month since then, the debt has risen. That is why I conclude we need a constitutional amendment to balance the budget.

The Reid amendment, some say, is weak because it makes an exception during a recession. It would enable the Government to help the economy grow out of a recession. I do not see this as a liability. That provision is an asset.

Others complain that the Reid amendment has a capital budget capability in it. That is not a problem for me. In my judgment, that is an asset. That is what the States do. And that is what private corporations do.

So the Reid balanced budget amendment is an amendment that I can and will easily support.

I bet that if you skip ahead 100 years from now and read the financial history of the United States, you will look back at this past decade and a half, and you will say, "What on Earth were those men and women serving in the Congress thinking about? How on Earth could they have believed that they should do what they did, spend about 24 percent of the gross national product, raise about 19 percent in revenue, and charge the remaining 5 percent to the kids. How on Earth could they have hooked their entitlement programs to inflation so they were automatically increased and then have indexed their tax system so that it did not adjust for inflation, and have created this tremendous imbalance? How on Earth could they have believed that they were going to get out of that mess?"

A constitutional amendment will end budget business as usual. And let me emphasize that we have made massive constitutional changes before. For years in this country women could not vote. Do you not suppose that back in the 1860's, 1880's, 1890's people would say, "Why should we give women the right to vote? Things are just fine the way they are. Nobody is complaining. It is just fine."

We had a time in this country when it was just fine to own a slave. At least

that is what they thought. The Supreme Court even said it was fine. At the time people thought, "Well, gee, I think we are doing the right thing. This does not seem wrong."

Our country has done many things that did not seem wrong at the time. This country's current fiscal policy is one of them.

A couple of years ago, a professor of history at Yale, named Paul Kennedy, wrote a book called "The Rise and Fall of the Great Powers." He evaluated the rise and fall of civilizations, of societies, and tried to understand why that happened. Over long periods of history, countries rise up, and become rich and powerful. When they do that, they reach outward, and they extend their interests to other parts of the world. When they extend their interests, they try to secure those interests, and they build up their military forces to protect those interests. Inevitably, another country rises up and competes. And because the first country is using all of its money to defend its over-extended interests abroad, it does not make the economic investments necessary to sustain its future, and it falls.

I mention this because we have to make some choices if we are to sustain our long-term prosperity.

The Senator from Nevada has offered a constitutional amendment to balance the budget. I am going to vote for it.

If the Reid amendment does not pass, the Simon amendment will be before us. I will likely vote for it. I want us to decide now, not tomorrow, not next year, not a decade from now, that my children, when they go into the job market, are going to find a growing economy. I want America to remain a land of opportunity. And that is simply not going to happen under the current set of circumstances.

This President has done more than his recent predecessors to cut our deficit. He proposed a gutsy plan last year to Congress, and I am proud I voted for it. Some of it was very controversial. I understand that. But it does not take me 5 seconds to stand up and take credit for voting for that plan. It was the right thing. It raised some taxes, yes. It cut some spending, yes. It was certainly tough, but I voted for it. I am proud of that.

Even with that tough medicine, we do not now see a blueprint for reconciling our entitlement programs and other spending with our revenues. Even with what we did last year, we do not have a plan for the future of this country. That is why I am convinced we must impose on ourselves the discipline of a constitutional balanced budget amendment.

We could put this in the Constitution at 5 minutes after 3 this afternoon and it will not make one nickel's difference in the deficit. We will have to make changes to comply with the Constitution. We are going to have to make difficult choices. But putting this requirement in the Constitution, as either the Reid amendment, or the Simon amendment would do, will require us to do the right thing for our children and for our country.

That is why I am pleased to stand today in support of what the Senator from Nevada has offered the Senate: a constructive, appropriate, well-written, thoughtful constitutional amendment. And I hope that when we vote on that at 3 o'clock tomorrow the Senate will approve the proposal of the Senator from Nevada.

I thank the Senator from Nevada for his courtesy.

The PRESIDING OFFICER (Mr. DORGAN). Who yields time?

Mr. HATCH. I yield to the Senator from Oklahoma 10 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes off the time of the Senator from Utah.

Mr. NICKLES. Mr. President, first, I wish to congratulate my colleague and friend, Senator DORGAN from North Dakota, for his statement. Especially his statement in which he said he was going to vote for the Reid amendment and that, if it should not pass, he intends to vote for the Simon amendment. I happen to prefer the Simon amendment. It is my intention to vote against the Reid amendment in favor of the Simon amendment. But I want a balanced budget amendment to pass.

I think it is vitally important that we take some steps today and tomorrow to make it pass.

I also wish to compliment my friends and colleagues, Senator SIMON, Senator CRAIG, Senator HATCH, and Senator THURMOND, for their leadership on this issue. Senators HATCH and THURMOND I have had the pleasure of working with for some time, and they have been diligent in their efforts to try to pass a constitutional balanced budget amendment. We did pass it on the floor of the Senate, I believe, in 1982 by a couple of votes. We have tried a couple of times subsequent to that and have been short a couple of votes. My guess is, Mr. President, this will be a very close vote and, in all likelihood, will be decided by one or two votes.

So every single vote is important. This is probably one of the most important votes that we will cast this year.

It is interesting to note the significant history of this debate. I would love to find that the vote that was cast in 1994 will be a vote to pass the balanced budget amendment for the second time in the Senate, and hopefully the House will concur.

I also, Mr. President, would like to compliment Senator BYRD for his tenacity, for his commitment, and for his dedication in opposition. He is very persistent. I happen to appreciate somebody who is willing to stand up on difficult issues and express themselves very forcefully, and certainly he has done so.

I also had the opportunity to participate in some of the hearings that Senator BYRD conducted last week. I felt maybe those hearings were a little unbalanced. They were certainly constructed to advocate Senator BYRD's position in opposition to the balanced budget amendment. I appreciate that, although I disagree with the results. I mentioned that to Senator BYRD and also to some of the witnesses.

Mr. President, I became concerned after listening to some of the witnesses that Senator BYRD had the one day I attended—Secretary Shalala, Secretary of Health and Human Services, made some very draconian statements. She said that if we pass the balanced budget amendment we will take the "care" out of Medicare and we will take the "security" out of Social Security. I happen to disagree. Secretary Brown of Veterans Affairs was there, and he said that if we pass this, we are going to gut programs for veterans. We would have to have an 11.2 percent reduction in veterans programs and not even be able to fund programs for service-connected veterans.

I could not help but think the administration is really mounting a hype campaign against this amendment that is not sustained by facts or reasonable analysis.

I also serve on the Budget Committee, and we had Secretary Bentsen and OMB Director Panetta before the committee. They were talking about how great it is that the deficit is declining substantially. Last year, in January 1993, CBO estimated the deficit for 1995 would be $284 billion, and in January 1994, CBO estimated that the deficit will be $171 billion. That is an improvement of $113 billion in 1 year.

I will insert for the RECORD an analysis of where that $113 billion comes from.

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

NEW SPENDING IN THE CLINTON BUDGET PLAN, INCREASES ABOVE 1994 LEVELS

[In billions of dollars]

	1995	1996	1997	1998	1999	Total
Crime bill initiatives:						
Budget authority	2.466	4.333	5.049	5.553	6.581	23.982

NEW SPENDING IN THE CLINTON BUDGET PLAN, INCREASES ABOVE 1994 LEVELS—Continued

[In billions of dollars]

	1995	1996	1997	1998	1999	Total
Outlays	.736	2.324	3.925	4.982	6.449	18.416
Head Start:						
Budget authority	.700	1.400	2.100	2.800	3.500	10.500
Outlays	.463	1.204	1.872	2.567	3.266	9.372
Housing vouchers:						
Budget authority	1.339	1.408	1.478	2.658	3.138	10.021
Outlays	.456	1.003	1.633	2.301	3.064	8.457
NIH:						
Budget authority	.517	.999	1.501	2.024	2.569	7.610
Outlays	.758	1.429	2.118	2.820	3.343	10.468
Title 1 education:						
Budget authority	.667	.909	1.152	1.397	1.642	5.767
Outlays	.029	.583	.899	1.151	1.395	4.057
National service:						
Budget authority	.275	.784	1.012	1.285	1.610	4.966
Outlays	.165	.504	.908	1.189	1.468	4.234
Dislocated workers:						
Budget authority	.347	.746	1.047	1.047	1.095	4.282
Outlays	.415	.797	1.184	1.497	1.594	5.487
WIC:						
Budget authority	.354	.704	.956	1.035	1.184	4.233
Outlays	.316	.674	.925	1.017	1.161	4.093
Goals 2000:						
Budget authority	.595	.895	.895	.895	.895	4.175
Outlays	.141	.605	.916	.981	.987	3.630
NIST growth:						
Budget authority	.415	.569	.859	.887	.902	3.632
Outlays	.157	.411	.687	.887	.986	3.128
IRS tax modification:						
Budget authority	.295	.803	.841	.787	.610	3.336
Outlays	.244	.671	.829	.849	.718	3.311
SSI processing:						
Budget authority	.327	.156	.668	.743	.862	2.756
Outlays	.371	.516	.700	1.046	1.145	3.778
Highways:						
Budget authority	.323	.323	.168	.168	.168	1.150
Outlays	.621	1.475	1.767	1.767	1.846	7.476
Homeless programs:						
Budget authority	.427	.177	.177	.177	.177	1.135
Outlays	.286	.408	.676	.933	1.072	3.375
All other increases:						
Budget authority	5.803	7.087	8.034	8.609	9.438	38.977
Outlays	3.019	6.435	8.372	9.871	10.870	38.567
Total:						
Budget authority	14.856	21.293	25.937	30.065	34.371	126.522
Outlays	8.177	19.039	27.411	33.858	39.364	127.849

SOURCE OF DEFICIT CHANGE SINCE PRESIDENT CLINTON TOOK OFFICE

[In billions of dollars]

	Fiscal year 1993		Fiscal year 1994		Fiscal year 1995		Fiscal year 1996		Fiscal year 1997		Fiscal year 1998		Total 1993–98	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
CBO deficit baseline (January 1993)	310		291		284		287		319		357		1,848	
CBO deficit baseline (January 1994)	255		223		171		166		182		180		1,177	
Deficit change	(55)		(68)		(113)		(121)		(137)		(177)		(671)	
Sources of deficit change:														
Spending cuts [1]	4	−7	4	−6	(5)	4	(20)	17	(39)	28	(56)	32	(112)	17
Tax increases [2]	0	0	(28)	41	(46)	41	(56)	46	(66)	48	(67)	38	(263)	39
Debt service	0	0	(1)	1	(2)	2	(7)	6	(13)	9	(20)	11	(43)	6
Economic changes	0	0	(13)	19	(15)	13	(12)	10	(14)	10	(25)	14	(79)	12
Technical and other [3]	(59)	107	(31)	46	(45)	40	(27)	22	(5)	4	(9)	5	(176)	26
Total	(55)	100	(68)	100	(113)	100	(121)	100	(137)	100	(177)	100	(671)	100

[1] OBRA 1993 discretionary and mandatory spending cuts minus higher outlays for emergency unemployment compensation and supplemental appropriations for flood relief.
[2] OBRA 1993 tax increases.
[3] Technical reestimates (deposit insurance, revenues, and medicare/medicaid) and OBRA 1993 debt service savings.

Note.—Details may not add due to rounding.

Sources: CBO January 1993 report, CBO September 1993 report, CBO January 1994 report.

Year	Revenues	Outlays	Deficits	Gross debt
1960	92	92	0	290,525
1961	94	98	(3)	292,648
1962	100	107	(7)	302,928
1963	107	111	(5)	310,324
1964	113	119	(6)	316,059
1965	117	118	(1)	322,318
1966	131	135	(4)	328,498
1967	149	157	(9)	340,445
1968	153	178	(25)	368,685
1969	187	184	3	365,769
1970	193	196	(3)	380,921
1971	187	210	(23)	408,176
1972	207	231	(23)	435,936
1973	231	246	(15)	466,291
1974	263	269	(6)	483,893
1975	279	332	(53)	541,925
1976	298	372	(74)	628,970
1977	356	409	(54)	706,398
1978	400	459	(59)	776,602
1979	463	504	(40)	828,923
1980	517	591	(74)	908,503
1981	599	678	(79)	994,298
1982	618	746	(128)	1,136,798
1983	601	808	(208)	1,371,164
1984	667	852	(185)	1,564,110
1985	734	946	(212)	1,816,974
1986	769	990	(221)	2,120,082
1987	854	1,004	(150)	2,345,578
1988	909	1,064	(155)	2,600,760
1989	991	1,143	(153)	2,867,537
1990	1,031	1,253	(221)	3,206,347
1991	1,054	1,324	(270)	3,598,993
1992	1,091	1,381	(290)	4,002,669
1993	1,153	1,408	(255)	4,352,000
1994	1,251	1,474	(223)	4,690,000
1995	1,338	1,509	(171)	4,995,000
1996	1,411	1,577	(166)	5,314,000
1997	1,479	1,661	(182)	5,656,000
1998	1,556	1,736	(180)	6,003,000
1999	1,630	1,834	(204)	6,375,000
2000	1,706	1,931	(226)	
2001	1,783	2,039	(256)	
2002	1,868	2,156	(288)	

Mr. NICKLES. Mr. President, some people will say that $113 billion reduction was a direct result of the deficit reduction package that passed last year. My colleague from North Dakota said he was proud to have voted in favor of that package. I was proud to have voted in opposition to it because it contained over $2 in tax increases for every $1 of spending cuts. For fiscal year 1995, the spending cuts that were projected by CBO as a result of last year's package totaled $5 billion. The tax increases totaled $46 billion; plus $2 billion in debt savings. Economic changes were $15 billion and technical and others were $45 billion; in other words, we are not going to spend so much money on S&L's.

But the point I am making is that of the $113 billion, only $5 billion of it was spending cuts. I might add for the

RECORD we are ultimately not going to have $5 billion in spending cuts because we just passed an urgent supplemental that is going to increase spending by $8.5 billion.

So finally there are not going to be any spending cuts according to CBO, in 1995. Also, Mr. President, there are no spending cuts in 1994 or in 1993. In the first 3 years of this administration there are no spending cuts whatsoever. In 1993, there was a $4 billion spending increase. There was also a $4 billion spending increase for 1994. So, I did not support the Clinton tax package because I did not feel it was balanced.

My point is that some of us who really and truly believe in deficit reduction and really and truly believe in achieving a balanced budget did not feel as though the package that passed last year was very balanced. It was loaded with taxes—retroactive taxes in some cases—and spending cuts that are very heavy in the outyears. Most of the spending cuts do not occur until after the next Presidential election.

Mr. President, the reason I bring up spending is because I see that as a real source of the problem. Federal spending has ballooned in the past several decades. Some people say it has grown just in the last 12 years. No it has not.

I will insert this chart for the RECORD, but in 1960, we spent less than $100 billion—actually $92 billion; in 1970, we spent less than $200 billion. I might add for my colleagues, this includes Social Security. In 1980, we spent a little less than $600 billion. Ten years later, in 1990, that more than doubled; we spent $1.2 trillion. Actually, it was $1.253 trillion. So we more than doubled in the next 10 years, between 1980 and 1990.

In the year we are looking at now—1995—we will spend $1.5 trillion. By 2000, we will spend $2 trillion. Federal spending continues to escalate at a very rapid rate. To me, that is the problem. We had massive tax increases last year, but you see the total deficit continuing to expand.

As a matter of fact, in President Clinton's first 4 years, according to his budget estimates, the national debt will increase $1.3 trillion. If you looked at the next term, or the next 4 years, the national debt will increase from about $4 trillion in 1992 to $6.4 trillion in the year 1999. That is an increase of $2.4 trillion between 1990 and 1999.

So the Federal debt, given the tax package that passed last year, given the so-called spending cuts that have happened, will actually increase by $2.4 trillion between the year 1990 and 1999. That is according to CBO. I will insert these for the RECORD, also.

What does that mean? When we talk about trillions of dollars, I think it is hard for most people to comprehend. Basically, it means that the Federal debt, per capita, is $17,000 for every man, woman, and child in the United States. That is a figure we can grasp—$17,000 for every single man and woman and child in the United States. In 1980, it was about $4,000. So it increased dramatically and continues to increase dramatically in the next 4 to 8 years. That is the reason we need to pass the balanced budget amendment.

I agree with my colleague from North Dakota that that does not mean we have solved the problem. It means that we in Congress are going to have to make difficult decisions that may not be popular, and they may result in some politicians being defeated. But we have to make some of those difficult decisions. Forty-eight States have provisions in their constitutions that require a balanced budget. We should have it in the Federal Constitution, as well.

Some of my colleagues say we have already made dramatic spending cuts. If you look at the total growth in spending, you see we really have not touched the mandatory spending. Again, Senator DORGAN mentioned that in his comments. Yes, we had budget agreements in 1990 and 1993 that limit or freeze discretionary spending, but we really have not grappled with the so-called uncontrollable spending, the mandatory spending in the Federal budget. I doubt that we will, until we are forced or required to by the Constitution. This is spending that will increase automatically by law, unless we change the law.

It is going to take some congressional courage of both Democrats and Republicans to make that happen. But it has not happened. It did not happen throughout the 1980's. It did not happen under President Reagan's administration or under President Bush's administration, and it has not happened under President Clinton's administration.

I am concerned about some of the things proposed for the future, because when we look at some of these charts, they do not include health care reform. I notice that President Clinton has a lot of new spending in his budget, not even in the entitlement categories. He wants to spend $127 billion in new spending over and above 1994 enacted levels. I will include a table of those increases for the RECORD, as well.

While a lot of people say we need to cut spending, they do not vote that way. We had a vote on the floor of the Senate a couple weeks ago to cut spending by $94 billion, and we could not get a majority vote for it. We had a vote on the floor about the same time on an urgent supplemental. Some of us wanted to pay for it, and we got 43 votes. They said, "We want to help the people who are victims of the disaster in California, but we do not want to pay for it." So we added $8.5 billion to the national debt.

Some of us really believe we need to cut spending. Some are more than willing to make difficult votes to do so. But I think it may take a constitutional amendment to enable us to get 50 votes to make that happen.

This amendment does not prescribe how we get there. It says you cannot spend more than you take in. That means legislators have to make difficult decisions.

I am also concerned about other new spending that the administration has proposed. There are now proposals in the Clinton health program that say the Federal Government should pick up 80 percent of the health costs for retirees between the ages of 55 and 65. That will only explode in costs. There are also new long-term disability benefits and new prescription drug benefits. There are massive new subsidies for business. President Clinton is going to subsidize small business and big business.

Big businesses will not have to pay any more than 7.9 percent of their payroll cost for health care. Right now, it may be 15 and 20 percent. Who is going to make up the difference?

Small business will pay 3.5 percent. The Clinton benefit package is estimated by the CBO to cost about $6,000 per family. If they only have to pay 3.5 percent, then the taxpayers are going to have to make up the balance.

Mr. President, this administration is calling for a lot of new spending. I believe it is irresponsible because it is not paid for. I look at these previous votes that we have had on a balanced budget amendment and I see that the national Federal debt continues to escalate every time. I would like to think we would pass it now instead of coming back and debating this on the floor 2 years, or 4 years from now, and instead of saying we have $4.4 trillion debt, we have a $6-point-something trillion debt.

The debt now totals $17,000 for every person in the United States. I would hate to think we will be debating this again when it is $25,000 per person, or $30,000 per person, or when it is $40,000 per person.

Mr. President, this, in my opinion, is the most critical vote we will cast in the Senate, certainly, this year. Again, I wish to compliment Senator SIMON, Senator HATCH, Senator CRAIG, and Senator THURMOND, and all of the colleagues that have shown the courage to take a strong stand on this issue. I think it is vitally important, and I hope my colleagues will concur with our vote tomorrow.

I yield the floor.

The PRESIDING OFFICER (Mr. SIMON). The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I yield 5 minutes to the distinguished Senator from New Hampshire.

Mr. GREGG. Mr. President, first, I wish to congratulate the author of this amendment, the Presiding Officer in the chair for the moment, and Senator

CRAIG from Idaho. I think it is an excellent proposal and has been already reflected in the discussion on this floor. It is probably the most significant vote that we will cast in this session of the Senate. Hopefully, it will pass and, if it passes, it will be the most significant action which this Congress has taken in literally decades in order to get its house in order and the fiscal house of this Nation in order so that we may pass on to the next generation a stronger and more vibrant nation than we received when we took the position of responsibility that we have here today as Senators.

That is the test which I think any generation must put itself to in evaluating how it addresses its role in history. Do we, as a generation, pass on to our children and succeeding generations a stronger and more vibrant country?

The answer today to that question would be no. Under the numbers that have already been discussed here and the proposal sent up by the President in his budget submission, it has been pointed out that a child born today will pay 82 percent of his or her earnings in taxes; that a person born between the period 1950 and today will pay over 60 percent of his or her earnings in taxes. It is only the generation born before 1950 that is going to pay a third of its earnings in taxes.

It is certainly not an appropriate legacy for our generation to be passing on to the next generation a tax burden of 82 percent. It undermines the capacity of the next generation to obtain prosperity and live the type of lifestyle which our generation has been fortunate enough to have.

So this balanced budget amendment comes forward in a very critical time so that we can put in place the laws that are necessary and the actions that are necessary within this Congress in order to bring down that heavy burden on the next generation in the area of taxes.

A lot of people have spoken today who have had reservations about this amendment and have said that it is inappropriate to introduce it into the Constitution because it will violate the authority of the Congress. The power of the Constitution comes not from the Congress or from the people who serve in the Senate or the House; the power of the Constitution comes from the people. That is fundamental to our form of government. It is a "we the people" form of government.

When you look at the Constitution, that is a living, breathing document that was structured in a way by our forefathers so that the people when they desired it to be changed could do so through the amendment process. This amendment is consistent with that authority which is retained in the people.

Let us remember that should we pass this joint resolution out of this Senate and should it be passed out of the House and, therefore, should it be sent back to the States for ratification, it would still not be law until it had been ratified by 38 States, and that would engender a tremendous, vibrant, and appropriate debate across this country as to the appropriateness of a balanced budget amendment. That debate would be good. It would be excellent, and it would involve the people of this Nation in deciding their future and whether or not they wish to tie this to the Constitution.

If the Congress wished to abate that debate and take steam out of the initiative, the Congress could do so with relative ease by putting in place legislation which would address the long-term deficit—do what we are supposed to do anyway. But we have not done that. We have not done it for 25 years, and I doubt that we will do it in the immediate future.

But if the Congress wished to in some way mitigate the impetus for passage of this amendment at the State level, it could do so by undertaking its obligation to manage the deficit appropriately and manage the finances of the Nation appropriately but, in the alternative, should the Congress not undertake that, should it not put in place the appropriate actions to mitigate the initiatives, then it would probably pass the 38 States, and should it pass the 38 States, it would be the people speaking and the people amending the Constitution, and that is where the authority rises, and that is where it should be.

We, as a nation, really do have an obligation and we, as a Senate, have an obligation to give our children the same opportunity for prosperity for their capacity to have a fine and excellent lifestyle as we have had, but we have robbed our children of that capacity due to our irresponsible actions in the area of managing the fiscal policies of this Nation.

Everyone has pointed out that this constitutional amendment will not immediately correct that problem. But what we also all understand is that this constitutional amendment will put in place the mechanisms which will force this Congress over the long run—it will not happen immediately, but over the long run—to take the action which is responsible and which is appropriate to assuring the prosperity and the financial solvency of this Nation.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator's 5 minutes have expired.

Mr. GREGG. I thank the President and yield back my time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I yield such time as the Senator may need to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I thank the Senator from Utah.

Mr. President, I would like to speak primarily today on the question of judicial taxation. But at the outset, I want to express why I believe a constitutional amendment is appropriate in dealing with the question of the budget.

A number of people have raised the question of whether or not this is appropriate for the Constitution. They say that we should just go ahead and legislate and that by putting a balanced budget amendment in the Constitution it is doing something that is not necessary and is not really appropriate for constitutional language.

I take the opposite view. The fact is that we have not done a good job of balancing the budget. We never do it. It used to be thought that countercyclical spending was the way to operate an economy—that at the down times in the economy, we would run deficits; and in prosperous times, we would run a surplus; that over a period of time, it would balance out.

We do not do that. We do not even begin to. In good times and bad times, the times of recession and times of great prosperity, we go on year after year after year and never running a surplus, always running a deficit, and the result of this is that in a very short period of time, 20 years, the national debt has gone from under a $½ to $4½ trillion. We are not capable of dealing with the budget deficit under the present structure in which we are working.

But I believe that there is a special reason why this is appropriate for a constitutional amendment, and that is that our constitutional structure was designed by our Founding Fathers to protect those elements in our society who would not be protected by a simple democracy. So we built into our Constitution a system of checks and balances.

Why do we have a system of checks and balances? We did it to protect those people who are minorities, those people who are from various regions of the country that might be underrepresented to make sure that the majority does not run roughshod over them.

The same is true with respect to the Bill of Rights. The Bill of Rights could be called an undemocratic document because it says that regardless of what the majority says, minorities are protected. Peoples' liberties are protected even if they are a minority of one.

The present state of affairs in our country is that we have a forgotten and totally unprotected minority, and that forgotten and unprotected minority is our children. The unprotected group in this country are the people who are not beneficiaries of the largess of the Federal Government, the people who are not the beneficiaries of the very popular entitlement programs, the people

who are not receiving checks from Uncle Sam, our children, our grandchildren, and generations yet to come with whom we are saddling a debt which is now $4½ trillion and which is growing every day without any sign of doing anything to try to bring that debt under control.

So I believe that when there is a portion of our populous that is suffering because of the way we are conducting our affairs, we should look at the Constitution and see if there is not some way to provide some protection for our posterity.

That, as a matter of fact, was part of the reason for the Constitution, in the preamble, to secure the blessings of liberty for our posterity. Well, what has happened to our posterity?

I remember a number of years ago when Paul Volcker was the Chairman of the Federal Reserve Board, he met with the Senate Finance Committee and we were discussing then the problem of the Federal deficit. Paul Volcker said that running deficits year after year is like consuming arsenic; like arsenic poisoning. He said:

> Arsenic poisoning does not kill a person instantly. It kills a person over a long period of time by making the person weaker and weaker and weaker. So it is with the deficit. So it is with the mounting national debt. It is not something that kills us instantly, usually; it is something that makes us weaker and weaker and weaker.

So older people in our country and middle-aged people in our country can enjoy the largess of the Federal Government and not really worry about how weak as a country we are going to be 10, 20, 30 years down the road. We can say, "Well, that is for our children to worry about. That is for our grandchildren to worry about." And therefore, our children and our grandchildren are being disadvantaged by the way we, who are older, are conducting our own affairs.

So when there is a vulnerable part of our population, that is exactly the time when we should be looking at our Constitution to ask ourselves: Are we doing a sufficient job of protecting that vulnerable population? Right now, we are not doing a sufficient job of protecting our children and generations to come. So it is time to address that in the Constitution. That is precisely what this proposed amendment would do.

I have had a problem with the proposed constitutional amendment, and I want to tell the Senate what the problem is and what we are going to do about it. The problem which I have seen is I have been concerned that if we were to pass a constitutional amendment relating to a balanced budget, the effect of the constitutional amendment could put in the hands of the judiciary the power to reach a balanced budget. In other words, my concern was that a Federal judiciary, a Supreme Court in particular, that is an activist court at some future time could take the position that if Congress does not do the job of meeting the requirements of the balanced budget amendment, then the court would do that job in the place of Congress.

A lot of people have said, well, that is ridiculous. A court would never do that. A court would never assume such a power, to create a balanced budget. A court would never get into the business of ordering taxes or ordering specific spending cuts.

However, just a few years ago, a Federal district court in Kansas City, MO, held that it had the power to order tax increases in order to improve the public schools of Kansas City in connection with a desegregation case.

Last night, as a matter of fact, for people who watch "60 Minutes," there was a program about the Kansas City school district and what happened as a result of the Federal court ordering increased taxes and increased spending on a school district in the amount of $1.2 billion for the Kansas City, MO, school district.

So after the case of Missouri versus Jenkins, decided by the Supreme Court, it is clear that under certain circumstances, the Federal courts have assumed the power to impose taxes. And my concern was that Missouri versus Jenkins could be the model for some future action by the Federal courts.

This is not, incidentally, a new concern. The Senator from Illinois, who is managing this constitutional amendment, was good enough to chair a hearing in the Judiciary Committee a year or 2 ago about a proposed constitutional amendment that I had offered with respect to judicial taxation. That was a much broader amendment than the change in the language which we are dealing with in connection with this constitutional amendment.

But, in any event, it has been an issue that I have been wrestling with, and as a result of that wrestling and as a result of discussions, especially with the Senator from Illinois and his staff and the Senator from Utah and his staff, the result has been a modification in the language of the proposed constitutional amendment to provide as follows:

> The power of any court to order relief pursuant to any case or controversy arising under this article shall not extend to ordering any remedies other than a declaratory judgment or such remedies as are specifically authorized in implementing legislation pursuant to article VI.

Let me first make a comment about what this change in language does not do. This language is not intended to expand the subject matter jurisdiction of the Federal courts. This language is not intended to manufacture a case or controversy under article III of the Constitution, where one would not otherwise exist. We do not intend by adopting this language to create a new form of case or controversy.

The hurdle that litigants must be able to clear with respect to a justiciable case would continue to exist. A case or a controversy would still have to exist in the future, just as it does today.

But the reason that this language was put in was concern about what a future court might do in expanding what has traditionally been the understanding of what a case or controversy is. In the last 30 years or so, the Supreme Court of the United States has done that.

It used to be thought that the Federal courts did not have jurisdiction over reapportionment cases. It used to be thought that the business of drawing congressional district lines or legislative district lines was not a matter that a court would do; that the court would say that is inherently a legislative responsibility and that it was not something that a court would do.

Well, in the 1960's, the Supreme Court of the United States got into the business of reapportionment cases in Baker versus Carr. So the definition of the kinds of cases the Federal courts would handle was expanded.

It used to be thought that Federal courts did not have the taxing power. Well, in Missouri versus Jenkins, the court said that well, under certain circumstances, anyhow, the courts do have the power to tax. And because of this expansion of the understanding of what courts can now deal with—what meets the qualifications with respect to standing and justiciability and political question and all of the other barriers that used to keep cases out of the courts—because of this expansion I, for one, was concerned that a future Supreme Court would expand the understanding of case or controversy.

So, to repeat, it is not the intention of the authors of this language to expand the definition of case or controversy. It is not the intention to expand the presented state of the law with respect to cases that meet the subject matter jurisdiction qualifications to get into Federal court. Rather, what we are talking about is strictly the question of remedy. If, at some future time, some Federal court were to hold that some litigant is appropriately before the court, then we are saying that the remedies the court can order are declaratory judgment and that is it—not the power to issue an injunction, not equitable relief, not the power to order the increase of taxation or the cutting of spending. But only—only—the power to enter a declaratory judgment, again providing that it is a real controversy.

We also say that if Congress sees fit in implementing legislation to grant the courts additional powers, then those additional powers could, of course, be assumed by the courts. I do

not think Congress would do that, but we leave open that possibility.

This language, which has now been accepted by the managers of the bill and which will be incorporated into the constitutional amendment that we will be voting on tomorrow, solves the problem of opening up the possibility of court-ordered taxation or court-ordered spending cuts. In order to sew this up and to make sure that what we intend is actually done, my office has contacted two constitutional scholars representing, really, both ends of the spectrum with respect to liberal and conservative constructions of the Constitution. We asked Judge Robert Bork, and also Professor Laurence Tribe of Harvard Law School, their views of what we have done.

Judge Bork said:

> The grant of the power to order a declaratory remedy, limited as it is in this language, does not give rise to judicial discretion to fashion any other order or injunction or expand jurisdiction.

And Professor Tribe told us,

> I do not agree with the argument that the power of declaratory judgment which is being granted here could be used as injunctive power or permit the judiciary to meddle with Congressional powers. That concern is dealt with in this language, which is explicit.

So, again, it is our purpose in offering this language with respect to judicial taxation and judicial orders with respect to spending that the courts have no such power, and that is the analysis that has been given us, both by Judge Bork and by Professor Tribe. I am confident, therefore, that the language which has been accepted by the managers does deal with this important issue.

Some people might say, well, if the courts are not going to have the power to tax and the courts are not going to have the power to order spending cuts, why do it? Does the constitutional amendment, then, accomplish anything?

My answer to that question is yes, it does, because in most cases, throughout the history of the United States, it has been assumed that courts do not have the power either to perform article I powers under the Constitution—that is the legislative powers—or to order Congress to do so. It has generally been viewed that the operation of the Congress in exercising its constitutional responsibilities has been off limits with respect to Federal court orders. The fact that Federal courts have been very reluctant to get into the business of supervising Congress because of the separation of powers does not mean that article I of the Constitution is a nullity. It does not mean that Congress, therefore, is an ineffectual organization.

The reason the Congress operates in accordance with its responsibilities under article I of the Constitution is not that we fear a court order. The reason is we have taken an oath to uphold the Constitution of the United States and, therefore, the fact that we have explicitly taken from the courts the power to tax and the power to order spending cuts in the enforcement of this constitutional amendment does not render the amendment a nullity. If it does, then all of article I of the Constitution would be a nullity, because it is not enforced by the courts.

So what we are left with, I think, is an amendment that is cured of the problem that I saw in it, the problem I was concerned about, the problem that unless it had been remedied would lead me to vote against the constitutional amendment. I am now going to vote for it. I am going to vote for it because I am confident that this amendment does not put in the hands of the Federal courts the power to tax and the power to spend but, rather, this constitutional amendment provides some additional discipline on the Congress of the United States in spending the people's money, and most particularly in spending money that we do not even have, money we are borrowing from our future.

It is, in my opinion, the appropriate role of the Constitution to do just that, and I will vote for the proposed amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. I yield 15 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is yielded 15 minutes.

Mr. COATS. Mr. President, I thank the distinguished Senator, my friend from Utah, for the time.

We have had a lot of complex arguments about this issue here in the last several days. For me, it boils down to a very simple argument, and it is a very simple principle, the principle of: Do not spend more than you earn. It is something I was taught as a child and something I attempt to teach my children and something I hope will be passed on in our family from generation to generation. If you spend more than you earn, you are going to get in trouble.

Yes, you can go out and borrow, but then you begin to start paying interest and that interest will accumulate. Pretty soon, the interest will start eating up a significant portion of what you make. Pretty soon, you will dig yourself into a hole from which you cannot emerge. It will affect your standard of living. It may affect your very livelihood. So you shouldn't spend more than you earn.

That is a principle I would guess almost all parents in America try to pass on to their children. It is something that every head of household knows he or she has to live by, or risk financial ruin. It is something every businessman and every business woman in America knows they have to live by and discipline themselves to, or it risks failure of that business.

It seems that is something every institution in America has to live by, except the Federal Government. Only the Federal Government has ignored that principle of do not spend more than you earn.

There is no question that the situation we face with our current deficit and our current national debt is urgent. We all know the budget has only been balanced once in the last 30 years. As a result now, our national debt, because of the accumulation of debt that is added every year from deficit spending, has now reached more than $4.5 trillion; that has generated an interest payment in this fiscal year of over $200 billion—$200 billion of this year's receipts from taxpayers will have to be paid on interest alone. It will not go for infrastructure development, it will not go for medical research, it will not go for social programs, it will not go to meet human needs, it will not go to defense, it will not go as a return to the taxpayer of their hard-earned dollars. It will simply be paid on interest, and that interest debt is going to continue to mount year after year. It is something which our children are going to have to inherit.

For those who think making an attempt today to balance the budget is going to impose hardship on our population, they ignore the hardship that is being imposed on us today, the things that we cannot invest money in—education, health, environment, welfare, defense, whatever it might be, capital investment—we cannot invest that money because it simply is being paid on interest—more than $200 billion for fiscal year 1994.

If that money were just returned to the taxpayer and invested in the private sector, it would have a significant positive impact on our economic performance as a nation.

I admit that amending the Constitution is not an easy matter, nor a matter that we should take lightly. It is one of the most serious acts of which the Congress is capable because it alters the fundamental compact between our Government and its people.

But I would also argue that the accumulation of debt threatens the very endurance of that compact, the very endurance of what that compact was meant to achieve in the first place. That compact was not only an agreement between the Government and the people, but an agreement between us and future generations so that they can carry forward that dream that our Founding Fathers envisioned.

Just this past Friday, I was in Philadelphia for a business meeting and I had some time at lunch, jumped into a cab and went over to Independence Hall

to, once again, stand in the room where our Founding Fathers struggled and drafted that document that has formed the basis for the governing of our people. Once again, I was inspired by the stories of the tour guide and by the atmosphere and being present in that room. I realized the gravity of what we were attempting to do here: Amend that document which has so well served this Nation for more than 200 years.

But I also realized that the Constitution is a living document. It is not a sacred document. It is a living document, a document that ought to be examined to see if it can be improved or modified. Our Founding Fathers, as we know, just 2 years after enactment added 10 amendments. No one argued then that the document was so sacred that it could not be changed. Since that time, we have added 17 more. Amendments should not be added unless they are a matter of great national importance, and I believe what we are debating today is one of those matters of great national importance.

I do not think it is out of line to say that Congress has lost a great deal of respect and a great deal of credibility with the American people. We have promised what we cannot deliver, and one of the things that we have promised is that we can handle this deficit without something as dramatic and as serious as amending the Constitution; that we can legislatively deal with this problem. We have promised the American people time and time again that we will give them a balanced budget; that we will eliminate this Federal deficit and we will even begin perhaps paying down the national debt.

We have spent the full measure of trust that this institution has with the American people on that promise. But the spending habits of Congress, it seems, are just too entrenched. I believe we have not delivered because rather than an ideological battle, this has something to do with power: The power of the purse, the power of appropriation, the power of spending the peoples' money, and we do not want to give that power up because deficit spending has always made great political sense.

It is wonderful to be able to tell groups that come into our office, "Well, we will see what we can do." It is much tougher to say, "That is a worthy idea and I, perhaps, could give you some support but, you see, I am sworn to uphold the Constitution of the United States and that requires that we pay for that idea. We can either pay for it by finding a program to eliminate or reduce and, therefore, free up some money and pay for this new idea, or we can pay for it by asking you to pay more in taxes to cover it."

That is honest legislating. That is accountability to the people that we represent. But instead, we are able to politically promise a benefit without inflicting any sacrifice or commitment on the part of the American people to pay for that benefit until future generations. And so we can easily skirt through our term or terms of office without facing up to the reality that someone is going to have to pay that bill. "Oh, we will let another politician worry about that in their term. I will just get through my terms of office here and push that down the line; other generations can pay for it."

The future has no vote in the current election, and so we pass on that accountability and responsibility.

We have had before us a whole series of promises to pay that debt. When I came here in 1981, the Congress had just finished efforts in 1978 and 1979 to legislatively balance the budget. We have now had a whole series of tax reduction acts and tax recovery acts and budget acts and on and on. I am not here today to assign blame or responsibility for not doing the job. I am here today to say, let us put the past behind us, let us face this problem together and let us try to do something about it.

There are those who say the amendment before us that Senator SIMON, Senator HATCH and others are offering is not a silver bullet; that it will not automatically solve our problems. They note that Congress could still engage in deceptive budget practices. They say that a constitutional amendment will be no substitute for courageous choices.

My response to that is this: First, this amendment, by requiring a supermajority, three-fifths, to add new debt, would permanently tilt the rules of the budget process toward restraint, and we need that tilt. We need that restraint.

Second, I believe, it would transform the nature of our commitment to a more responsible budgeting process. It is one thing to vote for a deficit, but it is quite another to vote to violate the Constitution of the United States.

We stand here at the beginning of every term of Congress, and when we are sworn in, we place our left hand on the Bible and our right hand in the air and we swear to uphold the Constitution of the United States. That is a sacred trust. That is a commitment that we make to ourselves, to the people we represent, and to our maker. And it is no light matter to simply say, "Well, we'll find a loophole," or "We'll work around that pledge or that commitment." Anyone who would trivialize that commitment, I would say, is unworthy of holding public office. Anyone who would violate a constitutional pledge would betray any promise, any trust, and I think they will discover a storm of outrage from the public that they had pledged to represent.

Our voluntary restraint cries, our legislative action cries have rung hollow, because too many of those promises have ended in disappointment, and too many of those promises have been broken. We regularly waive statutory restraints. In fact, the Congressional Budget Act, which was one of those promises, has been waived since its enactment in 1974. The Congressional Budget Act has been waived more than 600 times. Over the past 15 years, Congress has passed, at least, five new laws designed to either create a balanced budget or enforce budgetary discipline.

We have heard the promises made from this floor, the floor of the House of Representatives, and I will not repeat those because they are embarrassing. The statements made by Members—by all of us—this will do the job, we finally got a handle on the deficit —yes, it is not responsible to keep spending more money than you earn. So, therefore, this latest act is going to take care of the problem.

David Gergen, who is the President's adviser, wrote an interesting column in U.S. News & World Report, June 1, 1992. Listen to what he said:

> The politicians of this country have now exhausted a raft of different options to bring our Federal finances under control—deficit limits, tax increases, caps on domestic spending, cuts in defense spending—but the Nation's budget remains shamefully out of whack.

He went on to say:

> The time has come to recognize that the right thing to do is something we have long resisted: Amend the Constitution so that Congress and the President are required to balance the budget.

That is a statement with which I agree. I do not know if David Gergen still agrees with it. He is now advising this President, and this President opposes what we are doing. But just 1½ years ago, David Gergen said something that I think instinctively we all know to be true. The right thing to do is something we have long resisted; that is, amend the Constitution so that we are required to balance the budget.

Now, the critics say the sky is falling. The President's point man, Robert Rubin, said, "We need to save the country from this disaster."

The White House claims that the only way to get a balanced budget is through dramatic tax increases or draconian spending cuts. They said that tax hikes would throw us into a recession. That is the first time I heard the White House say that. I am glad to hear them acknowledge that particular point. When it comes to raising taxes or gutting the Pentagon's budget, I do not question that the President speaks with some authority. And I am glad to know that he has belatedly acknowledged that raising taxes is akin to playing recession roulette. But the truth is we do not have to raise taxes or gut spending programs to balance this budget.

A whole raft of plans have been proposed. I introduced last year the families first bill which simply places a cap

on overall Federal spending. Right now, Federal spending is growing at about 4.5 percent a year. If we cut that in half, we could reduce the deficit to zero in 8 years.

We can get from here to there. It does not have to be the Coats plan. I think the first bill is a viable way of dealing with that, of reordering some of our priorities, and I have spoken on that act on this floor before. But it shows that the budget can be balanced by limiting the growth of Government spending—not massive cuts in Government spending but by limiting the growth or forcing us to live up to our obligations; and if we, as a people, say we need that particular program of Government or expenditure of Government, then we must be willing to pay for it.

The cap proposal that I have offered creates a Commission like the Base Closing Commission, and then backs it up with a sequester across the board.

The PRESIDING OFFICER. The time yielded to the Senator from Indiana has expired.

Mr. COATS. I wonder if I could have 3 additional minutes.

Mr. SIMON. Mr. President, I will yield 4 additional minutes of my time to the Senator.

Mr. COATS. I thank the Senator and commend him for his leadership on this important issue. It has been a joy to work with him on it.

The point is that we do not have to gut Federal spending. We can get from here to there. We have ample time to get from here to there. The amendment is crafted so there is an emergency exit in case of a national security emergency. It is not the draconian, destroy-America process that some would have us believe.

Now, Mr. President, I stated earlier that I came to Congress in 1981, so I have only been here 13 years. When I came, we were running a $78.9 billion annual deficit and our national debt stood at $994.3 billion, less than $1 trillion, 13 years ago. It took this country over 200 years to reach the first trillion dollars of debt. I stand here today, 13 years later, and the national debt is $4.5 trillion—4.5 times higher than when I arrived—and I am a junior Member of this institution.

That is a legacy of which I am ashamed of. And, yes, I can point to all the votes for balanced budget amendments and I can point to taxpayer hero awards and bulldog of the Treasury; I have the trophies in my office. I can point to those votes, but I am ashamed that 13 years our national debt has risen from under $1 trillion to $4.5 trillion.

Now, we can stand here and point the finger. Republicans can say the Democrats controlled the Congress, and therefore it is their fault. Democrats can say the Republicans had the White House, and it is their fault. I think we ought to stop pointing any fingers and say we have a major problem facing us today. What are we going to do about it? Are we going to blame each other or are we going to do something about it?

For those who like to claim that historically we do not have a basis to do what we are doing, I say just look at the history of the past 13 years. Look at the promises. Look at the failed promises. Look at the failed efforts of Congress to do something about this. We are led to no other conclusion than that a constitutional amendment and swearing to uphold that Constitution is the only way we are going to bring fiscal accountability and discipline to this process. It is the only way we can save ourselves from ourselves.

It is too tempting to pass programs to give people benefits and not worry about how it is paid for, not have to face them and say you have to pay more in taxes if that is what you want, or you have to eliminate spending in another program to pay for it. It is too tempting politically, and we are not going to solve this problem unless we are forced to do it constitutionally.

Would it not be a joy to look people in the eye and say, "It is a good-sounding program, but I am sworn to uphold the Constitution and I cannot do it unless we pay for it."

I do not want this destructive legacy on my watch. I cannot imagine any Senator would want this destructive legacy on his watch. We have an opportunity tomorrow; we have an opportunity to do what we all know we should do. It is time to end this charade of saying we have the will to do it. We do not. We have proven we do not have the will to do it. We never will have the will to do it. We need the backbone guaranteed to us by swearing to uphold the Constitution of the United States.

We betray moral commitments because we place an unfair burden on the future. This is a destructive legacy we are leaving because it is a Congress without courage. The courage will come when we vote tomorrow on a real amendment to balance the budget.

The PRESIDING OFFICER. The Senator's additional 4 minutes have expired.

Mr. COATS. I thank the Senator for his generous time.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I wonder if, with my friends who are managing this bill with me in the Chamber today, we could arrange some sequence of time so that Members are not waiting around. It is my understanding the Republican leader is going to speak for 5 minutes or so.

Mr. DOLE. That is right, in leader's time, for 3 or 4 minutes.

Mr. REID. I understand that. And then following that, it is my understanding that Senator HEFLIN has been granted——

Mr. SIMON. At that point, I will yield 15 minutes to Senator HEFLIN.

Mr. HEFLIN. Twenty.

Mr. SIMON. Twenty minutes to Senator HEFLIN, and then 20 minutes to Senator GRAHAM. And then the Senator and I are both yielding, even though he is speaking against both of us, 30 minutes to Senator BUMPERS.

Mr. REID. Fifteen minutes each; that is right.

Mr. SIMON. All right.

Mr. REID. So that should get us through the next hour or so.

Mr. SIMON. Yes.

Mr. BUMPERS. Mr. President, I wonder if we could make that by unanimous consent request so we will each know about what time we are going to be able to speak.

Of course, the leader has his own time, but I ask unanimous consent that following the minority leader's 5 minutes, there be 20 minutes allocated from Senator SIMON to Senator HEFLIN; and following that, there be 20 minutes to the Senator from Florida [Mr. GRAHAM] also allocated by Senator SIMON.

Mr. SIMON. That is correct.

Mr. BUMPERS. And following that, 30 minutes allocated to me, 15 minutes from Senator SIMON and 15 minutes from Senator REID.

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

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Was leader time reserved? I do not want to use any of their time.

The PRESIDING OFFICER. Leader's time was reserved.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that the unanimous-consent request that was just granted be amended to allow Senator MATHEWS to speak after Senator GRAHAM for 10 minutes.

Mr. SIMON. That is perfectly acceptable to me. In fairness to our colleague, Senator BUMPERS, who was here——

Mr. REID. I talked to him about that. I explained that to him.

Mr. SIMON. All right. I have no objection.

Mr. REID. I cleared that with Senator BUMPERS.

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

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I have long supported the constitutional amendment requiring a balanced budget. When I first came to the Senate, the first bill I introduced and the first bill that I introduce at the beginning of each succeeding Congress is a resolution calling for a balanced budget constitutional amendment.

I think the adoption by the committee, or at least the proposed adoption,

regarding the courts, through the language, "The power of any court to order relief pursuant to any case or controversy arising under this article shall not extend to ordering any remedies other than a declaratory judgment of such remedies as are specifically authorized in implementing legislation pursuant to this section" is a good addition.

I want to raise some questions, and then I would like to perhaps have Senator REID respond after I recite them and get some specific clarification regarding to what his proposal will do.

I like his idea concerning Social Security. I think it ought to be off-budget.

But in reading the amendment, I have a number of questions that arise in my mind. First, the Reid proposal, as I understand it, would eliminate section 2 of the Simon amendment, which is:

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

The other provision that seems to be omitted is dealing with taxation:

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

I think those are mistakes.

The primary purpose of the national debt is to act as an enforcement. If you went astray somehow, and came down to the time of raising the debt limit, we all know that there are drastic consequences if it is not raised. The requirement of a three-fifths vote to raise the debt limit is an enforcement provision that is in our amendment. I have some reservations about the omission of that mechanism in the Reid amendment.

I am troubled by certain language, in the Reid amendment, and maybe it can be explained. There are phrases like "estimated" and "operating funds." Under the Simon amendment, the language "total outlays" and "total receipts" do not lend themselves to an interpretation other than "total." But when you get into issues on "estimated," does this mean that Congress has the authority to define what estimated outlays will be? Does this mean that Congress will have the right to define what "operating funds" will be? Do operating funds include payment of interest and debt service? Do operating funds include entitlement payments? Do operating funds include such matters as weapons that over a long-term basis, such as an aircraft carrier——

Mr. REID. Will my friend yield?

Mr. HEFLIN. I will finish, and then I will come back to you and ask the questions.

Those things concern me as to whether or not they are within the power of Congress to legislate and define. Therefore, that presents a question of a loophole that could be used.

Of course, the issue that is raised by a lot of us is this issue of the suspension if a declaration of war is in effect. Under the Simon amendment, it is waived; it is not automatic. This makes it automatic. Then it provides, "If the Director of the Congressional Budget Office, or any successor, estimates that the economic growth has been or will be less than 1 percent for 2 consecutive quarters during the period of those 2 fiscal years." I interpret that to mean that over a 2-year period, which is 24 months, if estimated in the last 6 months of that 24-month period, there would be economic growth less than 1 percent; therefore, it would go into effect. That seems to me to be very difficult for anybody to estimate what the growth will be 18 months in advance. We estimate economic growth in calculating what revenues will be, and that sort of thing, 12 months in advance. But to try to do that for 18 months in advance seems to cause some problems. Maybe I do not understand this fully.

Then, under the total estimate receipts of operating funds that shall be derived, these are the exclusions from net borrowing. Under the Simon amendment, net borrowing is excluded. I do not understand what the word "net" means, and I would like to know that.

Then, you exclude the Federal Old Age and Survivors Insurance Fund, that being Social Security. I was under the impression that also the highway trust fund and aviation trust fund would be excluded. But I do not see that. Maybe that has been changed.

The words "capital investment" is a question that raises a lot of concern with a lot of us. What is a capital investment? Is a capital investment highways? Is it a building? Is it an aircraft carrier? Is it a B-2 bomber? I do not know. These things, again—if this is subject to definition by legislation as to what it would be, there is that danger, as I see it, that it could be a loophole.

Then the issue of delegation to an officer of Congress the power to order uniform cuts. This is given to an officer of Congress rather than to an officer of the executive branch. Constitutionally, we can do whatever we want to. But, historically, the matter of execution of the laws has been carried out by the executive branch.

Then, we have the issue regarding what are some essential functions. In my State, we have what is called proration. If revenues do not meet appropriations then we prorate, cut across the board. But there are certain essential operations of government that are not cut—police forces, the judiciary. There are certain operations of government that are not subject to a uniform cut across the board. I see the language "by appropriate legislation delegate the power to order uniform cuts." Perhaps that is broad enough. I am not sure what section 6 really means when it says that "sections 5 and 6 of this order shall take effect upon ratification."

I would like to go over these things and ask Senator REID, if he would, to explain some of these. I still have not made up my mind how I am going to vote on his amendment.

Senator REID, are the terms "operating fund" and "estimate" subject to congressional definition?

Mr. REID. I respond to my friend from Alabama that we have significant experience with capital budgets. We have set forth in the Federal budget capital expenditures. We have used that for some 40-odd years and, of course, all State governments—not all, but virtually all—use the capital budget. We have significant experience with which to direct our implementing language relating to capital budgets. So I think that would be fairly easy, I say to my friend.

Does that answer the Senator's question?

Mr. HEFLIN. Well, we are dealing with the Constitution here, and we are dealing with words of estimation and the statutory construction that is given to it. I have some question as to what these words mean, what is included within it. We are dealing right now with—you say "total estimated outlays for operating funds." I am not sure that the experience of what has been done in the past when adopting a new constitutional amendment, the constitutional amendment is not subject to the language that is contained therein, not necessarily the experience of the past.

Mr. REID. I say to my friend from Alabama that my response is, as I have indicated, estimates used for establishing estimated receipts which, for example, under my amendment would be provided by the same sources that would provide them in furtherance of section 6 of the Simon amendment which states "The Congress shall enforce and implement this article by appropriate legislation which may rely on estimates of outlays and receipts."

So if the Senator has trouble with the word "estimates," then you should look at the underlying Simon amendment, because it also uses the word estimates.

Mr. HEFLIN. I am cognizant of that, and that causes me some concern with regard to the Simon amendment, also. Like the words "operating funds"—again, what is operating funds? What is excluded from operating funds, and what is included with them? That is a concern of mine.

Mr. REID. I respond by saying that, as I have indicated, virtually every State has an operating budget and a capital budget. Senator FORD, a former

Governor of Kentucky, came and spoke at some length about how he conducted business when he was the Governor of Kentucky, and it was easy to determine the operating budget and the capital budget. Even though we do not separate them in our own Federal budget, the GAO and the Congressional Budget Office have, for many years, done studies to determine where the capital expenditures are in the Federal budget. So this is not illusory. This is something actually in the work that we have done for many years.

Mr. HEFLIN. Let me go ahead to some of the other things, since we are short of time here.

On this estimate of a recession under any fiscal year and the first fiscal year thereafter, are we dealing with a 24-month period, basically?

Mr. REID. As the Senator knows, we work on a yearly budget, and what is contemplated here is that sometime during one of those 2 years of the Congress, if there are 2 successive months where the growth is less than 1 percent, then that is where this would kick in.

And it would be according to where it came during that 2-year cycle, recognizing that it would probably only affect one yearly budget because we work on a yearly budget.

Mr. HEFLIN. The way I read the language, the article shall be suspended for any fiscal year which is for 1 year and the first fiscal year thereafter. We, of course, are dealing with a budget that is adopted prior to the fiscal year. In other words, the Senator thinks it can be less than 2 years?

Mr. REID. I think it would be hard to make it for 2 years. It would be very difficult because CBO does not project recessions. They never do. They just do not do it. Their projections are otherwise. So it would have to be somewhere during that.

Mr. HEFLIN. Under this they would be required to, would they not?

Mr. REID. I do not think they would be required to. I say they have not done it in the past. I assume we could get them to start doing that even though it would be extremely difficult to do that.

Mr. HEFLIN. You adopt a budget in advance. The budget is in advance of a fiscal year. Section 2, for example, says not later than the first Monday in February the President shall submit for the fiscal year beginning in that calendar year. You are adopting a budget in advance of the beginning of a fiscal year. So that causes me concern, whether or not we are forcing the CBO to have to make projections for a period of 24 months in advance of the beginning of the fiscal year.

Mr. REID. I would say to the Senator from Alabama it is my belief that this provision could kick in during a year and then the next fiscal year is when, in fact, we would have to do something. I think that is quite clear that is how it would work. I think under the current budgeting methods and processes we use it would work quite well.

Mr. HEFLIN. Let me ask the Senator about section 4 where he uses the words "total estimated receipts of the operating funds shall exclude those derived from," and it says "net borrowing." In the Simon amendment, it includes borrowing derived from borrowing. I do not understand exactly what is meant by "net" there. Would the Senator explain that to me?

Mr. REID. I would be happy to.

The budget experts have told us that the word "net" is the appropriate term of art to use, that it comes out to the same monetary number that is in the Simon amendment. They just felt the word "net" is a better term of art.

Mr. HEFLIN. Usually "net" means you subtract from gross and gross borrowing subtracted from some figures may mean the same thing. I am just curious.

Mr. REID. That question has been raised and we were told by the experts that the word "net" is a better term of art; however, it accomplishes the same thing as the underlying Simon amendment.

Mr. HEFLIN. All right.

Now, what interpretation can we give of capital investments? What is the definition and what would be inclusive and what would be exclusive, and what guidelines would we use in determining what capital investments are?

Mr. REID. If I could respond to my friend, as I have indicated, we feel there is sufficient experience in the State and even in the Federal legislation to give us significant direction.

I refer, as the esteemed former chief justice of the Alabama Supreme Court knows, that John Marshall wrote on a number of occasions but I think never any more concisely than he did in the McCulloch versus Maryland case where he said:

> The Constitution, to contain an accurate detail of all the subdivisions of which its great powers will admit, and of all the means by which they may be carried into execution, would partake of the prolixity of a legal code, and could scarcely be embraced by the human mind. It would probably never be understood by the public. Its nature, therefore, requires that only its great outlines should be marked, its important objects designated, and the minor ingredients which compose those objects be deduced from the nature of the objects themselves * * * We must never forget that it is a constitution we are expounding.

I would just reiterate to my friend the main difference between the Reid amendment and the Simon amendment is that we are suggesting that capital expenditures not be included to balance the budget, Social Security be off budget and there be a provision for recessionary times. That is the main difference.

There is a limit, as Justice Marshall said, that you can put in this document. We have given, as he has suggested, an outline. We allow for implementing legislation. We feel there is significant history.

The PRESIDING OFFICER. The Chair will indicate that the time yielded to the Senator from Alabama has expired.

Mr. REID. Mr. President, I yield to the Senator 5 minutes from my time.

Mr. HEFLIN. All right.

My fear is that this is subject to legislative definition. If it is subject to legislative definition, then we can have a broad group of expenditures that would come under the category of capital investments. If it is in any way related to affect something that is fixed or of a capital nature, it allows for a lot of leeway, and I am fearful that it would be subject to a loophole. How can we, in effect, close that loophole if it be such a loophole?

Mr. REID. Far from to try to argue legalities with my friend from Alabama who is the legal mind of the Senate I would say this, however, that if the Senator has any questions, any problem with the language of my amendment, then he should tremble at the Simon amendment. The reason I say that is they have indicated they are going to correct all these problems, problems related to capital expenditures, problems related to Social Security, all these problems they are going to correct by legislation.

So, my response is, as I have indicated here on this floor a number of times before, Senator HATCH on Thursday or Friday last said that he felt that we would carry out our constitutional mandates.

My response is that, yes, the Reid amendment will have all the teeth that the Simon amendment has. Both amendments rely on future Congresses to abide by its oath to uphold the Constitution. The Simon amendment relies on future Congresses to define new terms, the limit on the debt of the United States held by the public. That term is nowhere defined in law now. The debt limit defined in title 31, section 3101 of the United States Code, is an entirely different concept. What would prevent the use of creative accounting to define the new limit, and would prevent the Congress defining certain types of borrowing out of the new limit.

The answer is that it is the sworn duty of Congressmen to uphold the Constitution to prevent that. The answer is the same for my amendment.

I also suggest to my friend from Alabama that one of the terms used in the Simon amendment is fiscal year. I lock in a specific date, the first Monday of February. Fiscal year could be changed by legislation. It could be changed by a day, a month, a quarter, a year.

So, I believe, and I know based upon my time here in the U.S. Senate, that the senior Senator from Alabama is

really concerned about legalities, but I would respectfully suggest to my friend, the legal scholar of this institution, that any problems that are seen in the Reid substitute are certainly replete through the Simon amendment.

I think the Senator and the other Members of this body have to rely on Members of the U.S. Senate to conduct themselves in a manner consistent with the Constitution, whatever it might be.

Mr. HEFLIN. I thank the Senator. I appreciate the Senator yielding the extra time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I ask unanimous consent to yield 1 minute of my time and for it to be credited against me.

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

Mr. SIMON. Mr. President, I simply want to commend the colleague from Alabama for what he pointed out. There are massive loopholes here and the one particularly he started off with. We permit estimates. You have to have estimates. But we say that revenue has to match outlays. The Reid amendment says estimated revenues have to match estimated outlays. What you are talking about is either revenues and outlays have to match or estimates have to match. Those are huge differences, and I appreciate the comments of my colleague from Alabama.

Mr. President, I yield 20 minutes to my colleague from Florida, Senator GRAHAM.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Thank you, Mr. President.

I appreciate my good friend and colleague from Illinois providing me this time to discuss the balanced budget amendment, primarily from the perspective of its significance as an intergenerational contract.

But before I proceed to that, I would like to rise in defense of an American who hardly needs to be defended, the great third President of the United States, Thomas Jefferson.

In an earlier debate, it was stated that Thomas Jefferson, had he been in attendance at the Constitutional Convention, would have proposed an amendment to the Constitution of the United States at that time very similar to the one that we are now debating.

Thomas Jefferson said:

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

President Jefferson's fidelity to that principle has been questioned because, as President of the United States, he requested of Congress and Congress granted the authority, first, to attempt to purchase the Floridas, east and west Florida, then in the possession of Spain. And when his emissaries were unable to accomplish that objective but had the even greater opportunity to make the Louisiana Purchase, he authorized them to do so and requested of Congress the funds to pay for that substantial addition to the size of the United States of America, a purchase which virtually doubled the size of our Nation and protected U.S. economic interests that were still then under threat by European empires.

It has been stated that that act of President Jefferson created a hypocrisy relative to his earlier professed opposition to Federal Government borrowing.

I would like to rise in defense of President Jefferson. When President Jefferson became the President of the United States in 1801, the national debt was $80.713 million, largely a result of the Federal Government assuming the debts of the then individual colonies, subsequently individual States, which had accumulated in the successful fight of the American Revolution.

When President Jefferson left the Presidency 8 years later, including the indebtedness which had been secured for purposes of the Louisiana Purchase, the debt of the United States was $53.173 million. He had reduced the national debt by approximately $27 million, almost half during the course of his 8 years as President.

His influence, however, did not end when his Presidency ended. The American political figure who is most linked in history with Thomas Jefferson was his successor President and a great son of the State of our Presiding Officer now, Andrew Jackson.

I am pleased to report that during Andrew Jackson's administration the national debt for the first and only time in American history was virtually eliminated. In 1835, at the end of President Jackson's 8-year period of Presidency, the national debt was $38,000.

Now that is a commitment to intergenerational responsibility, to balancing the budget each generation at a time. That is not a position which has left us as we are now some almost 200 years since the Presidency of Thomas Jefferson. It is a concept which lives today.

I would like, Mr. President, to read from a letter and ask unanimous consent to have it printed in the RECORD immediately after my remarks.

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

(See exhibit 1.)

Mr. GRAHAM. This is a letter I received, dated February 14, from Mr. Dean Thompson, of Indian Harbour Beach, FL. Mr. Thompson wrote me as follows:

> Dear Senator GRAHAM: I urge to you vote "yes" for the balanced budget amendment, S.J. Res. 41.
>
> I am a retiree, nearly 74 years of age and fully realize that many of us retirees will suffer financial loss by passage of the balanced budget proposal. I don't see any other solution, after many years of lip service, Congress cannot and will not take the drastic action needed to get our financial house in order.
>
> Whatever the sacrifices, we will survive and our children's children will be the better because of it.

I agree with Mr. Thompson. There is no issue, Mr. President, which raises the issue of intergenerational conflict more sharply than the question of Social Security.

Social Security was enacted in the depths of the Depression with an important but simple goal, and that was to lift that group of Americans, older Americans, who had, to the largest extent of any group in our Nation, fallen into abject poverty, out of that poverty by providing them with an economic foundation for their retirement years.

In my own State of Florida, Mr. President, during the 1930's, prior to Social Security, the State of Florida provided the great sum of $8 per month as the economic support for its indigent elderly.

It was to give that group of Americans some security and respect that Social Security was adopted. We are now the trustees of that contract for our older Americans.

What have we done with that responsibility? Until the early 1980's, Social Security was a pay-as-you-go system. Each year, the Congress would appropriate the funds from the trust fund or, if necessary, from general revenue that were required in order to pay that year's outflow of funds from Social Security. Recognizing that that system was placing Social Security in jeopardy, in 1983, we adopted a major reform, which had the goal of bringing Social Security into an actuarially balanced system, balanced over three generations.

Since that time, we have been collecting substantially greater funds than are required to meet current obligations, recognizing the fact that beginning at the end of the first quarter of the 21st century many Americans who were born in the period immediately after World War II would themselves become Social Security beneficiaries and would impose tremendous demands on the system. And thus, we have been building up a surplus in order to prepare for that time when large numbers of Americans will be expecting to receive their Social Security benefits.

The current projections are that by the year 2024, which is approximately the year in which Social Security demand will begin to exceed receipts, we will have a Social Security surplus approaching $5 trillion.

What are we doing with this tremendous surplus that is being developed? Are we handling it like a pension fund?

Are we putting it aside into secure conservative investments so that the proceeds will be there when the demand arrives? No, that is not what we are doing, Mr. President.

What we are doing is funding the national debt in large part with those surpluses. What we are doing is taking the proceeds which have been made available for purposes of securing the economic future of older Americans and we are investing them to fund the Federal deficit.

By accumulating the massive national debt, we are weakening our future ability to meet the obligations that we are incurring on behalf of older Americans.

Our late distinguished colleague, Senator Heinz, referred to it as embezzlement. The current chairman of the Senate Finance Committee has used a blunter term. He calls it thievery. I use a third term. I call it intergenerational warfare.

What we are doing is absolutely assuring that we are going to be placing our children in conflict with our grandchildren and our grandchildren in conflict with our great grandchildren. Because, when the day arrives in approximately 2024 when this debt will have to be paid, we are going to face a massive combination of increased taxes, reduction in spending and other programs, and reneging on the promises made for Social Security. We are putting off to the next three generations an enormous intergenerational warfare if we do not reverse what has happened in the last 25 years, which is the continued development of a culture of indebtedness and a culture of putting off to the future, our obligations.

I would like to quote the conclusion of a statement made to the Senate Judiciary Committee on February 17, by Mr. Robert J. Myers. Mr. Myers served in various actuarial capacities with the Social Security Administration from 1934 to 1970. He was the chief actuary for the last 23 of those years.

In 1981–82 he was Deputy Commissioner of Social Security, and in 1982–83 he was Executive Director of the National Commission on Social Security Reform, which led to the changes that I alluded to earlier.

What did Mr. Myers say about the current state of Social Security and the urgency of the passage of a balanced budget amendment? He stated:

> In my opinion, the most serious threat to Social Security is the Federal Government's fiscal irresponsibility. If we continue to run Federal deficits year after year, and if interest payments continue to rise at an alarming rate, we will face two dangerous possibilities. Either we will raid the Trust Fund to pay for our current profligacy, or we will print money, dishonestly inflating our way out of our indebtedness. Both cases would devastate the real value of the Social Security Trust Fund. 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 the Congress to make that goal a reality and to pass the balanced budget amendment without delay.

In conclusion, in my judgment the most compelling case for taking the action that I hope we will take tomorrow is what is happening in 1994. What is happening in 1994 is that there is no plan for further deficit reduction in the context of future increases in our deficits.

Much has been made of the fact that, by virtue of the action that we took in August of last year, there is now going to be a reduction below the estimate in terms of future annual deficits. And that is good. That is very good.

However, what is less well understood is the fact that after 1998, deficits will start to rise again. This first chart shows the changes that have occurred as a result of our actions in August. This orange line would have been the deficit reduction line had we done nothing. The green line indicates what, in fact, is going to occur, which is a substantial reduction below what was estimated.

However, I note that the orange line projects out for an additional 5 years beyond what the Office of Management and Budget is presently projecting, based on August 1993 actions. This is what the Congressional Budget Office projects will be the trend line over the next 10 years, and that is that after 1998, when the budget reaches a point of $180 billion annual deficit, it will start to rise. And by the year 2004, just 10 years from now, we will be back at annual deficits of $365 billion a year.

There is no plan to deal with the implications of that decline and then rapid increase in budget deficits as we enter the 21st century.

Second, there is the argument against the amendment that, if we adopt this amendment it is going to cause pain; that it will result in some increased taxes, or it will result in some reduction in spending. The answer to that is, "Of course." That is the whole purpose. If we cannot use this amendment as a driving force to accomplish the result of reducing the deficit, all we are saying is we are prepared to let our children and grandchildren pay our bills.

Like many Members of the Senate, I have recently received a document from the administration which outlines the impact of this budget reduction on my State of Florida, and I agree with the statements that are made in this document.

I ask unanimous consent to have that document printed in the RECORD immediately after my remarks.

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

(See exhibit 2.)

Mr. GRAHAM. That document just underscores what the consequences will be if we do not adopt this amendment. I assume the logic of that statement of the consequences of adopting this amendment is that we should not adopt this amendment and that we should not balance the budget; that we should continue to do the easy thing, which is to let our children and grandchildren pay our costs.

Finally, if there ever was a year in which we should be substantially reducing the deficit, it is 1994. Most of the arguments against this amendment have been predicated on extreme years of fiscal stress on our Nation: Times of war, times of depression or recession. This is neither a time of war nor a time of depression or recession. In fact, this is a time of booming economic growth. Unemployment has fallen sharply, down nearly a full percentage point since 1993. Housing starts rose 25 percent between July and December. Spending for durable equipment is expanding at its fastest pace since 1972. Inflation is low, prices rose just 2.7 percent in 1993, the smallest increase since 1986.

Last month, for the first time in more than 4 years, consumer prices were virtually flat. The economy is so strong that the Federal Reserve has raised interest rates and threatens to do so again.

If we cannot balance our budget, if we cannot show some serious movement in deficit reduction in a year like 1994, when are we ever going to do it? Yet we are proposing to have the ninth largest deficit in the almost 205-year history of this constitutional Government in 1994. If we cannot do better than that in 1994, when are we ever going to do better?

Mr. President, I believe if we do not have a plan for deficit reduction over the next 10 years in place in 1994, if we do not have the courage to face the reality that there is going to be some pain and sacrifice required in order to accomplish this objective—as Mr. Thompson has recognized in his letter—and if we do not get discipline in a boom year such as 1994, I ask when will we ever have that discipline?

My answer is we are not likely to have that discipline unless we do what most of our States have done, and that is to place into our national Constitution an intergenerational compact which says this generation is going to pay its bills. We will not ask our children to do it for us. That, in essence, is what this amendment is about.

This amendment says to our older Americans, we are going to be faithful to our trust in the Social Security System and we are going to bring our deficits under control. We are going to be reducing the national debt. We are going to be solidifying the economic foundation for your future.

An opportunity such as we have tomorrow does not come frequently. I believe if this Senate adopts a balanced budget amendment such as the amend-

ment that has been presented by our colleague from Illinois, it will pass the House of Representatives, it will pass the requisite number of States, and we will have been able to say to our children and grandchildren that we were, as Thomas Jefferson requested, prepared to take that action necessary in order to secure their economic future; that we are prepared today, in 1994, to make the difficult choices and understand the sacrifices that will flow from that choice because it is our obligation to do so.

EXHIBIT 1

INDIAN HARBOR BEACH, FL,
February 14, 1994.

Hon. BOB GRAHAM,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR GRAHAM: I urge you to vote "yes" for the balanced budget amendment, S.J. Res 41.

I am a retiree, nearly 74 years of age and fully realize that many of us retirees will suffer financial loss by passage of the balanced budget proposal. I don't see any other solution, after many years of lip service, Congress cannot and will not take the drastic action needed to get our financial house in order.

What ever the sacrifice, we will survive and our children's children will be better off because of it.

Sincerely,

DEAN F. THOMPSON.

EXHIBIT 2

THE STATE OF FLORIDA AND THE BALANCED BUDGET AMENDMENT

What does a Balanced Budget Amendment mean to the State of Florida? While supporters offer a lot of tough talk, few proponents spell out the details of how they would achieve this laudable goal. The Director of the CBO, Robert Reischauer, has indicated—and this administration agrees—that any discussion of a balanced budget amendment must be in the context of an honest discussion about the program cuts and tax increases necessary to achieve such a balance. According to Reischauer, "it would be a particular folly to pass a balanced budget amendment and ignore the need to expeditiously enact legislation that would offer some hope of complying with it." Make no mistake, balancing the budget would require tough choices and cost Florida billions.

In order to encourage a more realistic, responsible debate, the Treasury Department has analyzed five possible routes to a balanced budget in 2000. These projections do not include the contractionary impact on the economy that might accompany a sharp rise in taxes or reduction in spending over such a short period of time. In this sense, these are very conservative estimates of the cost of such an amendment to the people of Florida.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. SIMON. Mr. President, I simply want to commend our colleague, the cosponsor of this legislation, for his excellent statement. So Members may know what procedures are under the unanimous-consent agreement, Senator MATHEWS is going to speak next, then Senator BUMPERS, and then Senator SPECTER has requested some time, and then Senator MCCAIN.

I will follow that order and I understand there may be some others after that.

I also ask unanimous consent to have printed in the RECORD a statement by former Attorney General Dick Thornburgh, that was sent to me today, "Time for a Balanced Budget Amendment."

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

TIME FOR A BALANCED-BUDGET AMENDMENT

(By Dick Thornburgh)

The United States Senate is poised, once again, to consider a balanced-budget amendment to the United States Constitution, S.J. Res. 41. Despite President Clinton's opposition, it appears that this measure's time may have finally come.

Strong support exists for the amendment. The National Governors Association (which President Clinton once headed) has long expressed its approval, on a bi-partisan basis, of the measure, as well as a presidential line-item veto and a separate capital budget (which differentiates investments from current outlays). These budget-balancing tools are already available to most governors and state legislatures. And they work.

National polls consistently indicate that the overwhelming majority of Americans favor a balanced-budget amendment and the legislatures of more than thirty states have even called for a federal constitutional convention to consider such an amendment.

It has become almost axiomatic to lament the woeful lack of will on the part of successive administrations and the Congress to make any meaningful progress toward deficit reduction. Most recently, President Clinton's so-called deficit reduction package is not such at all. It would merely temporarily reduce the rate of increase in our national indebtedness. And it is subject to the same hazards of congressional override as the now-defunct Gramm-Rudman-Hollings Act, which was to have produced a zero deficit by 1993.

If real debate is to take place on the Senate floor this year, it will likely include the following arguments usually raised against a balanced-budget amendment, to which I offer brief rejoinders.

First, it will be argued that the amendment would "clutter up" our basic document in a way contrary to the intention of the founding fathers. This is clearly wrong. The framers of the Constitution contemplated that amendments would be necessary to keep it abreast of the times. It has already been amended on 27 occasions.

Moreover, at the time of the Constitutional Convention, one of the major preoccupations was how to liquidate the post-Revolutionary War debts of the states. Certainly, it would have been unthinkable to the framers that the federal government itself would systematically run at a deficit, decade after decade. Indeed, the Treasury did not begin to follow such a practice until the mid-1930s.

Second, critics will argue that the adoption of a balanced-budget amendment would not solve the deficit problem overnight. This is absolutely correct, but begs the issue. Serious supporters of the amendment recognize that a phasing-in period, such as the seven years contemplated by S.J. Res. 41, would be required to reach a zero deficit.

During this interim period, however, budget makers would be disciplined to meet declining deficit targets in order to reach a final balanced budget by the established deadline.

As pointed out by former Commerce Secretary Peter G. Peterson in his sensible book, "Facing Up," such "steady progress toward eliminating the deficit will maintain investor confidence, keep long term interest rates headed down, and keep our economy growing."

Third, it will be argued that such an amendment would require vast cuts in social services and entitlements or defense expenditures. Not necessarily. True, these programs would have to be paid for on a current basis. Certainly, difficult choices would have to be made about priorities and levels of program funding. But the very purpose of the amendment is to discipline the executive and legislative branches actually to make these choices and not to propose or perpetuate vast spending programs without providing the revenues to fund them.

The amendment would, in effect, make the president and congress fully accountable for their spending and taxing decisions, as they should be.

Fourth, critics will say that a balanced budget amendment would prevent or hinder our capacity to respond to national defense or economic emergencies. This concern is easy to counter. All sensible amendment proposals feature a "safety valve" to exempt deficits incurred in responding to such emergencies, requiring, for example, a three-fifths "super majority" in both houses of congress. Such action should be based on a finding that such an emergency actually exists.

Fifth, it will be said that a balanced-budget amendment would be "more loophole than law" and might be easily circumvented. The experience of the states suggests otherwise. Balanced-budget requirements are now in effect in all but one of the 50 states and have served them well.

Moreover, the line-item veto, available to 43 governors, would assure that any specific congressional overruns (or loophole end-runs) could be dealt with by the president. The public's outcry, the elective process and the courts would also provide backup restraint on any tendency to simply ignore a constitutional directive.

In the final analysis, most of the excuses raised for not enacting a constitutional mandate to balance the budget rest on a stated or implied preference for solving our deficit dilemma through "the political process"—that is to say, through responsible action by the president and congress.

This has been tried and found wanting, again and again.

Surely, this country is ready for a simple, clear and supreme directive that its elected officials fulfill their fiscal responsibilities. A constitutional amendment is the only instrument that will meet this need effectively. Years of experience at the state level argue persuasively in favor of such a step. Years of debate have produced no persuasive arguments against it.

And the stakes are high. Perhaps Thomas Jefferson put it best:

"To preserve our independence, we must not let our rulers load us down with perpetual debt."

That is the aim of a balanced budget amendment. Reform-minded senators will have a chance to help end "credit card" government by supporting S.J. Res. 41 when it comes to a vote later this month.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized for 10 minutes.

Mr. MATHEWS. Mr. President, as I begin my presentation this afternoon

on the balanced budget amendment, I would like to start out by paying tribute and thanking my colleague from Illinois, Senator SIMON, for making this Nation face its failures.

I think almost without question he has kept the pressure on us, he has kept the pressure on the Nation by saying we have to face up to this growing debt and these continuing deficits if we, as a nation, are going to survive. We have said on this floor that if we are going to be strong defensively, we have to present a strong economic front. I believe this sincerely, and I want to commend my colleague and thank him on behalf of the people of Tennessee for that which he has done: For bringing us to this point because, hopefully, tomorrow we are going to make a decision that will strengthen this Nation and strengthen the purse strings that we are charged with holding onto.

I think as most of my colleagues know, I am a product of State government. I spent 40 years as a part of Tennessee State government, most of that time as one of two principal State financial officers: As commissioner of finance, which is a budgetmaking function, management function in State government, and 13 years as State Treasurer, which I suppose is more the banking function of the management of the dollars until they are expended.

Let me say to this body and to the people of this country that a balanced budget concept is not a strange concept to me, nor is a balanced budget a stranger because I have, during that 40-year period, never been a part of a deficit budget. We have managed to live within our resources or to take those actions that are required to bring a budget within the resources during this entire period.

I am a cosponsor and started out as a cosponsor of Senator SIMON's amendment. As the debate began to develop and as we began to look at the amendment and what some pointed out as being shortcomings in one amendment, and as we began to look at the Reid amendment, which purported to address some of those shortcomings, I have found two significant differences in the Simon amendment and the Reid amendment which lead me to believe that for this point in time the Reid amendment is a better approach for this Nation to take. Let me address that briefly.

First of all, the Reid amendment recognizes those principles of State finance which say that instead of trying to capitalize assets, instead of attempting and requiring that we pay the full cost of an asset in the year in which it is built, it says that a capital asset, such as this building we are in today, is going to serve generations in the future, and that it is perfectly all right to put the payment of this over a reasonable period of time into the future.

In Tennessee State government, we use a 20-year capitalization program. So we spread the annual costs of any debt retirement we create for an asset over this period of time, but it becomes a part of the operating budget, and those generations which are going to enjoy it in the future also pay a reasonable portion of the cost.

This is not true on an expendable program. This is not true on expenditures which consume themselves in the year in which they are made. But if we are looking at capital assets, the acquisition or payment of capital assets, we look at it in terms of this being done over a period of time and this being outside what we consider the normal operating budget.

Second, I think the Reid amendment says something else to us, and that is a pension program. The national pension program, the Social Security program that we have, says to the people of this Nation, the working people, that if you work and pay into this, when the time comes, when you meet the criteria for retirement, dollars are going to be there to pay that allowance, and they are not going to be diverted to some other use.

My colleague from Florida a moment ago talked about the fact that instead of the dollars we are paying into the Social Security trust fund building up and earning interest and this being a way in which we can enrich that fund, these dollars are being siphoned off to pay the national debt, being siphoned off to pay other expenses. And, Mr. President, this must stop. The older Americans, the people in this country who, over a period of many years, have made contributions day by day, week by week, and month by month to this fund are owed the responsibility of being able to look forward to their retirement years with the income which is to come from this. If we leave this fund unprotected, if we let the moneys be siphoned off or used for anything that we might decide as a body to appropriate those dollars for, we are doing a disservice to these people.

Mr. President, the years of my experience convince me that the Reid amendment creates the kind of discipline that has worked for State governments. It takes the crucial step of dividing operating budgets from capital budgets. It enables us to make a distinction between approval for responsible debt and for irresponsible debt. It allows flexibility to meet fiscal emergencies, and it takes a wise step of safeguarding the Social Security trust fund.

Mr. President, what we are facing is an emotional issue in the sense that the people of this Nation understand, have become concerned, and are demanding that we take action to correct an inadequacy, a failing in our fiscal policies. But, Mr. President, it is more than an emotional issue. It is an issue that demands that we address it rationally, that we address it with determination, and it is one which is crying out to be solved.

Tomorrow, as we face this issue, it is my plan to support the Reid amendment because I believe it brings fiscal discipline to the budget without a straitjacket. It brings us face to face with the American people. It makes us look them in the eye and say, "We believe that these things we are doing are important enough to ask you to provide additional dollars, to ask you to accept less by way of programs."

Or it makes us take those actions that are necessary to live within the means that we provide. And for that reason, Mr. President, it is my intention tomorrow to support the Reid amendment, and I invite my colleagues to do the same.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. Under the previous arrangement, the Senator from Arkansas is recognized for 30 minutes.

Mr. BUMPERS. Mr. President, I thank the Chair. I especially thank the Chair and the distinguished Senator from Illinois for yielding me time. The Senator from Illinois knows I do not favor his amendment so that makes his generosity even greater and my appreciation deeper.

I will address most of my remarks to the resolution of the Senator from Illinois and not the substitute offered by the distinguished Senator from Nevada, Mr. REID.

I think every mind in the Senate has been made up, and I come here today simply to make a record.

I do not intend to vote for the Simon resolution. I did not vote for the so-called balanced budget amendment in 1986.

Mr. President, everything I have to say has probably been said dozens of times in the Chamber in the last week, but I did not say them, and I wish to. I wish to say also, nobody can deplore deficits with any greater degree of drama than I can. I have stood on this floor, until I felt I would drop, with amendments to cut the deficit, cut spending. And these charts that show all the red ink are accurate. Nobody knows it better than I do because I was here when the red ink started soaring under Ronald Reagan, the man who came to town to balance the budget and left town having tripled the national debt.

I have heard a lot of Senators talk about courage, and I do not mean to denigrate a single one of my colleagues. I have the utmost respect for all of them, and most everybody here I consider my friend. But, Mr. President, it does not take any courage to vote for Senator SIMON's amendment. That is the popular thing to do. Even though this is not a hot item with the American people just now. I think Time

magazine last week showed that only 6 percent of the people list the national debt or the deficit as their No. 1 concern—6 percent. Twenty-nine percent feel crime is the biggest problem, 26 percent health care, 6 percent the deficit. But make no mistake about it; if you went up and down the streets of America and you asked, "America, do you favor a balanced budget amendment in the Constitution," 80 percent would answer, "yes."

So I will tell you where courage comes in. It takes the courage to vote "no" and then follow that up and courageously vote to stop spending, which causes the deficit.

(Mr. FEINGOLD assumed the Chair.)

Mr. BUMPERS. Mr. President, there were 11 Senators—11; I want it put on my epitaph that I was one of them—that voted against that crazy nonsense in 1981 that Ronald Reagan sent over here saying we are going to grow our way out of this mess by cutting taxes and raising spending.

What a dynamite idea. We cut taxes and increased spending with the predictable result, red ink. There were 11 Senators who said this is palpable nonsense, and I was one of them. But 89 Senators voted "yes," and that is the reason we stand here today doing our very best to deal with the problem. If my only concern was going to be to go home and tell the people I voted the popular vote, I would vote "aye."

I do not enjoy going home and telling the Chamber of Commerce that I voted against this when every single person sitting in the audience thinks I have taken leave of my senses? I do not enjoy it any more than you think I would enjoy it.

Mr. President, why are we dealing with what everybody agrees is a colossal problem, in a political way? Mr. President, Senator SIMON came to my office and made as fine a presentation as anybody has ever made to me on this issue. If I were ever going to vote for it, I would have done it following that presentation because he is very persuasive. And there would be another small reason, and that is my personal friendship and respect for him.

But I daresay, Mr. President—and this does not sound quite right, but the truth of the matter is, in my opinion, that of the 65 Senators who will vote for Senator SIMON, 40 of them are praying to God there are 34 with the courage to vote "no." I am going to help take them off the hook because I am voting "no." Why do we want to take a problem and deal with it in such a way? Why do we want to postpone the hard choices until every Senator here will have served out his existing term and maybe more?

The answer is 2001. Between now and the year 2001, we will keep voting for Milstar and the D-5 missile and more defense spending than all of the rest of the world combined because we do not want to be a super military power. And the red ink will continue to soar.

Mr. President, when it comes to courage, we were given an opportunity to be courageous last summer, and the Senator from Illinois was one of the courageous people in that debate. The President of the United States, Bill Clinton, came to town and instead of giving us a rhetorical choice saying, just listen to my words and the budget will balance itself. He said I am going to raise taxes on the wealthiest people in America and we are going to cut $250 billion in spending. Mr. President, there are two ways to deal with the deficit, both of them very unpopular: Raise taxes and cut spending. You get different constituencies but they are both unpopular.

And where were all of those people who want to do something about the deficit? Here was a President who took a very unpopular proposal to Congress and said if you really want to do something about the deficit, here is your opportunity. And do you know how much it passed by? One vote in the Senate, one vote in the House.

Do you know who voted "no?" Forty, forty of the Senators who are supporting the Simon amendment. They finally got a chance to stand up and be counted and honestly do something about the deficit and 40 of that 60-plus Senators who are going to vote for a few words in the Constitution and assume that solves the problem, voted "no."

Mr. President, I never hated to go home as badly in my life as I did after I cast that vote. Everybody in Arkansas thought their taxes were going up. But as so often is the case, do you know what the people of this country now think? They think President Bill Clinton did something very important. They know he did something important. Do you know why they know? Because the deficit has been heading down dramatically ever since he became President. In 1993, down dramatically; 1994, down dramatically; 1995, down again.

Mr. President, the only quarrel the President and I have—and incidentally, Mr. President, one of the reasons your phones are not ringing off the wall and the letters pouring into your offices on this amendment this time as it did in 1986 is because the deficit at the end of 1995 is going to be about half what it was when Bill Clinton became President, and everybody knows it. They know the deficit is headed south, and they are depending on this new young President to keep it headed south. Now the President and I have a slight disagreement, and the disagreement is this: He believes that health care, health care reform, will keep the deficit headed south.

I do not know whether I believe that or not. But I can tell you one thing. Where he and I disagree is there are a lot of other places we can continue cutting to keep the deficit headed south that will not do damage to our economy, and the growth rate we have going right now can be sustained. The space station, Milstar, the D-5 missile—billions of dollars could be eliminated and no damage done to the economy.

Mr. President, we had growth under Ronald Reagan, we had economic growth and we had growth in the deficits. I used an expression on the floor a hundred times: "You let me write 200 or 300 billion dollars' worth of hot checks every year and I'll show you a good time too." We wrote about 200 or 300 billion dollars' worth of hot checks every year and still wound up with a deficit and a recession.

Mr. President, this President has given us a choice between rhetoric and action. Last year he got action by one vote. Here we are about to put a provision in the Constitution that will require 60 votes to do much of anything.

Let's assume that Congress projects that we will have enough income coming in in the year 2000 to balance the budget. But in the middle of the year, April 1, we realize our projections were wrong, the economy is headed down, and we are about to have a deficit.

Under the Simon amendment we have to have 60 votes or the Social Security checks are not going to go out the first of the month. Well, I assume you would get 60 votes. But, Mr. President, that could be a dangerous assumption. I was a Member of the U.S. Senate when we could not get 51 votes to raise the debt ceiling. Do you know what happened? Government shut down. A lot of people remember that. Employees were furloughed and CBO ultimately said the cost of the idiocy and lack of courage by the U.S. Congress in not raising the debt ceiling when we should have, cost the taxpayers of this country about $60-$70 million just so Members could go home and beat their chests to the Chamber of Commerce, and say, I voted not to raise the debt ceiling. That is like ordering a big steak, and when the bill comes, "What do you mean pay for this meal? I am not going to pay for this meal just because I ordered it and ate it." That is what we did, and it cost the taxpayers $60-$70 million. But sixty votes will be required here. You may get them and you may not. We could not get 51 then.

Now one of the basic concerns that everybody had was what if we have a depression and you cannot get 60 votes to unbalance the budget? And the depression deepens. It is a rule of thumb that for every point, the growth rate goes down, the gross domestic product goes down, it costs the Treasury $20 billion. So you have an economy going down. And Congress says it's not going to do anything to stop the slide. And so for every point it goes down, add an-

other $20 billion to the deficit. They say, well, Congress will not be that irresponsible. Will they not? They were willing to shut the Government down as I just described for you.

Then, of course, a basic concern most of us had was that the courts could take over the Congress; that the court would say you cannot spend money or you must raise taxes or God knows what else. So now, as I understand it, after the Reid amendment is defeated—and it will be—amendments will be placed in the Simon substitute to say two things: No. 1, instead of balancing the budget in 1999 or 1998, we are going to push it off a little bit to 2001. No. 2, we are going to say the courts may not inject themselves into this except in a declaratory way.

Mr. President, this Chamber is full of lawyers and every lawyer here knows that a declaratory judgment is worth a warm bucket of spit. So what you will have is the only provision in the U.S. Constitution that is unenforceable. You think about it.

Proponents say, well, Congress will deal with it. Will they? Welcome to Gramm-Rudman-Hollings. We thought up every contrivance known to man to make sure we did not comply with Gramm-Rudman-Hollings. If we had a line-item veto, it would take ROBERT C. BYRD about 3 minutes to say every sentence will end with a semicolon, or the enrolling clerk will do this, that, and the other. It would not be worth a warm bucket of spit.

We are looking for easy solutions: Put a few words in the Constitution; pass a law; go home, and get the good government award.

I will tell you what a courageous Senate we have here. Here is a chart showing the results of 24 votes to cut spending last fall.

Now, I'm pointing to an important figure right here. It shows 14 Senators in the U.S. Senate voted to cut in excess of $2.5 billion. Out of 100 U.S. Senators, 14 voted on those 24 cuts that would have cut more than $2.5 billion.

I could tell you who they were, and I could tell you how they stand on this amendment. That would not serve any purpose.

But look at this figure: We had 30 Senators that were willing to cut a $½ billion in spending. That is only 30 percent of the Senate, willing to cut ½ billion off a $250 billion deficit. Tragic!

I want to pay a little tribute at this point. I did my own study. I am using the one that Senator MITCHELL did on the 24 votes. I counted 20 votes last year on spending cuts. A good big portion of them were mine. But of the 20 amendments I studied, there were only 2 Senators that stood head and shoulder above everybody else in courage. And that was the Presiding Officer, the Senator from Wisconsin, Mr. FEINGOLD; and his colleague, Senator KOHL. They voted for 80 percent of those cuts. They are split on this amendment, and I can understand that. But I think people who stand up here and cast those courageous budget cuts ought to be recognized.

Look at this chart. These items are just my amendments. These are the amendments I offered last year, and this does not count the National Endowment for Democracy—only $35 million. That is not much by Senate standards.

Here is the space station. We could have saved $1.6 billion in this year of our Lord 1994. But we voted 40–59 not to do that. Do you know what the total savings on that would have been counting interest over the life of the project? $216 billion. We could not see fit to do that.

SDI and ballistic missile defense, $400 million. We could have saved $28 billion over the life of those projects, and on and on.

Total savings, direct and interest. On the intelligence budget, $400 million. We tried to save that. We could have saved $119 billion over a 30-year period counting interest. On the D–5 missile, we could have saved $35 billion. That effort was defeated when the Senate had an easy chance to save $35 billion.

Do you know why the superconducting super collider was scrapped? Not because of the U.S. Senate—I stood here 4 years in a row trying to kill that sucker. This is the closest I ever got: 42–57. But look what the House did to it: killed it by 280–150. Thank the House for that, not the Senate.

When you talk about courage, do not talk about the courage to vote for this amendment. Talk about the courage of voting for spending cuts, because it requires no courage to vote for this resolution.

Let us assume that we agree that the budget is about to become unbalanced, and Social Security checks are not going to go out, Medicaid checks are not going out, defense spending checks are not going to go out, Medicare checks are not going to go out, medical research checks are not going to go out; everything is going to come to a halt because we have to have a balanced budget. You might say "you know Congress will not let that happen."

It won't? They let the Government shut down for 3 days just since I have been here. Why would I want to tempt fate by assuming that 60 Senators would not let that happen when we could not muster 51 to keep Government going? There has been one filibuster after another in the last 12 years. That has been the name of the game. What we would do here is legitimize filibusters by putting them in the Constitution.

What is democracy all about? Majority rule? I guess not, because under this amendment it will take 60 votes to keep Government in business. How long would it take to collect a tax increase to get Government operating again?

Every question we ask raises another question. We are talking about the world's greatest Nation becoming a pitiful monster. What do you say to the two Senators from California, who had an earthquake and $20 billion in damage? We will have to wait until next year or until we can raise taxes, or find 60 votes to waive the deficit.

How about those Midwestern floods, when most every Senator in the U.S. Senate stood and lamented the terrible plight of the people in all of those Midwestern States? What do you do about that? Nothing?

And what about Hurricane Andrew or any other disaster? The House made a valiant run just the other day to make Congress pass a bill to pay for any additional disaster relief.

Mr. President, I do not have to look at those charts or these charts to know how this all happened. All I know is that this is no solution.

As long as we continue to squander money on defense the way we have, you are never going to balance the budget. But it is not just defense; I am not picking on them. They just have the biggest slice of the pie.

I can tell you that we are never going to have enough jobs for our people; we are never going to have enough education for our people; we are never going to have the kind of health care we want; we are never going to allow our people the dignity they have the right to expect from a great Nation, until we get our spending priorities in order.

This great, great Nation has the highest crime rate in the world; and 25 percent of its children under 6 years of age living below the poverty line, like they live in Chiapas, Mexico. You do not have to be a rocket scientist to know that our spending priorities are wrong.

Mr. President, let me just say that this amendment—I do not mean this to be disrespectful—does not even pass the giggle test. There are just too many questions that simply cannot be answered. I would consider it one of the gravest tragedies ever to befall this Nation if this amendment should suddenly be made a part of that great, great document that the wisest men in the history of this country, maybe of the world, put together back in 1787. This makes prohibition look like what Diogenes was looking for when he was looking for an honest man.

One of the great failings of the media is that they never report the hypocrisy around here that we are all guilty of from time to time. They never report who rales the loudest about deficits and then votes against every spending cut that comes up in the Senate.

Just as an aside: I have a pamphlet here, "Robert Byrd's Balanced Budg-

et." Have you seen this, Senator? This comes from the Ronald Reagan Republican Center, Washington, DC, paid for by the National Republican Senatorial Campaign Committee. It is headlined: "Robert Byrd and the Constitutional Amendment; What He Said in 1982 and What He Said in 1994." Admittedly, they are at odds. It makes me respect him more, as I do anyone else who has the wisdom to change his views when he sees they should be changed. The last line of this: "The two things that have grown the most in the last decade are the U.S. budget and Robert Byrd's hypocrisy."

Mr. President, there is absolutely no room in this debate—and the Senator from Illinois will be the first to echo what I say—for personality conflicts. This is a grave issue when you start talking about tinkering with the Constitution. Next to the Bible, it is the most sacred document we know. Senator BYRD is doing exactly what he believes in, and what I believe in. I admire him for taking the leadership in this. Frankly, if it were not for his tenacity and determination and intellect, I am not sure we would have won this battle—and we are going to win it. This amendment will not pass, largely thanks to him.

Yesterday morning in my hometown newspaper, the Arkansas Democrat-Gazette, an Associated Press story, said: "Senate to Defeat Balanced Budget Amendment." It went on to say that because the President has been twisting arms, because Senator MITCHELL has been twisting arms, and because people in the Senate fear ROBERT BYRD, this amendment is going to be defeated.

What an insult. It is insulting to them, but it is even more insulting to everybody else. I am not voting for it because I fear ROBERT BYRD or because GEORGE MITCHELL said anything to me about it. Certainly, the President has not called me about it. I am not voting for it because I consider it to be a bad idea. That is too simple for a lot of people who write for newspapers to understand. But this resolution will fall because it is a bad idea.

Mr. President, the one thing we can do to make the people of this country more cynical than they already are, and as they sit around the coffee shops and talk about why Congress cannot get the deficit under control, and stop all that spending, the worst thing you can do to them is to say: We put this in the Constitution, and now it is all taken care of. And then a few years down the pike, they will find that they have been had once again; that, it is unenforceable because there is nobody to enforce it except the good will of the Congress.

It is unenforceable because it requires a supermajority to unbalance the budget. It even says you can waive it in case of a declared war or military conflict that threatens our national security.

What if you are not in a conflict but you are going to have to spend a few billion dollars getting ready for one that you feel you are going to have to fight? What happens then? You cannot do it if it unbalances the budget.

Back to the point: When the people find out, if they ever do, that the wool has been pulled over their eyes once again by what they consider to be a hypocritical Congress, then all you have done is raised the cynicism level still higher, and God knows that is the biggest problem we have in this country.

So, Mr. President, again I thank my friend from Illinois for yielding this time to me and the Senator from Nevada to vent my spleen and say these few things about it.

I see the Senator from Illinois on his feet. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I will just comment for 3 minutes on the speech by my colleague from Arkansas. Then I want to yield to the Senator from Pennsylvania.

First of all, 80 percent of what he had to say, believe it or not, supports the balanced budget amendment rather than negates it because he is talking about all our deficiencies.

I voted with him on that 1981 Reagan tax cut. I voted with him on the majority of those things up on that board.

In terms of waiting, when we say it is 2001, we are going to wait until 2001, the reality is every Member here, whether they are for my amendment or against it, if it passes, we know it is going through the House; we know it is going to be adopted by the States. We are going to start work on it right away so that we get on a glide path. We know that.

In terms of it taking 60 votes in time of recession, since 1962 we have passed 11 stimulus packages in the United States Senate. Every one of those passed by more than 60 votes. We can do that.

And in terms of a majority not being able to get things done, in the Constitution there are 8 exceptions right now to the majority controlling things. When James Madison proposed a Bill of Rights, one of Alexander Hamilton's arguments initially opposing it was you are taking power away from the majority, and James Madison talked about majority abuses.

Anyone who looks at this deficit for 25 years in a row, the kinds of things the Senator is talking about, that is why we need some special provisions here.

In terms of it being unenforceable, my good friend from Arkansas is slightly inconsistent, and I am not suggesting I am always consistent, when we have the three-fifths for extending the debt, and he says it is unenforceable. I think that is a very tough enforcement provision.

Gramm-Rudman-Hollings was not any good because it was statutory. I think it did a little bit of good in terms of restraint, but whenever it is statutory we can get around it.

And then Senator BUMPERS, who is a strong supporter of education, take a look at the last 12 years, yes, in nominal terms we increased education. In inflation adjusted terms, we spent minus 8 percent on education. And what happened on interest? It went up 91 percent. Interest squeezed out our ability to respond on those social questions.

And then every argument my friend from Arkansas used right now we used in 1986. In 1986 people said we can balance the budget without a constitutional amendment. In 1986 the deficit was $2 trillion, and now we are hearing exactly the same arguments and the deficit is $4½ trillion plus.

Mr. President, I ask unanimous consent to print a table entitled "Lifetime Net Tax Rates Under Alternative Policies" in the RECORD.

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

LIFETIME NET TAX RATES UNDER ALTERNTIVE POLICIES

[In percentages]

Generation's year of birth	Before OBRA93	After OBRA93	With health care reform	Health care reform but faster cost growth
1900	23.6	23.6	23.6	23.6
1910	27.2	27.2	27.2	27.2
1920	29.0	29.0	29.1	29.1
1930	30.5	30.6	30.9	30.9
1940	31.6	31.9	32.4	32.2
1950	32.8	33.2	34.0	33.5
1960	34.4	35.0	35.9	35.2
1970	35.7	36.5	37.6	36.6
1980	36.0	36.9	38.2	36.7
1990	35.5	36.5	38.3	36.2
1992	35.4	36.3	38.3	36.0
Future generations	93.7	82.9	66.5	75.2
Percentage difference: future generations and 1992	165.1	126.0	73.0	108.8

Mr. SIMON. Forget GAO projections and all the others. Look at the lifetime net tax rates under alternative policies. Under OMB figures in that budget they just gave us, tax rates for someone my age, 1930—I was born in 1928—but let us say 1930 are 30 percent, and for someone—I want to have the attention of my colleague from Arkansas on this—for future generations, and this is if the health care bill passes and saves all that they project, if we have 10 years of prosperity in a row without a dip, both of which are somewhat questionable, even though I am a cosponsor of the Clinton health program, the administration says 66 to 75 percent of the lifetime earnings of future generations will go for taxation.

It is not going to happen. We are going to print money. That is the reality.

Mr. BUMPERS Mr. President, will the Senator yield for a question?

Mr. SIMON. I am pleased to yield, and I do want to yield.

Mr. SPECTER. Mr. President, if I may ask my colleague, he was going to speak for 3 minutes until 5:30 and we had scheduled me to follow. I wonder if I might proceed without more extended debate.

Mr. BUMPERS. Let me say to the Senator from Pennsylvania this will only take a couple of minutes. This is not going to be a long colloquy. I just wanted to inject a question here.

Is there a unanimous consent agreement for the Senator from Pennsylvania to speak?

Mr. SIMON. We do not have a unanimous consent agreement.

Mr. SPECTER. The Senator said 5:30. The Senator from Illinois said he would be 3 minutes.

Mr. BUMPERS. We will not detain the Senator long. I just wanted to ask the Senator from Illinois a couple of questions.

I want to ask the Senator, No. 1, if the Senators in this body do not have the courage to cut spending and balance the budget now, and you put this in the Constitution, and there is absolutely nothing and no way to enforce it, because you are taking the courts out of it, what is it in this amendment that is going to change the courage of the Members of the Senate to balance the budget? That is the first question.

The second question: If we wind up in the middle of the year seeing that either we have grossly overestimated revenues, or grossly underestimated spending and that we are therefore headed for an unbalanced budget—but the Senator cannot get 60 Senators to waive the budget. I want the Senator to tell me what would he do in each of these cases.

Mr. SIMON. I would be pleased to answer the question. Senator SPECTER assures me he has some appointments waiting.

I yield to the Senator from Pennsylvania and then I will be pleased to answer the questions of the Senator from Arkansas.

Mr. BUMPERS. I probably am not going to hang around that long. I do not want to detain the Senator from Pennsylvania, either.

The PRESIDING OFFICER. How much time does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. SIMON. I yield 15 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 15 minutes.

Mr. SPECTER. Mr. President, I thank the Senator from Illinois. I will say my very brief word of explanation that I had thought I was scheduled at 5 p.m. I had commitments, but then the Senator from Arkansas retained the floor until 5:30. Then there were 2 more minutes requested by the Senator from Illinois. When the colloquies proceed it is very difficult to establish any time limit. So I thank my colleague from Illinois for yielding to me at this time.

I support the constitutional amendment for a balanced budget because I firmly believe that the Congress needs to develop discipline through a constitutional amendment to live within our means.

When the Senator from Arkansas talks about some of his efforts on spending cuts, I supported the Senator from Arkansas when he fought valiantly to have a substantial cut in the space station last year and the year before and the year before that. I believe had this constitutional amendment been in effect the effort by the Senator from Arkansas to cut the funds of the space station would have carried.

As long as the Congress may engage in deficit spending, then it is always easier not to cut the expenses and to let one more item go through on an appropriations bill. However, if we were bound to balance the budget so that every time we authorized money for an additional expenditure we had to raise taxes, then I think the expenditures would not be made. If this body were looking at the space station expenditures in the context that taxes had to be raised, I believe there would be a difference in the response of the Senate and the House of Representatives.

It is my submission as a fundamental matter that if an item is worth appropriating for then we ought to have the courage to raise taxes for it.

But the practical fact of life is that our constituents would not stand for such increases in taxes, would not stand for increase in tax in the range of some $200 billion more. The consequence would be that we would make the hard choices and that we would make spending cuts or if we found that we could not cut as much as we wanted to on spending cuts then we might look at taxes. But I think taxes would be a very, very last resort.

It is my view, Mr. President—a view that I have backed up in the 1982 vote on a constitutional amendment for a balanced budget when I supported it and the 1986 vote on the constitutional amendment for a balanced budget when I again supported it—that this country ought to live within its means, just as any individual has to live within his or her means. If any individual does not live within his or her means, that individual winds up in a bankruptcy court.

When the Senator from Arkansas talks about the great Constitution of the United States, I agree with him totally. Long before my days in law school, I was enthralled by the Constitution. When I studied constitutional law in law school, there was an added reverence for it. As a practicing lawyer, I worked a great deal on constitutional issues, especially when I was district attorney in Philadelphia and chief of the appeals division. During the course of the work I have had on the Judiciary Committee and serving on the Constitutional Law Subcommittee and on the occasions where we have confirmations of Supreme Court nominees. Now there is an occasion to go back and reread the constitutional law cases.

Currently, I have been deeply enmeshed in Supreme Court decisions, as I am preparing for an argument in the Supreme Court of the United States on Wednesday, the day after tomorrow, and revisiting the issues of separations of powers and constitutional authority.

I believe that the Senator from Arkansas is correct that the Constitution of the United States is the greatest document ever produced by man. But the Constitution of the United States is the only Constitution that I know of that has no limitation on spending.

We have constitutions in 50 States. Illustrative is the constitution of my State, Pennsylvania. Pennsylvania has a constitutional requirement for a balanced budget. If Pennsylvania did not have a constitutional amendment for a balanced budget, I can assure you, Mr. President, and the 12 million people in Pennsylvania that Pennsylvania would not go through the rigors of the budget when they face the hard questions of what can be spent and what has to be taxed.

I believe the same principle is true in the other States; that if States had added latitude, as does the Federal Government, to engage in deficit spending, then deficit spending would be the rule rather than the exception.

When the Senator from Arkansas talks about the wonders of the current President in reducing the deficit, I think the facts do not support that. There have been lesser expenditures in savings and loans recently, for example, which yielded a very substantial savings as compared to the years during the preceding President.

When the President of the United States makes a projection that he is reducing the deficit by $500 billion, it simply is not so, or it depends on how you calculate it. The deficit projection was $1.6 trillion. When the President talked about reducing the deficit by $500 billion, he was saying realistically that the deficit would be $1.1 trillion. And that is how much the deficit is going to go up in the 5-year projection by President Clinton.

So the debt, which is now $4.3 trillion, will go to $5.4 trillion, or even higher.

Mr. President, none of us would think for a minute about buying something, consuming it, and charging it to our children. And none of us would think for a minute about buying something and consuming it and charging it to our grandchildren.

I have had the pleasure, Mr. President, for the last 40 days to have a new

granddaughter. It is a little more emphatic to me now as I look at a constitutional amendment for a balanced budget on the principle—I see Senator SIMON nods in affirmative; he does not nod too often in the affirmative when I am speaking, but he is now. But it brings to home, as I hold that 5 pound 5 ounce child.

On the day she was born, I said to my son Shanin, "Where do you think she will be in the year 2074?" And I projected ahead just 80 years, hoping that her life expectancy would be 80 years. And Shanin, my son, looked at me and said, "I don't know where we will be. I guess we will not be here." But she will still be paying for the deficit in the year 2074 and beyond if this Government does not take some step to reduce it.

And that is the basic issue, Mr. President. I believe that the Congress long ago should have gone beyond the constitutional amendment for a balanced budget and should have enacted the line-item veto, the provision which would enable the President to strike specific items.

I have done some research on that subject and have concluded that the President currently has the constitutional authority to exercise the line-item veto. A number of us, this Senator included, urged President Bush to exercise the line-item veto. When I did that one day, President Bush said to me his lawyer told him he did not have the authority. I suggested to President Bush that he change lawyers. That would get me into a lot of trouble with the bar association if they ever took up the issue.

I had an occasion to talk with President Clinton recently when I accompanied him on a trip to Pennsylvania and I urged President Clinton to exercise the line-item veto.

I have made a part of the CONGRESSIONAL RECORD that legal research which shows that the key article in the Constitution of the United States was copied from a Massachusetts constitution which has the line-item veto, as do other States. Pennsylvania and Georgia have the same provision. It would be my hope that one day a President will have the courage to exercise the line-item veto. And if it requires a constitutional amendment first, then I am prepared to do that.

The issue before us is the constitutional amendment for a balanced budget. I think it ought to be adopted.

On the procedural level, we are faced with a somewhat unusual situation, and that is that we have the constitutional amendment by the Senator from Nevada pending before the constitutional amendment by the Senator from Illinois. My preference is the constitutional amendment by the Senator from Illinois, because it is more restrictive.

Now I know that there are those who favor the amendment by the Senator from Nevada because it precludes cuts on Social Security. I am opposed to cuts on Social Security. It is my view, Mr. President, if we adopt the amendment by the Senator from Illinois, that, as a matter of our discretion, we can protect Social Security and we can protect the interests of the senior citizens. I think we can do that. I think that, as a matter of establishing our priorities, this Congress will be able to put our priorities in order and make sure that the needy and the senior citizens are protected.

But I am in a bit of quandary, candidly, as I said to both Senator REID and Senator SIMON, as to how to vote. If Senator REID's amendment does not pass short of a vote and I vote against it and then Senator SIMON's does not pass. Senator REID's amendment is better than none, although I prefer Senator SIMON's amendment.

So I am in somewhat of a quandary at this moment as to how to approach the first vote on the amendment by the Senator from Nevada.

But I do believe firmly, Mr. President, that the time has long passed when the Congress of the United States ought to take a stand on a constitutional amendment for a balanced budget. It is a basic factor of living within our means.

I believe that we should have adopted this amendment in 1982, when the Senate passed it 69 to 31, and one of those 69 votes was mine. I believe we should have passed it in 1986 when we were one vote short with the vote of 66 to 34, one vote short of the two-thirds majority.

I urge my colleagues to make the hard decision. We can work it out on a set of rational priorities and do our job and not burden future generations with a debt which we certainly would not do on an individual basis and we ought not to do on a collective basis. The only way to put the zeal and the resolve and discipline to this Congress or any Congress is to have the requirement. I think we can discharge that duty. I intend to vote for the constitutional amendment for a balanced budget, and I urge my colleagues to support the amendment.

Mr. President, a nation, like a family, should live within its means. It is unfair to saddle future generations with our failure to pay for what we spend. While we should be able to limit spending without constitutional constraints, the historical fact is that the Congress and the executive branch have not been able to do so. Therefore, the Senate's consideration and prompt approval of this balanced budget amendment to the Constitution is necessary to restore sound fiscal policy in this Nation's Government.

I have been a strong supporter and a proponent of a balanced budget amendment during my tenure in the Senate. On January 21, 1993, I introduced Senate Joint Resolution 5 to amend the Constitution to require a balanced budget which is nearly identical to the amendment we are considering today. I had originally introduced Senate Joint Resolution 5 for a balanced budget amendment to the Constitution in the 102d Congress.

The Federal Government has been operating at a deficit since 1961. Since then, the problem has grown worse, culminating in the huge budget deficits over the past decade. In fiscal year 1989, the deficit was $152.5 billion. The President's budget request for fiscal year 1995 projects a deficit of $165.1 billion compared to the $234.7 billion recorded for fiscal year 1994. It is my hope that this is true deficit reduction for fiscal year 1995. However, we must recognize that although it is below the fiscal year 1994 deficit total, the Congressional Budget Office estimates that the deficit will be above $200 billion by 1999 unless prompt action is taken. Further, it is important to understand that our Nation's debt continues to increase. Under President Clinton's budget proposal the Nation's debt is projected to increase from $4.6 trillion in fiscal year 1994 to $6.27 trillion by fiscal year 1999.

This chronic deficit and growing debt has an extremely deleterious effect on the economy. It removes vital capital that would otherwise be available for private investment to help the economy grow. The fiscal year 1995 budget estimates a debt of $4.9 trillion. The interest on that debt totals $212.8 billion which could be better spent on our Nation's decaying infrastructure or improvements to our Nation's health care system.

I strongly believe that there is no issue more important to our country in the long-term than this deficit. No sharper arrow can be placed in our country's quiver to combat these chronic deficits than a balanced budget amendment. It places the sanction of our fundamental law on the need for a balance between receipts and expenditures. The President and all Members of Congress take an oath to uphold the Constitution. Requiring a balanced budget in the text of the Constitution as a legally enforceable provision will force us to curb deficit spending. As all parties in the political system have shown themselves to be unable to withstand the vicissitudes of the current political system, the answer is to change the system.

This proposed amendment would require the President to transmit a balanced budget to Congress for its consideration in which total outlays to not exceed receipts. This requirement puts the initial onus on the President to propose a balanced budget. The amendment would prohibit deficit spending unless three-fifths of the whole number of both Houses of Congress provide for a specific excess of outlays over receipts. Thus, even

though the amendment would permit deficit spending, it would do so only upon the approval of a supermajority of the House and the Senate, and even then the scope of the deficit would be limited to the amount specifically authorized by Congress. The provisions of the amendment could be waived by simple majority vote in any year in which a declaration of war is in effect.

Obviously, a constitutionally mandated balanced budget could require significant spending cuts and/or revenue increases. To require a balanced budget too soon would result in severe economic dislocation. Therefore, the resolution we are considering would not require a balanced budget until the year 2001. There has been analysis distributed showing the State-by-State impact on cuts that would be necessary to achieve a balanced budget by the year 2000. It is important to point out that this analysis assumes that Congress will impose these cuts in a single fiscal year, rather than a phased-in approach. In considering my support for this amendment, I am mindful of the special problems facing my State. Numerous Federal programs are critical to the economy of Pennsylvania. In the long run, however, neither Pennsylvania nor any other part of the country will remain prosperous if we fail to address the intolerable Federal deficit.

I have said before that political will is the best answer to the problem of our Nation's budget deficit. But we who are responsible for representing our constituents have focused on the deficit now for many years and have been unable to come up with a solution acceptable to a sufficient majority. Our political institutions have failed to resolve this problem. When an issue as fundamental to our Nation's future as the deficit proves to be politically intractable, the answer must be to enshrine the value of a balanced budget among the core values in our Constitution, to remove it from the vicissitudes of the political arena. That is what a balanced budget amendment would achieve. It is an idea whose time is overdue, and I hope that Congress will approve and send to the States for ratification a balanced budget amendment this year.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, first of all, I congratulate my colleague on becoming a grandfather. I am pleased to have him join the ranks. Talk about taxation without representation, that little grandchild of yours faces that.

Mr. SPECTER. If I might respond in one sentence? She has representation—me. I intend to vote for this constitutional amendment.

Mr. SIMON. I thank my colleague. I yield 10 minutes to the Senator from Arizona [Mr. MCCAIN].

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I have not engaged much in this debate because I think we all recognize political reality here. The political reality is that the distinguished chairman of the Appropriations Committee, in opposition to this bill, has sufficient votes to defeat the Simon balanced budget amendment. I think the chairman would not have agreed to a vote on this legislation if he had not had the votes to prevail. So all we are doing here is going through an exercise in establishing a record.

But I will suggest to my colleagues, when this amendment is defeated, and it will be by one or two votes—I see a rather incredulous look on the face of my friend from Illinois. The fact is I have dealt with the Senator from West Virginia on the line-item veto and many other issues. I have the highest regard for his parliamentary skills and his ability to count votes. He would not have agreed to a vote on the Simon amendment following the vote on the Reid amendment if he did not have sufficient votes to defeat it. I believe that is the reality. We will find out tomorrow evening whether I am right or wrong.

If I am wrong, I will be overjoyed. If I am right and the Senator from West Virginia has sufficient votes to defeat this very important amendment, I predict to my colleagues this issue is far from over. By a 4 to 1 margin the American people strongly support a balanced budget amendment to the Constitution. I support it. I do not believe we should override the overwhelming view and will of the American people. Frankly, I think it is very incredible and unjust that we continue to do so.

Mr. President, the national debt is over $4 trillion. In fiscal year 1994, the Federal Government will pay more than $200 billion in interest, or some $800 million every day. Every child born in this country today will inherit a $17,000 public debt.

These numbers are facts, Mr. President. We are talking about a millstone of debt we are placing on the shoulders of our children and grandchildren. And we now have an opportunity to stop this insanity.

Let me repeat, the national debt is over $4 trillion. We pay more than $800 million every day on interest on the debt. Every child born in this country today inherits a $17,000 share of the debt.

The Congress' spending spree has led to 24 straight unbalanced budgets. It took our Nation 205 years—from 1776 to 1981—to reach a $1 trillion debt. Now in just 12 years, the debt has amassed to $4.4 trillion.

The facts bear witness that the Congress does not possess the discipline to control its spending habits. For 33 of the last 34 years the Congress has passed budgets where outlays exceeded receipts. As the deficit continues to grow, by the end of the century we will be spending more money to pay the interest on the debt than we will on defense.

Some say that the balanced budget amendment is not necessary because the Congress alone controls the power of purse and can balance the budget without any constitutional directive to do so.

We have the power of the purse, alright, Mr. President. And it is a power we have abused. We are now spending from a purse that belongs to future generations.

Mr. President, the Congress has clearly not exercised the control necessary to balance the budget on its own. We are a Congress addicted to spending. We continually spend the taxpayer dollars on studies of cow flatulence and other pork barrel projects. And there is no end in sight.

Since we cannot control ourselves, there is only one light at the end of the tunnel: the balanced budget amendment. The balanced budget amendment will give us guidelines to follow. It will force us to make tough choices on which programs to fund and how to prioritize our spending. The balanced budget amendment will give our children and grandchildren hope for a prosperous future—that is quickly sinking under a growing tidal wave of red ink.

Our Founding Fathers saw the importance of avoiding debt. The Framers assumed that each generation of Americans would pay its own bills and that over time the budget would remain in balance.

Thomas Jefferson stated:

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

Thomas Jefferson also stated:

> And to preserve [the people's] independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.

Mr President, the Founding Fathers realized that at certain times, there may be a need to temporarily incur debt. Many here have cited the Louisiana Purchase as an example. But the Louisiana Purchase is an entirely different matter from some of the pork we are currently funding.

But, Mr. President, we are not talking about the Louisiana Purchase. The public is well informed. The public is demanding the balanced budget amendment not because we are spending its money on worthwhile items, but because we are spending it on wood utilization research, studies on cranberry and blueberry disease and breeding, and locoweed research.

For two centuries, except to fund great national priorities or war, the Congress spent only what money it collected. But in the last 12 years, the Congress found out that it can spend

money for purposes that are not national priorities or truly in the national interest and stick our children with the price tag. It may be good politics to do so, but it is unconscionable public policy. And it is time to stop it.

Deficit spending is a disease. We need tough medicine. Over-the-counter statutory cures have proven too weak and ineffective. There is one cure left: the balanced budget amendment.

Opponents to this cure have made dark ominous claims about possible side effects. I respect the arguments made by the opponents of this measure. There is no more formidable Senator to debate these issues than the esteemed chairman of the Appropriations Committee. I commend him on his expertise and lively debate.

As I stated, many claims have been made about the possible side effects of the balanced budget amendment. These scare tactics are effective. But the fact of the matter is none of the side effects can be worse than the disease. Staggering deficits will regularly effect every Government program, cost jobs, and rob our children. The more we spend on interest, the less resources we have for other vital goods and services.

Additionally, as the Judiciary Committee stated:

[I]nterest payments work to redistribute income in the wrong direction. The money for these payments comes out of the pockets of taxpayers, primarily low and middle income families. These same working families are so burdened by the high interest rates that the deficit sustains. On the other end of the scale are the more fortunate and well-off, who can afford to invest in Treasury bonds and receive high interest payments.

Mr. President, these low- and middle-class families are the ones who most benefit from Government services and who—when they are forced to live without them because Government dollars are being wasted to pay interest on the debt—most suffer.

Additionally, because these interest payments slow the growth of the economy, there are fewer and fewer jobs for middle and lower income Americans.

I also want to address one specific spurious charge regarding this legislation effect on Social Security made by the opponents of the amendment.

It is wrong to seek to balance the budget on the backs of our seniors. The Social Security system is a self-financing trust created to assist our Nation's seniors and that trust in no way should ever be jeopardized.

In 1983, when I was first elected to Congress, the Social Security trust fund were in jeopardy—losing over $1 million an hour. That year, we adopted the recommendations of the bipartisan National Commission on Social Security Reform.

The reforms worked. Today the trust fund is healthy—with sufficient reserves to pay benefits well into the next century.

Social Security is a sacred trust between our country's citizens and the Government. It is not an entitlement or a handout. We must preserve that trust and not violate it by leaving the Social Security trust fund on budget and subject it to a balanced budget amendment. Leaving the Social Security trust fund on budget masks the size of debt and is political chicanery of the highest magnitude.

Mr. President, the esteemed senior Senator from New York, one of the Senate's foremost experts on the Social Security system stated on September 10, 1992:

Social Security is not an entitlement; it is a contributory pension insurance program. Persons pay into an account, and their name and their number and payments are kept track of over the years; when they retire, they are paid back according to a formula that has been in law and is predicted and understood.

Unfortunately, many have mischaracterized Social Security as an entitlement and assert that it must be included in any budget calculations. However, as Senator MOYNIHAN noted, Social Security is not an entitlement; it is a Government administered pension insurance program.

As Robert Myers, the chief actuary of the Social Security Administration from 1947 to 1970 stated:

The Social Security trust fund is one of the great social successes of this century. The program is fully self-sustaining, and is currently running significant excesses of income over outgo. The trust fund will continue to help the elderly for generations to come—so long as the rest of the Federal Government acts with fiscal prudence.

I had hoped that the Social Security trust fund would have been exempt from the provisions of the bill. I will continue to fight for that.

However, as Mr. Meyers correctly points out:

[T]he most serious threat to Social Security is the Federal Government's fiscal irresponsibility. If we continue to run Federal deficit year after year, we will face two dangerous possibilities. Either we will raid the trust funds to pay for our current profligacy, or we will print money, dishonestly inflating our way out of indebtedness. Both cases would devastate the real value of the Social Security trust funds.

He continues:

Regaining control of our fiscal affairs is the most important step that we can take to protect the soundness of the Social Security trust funds.

Mr. President, that is exactly what the balanced budget amendment would do—it would allow us to control our fiscal affairs. A responsibility that is long overdue.

I want to take this opportunity to thank my friend from Illinois for his efforts. Even when this loses, this battle will not be over because the American people will not allow it to be over. I look forward to working with him to bring this issue up again, because it will not die until the will of the people is enacted, and that is a balanced budget amendment to the Constitution.

I also comment that one of my colleagues on the floor earlier was talking about how he had voted for various cuts in spending. I rely on the view of the National Taxpayers Union, the Citizens Against Government Waste, the Citizens for a Sound Economy, and others who monitor the performance and the votes of the Members of this body. I think the public will find out by looking at those ratings as to who is in favor of spending money and has given us this over $4 trillion debt and who has not and who votes for cuts.

The fact is, we just had a stark reaffirmation of the inability of this body to bring spending under control when we voted down the Kerrey-Brown amendment just weeks ago. That amendment would have cut $97 billion from an over $1 trillion budget, and this body could not see its way clear to make those cuts. So if there is anyone who believes that this body is serious or this Congress is serious about bringing the deficit down to zero, they simply have to look at the repeated efforts by Members of this body to enact cuts in spending, which time after time go down in defeat—in many cases overwhelmingly so.

I just want to point out yet again several facts we should bear in mind when we go through this debate. The national debt is over $4 trillion. In 1994 the Federal Government will pay more than $200 billion in interest, or some $800 million every day. That $800 million being spent every day does not buy a food stamp, does not build a home, does not take care of anybody in need. It simply pays the interest on the debt that we have accumulated, which we will continue to pay and pay. It does not do anyone any good. In fact, in the view of some, it is a redistribution of wealth that is unconscionable.

There are some very cynical people around who have made the assertion—which has some credibility to it; that is their reason—that they divine why Congress has not balanced the budget. Because if 85 cents out of every dollar is in the budget and an additional 15 cents is laid on future generations of Americans to pay, that gives them an additional 15 cents they would not have to pay for pork barrel projects and unnecessary and wasteful spending, which goes on and on and on, much of it in the form of the most obscene kind of spending: $2.5 million to study the effect on the ozone layer of flatulence in cows; $2.5 billion in highway demonstration projects, of which 40 percent went to four States and four States alone. Highway demonstration projects have been characterized, I think correctly, as a way that a Congressman or Senator can demonstrate that he or she has enough clout to get pork for their State.

The list of waste and pork goes on and on. It is obscene, it is unacceptable, and it has to stop. That is why

overwhelmingly the American people, who are neither stupid nor uninformed, overwhelmingly support the balanced budget amendment to the Constitution. And, even as laudable as some of the aspects of the Clinton budget are, it also mandates deficits for the foreseeable future.

Would a balanced budget be painful? Yes. Would it make things difficult? Yes. Would we have to protect Social Security? Yes. But is business as usual acceptable to the American people and to future generations of Americans? I say the answer that the American people are telling us is overwhelmingly no. That is why I say to my friend from Illinois, in the words of Winston Churchill, "Never give up. Never give up. Never give up." We are mortgaging the future of our children and grandchildren by laying this debt on them. It is unacceptable.

It is an abrogation of our responsibilities when we seek public office and we raise our hands and swear that we will support and defend the Constitution of the United States against all enemies, foreign and domestic that we now act in this fashion. We have a domestic enemy here, a domestic enemy that is gnawing away at the very fiber of America's economy. We cannot continue to run up this incredible debt. We cannot continue to pay these interest costs, to the tune of $200 billion a year, $800 million a day. We cannot do it and expect to have a sound economy. If we do not enact a balanced budget amendment, then we cannot do away with that debt except through debasing the currency. If we debase the currency, yes, then we can pay off the national debt. But debasing the currency destroys the middle class of America.

Mr. President, I will not take any more of my colleagues' time—I know others want to speak—because this round of the battle is over. I know we do not have the votes to pass the Simon-Craig amendment. But I do know this. It is not over. It will not be over until we pass it. And we will not have fulfilled our obligations to the people of this country until we provide them with the fiscal sanity that they need and deserve.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I appreciate the remarks of the Senator from Arizona. He, typically, is very energized and speaks with great feeling. For that reason, I say to the Senator from Arizona that he recognizes, as I stated Friday, that the Simon amendment is dead. Therefore, I think it would be in the best interests of this country, and the Senate as an institution, that we adopt the Reid substitute. Why do I say that? Because it requires a balanced budget amendment by the year 2001, but it does it through realistic budgeting. That is, Social Security would be off-budget. There would be capital and operating budgets like we have in all States. But the problem I see is, as the Associated Press last week quoted the senior Senator from Idaho, he said the Republicans are going to vote against the Reid amendment. That means not only is the Simon amendment dead, but my amendment will also fail. That is too bad.

My friend from Illinois, and then the Senator from Pennsylvania, said—I am paraphrasing this: We are not worried about Social Security because my friend from Illinois said the legislation to correct that is on the path. The Senator from Pennsylvania said we can correct that with legislation.

We have that clearly as not being able to occur. The administrator of the Social Security Administration for three Presidencies has stated just 2 weeks ago that anyone who suggests that is simply wrong.

He was responding to a man by the name of Mr. Myers who said we do not have to worry about Social Security; it is more important to have a balanced budget than to worry about Social Security. What Mr. Ball has stated, and I think we all recognize his being an expert, is:

> Let me, therefore, confine my testimony to the effect of the amendment on Social Security, a program to which, along with Medicare, I have devoted my life.

He goes on to say:

> We are talking about a constitutional amendment which will stand perhaps forever, at least a long, long, time. And to judge they will not take actions that are permitted and quite with great pressure to take them because of what Mr. Myers characterizes as reasons for not moving, I think is really quite naive.
>
> He says this will not happen, that they will not touch Social Security after a budget balancing amendment is passed, because it would be against integrity, logic, and fair play. It would, but the pressures would be extraordinary. I believe it would put at great risk the monthly benefits of 42 million people who are currently receiving benefits and the benefits of millions more who are working and building credits for future benefits.

Mr. Ball continues:

> In 1993 alone, 134 million earners worked under Social Security. Practically every American family has a major stake in the program. It is hardly a special-interest group to be defending Social Security. The program today keeps 15 million people out of poverty and millions more from falling into near poverty. But what is frequently overlooked is it is much more than a poverty program. It is the only retirement program for 6 out of 10 workers in private industry, and the base on which private pensions are built for the other 4 out of 10.
>
> Social Security is family insurance as well as retirement protection. Life insurance protection under Social Security. It pays nearly 3 million children each month and, of course, there is also protection against loss of income because of disability. The protection of young families is very significant.
>
> Now, all this protection, retirement, survivors, and disability insurance would be put at risk . . . by a constitutional amendment——

Talking about the Simon amendment.

> forcing a balanced budget. The amendment provides a great opportunity for those who favor cutting Social Security and radically restructuring it.
>
> Social Security is self-financed and responsibly financed. It has had no part in creating the deficit and the staggering debt.

This is a man whose qualifications are not surpassed, who says if the Simon amendment passes, Social Security will be put at great risk. Mr. President, my amendment preserves Social Security. My amendment allows the Nation's budget to be balanced by the year 2001. It prohibits deficit spending unless it is approved by a three-fifths vote. It retains the integrity of the Constitution. It is a realistic way of balancing the Federal budget because it is patterned after how the States balance their budgets. In effect, the Federal Government will be asked under the Reid substitute to operate like families and the States.

I have struggled with the arguments of my friend from Illinois, and I have arrived at the point that I believe his amendment is fatally flawed and, for that reason, it will fail. As I mentioned to my friend from Arizona, he acknowledged that the Simon amendment is going to fail. Why not join the Reid amendment, the Reid substitute, because the House is going to come up with some kind of a balanced budget amendment, and I would bet it will be something comparable to my substitute.

My amendment is pragmatic, it is enforceable, it provides three simple differences with the Simon approach: No. 1, it provides flexibility during times of economic recession to prevent depression, and we have documented how depressions occur and occur and occur, and have occurred prior to 1929. It allows the Federal Government to prudently borrow for infrastructure needs, capital investments, roads, airports, mass transit, and it preserves Social Security as a separate trust fund.

Earlier today, I met with members who support my amendment. For example, the National Committee to Preserve Social Security consists of 6 million people. Its executive vice president, Max Richmond, was present in room 211 today where he stated the Reid amendment is protection for 6 million people who belong in his organization.

We also received support from the National Alliance of Senior Citizens, who support the Reid amendment. I ask unanimous consent that a letter on behalf of the National Alliance of Senior Citizens, signed by their chief executive officer, Peter J. Luciano, be printed in the RECORD.

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

NATIONAL ALLIANCE OF
SENIOR CITIZENS,
Washington, DC, February 28, 1994.

Senator HARRY REID,
U.S. Senate, Washington, DC.

DEAR SENATOR REID: On behalf of the National Alliance of Senior Citizens, this letter is to express our strong support for the Reid Balanced Budget Amendment. Your approach to this important issue recognizes the critical distinction of Social Security, namely that it is a Trust Fund, built from the contributions of working men and women for their retirement. The surplus in this Trust Fund is an investment that working Americans have made for their future, and for this reason, Social Security must not be treated as simply another budget item in the battle for fiscal responsibility.

Senior citizens have as much at stake as other Americans—perhaps more—in seeing the federal government return to a prudent fiscal policy. The National Alliance of Senior Citizens was founded twenty years ago for that very purpose—to ensure a voice for senior Americans who believe national policy on aging must be based on sound fiscal principles. It is well known that rising taxes and inflationary policies, such as huge budget deficits, do particular harm to those on fixed incomes.

But there is an important difference—in anyone's budget, private or public—between Savings Accounts, Investment Accounts, and Current Consumption Accounts. The Reid Balanced Budget Amendment recognizes these key distinctions, and in doing so, helps protect the future of elderly Americans and the contributions for retirement they have already made.

On behalf of the 117,000 members of the National Alliance of Senior Citizens, we are greatly heartened, Senator, by your informed approach to eliminating federal budget deficits.

Sincerely,

PETER J. LUCIANO,
Chief Executive Officer.

Mr. REID. Mr. President, among other things, the National Alliance of Senior Citizens states that the Reid balanced budget amendment recognizes key distinctions and, in doing so, helps protect the future of elderly Americans and the contribution for retirement they have already made.

We need the support of people on the other side of the aisle. It is the right thing to do. This should not be a partisan issue. It should be an issue that is handled on its merits.

I ask those on the other side of the aisle to join with me in passing out of this body a balanced budget amendment that is prudent, reasonable, and workable.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. BINGAMAN). Who yields time? The Senator from Illinois.

Mr. SIMON. Mr. President, just a comment or two in response to two questions posed by Senator BUMPERS earlier. In terms of Social Security, the person who made the point that a balanced budget amendment is the basic protection that is needed by the Social Security system was the Chief Actuary for the Social Security system for 23 years.

I point out, second, that the Reid amendment Social Security portion is fine for the surplus, but starting in the year 2024, Social Security goes into a deficit. It provides absolutely no protection for anyone 35 years of age or younger. That is something to keep in mind.

In terms of people saying now the Simon amendment is dead, that is probably the weakest argument I can think of for voting against an amendment. The question should not be what its status is—and I am not about to give up. I think the point made by Senator MCCAIN is that we just have to keep fighting this battle—but the question is on the merits.

Finally, Senator BUMPERS asked two questions because I had yielded to Senator SPECTER and was not able to answer at the time. He says:

If Congress miscalculates revenues or spending and this becomes apparent by the middle of the year and the budget becomes or is about to become unbalanced and the Congress is unable to muster 60 percent to waive, what happens?

Several things. First, we have to pass implementing legislation so we have procedures. I would suggest that we aim for a 1-percent surplus.

Number two is we make clear in the committee report we will have to have about a 2- or 3-percent leeway that can be shifted over to the next fiscal year, and then we will adjust in that next fiscal year. I think clearly that can be done.

Third, we are going to end up with estimates that are closer. I have been on the Budget Committee either in the House or the Senate the majority of my years. Some years—and I see my colleague from New Mexico here—some years when we could not get an agreement, we just changed the estimates and we ended up with unreal estimates. This is going to force us to make some real estimates.

Then, finally, of course, you have the provision of 60 percent.

His second question:

Why does the Senator believe Congress would vote to balance the budget and cut spending or raise taxes enough to accomplish that when there is no mechanism to force such cuts or revenue increases? We have no history of such courage to indicate such actions will be taken and then assume again that you cannot get 60 percent.

The reality is, a constitutional amendment does give us a little political cover. That is the simple reality. Not only does it give us political cover, but the people back home will say to us: "How come you voted for a balanced budget amendment and then did not follow through?"

It gives us political cover to do some things that we have not had the courage to do, and it forces us to do that.

I would say, finally, to Senator BUMPERS, the choice is just to continue drifting. What is his answer? What is the answer of those who oppose this? David Broder's column this morning comments that there is no alternative by those who oppose this. Do we just continue piling up these deficits? I think we have to do better. This is an opportunity to do better.

Mr. President, I yield 15 minutes to the Senator from New Mexico, Mr. DOMENICI.

Mr. REID. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. REID. Could the Chair indicate to the floor managers how much time they have?

The PRESIDING OFFICER. The Senator from Nevada controls 33 minutes, the Senator from Illinois controls 21 minutes, the Senator from West Virginia controls 3 minutes, and the Senator from Utah, Mr. HATCH, controls 1 minute.

Mr. REID. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 15 minutes.

Mr. DOMENICI. Mr. President, before my time runs, might I inquire of Senator SIMON, I do not understand what this time applies against, but is 15 minutes too much of the time, so the Senator will not have too much left?

Mr. SIMON. No, I am pleased to yield 15 minutes to the Senator.

Mr. DOMENICI. I thank the Senator.

Mr. President and fellow Senators, I do not choose tonight to speak about the Simon-Craig balanced budget amendment, which is the underlying amendment. I will try to do that tomorrow. I stated on Friday that I was going to support that, and I will state my reasons in some detail tomorrow.

Tonight I just choose to give an analysis of the Reid amendment, and once again my very good friend from Nevada, Senator REID, as he always does, has come up with an interesting legislative proposal. But I do not think anybody should assume that the Reid amendment strengthens the budget process of the United States and moves us in any way, shape or form toward a real balanced budget.

First of all, it makes the system more complex than it is today, and it is plenty complex today. While it purports to deliver a balanced budget, it lacks the enforcement tools to accomplish this result.

Now, the Reid amendment, as I indicated, is a very innovative and, some might even say, an exciting way to legislate about a balanced budget. I think it is an exciting way to avoid a constitutional amendment which will direct and force a balanced budget. The Reid amendment only requires "operating funds" Mr. President, in quotation marks because that is in his bill, "operating funds"—to be balanced. The Reid amendment would exempt Social Security and capital investments. So now we would have to mon-

itor four budgets: the operating budget deficit, the capital budget deficit, the Social Security surplus or deficit budget, and, yes, the unified budget of the United States, which everyone feels is what is really important for the economic well-being of the country.

There is no generally accepted definition of operating funds, I say to my friend from Illinois, no generally accepted definition. We are now writing a new word into the budget language in the Constitution for which we have no regularly accepted definition. There is no accepted definition of a capital investment, and we are writing that into this Constitution and saying capital investments are exempt from the balanced budget rigor and vitality, and thus whatever you spend on capital investment need not be offset because it does not count against the budget deficit.

Very interesting. President Clinton's budget includes three different displays of the capital budget, with deficits ranging from $46 billion to $160 billion for the year 1995. Depending upon what it means, we have a $46 billion operating budget submitted by the President, or a $160 billion budget, and yet nobody has a real definition of what a capital investment budget is.

With the Reid amendment, Congress would define its way out of the deficit without cutting a thing. Just define capital budget sufficiently broad to include all kinds of things that are close calls and you will take off budget enough so you will come close to a balanced budget in 6 or 7 years and you will not have cut anything.

In fact, I would interject here, my good friend FRITZ HOLLINGS at lunch today was speaking about a capital budget, and instantly what came to his mind was the notion about buying the Brooklyn Bridge, or mortgaging it, or finding a way to acquire the Brooklyn Bridge. Frankly, we are going to do one better with this constitutional amendment because we can buy the Brooklyn Bridge with taxpayer dollars and define it as capital investment and not worry about the effect on the budget deficit. We have just acquired another capital asset, the Brooklyn Bridge, for whatever it is worth.

If we go to OMB's definition of a Federal capital investment, Congress could not reduce any "capital" programs, capital being in quotation marks, to balance the operating budget.

To put this in a clearer light, the savings from over 100 of the President's proposed 115 terminations are in capital programs and under a capital budget could not be used to balance the budget. Or another way, no one would want to because you can spend on capital items and not count it against the deficit.

So the President, who went across the land bragging about $3.5 billion in outlays and many more in budget authority from these terminations, more than 100 of those programs would be defined off the budget from the standpoint of concern for balance because they would be defined as part of a capital budget.

Now, Mr. President, neither the GAO [the Government Accounting Office], or the CBO [the Congressional Budget Office], which very recently entered a very interesting analysis of health reform. CBO is the congressionally created independent entity that the President has told us heretofore ought to be the one we all use to get the budget numbers right. Both GAO and CBO argue that Congress should use the unified budget concept, the basis found in the Simon-Craig amendment.

I do not know whether the Clinton administration supports this Reid amendment or not. They do not support the underlying amendment. Let me tell you, they have opposed a capital budget proposal that surfaced in the House a year ago. And I assume it is because of some of the things I have just said. The vagaries of a capital budget, actually, with nothing else in the Reid amendment, just the vagaries of that, should lead everybody to conclude it is not a balanced budget amendment. It is a balanced budget as-defined-by-Congress amendment. But the question is, does it add to the debt or not? Which, interestingly enough, is the safeguard in the Simon-Craig amendment at a point in time you stop increasing the debt held by the public. Is that not right, I ask the Senator?

Mr. SIMON. Yes.

Mr. DOMENICI. Frankly, under the Reid amendment, capital budgets would not have anything to do with deficits, but they would have a lot to do with increasing the debt. If you spent $100 billion worth of capital investments in a budget, which would not count, and you balanced the rest of the budget, you would still be $100 billion in the red and you would have to borrow to pay for these capital investments, whether you called it a capital budget that you were borrowing for, freeways and highways of America that you wanted to borrow money for, or the Brooklyn Bridge that you wanted to buy, and had to pay for.

While the proponents of this amendment claim that this will protect Social Security, the Reid amendment does no such thing. It takes Social Security off budget. Is that security for the Social Security budget? I understand some of the groups that support seniors are all on board the Reid amendment. It does not protect retirees' benefits one iota because there is no protection against changing the beneficiaries. You can increase what you paid to the beneficiaries and break the Social Security trust fund. And nobody can do anything except say that it is on its own. Social Security would not be treated as part of the budget deficit.

You could decrease the Social Security taxes, I say to my friend from Illinois, under the rubric name of helping the economy, thus making the off-budget Social Security trust fund less solvent.

Interestingly enough, Mr. President, today if you tried any of those things, there is a wall. This is a firewall created by a budget resolution that requires 60 votes, if you are going to in any way change the receipts coming into the Social Security trust fund. That is better protection than taking it off budget as is recommended here. As a matter of fact, for those who want to really protect Social Security—I say to my friend from Illinois—what we ought to do is make the firewall which is now 60 votes part of the substantive law instead of the budget resolution because we can change the budget resolution with 50 votes.

What I wanted to do, and what I had great support for but could not get it out of committee, was to go ahead and write into the Budget Impoundment Act of the land that you could not change the receipts flowing into the trust fund for Social Security without 60 votes. But right now today the Social Security trust fund is protected more by a budget resolution that is currently in effect than it would if you adopt this constitutional amendment.

We do not need this exception to protect that fund. For those who want to protect it, we will put the language in tomorrow, an amendment to the Budget Impoundment Act that ought to be adopted like that if you are worried about the Social Security trust fund. It will say you cannot change it in any significant way—the expenditures or the receipts of the Social Security trust, without a supermajority. That will protect it. This will not. This will make it subject to a "we want to write in enabling legislation for the so-called balanced budget constitutional amendment" proposed by my good friend from Nevada, Senator REID.

As I indicated, the Social Security trust fund is more apt to be raided if taken off budget as proposed by the Reid amendment. The Social Security fund is more apt to be exposed to insolvency through payroll tax cuts or beneficiary expansions since these proposals would not affect the budget.

Is that not interesting? It would not affect the budget because the budget is the operating budget, the Social Security is the Social Security budget, and the capital improvements budget is the capital improvements budget, the other three, except for operating, being immune to the rigors of balance.

Besides being overly complex and endangering the Social Security System, the pending amendment lacks the necessary enforcement tools and is filled with loopholes. Unlike the Simon-Craig amendment which requires 60 percent vote of each House to increase

the debt limit, the Reid amendment has no controls over the debt. But Social Security can go up or down in its reserves, and it will not affect the operating deficit. The capital budget does not even have to be paid for. Of course we can write enabling legislation saying we have to. But essentially, that is not what is intended in this amendment.

What is really intended is that the capital budget be in some way managing capital over years instead of annually. And might I repeat that neither the Congressional Budget Office nor the GAO recommend a capital budget. They recommend a unified budget which is what is being controlled in the Simon-Craig amendment.

The Reid amendment itself gives the Congressional Budget Office director the authority to suspend the article in the event that CBO projects economic growth of less than 1 percent for two consecutive quarters.

Frankly, we write all kinds of things into the Constitution. But very interesting, we are literally going to write into the Constitution of the United States the Director of the Congressional Budget Office.

I believe if you want to do a recession-triggering mechanism, then why not suggest it on the Simon-Craig amendment if that is what you really want to do? You do not need to take everything off budget under the Reid amendment. If you think it is in order to spend in deficit during a recession which would be two consecutive quarters of no real economic growth, which is a definition economists use, offer it here on the floor as an amendment to Simon-Craig. I am not sure it will pass. But you make the same point. You do not need to take everything off budget to provide this flexibility in the operating budget.

Mr. SIMON. Mr. President, will my colleague yield on one question?

Mr. DOMENICI. Of course.

The PRESIDING OFFICER. The Chair would advise that the Senator's 15 minutes has expired.

Mr. SIMON. I yield 3 additional minutes to the Senator from New Mexico.

The Senator pointed out one thing that frankly has not been discussed. But in terms of the substance, I agree with the Senator entirely. But the Senator mentioned that the amendment would include the Congressional Budget Office in the Constitution. Do we include the Secretary of State or Secretary of Defense or Secretary of any Cabinet office in the U.S. Constitution? Does this make this something like the Constitution of the State of Louisiana that is a thick book in terms of all the details?

Mr. DOMENICI. No. We do not. I say to my friend, he asked that knowingly. But I must tell you it is very interesting. Because the question is even more than that. It is how do you get rid of the CBO director? Whomever it is, it has to be a person. So write it into this Constitution. Right now the Senate majority leader and the Speaker of the House appoint the CBO director. He can be removed by the passage of a simple resolution by either House. What are we going to provide? Are we going to have a political way to get rid of them? Every 4 years are we going to rotate this person? It is an invitation to politicize the Congressional Budget Office, an arm of the Constitution. In terms of balanced budgets, if you concluded that you wanted a recession trigger in the proposal of the Senator of Illinois, you could include it in implementing legislation in the proposal of the Senator from Illinois as I understand if you want to write that kind of thing in.

Finally, the Reid amendment would weaken the Presidency. I will have more to say tomorrow when I address the policy nature of the Simon-Craig amendment that could invigorate the power of the Presidency in enabling legislation. But this would weaken the Presidency, which I doubt over the long run will help us achieve a balanced budget amendment. In a sense, it is trivializing the Constitution by writing specific exemptions, mandates, and authorities that are better left for statute.

So in conclusion, it is clear to me that this is not an amendment which will bring to the American people a point in time when we add no more to the debt and call that a balanced budget which is precisely where we ought to arrive at at some point in time, not adding to the debt.

The Reid amendment will permit us to add to the debt in at least two major ways, either by reducing reserves for the Social Security Trust Fund, thus adding to the real debt, or putting capital improvements in place which are not accountable for, which we do not have to pay for, which you could add to the deficit regularly on that score.

Overall, I think it is far inferior to the amendment offered by Senators SIMON and CRAIG.

I yield the floor.

Mr. REID. Mr. President, I respond to my friend from New Mexico, for whom I have affection and with whom I have enjoyed working in the years I have been in Congress. There was a statement made about how we monitor these four budgets. The fact of the matter is that we monitor three of them now—the operating funds, Social Security, and the unified budget, all of which is the capital aspect of the budget.

Also, there is no generally accepted definition of operating funds nor capital investment. I suggest to my friend from New Mexico that the fact of the matter is that for 40-odd years, we have been carrying this in our accounting of the Federal budget. States have had decades and decades of experience. There was a statement that you could buy the Brooklyn Bridge and call it capital. Using that inversely, you could use the Simon amendment and you could buy the Brooklyn Bridge and say it does not add to the debt.

The fact of the matter is, I think Senator HATCH, on Thursday, talked about how we as Members of Congress must handle this. The Senator from Utah said that he did not feel there was a person in this body who was not interested in living up to his oath of office. He went on to say:

> I cannot imagine a Member of this body, if this resolution passes both Houses of Congress, who would not take their responsibilities very seriously. Furthermore, to say that by putting their declaratory language in the amendment we are preventing that is also to be construed as an insult to Congress, because if we are obligated to meet the terms of this constitutional amendment, that alone is enforcement, and the ballot box is going to be even more enforcement.

We have to take the good faith of those supporting the Simon amendment and those who support the Reid substitute. And I suggest again, Mr. President, that those people who are supporting the Simon amendment—about which there was acknowledgment on the floor today by just about everybody that it is not going to pass. There should be a general consensus that the Reid substitute should pass. It is something that is reasonable. It treats the Federal Government like State governments are treated. It is something that would have a significant chance of passing in the other body. I believe that it is something that is extremely important, and we should pass it.

I also suggest that if you look at what my friend from New Mexico has said, that my amendment would not protect Social Security by taking it off-budget. If that would not protect it, frankly, I do not know what would. In fact, I would like to read a quote from both the minority leader and Senator DOMENICI, statements that they made following the CBO, coming out with a criticism, a critique of the President's health care program. This, Mr. President, is on the independence of CBO coming from my friend from New Mexico and my friend from Kansas, the minority leader.

Senator DOLE said:

> I congratulate the CBO Director, Mr. Reischauer, because I think they did put together a very objective and a comprehensive analysis under very difficult circumstances.

My friend Senator DOMENICI said:

> I rise today, I say to the Senate and my fellow Senators, to congratulate a very, very courageous employee of the United States Government, the Director of the Congressional Budget Office, Dr. Reischauer. Frankly, he has been under enormous pressure and did the right thing.

If taking Social Security off-budget, I repeat, would not work, what would?

My friend from New Mexico voted in 1990 with 97 other Senators—this Senator included, and the senior Senator from Illinois included—to take Social Security off-budget. It was 98–2. Today, there is a 60-vote firewall protecting Social Security. The fact of the matter is that we all recognize that. There is no intention of repealing that.

So for these and other reasons, I think that my friend from New Mexico and other Members in the other body, over the night, during the night, in the morning, I ask that they strongly consider supporting the Reid amendment, because if anybody wants a balanced budget amendment out of the U.S. Senate this year, they should support the Reid amendment. The Simon amendment will not pass. It does not have the votes.

I know that my friend from Idaho has stated, as the AP reported, that the Republicans are not going to support the Reid substitute. That is too bad. This should not be a partisan issue. The Reid substitute is going to be comparable to what is going to come out of the House of Representatives. I think this would be a dramatic step forward if the Senate would pass the Reid substitute, send it to the House, then this year—not next year, or the year after that, or the year after that, but this year—we would have a balanced budget amendment, one that treats the United States Government like State governments, where they balance their budgets, one that protects the Social Security trust fund, and they are totally sufficient and adequate to take us for the next 75 years—three-quarters of a century. I think we should protect those moneys, because we have an obligation to the people who paid into that.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. REID. We have made an agreement and there is not a lot of time left, but I know the Senator asks short questions. I will take a short question.

Mr. DOMENICI. The Senator mentioned in his remarks—and I think he made a very good argument in rebuttal, but I do not agree, as he understands. But I think the Senator always, in rebutting arguments on the other side, does it in a very excellent way, and I commend him for it. The Senator mentioned that under the Simon-Craig amendment, this Brooklyn Bridge could be off budget, too. In 1982, when this balanced budget was working its way through, it did not have the debt limit on it yet. We did that afterward. But a simple word was inserted by the then Senator Chiles from Florida and Senator DOMENICI from New Mexico, and I think it is in there, where you refer to outlays and receipts. It says "total" outlays and receipts. Heretofore, it just said "receipts and outlays." The history of the word "total" is that you cannot exclude any outlays or receipts, as you have indicated. They are going to be counted anyway, and whether you include them or not, they end up adding to the deficit, which adds to the debt. So you cannot exclude anything. I wonder if the Senator was aware of the word "total" in there when he made his remarks?

Mr. REID. The problem, I say to my friend is—using the Brooklyn Bridge as an argument—if in fact we did not want to live up to what Senator HATCH said was our constitutional obligation and duty—and I take for granted we would all try to do that. But assuming that we did not, there would be no reason that you could not have a law that would require some private entity to buy the Brooklyn Bridge and work out some arrangement with the Federal Government.

So we have to rely on the good faith of those constitutional officers, which we are, to follow what is the law. I mentioned earlier today that the Reid amendment, I believe, will have all the teeth that the Simon amendment has. Both amendments rely on future Congresses to abide by their oaths, to uphold the Constitution. The Simon amendment relies on future Congresses to define the new term limit on the debt of the United States held by the public.

The term is nowhere defined in the law now. The debt limit is defined in title 31, section 3101 of the United States Code. It is an entirely different concept.

What prevents the use of creative accounting to define the new limit? What prevents the Congress from defining certain types of borrowing out of the new limit?

The answer is the sworn duty of Senators and Congressmen to uphold the Constitution is what would protect that.

The answer is the same for my amendment.

I suggest to my friend from Illinois that Senator LEVIN wishes to speak. I see the Senator from New Mexico rising.

Mr. DOMENICI. I thank the Senator, and I understand his remarks. I understand we will give a response on enabling legislation.

I thank the Senator very much.

Mr. REID. How much time does the Senator from Illinois have?

The PRESIDING OFFICER. The Senator from Illinois has 3 minutes remaining.

Mr. REID. It is my understanding the Senator will yield 3 minutes.

Mr. SIMON. I yield 3 minutes and my colleague from Nevada will yield 7 minutes.

Let me add that I am going to have to leave here no later than 7 o'clock. I would hope we could get a time agreement for tomorrow morning and I think whatever the time agreement is prior to the Reid amendment it should be divided four ways. I think our colleague from Nevada would agree to that.

Mr. REID. Yes, except for a half hour in the afternoon from 2:30 to 3. The Senator and I will divide that.

Mr. SIMON. In the afternoon it is a little different.

Mr. REID. Of course.

Mr. SIMON. It depends on what happens to the Reid amendment.

Mr. REID. I am talking about between 2:30 and 3 when we finish the conference. I am out of the picture after that perhaps.

Mr. SIMON. All right.

Mr. REID. As soon as Senator LEVIN starts talking maybe we can get together to work something out.

Mr. SIMON. I hope to do that.

I yield to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 10 minutes, 3 minutes yielded by the Senator from Illinois and 7 minutes yielded by the Senator from Nevada.

Mr. LEVIN. Mr. President, first, I thank the Senators from Illinois and Nevada. They are courteous.

I oppose the amendment of the Senator from Illinois. He is still allowing those who oppose the amendment his time and where he has surplus time to raise our point. It is most appreciated.

I worked with the Senator from Illinois back in 1986 to try to use some of the new revenues that were coming from tax reform for deficit reduction. He may remember that there were very few votes in this Chamber for that use of those revenues. We were right then and working together then on deficit reduction.

I believe the current amendment of the Senator is a mistake. I spoke last week on it. I feel either it will give the minority too much power or, what is more likely, in my view, is that loopholes in the amendment will be used to evade what its intent is, and one of those loopholes is the fact that estimates can be used under section 6. He has addressed that issue.

The Senator from Illinois has indicated that there is a backup to the misuse of those estimates, that if rosy scenarios were used, as they were in the eighties, to create fictitious surpluses or to show that there will be no deficits that as a matter of fact then you have the backup of a debt limit which then must be voted by 60 percent of the Senate to be increased.

But very quickly let me say how easy it is to evade it. The head of the budget office, Robert Reischauer, said:

> Probably the most important difficulty with the balanced budget amendment rule is that it offers many opportunities for avoidance or evasion. One way to evade the balanced budget constraints might be to base the budget on overly optimistic economic and technical assumptions.

That is the CBO head who is talking. I think he is absolutely right.

The argument that my friend from Illinois uses is that there are some teeth that he has in this amendment to stop that, and the teeth is this requirement that there be 60 votes to raise the limit on the debt held by the public.

At one point I think he called that the muscle against overly optimistic assumptions, against rosy estimates. I do not believe it is a realistic hammer at all.

As a matter of fact, I think that the suggestion that we might not raise the debt limit to pay our debts is a suggestion which has no basis in our history. We are going to pay our debts. We have proven it over and over again. So it is not teeth that is in the amendment.

This is a nuclear weapon that the Senator from Illinois has suggested would be used to enforce the balanced budget amendment.

I ask the unanimous consent here that a letter from the Secretary of the Treasury, then-Secretary James Baker, be printed in the RECORD at this point.

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

THE SECRETARY OF THE TREASURY,
Washington, July 8, 1987.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR LLOYD. I am writing to request that the Congress act by July 17 on legislation to extend the debt ceiling. The temporary debt limit enacted May 15 expires at midnight on July 17. The ceiling then reverts to the $2.1 trillion permanent ceiling—about $195 billion below the amount of debt that we estimate will be outstanding.

The Congress enacted only a two-month extension of the temporary debt limit in May to assure that there would be no other choice but to revisit the debt limit in mid-July. Enactment of a debt limit extension by July 17 is crucial to prevent disruptions in Treasury debt management that would begin immediately. As described below, in the absence of timely Congressional action the Government could well default on its obligations on July 30, and almost certainly will do so on July 31.

The following actions must be taken if the Congress delays enactment of a debt limit increase. On July 17, we would have to (1) notify the 44,000 savings bond issuing agents not to sell any more bonds and (2) notify the Federal Reserve Banks to stop issuing State and local government series (SLGS) Treasury securities. Interruption in the availability of SLGS will result in lost interest earnings and interest arbitrage rebate problems for municipal entities. Furthermore, Treasury will be unable to invest or roll over maturing investments of trust funds and other Government accounts. For many of these accounts, Congressional action will be required if any resultant losses of investment income are to be restored.

Disruptions in Treasury's normal market financing will begin on July 20 with the postponement of the weekly bill auction. On July 23, $13.7 billion maturing bills will have to be redeemed in full. We will notify the thousands of smaller investors who use the Treasury book-entry system that they may receive a check instead of their requested reinvestment of the redemption proceeds in new bills. This will be done so that they can plan alternative investments. Smaller investors in book-entry Treasury bills maturing July 30 would also have to be notified, with the additional warning that the checks may not be honored on July 30.

The Treasury may well not have enough cash to pay off $13.7 billion of maturing weekly bills on July 30. Even if the Treasury managed to get through July 30, our balance would be perilously small and we would almost certainly run out of cash the next day. On July 31, in addition to defaulting on $10.2 billion of maturing marketable Treasury notes, the United States would not be able to honor $2.1 billion of benefit payments to veterans and supplemental security income beneficiaries. Further, on August 3, $17.1 billion of social security benefit payments could not be honored, nor could $4.2 billion of benefit payments to railroad, military and civil service retirees.

I should stress that defaulting on already outstanding, validly incurred obligations has far graver effects than halting operations of the Government when spending authority is allowed to lapse, such as when there is a delay in action on appropriations. A failure to pay what is already due will cause certain and serious harm to our credit, financial markets and our citizens, it is not remotely similar to a lapse in authority to incur new obligations.

I urge you to seek cooperation of your colleagues and to act quickly on a debt limit increase in order to prevent unnecessary problems and later default on the Government's obligations. We are requesting an increase in the current debt ceiling to: (a) $2,800 billion, an amount sufficient to get through May 1989, and avoid the burden of dealing with this time-consuming issue in the midst of election year schedules; or (b) $2,578 billion, the amount estimated in the President's Budget to be necessary for FY 1988.

I cannot overemphasize the damage that would be done to the United States' credit standing in the world if the Government were to default on its obligations, nor the unprecedented and catastrophic repercussions that would ensue. Market chaos, financial institution failures, higher interest rates, flight from the dollar and loss of confidence in the certainty of all United States Government obligations would produce a global economic and financial calamity. Future generations of Americans would have to pay dearly for this grave breach of a 200-year old trust.

Sincerely,

JAMES A. BAKER III.

Mr. LEVIN. Let me read just the last paragraph in his letter in the July 31, 1987 Congressional RECORD, when it was suggested we should not raise the debt limit.

I cannot overemphasize the damage that would be done to the United States' credit standing in the world if the Government were to default on its obligations, nor the unprecedented and catastrophic repercussions that would ensue. Market chaos, financial institution failures, higher interest rates, flight from the dollar and loss of confidence in the certain of all U.S. Government obligations would produce a global economic and financial calamity.

So I think that the suggestion that there is this backup here to enforce the provision in the Simon amendment that outlays must equal revenues is a suggestion which is not based on any realistic assessment of what is doable. We cannot refuse to pay our debts or it will be a national and international calamity. Yet that is what the Senator from Illinois seems to me is suggesting as the way to avoid the rosy scenario from becoming operative under his amendment, which again does permit the use of estimates.

Now, in his answer to the argument that the minority would be allowed too much power and that there is somehow or other a straitjacket in this amendment, my good friend, my dear friend from Illinois says the following: That 60 percent of us could vote to have an unbalanced budget. That is basically the flexibility which is in this amendment.

My question really to him is this. If 60 of us voted under his amendment for an unbalanced budget, would that be in accord with the Constitution?

Mr. SIMON. The answer is that it would, and that is why we have that flexibility. We do not go as far as Thomas Jefferson wanted to go. He wanted to absolutely prohibit any Federal Government borrowing.

Mr. LEVIN. I think this is a very important point, against the argument that somehow or other that fealty to the Constitution down the road will prevent us from voting for an unbalanced budget, since the provision itself provides that one can be loyal to the Constitution after this passes and still vote for an unbalanced budget.

Mr. SIMON. The answer is that we could, but the argument that my colleague from Michigan makes is precisely the opposite of the argument that we have been hearing over and over and over again on the floor.

Some of my colleagues say this is too tough. My colleague from Michigan says it is too easy. I think the reality is it is sensible.

Mr. LEVIN. I think both sides actually on this debate are using alternative arguments. I think supporters of the constitutional amendment are saying this is real teeth, real muscle; on the other hand, it is flexible.

By the way, as I read the Senator's section in his constitutional amendment it has no restrictions on the use of 60 votes. He does not have a provision in here that is only in case of emergency or only in case of disaster. It is simply a 60-vote requirement. Is that correct?

Mr. SIMON. A 60-vote requirement, and that is tougher than where we are right now.

Mr. LEVIN. My point is when some of the proponents of this constitutional amendment argue that somehow or other we will not use the provisions of this Constitution, those who want to have an unbalanced budget will not fully use the loopholes or fully use the provisions of the Constitution, what the proponents of the amendment of the Senator from Illinois ignore is one can be loyal to the Constitution under

his amendment and vote for an unbalanced budget.

Mr. SIMON. The answer is we will occasionally do so, and for those who say what about a recession, since 1962 we have had 11 stimulus packages pass the U.S. Senate. All of them passed with more than 60 votes.

Mr. LEVIN. So when the Baltimore Sun wrote in its editorial that it was very strongly in opposition in this amendment because it believes thatu Congress will slip and slide—I think those are the words of the editorial—that Congress will slip and slide under this amendment to do what it always has done, I believe it has good reason to reach that conclusion.

This amendment presents the legislators a chance to propose procedures for cutting the deficit while offering them ample opportunity to slip and slide away when it comes to actually raising taxes or cutting spending.

I have one other question to my friend from Illinois. The requirement in this amendment is that the President submit a balanced budget to the Congress. It does not have a date in that language as the Reid amendment does, by the way. But my question is this: Is there any prohibition in his amendment against the President submitting two budgets, one a balanced budget and, second, an unbalanced budget with a suggestion to Congress that 60 percent of the Congress vote for the unbalanced budget?

Mr. SIMON. Absolutely not. And the argument that we are taking away Presidential prerogative is not valid.

The President has the obligation to submit a balanced budget. But the President may very well say, because of circumstances, we are in a recession or whatever the circumstances, that he recommends that there be this movement away from it. But it is tougher.

I say to my friend from Michigan, on this argument as well as the previous argument, when you say we are going to slip and slide, it may be that we will get into the habit of going over 60 votes, but it is better than drifting the way we are right now. And what is the alternative? I have not heard the alternative.

Mr. LEVIN. Mr. President, putting into the Constitution language which is full of loopholes is not an improvement on the current situation. Quite the opposite.

It will lead the public into believing we are doing something when we are not. In doing that, it will lead the public to new depths of cynicism. It will take Congress and the President off the hook until 2002. That will give Congress and the President 7 years more for excuses not to act. They will act on the illusion that the amendment will somehow do it for us.

This amendment will, as a result, do damage during the next 7 years with great uncertainty as to what will happen thereafter.

There is no substitute for the exercise of will now to cut the deficit.

Putting off the fateful day until 2002, and then being uncertain as to whether there will be any deficit reduction is not the exercise of will. It is a copout in the name of the Constitution.

Our Constitution deserves better. Our people deserve better.

Under the Simon amendment, Members of Congress voting for an unbalanced budget will be upholding the Constitution, just as those voting against an unbalanced budget.

So the argument that the oath to uphold the Constitution is the true enforcing mechanism is misplaced. That leaves the language of the amendment as an unenforceable hope. No court can enforce it by the amendment's own terms. And Members of Congress will be true to their oath by the terms of the amendment, whether they vote for a balanced or unbalanced budget.

Amendments to the Constitution should be enforceable. This one is not and I cannot support it.

The PRESIDING OFFICER. The Chair would advise the Senator from Michigan that his 10 minutes has expired.

Mr. LEVIN. I thank my friend from Nevada and I thank my friend from Illinois.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I yield the remainder of my time to the Senator from Massachusetts.

I understand the time of Senator SIMON has expired.

Mr. SIMON. I was hoping we could work out a time agreement before tomorrow morning.

Mr. REID. I have met with policy staff and I told them what I thought we had agreed on, with the exception of Senator BYRD—I was not able to clear that with Senator BYRD. Senator SIMON and Senator HATCH and I will come in at 9 and go until a quarter to 1, until the conference starts, and have the time equally divided on the amendment, and time from 2:30 to 3:00, that block of time, will be divided 15 minutes to Senator SIMON and 15 minutes to me.

Mr. SIMON. That is perfectly acceptable.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I support balancing the budget. I have come to the floor of this Senate again and again to offer proposals to cut waste out of the budget. I am ready to cut further—ready to raise some revenue if necessary—and ready to reform our entitlement programs. As far as I am concerned everything is on the table and I would be happy if we voted today on a specific plan to eliminate the deficit.

I support balancing the budget and I voted previously to do so with Gramm-Rudman-Hollings. During the last few days, I decided to revisit the issue of an amendment to the Constitution as a means of leveraging the responsibility we seek. I wanted to determine if I was missing something in the argument—if there was perhaps some constitutional basis for moving in this direction. I wanted to test again whether my opposition in the past was reasonable or not.

I have spent some time in the past days reviewing my thinking, rereading some early American documents, testing my thinking against other's.

As much as I would like to see us balance the budget, I find this amendment wanting and I will oppose it.

I oppose the amendment because it merely sets a goal, but does nothing to reach it or to enforce a process of reaching it.

I oppose the amendment because the process it creates is far more likely in the long run to injure our economy than to help it and to cost jobs than to create them.

I oppose the amendment because by pushing the date for reckoning further into the future, the proposal will allow this body to avoid taking meaningful steps now in favor of delay and political expediency.

And I oppose the amendment because legitimate examination makes it clear that it undermines the intentions of the Founding Fathers and does damage to the principal of majority rule.

Recent events around the world remind us of how terribly precious and delicate democracies can be. They take so much effort and time to create, and yet they are vulnerable to sudden and complete devastation.

We are now contemplating a change to the document that founded our democracy. Our Constitution is not only the description of our Government, but the inspiration and blueprint for every democracy and future democracy in the world. Amending the Constitution is the most serious undertaking this Congress can consider. It cannot be taken lightly. We have amended the Constitution only 17 times since the Bill of Rights, 203 years ago. Every extant amendment serves to clarify the rights of our citizens, or to alter the very structure of the branches of our Government. Only once in the entire history of our Nation have we done what the proponents of this amendment ask us to do, to enshrine a mere policy decision in the Constitution. That was when we began Prohibition, and the amendment failed so unconditionally that we needed another amendment to eliminate its effect. Yet, staring at the face of this record, proponents of the balanced budget amendment seek to drag us backward in history toward the certain disaster of a policy-based amendment.

A constitutional amendment is not just politics as usual, it is not just an-

other vote on the floor of the U.S. Senate, it is not a decision we can make with a best guess as to its implications and repercussions. We should not change the U.S. Constitution without a near-complete certainty of the consequences of our actions.

Some on the other side argue that it is precisely because of this gravity that this step must be taken. Only the weight of a constitutional amendment would force us to take steps to finally balance the budget. This argument sounds great, and indeed, it has seduced the votes of some in this Chamber and the support of many outside it.

But this attempt to legitimize the measure fails to withstand scrutiny. Why—because this proposed amendment includes last-minute changes that prohibit courts from enforcing it. Of what severity is a constitutional amendment that can't be enforced by the courts? If gravity is what we are looking for, if a Constitution-level mandate is needed, then we need an enforceable and immediately effective balanced budget plan, not this amendment.

The amendment provides further evidence of its inappropriateness in its inclusion of an escape from the requirement of a balanced budget if a supermajority votes to allow it. This escape is an admission that the balanced budget obligation is not enduring, but conditional. It is an implicit admission that the economic decision to balance a budget or to run a deficit is a political judgment of the moment. This loophole subjects the amendment to perpetual tests of its appropriateness under contemporary conditions and undermines any claims to the absoluteness which applies to every other amendment to our Constitution.

I am prepared to vote today, tomorrow, next month, or as soon as possible, on a plan to balance the budget, and I am prepared to live by the majority vote of this body—51 votes. It is clear, however, through the actions of some of our colleagues, that they are not willing to abide by such a vote. They do not want certain results, and they are specifically seeking to install in the Constitution the right of a minority to preclude outcomes of which they disapprove. Nothing that exists in the Constitution nor any expressed intent of the Framers suggests that this is appropriate or good for America. To the contrary, everything written and everything argued during the tumultuous years of constitutional creation and evolution make clear that this was precisely the kind of tyranny the Framers sought to avoid.

Yet by passing this amendment we would, in one fell swoop, reverse 200 years of protections of majority rule, first by requiring a three-fifths vote in each House to allow deficit spending, and second, by requiring a majority vote of all sitting Members—not even those present and voting—of each House to increase revenues. Whenever a supermajority is required, the minority is given control.

The question of whether sufficient cause exists to have a 1-year deficit should not be subject to the control of a minority. The Framers of the Constitution expressed their intent with utter clarity by permitting the minority such power in only three incredibly important areas. A supermajority is constitutionally required only for the ratification of treaties, the override of a veto, and for impeachment. As much as we might fervently hope for or want a balanced budget, we must not permanently damage the democratic system of majoritarian rule by imposing supermajority requirements in new and unnecessary areas.

In the Federalist Papers, Madison calls majority rule "the fundamental principle of free government," which would be "reversed" if legislative "power would be transferred to the minority."

I respectfully submit, Mr. President, that we do not need new opportunities for gridlock. We have enough already.

Today, 41 Senators can already prevent this body from voting on a measure that the majority favors. It was the minority that prevented this body from voting on President Clinton's stimulus package in the midst of a recession. It was the minority, while violent crimes soared out of control, that prevented the passage of the Brady bill until last year. In recent years, as they have grown more frustrated being in the minority, Republican Senators have grown more and more willing to use the Senate's rules to prevent action on items favored by the majority. The number of filibusters has increased dramatically in recent years. Until 1986, the filibuster was used rarely—no more than three times per year on average. From 1987 to 1992, it was used 19 times per year on average.

Make no mistake about it. If we make it easier for the minority party to block the will of most of the people, the minority party—whichever party that happens to be—will use that power. I respectfully submit, Mr. President, that we do not need new constitutional opportunities for gridlock. We have enough already.

Mr. President, to understand the danger we are facing, imagine a time after the budget has been balanced when the economy is in a deep recession. The President decides that we need to create a small deficit in order to jump-start the economy. This is the solution Keynes proposed to get the Nation out of the Great Depression. It is what we are currently prescribing for the Japanese economy to get it out of its recession. Yet 41 Senators—fundamentally opposed to deficits, or simply moved by political considerations to frustrate the party in power—could eliminate this option.

If the recession caused tax receipts to decline and entitlement expenditures to increase—as usually happens in a recession—these few Senators could force draconian spending cuts by banding together with nine others who are opposed to tax increases. In this case, if Congress was unable to form the simple majorities to cut expenditures in the midst of a recession, the situation would be thrown into the courts and the Nation would be launched into a constitutional crisis.

According to Charles Fried, Solicitor General under Ronald Reagan, the balanced budget amendment

> Would just make it that much harder to govern, giving those who want to put obstacles in the way of Government new opportunities for obstruction.

Fried goes on to state that,

> People choose a President and Congress to govern. If they govern badly they should be thrown out, not provided with excuses. It is simple enough, and this is what majority rule is about. Our safeguard is the responsibility of the legislators and the wrath of the people if the legislators betray them. Everything else is a gimmick.

The real tragedy of this proposal is just that. It is a gimmick. In return for altering our Constitution, our Nation would get nothing. The amendment would not in itself ever lead to a balanced budget. If we pass this constitutional amendment, nothing will happen this year. Or next year. Most likely, this amendment to the Constitution would not take effect until after President Clinton is constitutionally prohibited from serving a third term: The year 2001.

Why are we proposing do-nothing constitutional amendments when, after 12 years of Congress hiding its head in the sand, it is finally beginning to deal with some real issues? Perhaps because making choices is a difficult business, and for many the urge is still strong to look for something that makes it seem like more is happening than really is.

When Carter came to town, the magic want was the fact that after all the lies of Watergate, we would have a President we could trust. But truth was not enough, as Carter eventually found out. Mere recognition of the truth did not produce a President and a Congress willing to make hard choices.

When Reagan came to town in 1980, the magic wand was supply side economics: Lower taxes would generate so much economic activity that the budget would be balanced by 1983. Instead, we had a budget deficit of $207 billion in 1983, which was three times larger than President Carter's worst year. In 8 years, Ronald Reagan's magic wand had concocted over $1.3 trillion in new Federal budget deficits. George Bush—unable to make any different choices about the Federal budget than Ronald Reagan—added another trillion on top of that in just 4 years.

In 1985, a group of legislators joined together behind a 5-year plan to end

the deficits. It was called Gramm-Rudman-Hollings, and it was a tough plan to break us of our addiction to deficits by 1990. But still too many in Government—most notably the President himself—were not ready to face the music of Gramm-Rudman. They wanted another magic wand instead.

So Gramm-Rudman's targets were revised, and key spending areas were excluded from it. By the time we got to 1990, and the Andrews Air Force Base budget agreement, we had abandoned Gramm-Rudman entirely, and put into place a new magic wand—a budget agreement with separate walls for military and domestic spending, and which excluded hundreds of billions of dollars in Federal spending entirely—the S&L and bank bailouts.

This magic wand, the Andrews Air Force budget agreement, never worked as anything other than a temporary straitjacket. That agreement left us—and President Bush, whose presidency it helped destroy—bound and hobbled, barely able to move, forbidden to make different choices than those it imposed, regardless of whether cities went up in smoke or children failed to be educated or streets became unsafe or people could not find jobs.

When President Clinton came to town, he could have replaced that magic wand with yet another. For the most part, he did not. He proposed real spending cuts and a real tax increase as part of a $500 billion deficit reduction plan. I believe, and said so at the time, that the plan should have been tougher—spending cuts should have been greater, and the biggest piece of deficit reduction, health care, was left for later. But the plan reflected real choices. And it hurt. And because it hurt, it was politically unpopular.

But as a result, the deficit is finally going down—in a way it could not have when we were simply waving magic wands and chanting incantations. The deficit is now projected to decline for 3 years in a row—something it has not done since Harry Truman was in office.

President Clinton has shown we do not need an amendment. We need the will to make choices.

How ironic then, that the proponents of the balanced budget amendment have chosen this moment to push for their version of the magic wand.

I guess the reason should not be a mystery. If we want to continue reducing the deficit, the next step we must take is to overhaul our entitlement programs. We must begin with health care reform and not stop until we have examined Social Security. It is little wonder that no one wants to take on these politically poisonous tasks.

So they are pressing us to adopt another magic wand to end the Federal budget crisis—this time, a constitutional amendment that will do nothing to balance the budget in 1994, 1995, or 1996, and which could take 6 years in all to go into effect, if ever.

It is like what the Duchess told Alice in Wonderland about the meaning of having jam "every other day." Every other day meant you could have jam yesterday or jam tomorrow, but never jam today.

Instead of unbalancing the Constitution, let us vote on a plan that will balance the budget. Rather than waiting 4 or 5 years to take action on the budget, let us exert some discipline now.

I came to the floor last month with an amendment to cut the Federal budget by $45 billion. I lost on that vote, just as DALE BUMPERS has lost the many budget cutting amendments he has filed over the years, until he finally terminated the supercollider project last year. I lost in part because, for many Members, it is easier to vote for a balanced budget in the distant future than even small budget cuts today.

They reminded me of St. Augustine's prayer, "Give me chastity and continence, oh God, but please do not give them yet."

For a full week now, the U.S. Senate has debated a constitutional amendment to require a balanced budget. We have held countless hours of hearings. Editorial writers have penned dozens, perhaps hundreds, of articles arguing the pros and cons of this amendment. Scholars have written papers. Interest groups have mobilized.

If only this energy had gone into balancing the budget.

Mr. President, if the Senate and this town had as much will as rhetoric, we could have focused all this time and energy on developing a real plan to eliminate the deficit.

In the final analysis, we do not need an amendment, we need to summon the will to just do it. We need to stop posturing, roll up our sleeves, and get down to the dirty work of making the tough choices that we were sent here to make.

Americans are not fooled for a moment by this debate over what color fig leaf we use to cover up our own lack of will. They know better.

Walter Lippman wrote in 1932 in times far harder than these that,

> Politicians continue to think that the way to please and to reassure the people is to pat them gently and feed them pap. The(y) are wrong. They do not understand the human animal. They have forgotten that in the carnal nature of man there are chords of fortitude and heroism which, when they are struck, vibrate with an unaccountable energy. How else explain the great periods of history that punctuate the drab and flat routine of existence, except by the fact that when they must, men can rise so far above themselves that they hardly know themselves?

It has been a generation or more since we Americans last came together to do great things; a generation or more since our inner resources of decency and strength were mobilized in a cause broader and more far-reaching than narrow self-interest; a generation or more since we were asked to put aside the petty bickering of partisanship and division and focus instead on what we Americans together can achieve.

We are the people who tamed a continent, built the mightiest industrial engine the world has ever known, brought Hitler to his knees and won the cold war—there is not a problem we face today that we cannot solve.

But there is not a problem we will solve if we remain unwilling to make tough choices and to face the truth.

It is reality time, Mr. President.

Time to end the fantasies and phony debates.

Time to stop patronizing our citizens and start challenging them.

Time to understand that it is only when we are honest with ourselves that we are able to draw fully on the profound strengths of character that lie deep within our people, and that whenever we have been able to do that, we have never failed—and I believe will never fail—to accomplish our goal.

Mr. President, it has been a generation or more since as Americans we really came together to do what we might consider great things, a generation or more since our inner resources or personal resources of decency and of strength were brought together and mobilized in a cause that reaches more than narrow self-interest.

It has been a generation or more since we were asked to put aside the petty bickering of partisanship which has characterized so much of what happens here and instead focus on what Americans together can achieve. We ought to think about that because we are the people who tamed a continent. We are the people who built the mightiest industrial engine that the world has ever known. We brought Hitler to his knees, and we won the cold war. There is not a problem we face today that we could not solve if we were willing to summon the will to undertake it.

There is no problem that will be solved because of words put on a piece of paper. There is not a problem we will solve if we remain unwilling to make tough choices and to face the truth.

So I respectfully suggest to my colleagues who are sincere in wanting to balance the budget but not really facing up and doing it, it is reality time. It is time we ought to stop patronizing our citizens and we ought to start challenging ourselves and them to join together in making those hard choices. It is time to understand that it is only when we are honest with ourselves that we are able to draw fully on the strengths of character which lie deep within our people and whenever we have been able to do that we have not failed. I believe we will not fail if we do that.

Mr. President, everything should be on the table. We should be willing to

bring to this floor a vote on a combination of raising revenue and making cuts or just making cuts or doing that and finding other areas for revenue than we thought of previously, or both, or a combination. But we should do it. It does not take an amendment to the Constitution without enforcement mechanism, that does not go into effect to the next century to do anything except fool the American people.

I thank the Chair for his patience.

Mr. D'AMATO. Mr. President, I rise today to support Senate Joint Resolution 41, the proposed amendment to the Constitution of the United States requiring a balanced budget.

Mr. President, deficit spending is truly out of control. By running huge deficits, we are robbing and bankrupting our children and our children's children to perpetuate our wasteful spending. Indeed, the people who are really going to get hurt without this amendment are either too young to vote or have simply not yet been born.

The President's own budget proposal, in a section entitled "Analytical Perspectives," says that future generations of Americans will face a staggering 82 percent lifetime net tax rate assuming no change in the status quo. This same budget also estimates that the total debt will rise almost $1 trillion in the next 5 years alone. We have got to get this runaway spending under control now, not later. We cannot afford to wait any longer.

Mr. President, the gross interest on the debt today exceeds $290 billion, a figure higher than the entire Federal budget just 20 years ago. To make these figures more understandable: We now spend more than $800 million a day in interest on the debt; $800 million a day. Interest payments as a percentage of the budget have doubled just since 1970 from 7 to 14 percent. In addition, nearly 20 percent of our interest payments are sent overseas to foreign investors. In 1993, the treasury sent $41 billion overseas in interest payments.

The numbers don't stop there. Do most of my colleagues realize that the Government has spent more than it has taken in for 55 of the last 63 years? Or that we last had a balanced budget in 1969?

The average family in New York now spends $2,300 a year just to pay off the debt interest. Eventually, this excessive spending will catch up to us. The American people can no longer tolerate inaction or stalemate when it comes to reducing the deficit. It is a fundamental responsibility of every American taxpayer to pay his or her own bills. As many of us know, this is not an easy task. Expenses of hard-working, middle-class families can easily outpace income. As the costs of health care, education, housing, and basic needs gradually increase, so too does the difficulty of paying those bills.

But the American people find a way. When needs arise, they tighten their belts. They exercise fiscal constraint. They spend their money wisely. There has been a lot of needless rhetoric about what the balanced budget amendment will do to this group or that industry. That's nonsense. The balanced budget amendment by itself will not cut service for the poor, will not by itself cut benefits for senior citizens, will not by itself force cutbacks in defense spending. Not at all.

But the balanced budget amendment will force the Congress and the President to prioritize within a balance of receipts and outlays. We will learn to spend what we take in. We will relearn the spending habits of past generations, and the responsible commitment to those of the future. If this balanced budget amendment does not result in cuts in government spending, it will ensure that we pay only for all the Government that we really need.

Mr. President, the balanced budget amendment is not a quick-fix solution, it is not a gimmick. It has been observed that if this proposal were a gimmick, we would have enacted it long ago. No, this amendment will give us the discipline with which to retrain ourselves, and spend within our means.

Our national debt threatens the future of our country, threatens our economic viability, threatens our children and our children's children. History has taught us this lesson.

While I believe we should support a balanced budget amendment, there are other issues we must address to alleviate this awful debt burden now. We must act responsibly and exhaust all efforts to cut bureaucracy, cut waste and freeze out-of-control spending. By curbing spending, we can prevent Government from suffocating the small businessman or the middle-class taxpayer. In addition, we must redirect Federal programs to focus on self-sufficiency. We must offer the opportunity for people to contribute to society, not remain dependent upon the Government. We must support workfare, not welfare. We must give families not just a piece of the American dream, but a mechanism to make that dream come true.

This is a historic debate, Mr. President, a debate designed to cure, over time, the economic maladies of debt and deficit spending which affect us all. The balanced budget amendment is a long-term proposition. It won't take effect until 1999, at the earliest. It gives us time to prepare for its constitutional requirements, which are not that complex; they simply state that we cannot spend more than we take in.

I last had an opportunity to vote for a balanced budget amendment in 1986. The National Debt at that time was $2.1 trillion. Today, that figure, in just 8 years, has more than doubled, to $4.6 trillion. By 1999, 5 years hence, this figure rises to $6.3 trillion. These are not my figures. These numbers are taken right out of the administration's proposed budget. Mr. President, these figures are staggering, outrageous, and unacceptable: Four thousand, six hundred billion dollars in national debt today, with no end in sight without the balanced budget amendment.

We must move on the balanced budget amendment and demand that action on issues like this not be delayed another day.

I lend my support and commend my colleagues for their assertiveness in addressing a critical domestic policy issue—that of achieving a Federal balanced budget, so our future generations can enjoy a healthy and prosperous America in every way. We owe them that.

Mr. LUGAR. Mr. President, I have supported the balanced budget constitutional amendment ever since it was first introduced in 1979. I will continue to support it because it is the correct policy for our Nation.

While budget deficits may be convenient in the short term, they are fatal if they are allowed to become the usual practice over the long term. The General Accounting Office has estimated that if we achieve a balanced budget by 2001 and adhere to it thereafter, real per capita income will be 36 percent higher in the year 2020 compared to the no-action alternative.

Throughout most of our Nation's history, a balanced budget has been an unwritten constitutional norm. By the 1830's, the Revolutionary War debt, which the new Nation had assumed, had been paid off entirely. After the Civil War, a total of 28 consecutive budget surpluses helped bring about a gradual reduction in the Civil War debt. Despite occasional unpredicted deficits in hard times, the Civil War debt had been trimmed from $3 to $1.2 billion by 1916. In the 1920s, the Nation started repaying the debt from World War I until the Great Depression and the Second World War intervened.

In the years following World War II, the Federal budget was sometimes in surplus and sometimes in deficit. From fiscal years 1947 through 1960, the sum total of all budget deficits—$31 billion—exceeded the sum total of all budget surpluses—$30 billion—by only $1 billion. Although the debt left over from World War II and the Great Depression was not retired, the basic norm that the Federal budget should be balanced in peacetime remained in place.

In the 1960's and 1970's, the economic philosophy of John Maynard Keynes came into vogue within the Federal Government. We were told that the Federal budget need not be actually balanced but only needed to be balanced at full employment. Whatever its theoretical merits or demerits, congressional budget habits developed in accordance with this philosophy and

established a 30 year trend of deficit spending. During the 1960's and 1970's, Congress and the President attempted to stimulate the economy in slow times, but the countercyclical measures they adopted were often ill-timed, taking effect as the economy was already recovering. And Congress and the President did not adhere to the other half of the Keynesian equation. They did not pass budget surpluses in times of excess demand.

There are those who disagree that a balanced budget is the correct economic policy for our Nation. I have been surprised by the recent effort of the administration to blunt the momentum toward a balanced budget amendment by publicizing how much it would cost individual States if it worked. The implication is that we should not even attempt to balance the budget. This pork barrel approach reinforces the need for a constitutional amendment to protect our children and grandchildren from any further burden of debt.

The experience of the past 30 years offers little hope that we will ever achieve a balanced budget without a constitutional amendment. We have achieved just one budget surplus during this period—fiscal year 1969—and it occurred by accident. In the past decade, there have been two statutory attempts—Gramm-Rudman I and Gramm-Rudman II—to place us on a binding schedule leading to a balanced budget. Both statutes were overturned before they came anywhere near the goal of a balanced budget. We have adhered to the unwritten norm of a balanced peacetime budget throughout most of our constitutional history. It is time to write into our fundamental law the basic principle that the Nation must not spend beyond its means.

A constitutional amendment is enforceable. Section 1 of Senate Joint Resolution 48 mandates that:

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

It has been alleged that under the amendment Congress might make overly optimistic assumptions about outlays and receipts in order to show a balanced budget for the upcoming year and that courts would be reluctant to overturn such an action. This problem could be resolved by implementing legislation that provides for automatic spending cuts or other appropriate measures if Congress misestimates receipts or outlays for a given fiscal year.

However, even in the absence of such a provision, section 2 of the proposed article provides an additional, firm remedy. For it declares that:

> The Limit on the Debt of the United States shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

Failure to raise the debt ceiling in accordance with the terms of the amendment would thus be legally invalid. I urge support for the balanced budget constitutional amendment.

MORNING BUSINESS

HONORING MAJ. GEN. JOHN D. SLINKARD, USAF, ON THE OCCASION OF HIS RETIREMENT

Mr. LEVIN. Mr. President, it is my pleasure to recognize Maj. Gen. John D. Slinkard, the Director of Contracting for the Air Force Materiel Command, on the occasion of his retirement. Throughout his 33 years of service, General Slinkard has dedicated himself to the thankless effort of making our procurement system work. Over the last 8 years, he has served as one of the top acquisition officials for the Air Force; before that, he served as DOD's Federal Acquisition Regulation Program Manager, helping produce the Governmentwide regulation that serves as the basis for Government contracting to this day.

Most recently, General Slinkard served as a member of the advisory panel on streamlining the acquisition laws—the so-called section 800 panel—playing an important role in stimulating the comprehensive acquisition reform effort that is now underway in the Congress. It is worth noting that many of the most significant recommendations of the section 800 panel emerged from the subgroup on contract formation, on which General Slinkard served as the Government representative.

In addition, General Slinkard, as chairman of the Corporate Information Management [CIM] Procurement Council, was responsible for the activities of the recently completed Process Action Team on Electronic Commerce/Electronic Data Interchange [EC/EDI] in Contracting. This team has developed a plan that should allow over 80 percent of DOD's contracting actions to be performed electronically, allowing vendors to register at a single site and access all DOD small purchase requirements. General Slinkard's contribution to this effort was critical to the adoption of a plan that is likely to serve as the basis for DOD contracting practice well into the next century.

General Slinkard's extensive contracting experience, reputation for forthrightness, and superior judgment have earned him justifiable trust and respect throughout the Government procurement community. In recent years, he has testified on important issues of acquisition policy before the Senate Armed Services Committee, on which I serve, as well as other House and Senate committees. He has also proved a valuable resource to my staff and the staffs of other Members of Congress as they have worked to understand and improve the Federal acquisition system.

General Slinkard leaves a legacy that will not soon be forgotten by his fellow officers, civilian colleagues, or Members of Congress. His hard work and dedication are, and will continue to be, an inspiration for all who know him. My colleagues and I join in thanking General Slinkard for his service and wishing him and his wife, Donna, continued success and good health.

AMERICAN HEART MONTH

Mrs. MURRAY. Mr. President, February is American Heart Month. This month gives special recognition to the seriousness of cardiovascular diseases, including heart attack and stroke, America's No. 1 killer of men and women and a leading cause of disability.

During American Heart Month, the American Heart Association and its more than 3.6 million volunteers canvass neighborhoods nationwide. They distribute educational materials and solicit public support for the AHA mission, the reduction of disability and death from cardiovascular diseases and stroke.

This year's American Heart Month theme is "Kids Who Use Their Brains Use Their Bodies." According to the AHA, healthy lifestyles started in childhood may make the difference in reducing the chances of heart attack and stroke later in life. AHA-sponsored activities and information during this month are aimed at teaching children about the importance of regular exercise, proper nutrition, and not smoking to take care of their hearts.

Brandin Johns, an 11-year-old Poulsbo Elementary School student in Poulsbo, WA, is featured in the American Heart Association's "Kids at Heart" video package used during American Heart Month. This story focuses on Brandin's personal struggle with heart disease and how the love from his family, support from his school, and advances from medical research help with his life-threatening disease.

Brandin was born with a congenital heart defect that causes his heart to beat abnormally. As a result of research progress, an automatic defibrillator, modified for his particular case, can shock Brandin's heart back into normal rhythm. Brandin must carry this device everywhere he goes. His entire family, his school nurse, and others have been trained to use the automatic defibrillator. He almost died from cardiac arrest in 1989. His congenital heart defect will not be outgrown and cannot be cured, but thanks to medical research break-

throughs, Brandin has a promising future. I am proud of Brandin and his courage.

Many people think heart disease does not strike children. I applaud the American Heart Association's work in increasing the awareness of Americans that infants and children can suffer from heart disease. The AHA reports that more than 600,000 children in the United States have some form of heart disease and nearly half of the approximately 80 million Americans under the age of 21 will eventually die of heart attack and stroke. According to the AHA, about 440,000 children have malformed hearts and about 32,000 infants with congenital heart disease are born every year. AHA statistics show that about 9 percent of these newborns die from these inborn heart defects before age 1. Congenital heart defects are the most common form of birth defects and the most prevalent cause of fatal birth defects.

Progress has been made against cardiovascular diseases, but they remain the leading cause of death in the United States. We need further advances in the diagnosis, treatment, and prevention of America's No. 1 killer, cardiovascular diseases, including heart attack and stroke.

I ask unanimous consent that this year's Presidential proclamation on American Heart Month be printed at this point in the CONGRESSIONAL RECORD.

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

[Proclamation 6648 of Feb. 3, 1994]

AMERICAN HEART MONTH, 1994

(By the President of the United States of America)

The heart is one of nature's most efficient and durable machines. During an average lifetime, the heart contracts an amazing 2.5 billion times. Although we now realize that it functions as a life-giving pump, the human heart was thought of by ancient man as the very soul of one's being. Certain words, such as "courage" and "cordial," are derived from the Latin word for heart, symbolizing its prominence and significance.

Heart disease was not recognized until about 1500 A.D., for the heart was considered so delicate and sensitive that death was believed to be inevitable if the heart were injured in any way. Although most causes of heart disease observed early in the 20th century are still present today, the treatment and cures of the disease are not dramatically altered.

Today, heart disease is one health threat that Americans can conquer. Extraordinary scientific advances, together with increased public awareness, have forged one of this century's greatest medical achievements, saving untold lives through improved prevention and treatment. However, as long as cardiovascular diseases and stroke threaten the lives of Americans, we must continue in our diligent efforts to fight these diseases.

Today, many Americans are joining in this fight by taking steps to reduce their chances of developing a cardiovascular disease. They have learned to avoid the major risk factors by controlling blood pressure and blood cholesterol, by avoiding tobacco products, and by becoming more physically active.

At the same time, scientists are developing better ways to detect and treat cardiovascular diseases and stroke. Revolutionary advances are reducing the physical suffering exacted by heart disease and are making diagnosis and treatment more successful.

The Federal Government has contributed to these achievements by supporting research and public education through its National Heart, Lung, and Blood Institute. The American Heart Association, through its research and education programs and its vital network of dedicated volunteers, has played a crucial role in bringing about these remarkable accomplishments.

The results of the many scientific and public education achievements are dramatic. From 1972 through 1990, the death rate from heart disease dropped 39 percent and the death rate from strokes fell 57.4 percent.

However, these advances have not yet eradicated the devastating consequences of heart disease, which remains the leading cause of death in the United States today. American men and women still suffer about 1.25 million heart attacks each year. About 50 million Americans still have high blood pressure—and uncontrolled high blood pressure is a major cause of stroke. Virtually every American has grieved for a relative or friend debilitated or killed by a cardiovascular disease or stroke.

In recognition of the need for all of us to become involved in the ongoing fight against cardiovascular diseases, the Congress, by Joint Resolution approved December 30, 1963 (77 Stat. 843; 36 U.S.C. 169b), has requested that the President issue an annual proclamation designating February as "American Heart Month."

Now, therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim the month of February 1994 as American Heart Month. I invite the Governors of the States, the Commonwealth of Puerto Rico, officials of other areas subject to the jurisdiction of the United States, and the American people to join me in reaffirming our commitment to combating cardiovascular diseases and stroke.

In witness whereof, I have hereunto set my hand this third day of February, in the year of our Lord nineteen hundred and ninety-four, and of the Independence of the United States of America the two hundred and eighteenth.

WILLIAM J. CLINTON.

LANDMINES

Mr. LEAHY. Mr. President this week in the Russell Building Rotunda, there is an exhibit of photographs which I urge all Senators and staff to stop by and see. They are photographs of victims of anti-personnel landmines. There are also several actual landmines on display—with the explosive removed, of course—and some printed materials which describe in shocking detail the global problem of landmines.

This exhibit is not meant to offend anyone. In fact, the photographs that were selected do not depict the worst aspects of landmine injuries. But they do show the terrible consequences of landmines for hundreds of thousands of civilians around the world.

Over the past 2 years, the Congress has taken bold steps to focus world attention on the epidemic of civilian casualties from landmines. Two years ago, my amendment to impose a 1-year moratorium on exports of anti-personnel landmines from the United States was signed into law by President Bush. Last year, the Senate voted 100–0 to extend the moratorium for an additional 3 years.

On Veterans Day last year, I went to the United Nations to introduce on behalf of the United States a resolution calling on all countries to support an international export moratorium. That resolution passed the General Assembly unanimously on December 16.

These are more than symbolic gestures, but they are only a beginning. By themselves, they will do little to stop the enormous numbers of civilian casualties from landmines.

Today, despite the dramatic rise in public and media interest in dealing with this problem, far more mines are being strewn than are being cleared. In the former Yugoslavia, 3 million mines have been scattered in the past 2 years. Millions of mines contaminate Georgia, Azerbaijan, and Tajikistan.

Let me give some examples of the incredible size of the landmine problem.

In Angola, over one-third of the country is infested with mines.

In Afghanistan, where tens of thousands of people have been maimed, 8 out of 10 mine victims die before they reach a hospital.

In northern Somalia, there are 23,000 amputees. Over two-thirds are under the age of 15.

Over a third of all mine casualties are women and children.

Mr. President, during the Second World War, Korea and a few other large scale conventional wars, landmines were used as defensive weapons against enemy soldiers—to guard a perimeter, or channel the enemy into an area. But that changed by the Vietnam war, and since then the overwhelming majority of mines have been used as offensive weapons against civilians, scattered indiscriminately by the millions.

Cheap to buy, easy to make and transport, mines have become a weapon of choice of Third World armies and insurgent groups. Their purpose is not just to maim and kill, but to destroy the social and economic fabric of a society by isolating whole communities, depopulating vast areas of territory, and preventing the return of refugees.

In dozens of countries where people survive by growing their own food, huge areas of scarce arable land have become useless death traps from landmines.

Mr. President, years ago, the world outlawed chemical weapons because they do not discriminate between a soldier and a civilian. Our military also recognized that if we used chemical weapons we would endanger our own troops, because chemical weapons will poison whoever breathes the air.

The world condemned Saddam Hussein when he used chemical weapons against the Kurds. When Iraqi troops dynamited the Kuwaiti oil wells, spewing millions of barrels of crude oil over the desert, we called it environmental warfare.

I challenge anyone to explain to me how this is different from landmines.

The State Department has said, and I quote: "landmines may be the most toxic and widespread pollution facing mankind."

In Vietnam, over 7,300 American soldiers were killed by mines or booby traps, and many more were injured.

Landmines can be scattered from the air by the hundreds-per-minute. A mine then lies in wait for weeks, months, or years, until an unsuspecting person, usually a civilian, steps on it. A mine the size of a shoe polish can is powerful enough to blow the leg off an adult, or pulverize a child.

Landmines are easy to lay, but extremely difficult to detect and life-threatening to remove. They blend in with the soil or ground cover, and are quickly obscured by a layer of dust or vegetation. They are often made of plastic, undetectable to metal detectors.

Imagine trying to get rid of millions of mines strewn indiscriminately over an area the size of Oklahoma. That is Cambodia today, where 1 of every 236 people is an amputee.

This photograph shows a typical Cambodian street scene. A pair of men with crutches, each missing part of a leg.

Another photograph shows a young Mozambican boy. He lost both his legs from a mine. He is one of tens of thousands of children around the world whose lives have been shattered by landmines.

Mr. President, nobody doubts that landmines have some military use. What weapon does not? Anything that can wound or kill has a military use. But there are 100 million landmines littering the world that are maiming and killing hundreds of innocent people a month. If children walking to school or playing in a field were getting their legs blow off in Little Rock, Portland, ME, or Topeka, KS, you can bet we would be doing everything possible to stop it.

Instead, it is happening in foreign places where medical care is often almost nonexistent, and physical labor is necessary for survival.

It is time to ask whether landmines are so militarily necessary that they are worth the immense cost that society is forced to pay to repair the enormous damage, and the horrendous suffering they cause.

It is time to ask whether we really need a weapon whose victims are 80 percent innocent civilians. Is that something we should tolerate? I do not think we should.

Over the next several months I intend to speak often on this floor about the landmine problem. There is tremendous public interest in strong international action to stop this scourge. A global campaign to ban landmines, supported by UNICEF, the Vietnam Veterans of America Foundation, and over 80 other non-governmental organizations around the world is gaining members every week.

An U.N. conference on landmines is planned for late next year. In preparation for that conference, three experts meetings are scheduled this year in Geneva. The first is being held this week.

The administration plans to actively participate in these meetings, and I have urged it to seek advisory status for Members of Congress and their staffs, and observer status for non-governmental organizations that have an expertise in this area. This is essential to ensure full consideration of all the issues, including an in-depth examination of the military use of mines versus their effects on civil society.

I have also urged the administration to seek the broadest possible agenda for negotiations on the full range of issues.

The central goal of these meetings should be to answer the following questions:

How can the production, stockpiling, export, transfer, possession and use of mines be limited so they do not endanger civilians?

Can such limitations be enforced in the real world?

All options should be fully considered, up to and including a total ban on the production, possession or use of anti-personnel landmines.

In addition, I plan to hold hearings on the landmine problem, as well as introduce legislation which builds on the anti-personnel landmine export moratorium amendment that was unanimously supported in the Senate last year.

Mr. President, landmines have become weapons of terror for hundreds of millions of innocent people around the world. We can change that. The explosion in media and public attention on the landmine problem in the past year has shown that people everywhere want to put an end to this carnage.

I ask unanimous consent that a February 28, 1994, article in the New York Times on landmines be printed in the RECORD.

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

RED CROSS TO ASK U.N. TO LIMIT LAND MINES

UNITED NATIONS, Feb. 27—The International Committee of the Red Cross, at a meeting of the United Nations Disarmament Committee on Monday in Geneva, plans to call for a complete ban on the use of anti-personnel mines.

The meeting, the first of three, is to prepare for a 1995 conference to consider changes in the 1980 Geneva Convention on limiting the use of weapons deemed to be "excessively injurious or to have indiscriminate effects."

The ban would not cover antitank mines, which are bigger and thus easier to locate, more expensive and not as widely scattered.

The Red Cross also wants to outlaw or sharply restrict the industrial development of laser weapons, which inflict permanent blindness. "Blinding as a method of warfare has to be outlawed now," Cornelio Sommaruga, president of Red Cross, said by telephone from Geneva.

He also said the Red Cross wanted to strengthen the 1980 convention by improving the verification of compliance and extending the provisions to include civil wars. "Most wars today are civil wars, and it is illogical to ban the use of certain weapons against foreigners but allow them against your own people," he said.

SENATE USE OF DOUBLE-SIDED PAPER

Mr. LAUTENBERG. Mr. President, I rise to urge my colleagues to join me in reducing the amount of paper generated in the U.S. Senate by adopting a policy of using double-sided paper in their personal and committee offices. By shrinking our use of paper, we can save the taxpayer money and reduce our use of natural resources.

The United States generated 196 million tons of garbage in 1990. The largest component of the municipal solid waste stream—52 million tons in 1990—is paper and paperboard. We need to address our Nation's mounting garbage problem by generating less garbage, particularly paper waste.

The U.S. Congress has initiated some commendable measures to deal with this problem. Among these are the recycling program that each Senator's office participates in and the printing of the CONGRESSIONAL RECORD on recycled paper generated by Garden State Paper in Garfield, NJ. Yet, while these programs extend the life of the raw materials that are used to manufacture products, the highest priority in the Nation's waste management hierarchy is to prevent the generation of waste in the first place.

Well over 1,000 hearings are held by Senate committees during each congressional year. Invited witnesses—ranging from 1 to 20 at any given hearing—are required to submit at least 50 and in some cases 200 copies of their written testimony, depending on individual committee rules. I have personally seen statements that were longer than some books I have read. And while lengthy testimony may sometimes be necessary, submitting this testimony in a wasteful manner is unjustifiable. Most written testimony is printed on only one side of the paper and in a double-spaced format.

Senate staff are also responsible for generating large quantities of paper. Few Senate offices are connected by the same computer system, preventing staff from communicating via E-mail.

Instead, most correspondence between and often within Senate offices, including informal memos, is conducted in writing.

A front page article in the Washington Post on November 14 cited the president of the American Forest and Paper Association stating that Washington is the paper capital of the world. In fact, the paper industry estimates that offices in the area consumed so much copier paper last year that if laid end to end, it would reach the Moon and back nine times over.

The U.S. Senate must put an end to the practice of wasting paper. The Office of the Secretary of the Senate estimates that nearly 42 million sheets of copier-grade paper are used by the Senate during a calendar year. Using double-sided rather than one-sided copies would reduce the quantity of paper used in the conduct of Senate business by as much as 50 percent. According to the Congressional Research Service, this practice alone could save over 1,700 trees annually. Urging witnesses to submit testimony on double-sided paper could save even more trees.

In addition, using figures provided by the Secretary of the Senate, I estimate that double-sided copying in Senate offices would save the American taxpayer almost $100,000 a year just in copier paper procurement costs. Moreover, while there occasionally are legitimate reasons for using a double-spaced format—such as drafting legislation—printing documents single-spaced as a general rule would further reduce the quantity of paper needed to produce documents and the expenditure for procuring copy paper.

Double-sided copying would not impose an unreasonable hardship or inconvenience on the public. The technology to copy papers in duplex format is readily available today, and the cost of copying documents in duplex at commercial copy centers is less than or equal to the cost of copying documents on one side only.

Three months ago, President Clinton issued an Executive order aimed at using Government procurement to prevent and recycle waste. One provision in this order requires every Government agency to encourage that all documents printed internally be printed double-sided. I commend the President on this initiative and call upon Congress to join the executive branch and lead the Nation in instituting waste reduction practices. I hope that my colleagues will join me in supporting this meaningful initiative.

I had intended to offer a resolution to change the Senate rules to encourage the use of double-sided paper in the Senate. After discussing the matter with Senator FORD, chairman of the Rules Committee, I decided not to introduce the resolution. Instead, Senator FORD agreed to write to Senators urging that each Senator support the use of single-spaced and double-sided paper for office communications. I want to thank Senator FORD for his cooperation. I ask unanimous consent that a copy of the letter I wrote to Senator FORD and the letter Senators FORD and STEVENS wrote to each Member be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, January 25, 1994.

Sen. WENDALL H. FORD,
Chairman, Committee on Rules and Administration, Washington, DC.

DEAR WENDELL: I have prepared a resolution which would require committee witnesses to submit testimony in a double-sided (duplex) and single-spaced format. As you know, witnesses at Senate hearings must submit anywhere from fifty to two hundred copies of their testimony, depending on individual committees' rules. Additionally, the resolution would require Senate staff, to the extent practicable, to copy informal memos and other documents in this format. Such a change in procedure would significantly reduce the amount of paper that is used to conduct Senate business.

Paper and paperboard, taken collectively, is the largest component of municipal solid waste in this country. And Washington, in addition to being the Nation's capitol, is also the paper capitol of the world. A recent front page article in "The Washington Post" reported that if the paper used in Washington last year was laid end to end, it would reach the moon and back nine times over.

Our staff have discussed the resolution and I understand that you are supportive of duplex, single-spaced copying as a way to reduce paper waste. I understand that you will be sending a letter to all Senators, strongly encouraging committee chairs and Senators to adopt this policy in their respective committees and offices. I will withhold introducing my resolution with the hope that your appeal will produce some tangible results.

I recently instituted such a policy in my personal office and, while it necessitates some minor changes in daily habits, my staff has been very receptive. I believe that staff members in our colleagues' offices will be pleased with this small but meaningful contribution that we are making toward resolving our nation's solid waste management problem.

Sincerely,

FRANK R. LAUTENBERG.

U.S. SENATE, COMMITTEE ON RULES AND ADMINISTRATION,
Washington, DC, February 2, 1994.

Hon. FRANK R. LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR FRANK: Thank you for your letter of January 25, 1994. I am pleased to inform you that Senator Stevens and I have written to all Senators, committee chairman, and ranking members regarding this matter. Copies of these letters are enclosed.

We hope there will be a reduction in the use of paper as a result of this communication.

Sincerely,

WENDELL H. FORD,
Chairman.

U.S. SENATE, COMMITTEE ON RULES AND ADMINISTRATION,
Washington, DC, February 2, 1994.

Hon. ——— ———,
U.S. Senate, Washington, DC.

DEAR ——— ———: Reduction of paper and printing costs continue to be a major initiative of the Rules Committee. Senator Lautenberg suggested an amendment to the Standing Rules of the Senate that would require paper conservation practices. While we object to incorporating such detail into the Standing Rules, we do support this principle.

We therefore urge each Member, to the extent practicable, to use a single-spaced and double-sided (duplex) format for office communications. Use of this format will decrease costs to the taxpayers by reducing waste disposal and printing costs.

We appreciate your consideration of this proposal.

Sincerely,

TED STEVENS,
Ranking Member.
WENDELL H. FORD,
Chairman.

U.S. SENATE, COMMITTEE ON RULES AND ADMINISTRATION,
Washington, DC, February 2, 1994.

Hon. ——— ———,
Chairman, Committee on ——— ———, U.S. Senate, Washington, DC.

DEAR ——— ———: Reduction of paper and printing costs continue to be a major initiative of the Rules Committee. Senator Lautenberg suggested an amendment to the Standing Rules of the Senate that would require paper conservation practices. While we object to incorporating such detail into the Standing Rules, we do support this principle.

We therefore urge each Committee to adopt a rule to require that all written statements submitted to the Committee be single-spaced and double-sided (duplex) and that transcripts of testimony be single-spaced. Use of this format will decrease costs to the taxpayers by reducing waste disposal and printing costs.

We appreciate your consideration of this proposal.

Sincerely,

TED STEVENS,
Ranking Member.
WENDELL H. FORD,
Chairman.

IN RECOGNITION OF NORMA WOOD AND DALE CHISMORE

Mr. PRYOR. Mr. President, I rise today to recognize the achievements of two Arkansans who have dedicated their lives to educating our Nation's youth.

Today, as part of the Governor's Day for Higher Education in Baxter County, Mrs. Norma Johnson Wood and Dr. Dale Chismore will receive Lifetime Achievement Awards. These citizens of Mountain Home, AR, could not be more deserving of such an honor.

Norma Johnson Wood, a native of Baxter County, has been a teacher and librarian in a number of Arkansas communities during her lifetime. Mrs. Wood's contribution to the schools and local libraries of Monkey run, Yellville, and Mountain Home cannot be measured. Instrumental in the de-

velopment of the Arkansas Student Librarian Association, Mrs. Wood has also been an active member of the Arkansas Librarian Association and the Arkansas Education Association. In 1986, Mrs. Wood lent her expertise and dedication to the Arkansas State University/Mountain Home Technical College library project. By all accounts, the project was a great success. Today, Norma Wood serves on the Mountain Home Technical College Advisory Board.

Dr. Dale Chismore, an Iowa native, moved to Mountain Home in 1976. he brought with him a lifetime of experience in the field of education. During his career, Dr. Chismore served as a secondary school principal, a consultant to the Iowa State Department of Education, and a specialist at the U.S. Office of Education. Though retired, Dr. Chismore has become an active and valuable member of the Mountain Home community. Like Mrs. Wood, he is a member of the Mountain Home Technical College Advisory Board as well as the North Central Arkansas Higher Education Foundation.

Mr. President, I know my colleagues join me in congratulating Mrs. Wood and Dr. Chismore on their day of honor. We hear a great deal about the problems facing our education system, and they are certainly serious. However, it is encouraging and refreshing to have the occasion to recognize individuals who for so many years have engaged in the noble endeavor of educating our young people.

WHITE HOUSE ETHICS

Mr. DOLE. Mr. President, imagine this: Ronald Reagan, as Governor of California, becomes a 50-50 partner in a real estate deal with the owner of a California savings and loan. The S&L goes under, is seized by Federal regulators, and a series of criminal and civil investigations is initiated by Federal regulators.

Governor Reagan becomes President Reagan. He appoints a close personal friend and top campaign official, Jim Baker, to head the independent agency charged with overseeing the S&L industry and with bringing civil and criminal actions against S&L wrongdoers.

Press reports suggest that the President may be indirectly implicated in a civil suit brought against the California S&L by the supposedly independent Federal agency. As the expiration date for the civil statute of limitations approaches, Mr. Baker meets at the White House with Ed Meese, Mike Deaver, and other White House political officials to discuss the status of the agency's investigation. The White House meeting is shrouded in secrecy, only to be revealed weeks later because of congressional prodding.

Of course, Mr. President, this is all fiction. But, it is fair to say that if these events had indeed occurred during the Reagan administration, the expressions of outrage in the press, and on the floors of the Senate and House, the clamor for congressional hearings, would have shot off the political Richter Scale.

Last Thursday, Roger Altman, a college classmate of President Clinton and the acting CEO of the supposedly independent Resolution Thrust Corporation, revealed for the first time that he sought out a meeting with White House officials, allegedly to offer a heads up on the so-called Madison Guaranty statute of limitations issue. According to Mr. Altman's own account, he did not even seek a meeting with David Kendall, President Clinton's personal attorney, but rather with White House political officials—Bernard Nussbaum, Harold Ickes, and Margaret Williams, the chief of staff for the First Lady.

With the exception of the New York Times and the Washington Times, and today the Washington Post, the press reaction to the Altman revelation—and the glaring conflict of interest it describes—has been muted at best. In fact, USA Today reported that the Altman meeting was "minor" and there was probably "nothing improper" about it. Apparently, Mr. Altman did not buy into this benign description, since he finally recused himself from the Madison matter last Friday.

Mr. President, Mr. Altman's shocking revelation underscores the need for full congressional hearings on the Madison-Whitewater affair. As the New York Times editorialized yesterday:

Senator Donald Riegle, the chairman of the Senate Banking Committee, needs to step up his committee's oversight activities * * * Opposition leaders are right when they say that a Republican White House that so recklessly meddled in the Justice Department, the R.T.C. and other agencies would be shelled with endless congressional investigations.

That is the end of the quote. It is the New York Times. I ask unanimous consent that the editorial be made part of the RECORD.

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

[From the New York Times, Feb. 27, 1994]

SLOVENLY WHITE HOUSE ETHICS

President Clinton and his helpers keep saying they have nothing to hide on Whitewater. So some evil genie must be making them act as if they do. The latest affront is the boneheaded conclave convened by Deputy Treasury Secretary Roger Altman to give a "heads up" to three White House officials about the Resolution Trust Corporation inquiry into a savings and loan association connected to Mr. and Mrs. Clinton.

Mr. Altman said he wanted to brief Bernard Nussbaum, the White House counsel, Harold Ickes, the deputy chief of staff, and Margaret Williams, the First Lady's chief of staff, on when the statute of limitations would run out on the R.T.C. investigation of Madison Guaranty Savings and Loan.

That is an interesting question and not unrelated to other questions that Republicans on the Senate Banking Committee and other reasonably curious Americans would like to have answered. Here are four:

1. Was Madison used to convert Clinton campaign funds to personal funds for the then Governor?

2. Did a regulator appointed by Governor Clinton go easy on Madison because it was owned by the Clinton's political ally, James McDougal, who was also the Clinton's business partner in the Whitewater Development Company?

3. Did the Clintons pay the same amount of money for their half share of Whitewater that Mr. McDougal paid for his? This question is important because it bears on whether Mr. Clinton, while Governor, received gifts or claimed undeserved tax deductions in connection with Whitewater.

4. Did Mrs. Clinton's law firm behave properly in its dealings with Madison and bank regulators?

Given that such questions are now before a special counsel and the R.T.C., a meeting between Mr. Altman and top White House aides was improper on its face. It could never have taken place in a White House that had even a rudimentary respect for the common-sense rules on conflict of interest. The Clinton team has taken the nation back to the sham ethics of the early Reagan Administration. That crowd believed conflicts of interest could not exist since they could not conceive of letting any law or rule of propriety interfere with the political and financial interests of the President or his buddies.

The stated reason for this meeting will not wash. Information on the statute of limitations could be had from the newspapers or a brief memo from the R.T.C. legal staff. Senator Alfonse D'Amato and Representative Jim Leach therefore have reason to suspect that the goal of the meeting was to control political damage or compromise the R.T.C.'s investigation. Who knows what the White House has learned about the R.T.C. findings? After all, it was only through Mr. D'Amato's efforts that the Government released an R.T.C. document suggesting that Mrs. Clinton's law firm had failed at proper disclosure of its dealings with Madison.

In response to bad publicity, Mr. Altman has recused himself from the R.T.C. inquiry on Whitewater. His R.T.C. deputy should now take over all his duties at the agency until a permanent director is appointed. Senator Donald Riegle, the chairman of the Senate Banking Committee, needs to step up his committee's oversight activities. Other Democrats like Senator John Kerry need to cease their myopic defense of Mr. Clinton on a matter about which neither the Senator nor the public has been fully informed.

Opposition leaders are right when they say that a Republican White House that so recklessly meddled in the Justice Department, the R.T.C. and other agencies would be shelled with endless Congressional investigations. It is time for the Democratic Congressional leaders, Thomas Foley and George Mitchell, to try to educate this White House about the normal protocols of governance. Explaining what Representative Leach meant when he said "arm's length" would be a start.

Clinton aides behave as if their President had deep deposits of public trust. In fact, that account was pretty slim when Mr. Clinton got to Washington, and it is just about tapped out now.

Mr. DOLE. Mr. President, the bottom line is: The American people now know

about Mr. Altman's unseemly meeting with White House officials precisely because Banking Committee Republicans used the opportunity of an RTC oversight hearing to ask Madison-related questions. If there had been no hearing, it is unlikely this information would have surfaced any time soon. And it is clear that Mr. Altman recused himself only because of the negative publicity his meeting inspired.

The Altman revelation also raises other important questions: Did Mr. Altman have any contacts with the FDIC while the FDIC's legal division was preparing its conflicts-of-interest opinion regarding the Rose law firm? If so, what were the nature of these contacts? Has Mr. Altman had any discussions with Webster Hubbell, a former partner of the Rose law firm and now Associate Attorney General, regarding the RTC's criminal referrals on Madison and the RTC's pending civil investigation? And has Mr. Hubbell himself had any contacts with officials at the FDIC, the RTC, or the White House about any element of the Madison-Whitewater affair?

Why did White House counsel Bernard Nussbaum meet with Mr. Altman in the first place? Surely, he was aware of the impropriety of such a meeting. He had a lot of experience in the Watergate hearings. Has Mr. Nussbaum been in touch with the RTC, the FDIC, or the Justice Department about Madison-Whitewater?

Mr. President, you know you are heading in the right direction when tough questions are responded to not with substantive answers, but with personal attacks. Unfortunately, David Wilhelm, the chairman of the Democratic National Committee, took this low-road approach when he fired off a letter last Friday personally attacking the integrity of Senator D'AMATO, the ranking member of the Senate Banking Committee.

If Mr. Wilhelm believes these bullying tactics will somehow intimidate congressional Republicans, I have some bad news for him: They will not. We will continue to ask the tough questions until the American people get the full accounting of Whitewater that they deserve.

SALUTE TO WISCONSIN OLYMPIC MEDALISTS

Mr. KOHL. Mr. President, for the past 2 weeks, much of the world has focused its attention on the 1994 Winter Olympic Games in Lillehammer, Norway. Today, I rise and pay tribute to the Wisconsinites who participated in the 1994 Winter Olympic Games, especially the seven who won medals. The seven medalists represented the United States in men's and women's speedskating, men's short-track relay, and snowsculpting.

In speedskating, Dan Jansen of Greenfield, and Bonnie Blair of Milwaukee both skated to gold medal finishes. Jansen's world record performance in the men's 1,000m event is the crowning achievement of his career after tragedy and disappointment stood in his way in past Olympic competitions. For Blair, the 1994 games showed her continued dominance over the world of women's speedskating, as she skated to two gold medals.

In the men's 5,000m short-track relay, Andy Gabel of Pewaukee and John Coyle of Milwaukee helped pace the U.S. men's team to a silver medal finish.

Not to be outdone, the U.S. snowsculpting team came away with a bronze medal behind the talent and skill of Milwaukeeans Bill Hackbarth, Paul Hess, and Craig Yanek.

The hard work, dedication and perseverance displayed by all the participants personifies the Olympic spirit. When faced with adversity, each displayed what it takes to become an Olympic champion. On behalf of all Wisconsinites, as well as the entire nation, we congratulate you, our Olympic champions.

TRIBUTE TO NEIL BONNETT

Mr. HEFLIN. Mr. President, stock car racing and sports fans in Alabama and across the South were shocked and saddened yet again on February 11 when driver Neil Bonnett, native of Hueytown and a senior member of the famed Alabama Gang, was killed during the opening practice session for the Daytona 500.

This was the third tragic death in 18 months of a member of the gang. Star Davey Allison died in a helicopter crash in July, and his brother Clifford was killed in a car crash 11 months before that. Sadly, the Daytona track claimed its second victim in just 4 days only a few hours before Neil's funeral when Rodney Orr, a racer from Palm Coast, FL, was killed during a practice lap.

Only 47 years old, Bonnett was making a comeback from a crash in 1990 in which he suffered a severe concussion and partial memory loss. After that crash, he became the host of a television racing show on the Nashville network. Although he had a promising TV career, his friends and colleagues knew that his heart and soul were in racing.

Bonnett began his racing career in the early 1970's with another member of the Alabama Gang, his long-time friend Bobby Allison. Over the course of his career, he claimed 18 NASCAR victories.

Neil Bonnett will long be remembered not only as a world-class sportsman and competitor of the highest order, but also as a loving husband, father, and friend who just couldn't ignore his passion for car racing. He will be sorely missed by those thousands who knew him, worked with him, competed against him, or simply watched him race. I extend my sincerest condolences to his wife, Susan, and their children, David and Kristen.

DANGERS OF OCEAN DUMPING OF NUCLEAR MATERIALS

Mr. DURENBERGER. Mr. President, the current practice of dumping radioactive waste in ocean waters poses a great danger to the environment and the people of this planet. We must act on our concern for this problem using readily available technology to clear the seas of these very dangerous contaminants. Only through remedial action can we preserve the quality of our oceans for future generations.

I wish to take this opportunity to share with my colleagues a recent article from the International Economy, written by Koji Yamazaki, deputy chairman of the Board of Counselors, The Japan Research Institute, Ltd., in Tokyo. Mr. Yamazaki has long been concerned about the harm to the ecology caused by the Russian Navy's dumping of radioactive wastes from nuclear-powered submarines in the Arctic Ocean and the Sea of Japan.

The article entitled, "The IMF-Soviet Submarine Connection: A Letter to Vice President Al Gore" explores the risk from present wastes dumped in the ocean and the need to harness commercially available technologies to clean up these wastes. The author calls upon a consortium of nations—including the United States, Japan, and Russia—to participate in this most important endeavor. He suggests a unique approach to financing this project through the auspices of the International Monetary Fund.

Mr. Yamazaki has addressed his concerns about ocean dumping of nuclear wastes to our former colleague, Vice President AL GORE, because of his record of accomplishment in improving the environment and because of his continuing efforts to make further progress.

The problems created by the ocean dumping of radioactive materials are easily obscured in the other serious dangers to our environment. Mr. Yamazaki's article makes a significant contribution by drawing the attention of the international community to the need and present possibility of making the oceans of this world free of man-made nuclear contaminants. I want to express my gratitude to Mr. Yamazaki's lasting commitment to the resolution of this most important problem.

Mr. President, I ask unanimous consent that the text of the article be included in the RECORD, and I urge my colleagues to read this article.

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

THE IMF-SOVIET SUBMARINE CONNECTION: A LETTER TO VICE PRESIDENT AL GORE

(By Koji Yamazaki)

Dear Mr. Vice President, recent reports from the Russian Presidential Office reveal facts, to date concealed, on ocean dumping of radioactive wastes from nuclear-powered submarines by the former Soviet Union (FSU). Obsolete nuclear reactors, some with spent nuclear fuels intact, have been dumped in the Arctic Ocean and the Sea of Japan by the former Soviet navy. These reactors contain some of the most toxic materials known to man, including cesium and strontium, that remain radioactive for generations. We cannot afford to wait to discover the long term effects of this nuclear waste.

Unless this barbarous dumping is halted at once the present as well as the future health of the human race will be seriously endangered. It is imperative that we, by every means possible, jointly persuade Russia to stop submarine dumping at once and ensure that such acts are never repeated.

In response to this some would say, "As long as the water temperatures are low and the currents are slow, the risks are very small." Yet I would strongly disagree.

Even King Solomon at the height of his wisdom did not understand the way of a man with a maiden. How can we discern the way of fish in the ocean? Indeed, there are four things that are too horrifying for me, four things that I do not understand: the way fish eat; the way the ecosystems change; the way metal decays; and the way oceans move. These are issues of the food chain; chain reactions in the marine ecosystem; containers becoming rotten under the deep water and radioactive substances leaking out over time, and "upwelling water"—a phenomenon, not yet scientifically clarified, but which is the sudden upsurge of water occurring in otherwise calm deep water.

Mr. Vice President, if you cannot guarantee that the waters will remain still and cold, the risk is so high that the whole of mankind will be affected.

For the sake of our children and our children's children, we cannot afford to take the risk.

One thing is very clear: simply adopting another international declaration will not solve the problem. Marine dumping has been illegal for a long time and what we need now is action.

ENSURING COMPLIANCE

Is it possible to remedy the situation with technology? The answer is yes, but only if the advanced technology of the West is fully utilized. In the case of obsolete Russian submarines with spent nuclear fuels remaining in their reactors, advanced robotics technology, as well as the spent fuel management technology of the U.S., Japan and Europe are indispensable for the safe disassembling of these reactors. These technologies are commercially available, but expensive.

The safe treatment of liquid radioactive wastes from atomic submarines already dumped in the ocean requires other advanced technologies from the West. This process of recovery is more complicated but also possible, if we take prompt action.

Mr. Vice President, as the West already has this technology, what is needed is to orchestrate the joint efforts of the West—the U.S., Japan and Europe—and Russia, too, into working harmony. Now that the Cold War is over, the West needs a new vision—a vision not of fighting, but of working together. In that sense, tackling these common problems together is a new step—a sure and endurable step that leads to the peace of the world.

However, the real problem is not merely the technology but how to finance the operations, since the amount of money required would be significant.

Mr. Vice President, here is a novel idea on how to fund the hunt for the new "Red Octobers," that are presently ticking away under the oceans. In the International Monetary Fund (IMF), which is the central organization for economic aid to the FSU, there exists a system called Special Drawing Rights (SDR), a mechanism of so-called "artificial money creation."

In short, in allocating SDRs we have to take two fundamental aspects into account. One is the need to avoid inflation. This is a matter of principle. For example, the allocation of SDRs to aid LDCs cannot be admitted, as there are theoretically no limits to LDC aid. For SDRs to be allocated it is absolutely necessary to have a limit, a clear-cut defined limit.

Second is the relationship to international liquidity. This is a matter of logic. It's true to say that when the SDR system was first introduced it was formulated so that allocations would be acceptable only to satisfy the need to supplement global international liquidity. If we stick to this original notion it would be almost impossible to admit the SDR allocation when total liquidity is as great as it is now.

However, the IMF is, in essence, an organization composed of sovereign states. Their consensus, or a majority opinion, can become the spirit as well as the interpretation of the IMP rules and regulations. Using SDRs to hunt and destroy the new Red Octobers overcomes the financing issue facing the G7 countries in their aid to Russia's inherited problems from the FSU.

It may be argued that environmental issues do not fall under the mandates of the IMF. Contrary to this argument, I believe that crucially important issues such as these—which have much to do with the present as well as the future hereditary soundness of the species called "human beings"—should be included in the IMF mission.

Mr. Vice President, if it proves to be impossible to tackle this problem only because of the amount of money needed, given the presently constrained financial conditions of most of the countries of the West, then it would be wise and advisable to allow the allocation of SDR's.

In this case, even though the amount of money involved is significant, there exists a limit, a very definable limit. Because of this there would be no risk of inflation. The worst policy would be to postpone taking action, or to spend time on extended studies and observations because there isn't enough money to tackle the issue. Soon it will be too late to act: the real damage would have been done to the seas, fish, human beings, and to life as we know it.

By altering the existing rules and regulations, the SDR allocated in this way should not be distributed to the contracting parties according to their quota shares, but pooled (all or part) in a fund established at the IMF and paid directly to the firms that actually do the job.

It will be better not to given Russia a lump sum, but instead to make payments directly to the parties carrying out the work. This will stop the monetary aid from being politicized and improve the overall efficiency of that aid. The former Soviet navy has for years handled nuclear submarine disposal by dumping reactors at sea. Mr. Yeltsin has officially confirmed this as fact.

There are four questions that need to be addressed. The first question is: Why give this aid to Russia? The answer is: By providing Russia this aid we are saving the world's oceans. This is a global emergency. It's not Alaska alone, but the whole United States. It's not Russia alone, but the whole world.

The second question is: Wouldn't this endanger the sovereignty of the world's monetary authorities? Above all, wouldn't it affect the monetary policy of the U.S. Federal Reserve System? The answer is? Certainly not. Just compare the size of the existing liquidity in the marketplace and that of probable or possible SDR allocations. It would be like a cup of water poured into the ocean. Unlike cesium and strontium, it won't kill anybody. In addition, an eighty-five majority consent is a sure guarantee.

The third question is: Can we add one or two other limited cases to the list? The answer is yes, but probably only one as an exception—the dangerous Chernobyl power reactors. It depends how you, the United States, think. This issue has the same roots and is the same global danger to humanity as marine dumping, if not more.

There are fifteen Chernobyl-type power reactors still operating in the FSU. In addition, there are ten dangerous first generation reactors of another type still operating in the FSU and Eastern Europe.

Some will argue against this statement. Nevertheless, the problem is so bad that the best we can do is to provide these countries with technical assistance and advice.

Although it is indeed true to say that the human element is crucially important in the maintenance of safety, I believe that we need to establish a sure way to tackle this issue further for the future.

A good American friend likened it as living in a cottage under a huge Alpine mountain. Snow falls, accumulating large masses in the higher elevations. People know that an avalanche is inevitable. The only question is when and how. If it comes, we all know what it means to our whole world.

We would not be defending Russian reactors as such, but rather we are defending the source of energy for the whole world. It is clear for all to see, that once the second Chernobyl-like disaster occurs there will be no chance for the world's nuclear power plants to exist. When that happens there will be no use in blaming the Russians. The fate of the world will be determined at that very moment. Time should not be wasted.

However, the cost to tackle this will be significant. The World Bank experts estimate the cost as U.S. $21 to $28 billion. A German finance minister estimates 15 billion DMs. Japanese experts guess somewhere in the region of U.S. $20 to $50 billion, and probably more. The important point is, it is more than likely that the cost will exceed what the West can afford to bear. So it follows, a special fail-safe device such as SDR allocation is needed to tackle this global issue fully.

Both of these problems: ocean dumping and nuclear power reactors are problems of settling post-Cold War arrangements and, therefore, need to be handled jointly with the West.

The fourth and last question is: How can we resist the thousands of other global demands? The answer is: It can be done only by the solid, determined disciplined leadership and self-restraint of the world leaders, and especially of the United States. While taking extraordinary measures with courage, they must be prepared to reject any abuses.

What I am proposing is not to enter through the wide gate that leads to inflation, nor stand still in front of the gate and wait for the devastation of the seas and the poisoning of the air to happen. Instead, I propose we go through the narrow gate without hesitation, and with determination take the road that leads to the restoration of our mother earth.

It was Thomas Jefferson who said ". . . laws and institutions must go hand-in-hand with the progress of the human mind," and ". . . institutions must advance also to keep peace with the times."

I sincerely hope that by your good counsel, Mr. Vice President, the 42nd President of the United States of America, will pay due attention to this history-tested advice of the 3rd President, and start moving to act. The Red Octobers are potentially as dangerous as any hazard affecting our global environment and we can capture and recover them now.

JUSTICE BLACKMUN'S REPUDIATION OF THE DEATH PENALTY

Mr. DURENBERGER. Mr. President, one of the Supreme Court's most distinguished and respected justices—and a native son of my home State of Minnesota—recently came to a conclusion regarding capital punishment that should make policymakers take notice. Justice Harry Blackmun abandoned his past ratification of the death penalty on the Court. He concluded that the inherent unfairness of the death penalty—especially toward poor and minority defendants—means that it can never constitutionally be applied.

Justice Blackmun's views do not command a majority on the Court, and it is unlikely that they will in the near future. But the thoughtfulness of his reasoning should make legislators less hasty to create new offenses eligible for the death penalty, as they have been doing on crime legislation currently before Congress. The crime bill passed by the Senate at the end of last year would impose the death penalty for over 50 new offenses.

Crime is the No. 1 issue on people's minds, according to recent polls, and rightly so. The problem of crime and violence has escalated into a public health crisis.

People deserve to be safe in their homes and communities. Kids deserve a chance to grow up. But they do not deserve to be told by Congress that the solution to crime lies in shrill cries for the death penalty.

There is simply no evidence that the death penalty is a deterrent to crime. In fact, States which have no death penalty have statistically lower murder rates than States with the death penalty. And ironically, it costs more in our system to execute a criminal than it does to incarcerate a felon for life. Add to these practical concerns the issue of unfairness articulated by Justice Blackmun, and you have some very powerful arguments against capital punishment.

The expansion of the death penalty by Congress may be an effective public relations strategy, but it is not effective crime policy. And as Justice Blackmun has pointed out, it is an abomination in a Nation that has dedicated itself to justice and fairness. America deserves better.

Mr. President, I ask unanimous consent that an editorial from the Minneapolis Star-Tribune on this topic be entered in the RECORD at the conclusion of my remarks.

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

[From the Minneapolis Star-Tribune, Feb. 24, 1994]

BLACKMUN'S BREAK—HE REJECTS COURT EMBRACE OF DEATH PENALTY

Occasionally a Minnesotan does something so brilliant or kind that even in late February, you're proud to hail from the Land of Snow, Ice and Nice. Count among those moments of pride U.S. Supreme Court Justice Harry Blackmun's soliloquy on the death penalty.

"From this day forward, I no longer shall tinker with the machinery of death;" Blackmun wrote. "Rather than continue to coddle the Court's delusion that the desired level of fairness has been achieved . . . I feel morally and intellectually obligated simply to concede that the death penalty experiment has failed."

As Blackmun acknowledged, he did not come to this position easily. "For more than 20 years I have endeavored . . . to develop procedural and substantive rules that would lend more than the mere appearance of fairness to the death penalty endeavor."

Those efforts were futile: "It is virtually self evident to me now that no combination of procedural rules or substantive regulations ever can save the death penalty from its inherent constitutional deficiencies. The basic question—does the system accurately and consistently determine which defendants 'deserve' to die?—cannot be answered in the affirmative." And the U.S. Constitution provides that if the death penalty "cannot be administered consistently and rationally, it may not be administered at all."

Blackmun focuses, as he must, on constitutional arguments, and concludes that no amount of tinkering can rid the death penalty of inherent unfairnesses in its application, or relieve its bias against impoverished and minority defendants. Absent that possibility of perfection, Blackmun concludes, the death penalty is clearly unconstitutional. He makes a powerful case.

But by his use of quotation marks in asking which defendants "deserve" to die, Blackmun also suggests he's uncomfortable with the larger moral question, which is whether any human being has the right to decide that another deserves to die. The answer to that question should be an unqualified "No," from which flows the most basic argument against capital punishment; that even if it were possible to administer with absolute fairness and consistency, and thus could pass constitutional muster, it would remain a moral abomination. It can no more reasonably claim a respectable place in American Life than the heinous crimes for which it is imposed.

Blackmun concludes by saying he is optimistic that the Supreme Court eventually will conclude that the death penalty "'must be abandoned altogether.' I may not live to see that day, but I have faith that eventually it will arrive. The path the court has chosen lessens us all. I dissent."

If the court's embrace of death lessens everyone, this dissent has an opposite and wonderfully curative effect. Well done, Justice Blackmun.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,543,467,032,059.70 as of the close of business on Monday, February 25. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $17,427.22.

FEDERAL EMPLOYEE BUYOUT LEGISLATION

Mr. ROTH. Mr. President, when Vice President GORE announced his efforts to reinvent Government everyone applauded the goal of making Government more efficient and costing the taxpayer less. Now, when faced with the opportunity to do so, the players seem to be backing away from the table. In fact, the House Democrats aren't even willing to come to the table.

The real issue here is how serious Congress is about putting teeth into the recommendations of the National Performance Review. I am very serious. That is why I have pushed to ensure that not only downsizing occurs, but more importantly savings are used to benefit the American taxpayer.

When the Government downsizes by 252,000 employees we should not miss this opportunity to fully dedicate this downsizing dividend toward an important goal.

My first choice is to fund the crime bill with the savings from downsizing Government. If, however, that does not happen, I believe the only other appropriate place for those savings is to reduce the deficit.

Today's Washington Post includes an article that tells a story of how Washington really works. Some dispute the President's idea of spending our downsizing dividend on fighting crime.

The stalemate has occurred over the issue of what to do with all of the savings that will flow from downsizing Government. President Clinton has clearly stated his position. He wants to put 100,000 police on the street. He wants to fund a tough crime bill through savings created by downsizing Government. He's adopted my position.

The Senate has also agreed with this position. My amendment to the bill ensures that this will happen.

Both the House and the Senate have passed similar legislation to provide for these buyouts. As a long-time supporter of Governmentwide early out authority without buyouts, and as author of S. 797 to provide for such early retirements, I am astonished as to why this legislation has encountered its current stalemate.

The House, unfortunately, will not even agree to call a conference on this legislation.

I urge the House Democratic leadership to recognize the critical need for passage of this bill and either accept the Senate version or call for a House-Senate conference immediately.

MESSAGES FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Foreign Relations.

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 Mr. PRYOR:

S. 1877. A bill to amend the Internal Revenue Code of 1986 to clarify the deductibility of interest and similar amounts attributable to deferred compensation; to the Committee on Finance.

By Mr. METZENBAUM (for himself, Mr. KENNEDY, Mr. BRADLEY, Mr. LAUTENBERG, Mrs. BOXER, Mr. PELL, and Mr. CHAFEE):

S. 1878. A bill to amend title 18, United States Code, to promote the safe use of guns and to reduce gun violence; to the Committee on Finance.

By Mr. COCHRAN (for himself and Mr. LOTT):

S. 1879. A bill to provide disaster assistance to producers for certain losses due to freezing conditions in 1994, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred, or acted upon, as indicated:

By Mr. KERRY (for himself, Mr. KENNEDY, Mr. STEVENS, Mr. PELL, Mr. MITCHELL, Mr. COHEN, and Mr. MURKOWSKI):

S. Res. 183. A resolution expressing the sense of the Senate that the action taken by the Government of France against United States seafood products is a totally unwarranted action that is having severe repercussions on U.S. seafood producers and, in general, the U.S. fishing industry; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PRYOR:

S. 1877. A bill to amend the Internal Revenue Code of 1986 to clarify the deductibility of interest and similar amounts attributable to deferred compensation; to the Committee on Finance.

NONQUALIFIED DEFERRED COMPENSATION CLARIFICATION ACT OF 1994

Mr. PRYOR. Mr. President, today I rise to introduce legislation in order to clarify the law with respect to nonqualified deferred compensation arrangements.

These arrangements are very important to businesses, both small and large, as a tool to attract and keep key employees. As such, certainty in the tax law is critical to these businesses' employers and employees, and further I might add that because of their widespread use, the U.S. Treasury has a very keen interest in seeing that the tax treatment of these arrangements is clearly defined, so that no unintended and/or indefensible tax loopholes are opened.

Mr. President, for many years employers and employees have entered into nonqualified deferred compensation agreements. In 1942, because of abuse in this area, Congress amended the 1939 Code to expressly deal with and clarify the tax treatment of these agreements. Since this time, the law was generally understood to be that compensation, including interest, paid or accrued pursuant to a nonqualified deferred compensation agreement is not deductible until includable in the income of the employee. Today, this matching rule is embodied in Internal Revenue Code section 404.

On December 30, 1993, this general principal of law has been disrupted by the Ninth Circuit Court of Appeal's opinion in Albertson's versus Commissioner of the Internal Revenue Service.

Albertson's involved an unfunded deferred compensation arrangement under which the employee's deferred compensation amount was increased each year by an amount which reflected the employer's time value of money, which the court referred to as additional amounts. Everyone agreed that the underlying deferred compensation amount was not deductible until includable in the income of the employee. The dispute centered on Albertson's claim for a current deduction of the accrued, but unpaid, additional amounts, on the reasoning that they constituted interest, not compensation, and were, therefore, not subject to the section 404 matching rules.

The ninth circuit opened the debate by posing the issue as whether the additional amounts were interest, and if so, whether interest was subject to the matching rules of section 404. In sum, the court held the additional amounts constituted interest which were not subject to the timing restrictions of section 404, allowing Albertson's to deduct currently the accrued, but unpaid, interest.

Mr. President, regardless of the merits of the court's reasoning in Albertson's, the ruling, if allowed to stand, will result in an unintended, indefensible and unmanageable tax loophole.

This loophole is created by the court's apparent departure from the matching principal. The result may be to create an investment vehicle that allows a current deduction for accrued interest against taxable income with no corresponding inclusion in the income of the employee until it is paid many years down the road. This favorable tax treatment was never intended for nonqualified deferred compensation arrangements which are generally for high paid individuals and not subject to discrimination rules to protect employees at all income levels.

Another result of the decision could be for some to interpret the ruling as not departing from the matching principal, and therefore, reason that the employee is required to include the interest amount in income at the same time the employer takes a current deduction for the accrued interest. Clearly, this result was never intended or expected. Employees should not be required to pay tax on deferred compensation until cash is received.

Mr. President, Albertson's is a case involving a 1983 tax year. In 1986, section 404 was amended to clarify, and arguably to broaden the scope of compensation under the law. The court, of course, did not interpret the effect of the 1986 amendment which may cause even more confusion with respect to the proper tax treatment of these arrangements since 1986. Also, I might add that, since this is a ninth circuit opinion, other regions of the country may or may not choose to adopt, in whole or in part, the ninth circuit's reasoning.

So, in the meantime, what course of action should a taxpayer take? Should employers amend their returns to take a current deduction under Albertson's or forgo the current deduction but risk losing it altogether when the deferred compensation is actually paid years later? Do employees face an accelerated tax liability with penalties and interest even though they have received no cash under the arrangement?

Also, the Government must view this development as holding the potential to cost the U.S. Treasury billions of dollars for a preferential tax regime that was never intended by Congress.

Mr. President, the court's decision in Albertson's may or may not stand. Further judicial developments could take years to resolve. I believe Congress has many compelling reasons to act now to clarify the law and no reason to stand idly by.

Congressional intent is clear: Interest, under a nonqualified deferred compensation agreement, is not deductible by an employer until includable in the income of an employee.

Mr. President, consistent with this intent, I offer this legislation to clarify the law in order to avoid imposing uncertainty on taxpayers, to protect the U.S. Treasury, and to prevent what could be years of litigation. I urge my colleagues to join me in this effort.

By Mr. METZENBAUM (for himself, Mr. KENNEDY, Mr. BRADLEY, Mr. LAUTENBERG, Mrs. BOXER, Mr. PELL, and Mr. CHAFEE):

S. 1878. A bill to amend title 18, United States Code, to promote the safe use of guns and to reduce gun violence; to the Committee on Finance.

GUN VIOLENCE PREVENTION ACT OF 1994

Mr. METZENBAUM. Mr. President, on behalf of myself and Senators KENNEDY, BRADLEY, LAUTENBERG, BOXER, PELL, and CHAFEE, I would like to introduce the Gun Violence Prevention Act of 1994.

I am proud to do so on this very historic day that the Brady bill becomes the law of the land. It is the cornerstone of effective firearm regulation and will prevent many felons from getting guns from dealers. It will save lives. We can thank Sarah and Jim Brady for that.

The Brady act is a great start but it is obvious that we need to do more in order to attack the appalling epidemic of gun violence in this country.

Let's face the fact—there is a gun crisis in this country. There are over 200 million guns in America. An American is killed by a gun every 14 minutes. Every 50 seconds, someone is raped, robbed, or assaulted with a handgun.

And we are all paying the price. Our children are paying the price. Foreign tourists are paying the price. Shopkeepers are paying the price. Innocent bystanders are paying the price. We are all victims.

Since 1968, more than 300,000 Americans have been murdered by guns. In 1992, more than 35,000 people were killed by gunfire. Today, only cars cause more fatal injuries than guns, and guns are expected to take the lead very soon. And we cannot even begin to count the number of nonfatal injuries from guns.

From 1987 to 1992, the rate of murders committed with handguns increased 52 percent, while the murder rate committed with all weapons other than handguns has actually declined. In 1990, 10 people were killed in Australia by handguns, 22 in Great Britain, and 68 in Canada. In the United States, that figure was 10,567. Handgun homicides have now reached 13,000 a year.

Homicide has replaced AIDS as the 10th leading cause of death in America, and it is the 2d leading killer of those between the ages of 15 and 24.

Aside from the toll on human lives, the economic costs from gun violence are staggering. A 1989 study by the Centers for Disease Control and Prevention estimated the lifetime economic cost of gun violence in 1985 at $14.4 billion. And that was 1985.

And what kind of country are we creating for our children? What can we say when our children are afraid to go to school; when we are afraid to let them go outside to play.

Gun violence takes the life of a child every 2 hours—that is a classroom-full every 2 days. Murder is now the third leading cause of death for elementary and middle school children—ages 5 to 14. Between 1979 and 1991, nearly 50,000 children were killed by guns—that is the same number of American battle casualties in the Vietnam war. The number of 10- to 17-year-olds who used guns to commit murder skyrocketed 79 percent during the 1980's. Given current trends, more than half the persons arrested for homicide will soon be under the age of 21. This is supposed to be the land of the free, not a combat zone. This is madness. Enough.

We cannot allow our neighborhoods to be turned into battlefields and our schools be turned into prisons. It is time we fought back. We started that fight with the Brady act. Now it is time to continue that fight.

Today, I am introducing legislation to begin the debate on the next generation of protections against gun violence. I am happy to have with me as original cosponsors of the Gun Violence Prevention Act of 1994 Senators KENNEDY, BRADLEY, LAUTENBERG, BOXER, PELL, and CHAFEE.

This bill is designed to build upon the foundations of the Brady act that takes effect today. It is a comprehensive approach giving law enforcement more tools to keep guns out of the hands of criminals. We are not trying to take any gun away from anyone. This is a set of prospective requirements only—the next generation of progress toward curbing gun violence.

This legislation will make the Brady act more effective. For example, a primary feature of the new bill is the licensing and registration of handgun transfers. In order to get a handgun, an individual would have to have a valid State handgun license. To sell a handgun, the seller would have to register the transfer with the State police. This is an idea that Senator KENNEDY has had since 1971 when he introduced a bill calling for licensing and registration. President Clinton has asked Attorney General Reno to look into this idea.

Licensing is a barrier to gun crime. It involves a thorough background check, including fingerprint I.D. and residency verification. These are necessary in order to stop felons from acquiring guns through the use of false identification and to stop gunrunners from going interstate to take advantage of weaker gun laws in other States.

Licensing also allows States to design a handgun safety training course for all handgun purchasers. Finally, licensing makes it possible to regulate secondary transfers of guns.

In this country, we require a license and registration in order to operate a car. We should require at least as much to own a handgun as to drive a car.

The handgun license would be similar to a driver's license. It would be issued by the State and consist of an identification card with a photograph. Licensing would apply only to the purchase of a new gun. Anyone who already owns a handgun would not have to do anything, unless they want to transfer it. The transfer of a gun would have to be registered.

Registration allows for speedier and more reliable tracing of guns used in crime. Without registration of secondary transfers, the investigative trail often leads to a dead end after the primary sale by a dealer.

In addition to handgun licensing and registration, this bill would:

Restrict firearm possession by persons convicted of violent crimes. People prone to violence should not have guns;

Restrict firearm possession by juveniles;

Require the proper storage of guns away from juveniles;

Require licensing of private firearm arsenals—20 guns, 1,000 rounds. This is necessary to prevent people like David Koresh from acquiring large arsenals without the knowledge of law enforcement;

Limit handgun purchases to one per month. Who needs 10, 20, or 50 guns besides gunrunners?;

Tighten the regulation and screening of gun dealers, including raising the license fee. This is necessary to weed out illegitimate dealers;

Compensate the victims of gun violence by making people pay for the injuries they cause by violating the firearm laws, and increasing the tax on handguns and using the proceeds to treat victims;

Prohibit certain weapons that pose a special danger to society, such as semiautomatic assault weapons, Saturday night specials, explosive ammunition, and large-capacity magazines;

Require manufacturers to add safety devices to guns. This would cut down on accidental shootings, especially by young children; and

Encourage gun exchange programs. This has been shown to be an effective way to reduce the number of guns on the street.

While the Brady act will save lives, this comprehensive legislation is necessary to offer a solution to America's epidemic of gun violence. I urge my colleagues to join me and the other original cosponsors in supporting this measure.

I ask unanimous consent that a copy of the bill be printed in the RECORD following my statement, that a statement

by Senator BRADLEY follow thereafter, and that supporting statements by Sarah and Jim Brady follow Senator BRADLEY's statement.

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

S. 1878

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 "Gun Violence Prevention Act of 1994".

SEC. 2. FINDINGS AND DECLARATIONS.

The Congress finds and declares that—

(1) crime, particularly crime involving guns, is a pervasive, nationwide problem;

(2) crimes committed with guns threaten the peace and domestic tranquility of the citizens of the United States and threaten the security and general welfare of the Nation and its people;

(3) crimes committed with guns, and especially handguns, have created a substantial burden on interstate commerce;

(4) crime at the local level is exacerbated by the interstate movement of guns;

(5) guns and ammunition are easily concealed and transported across State lines in interstate commerce, and as a result, individual State action to regulate them is made less than effective by lax regulation in other States;

(6) in fact, even before the sale of a firearm, the gun, its component parts, ammunition, and the raw materials from which they are made have moved considerably in interstate commerce;

(7) while criminals move freely from State to State, ordinary citizens and foreign visitors may fear to travel to or through certain parts of the country due to concern about violent crime and gun violence, and parents may decline to send their children to school for the same reason;

(8) the occurrence of gun violence in schools has resulted in a decline in the quality of education in our country and this, in turn, has an adverse impact on interstate commerce and the foreign commerce of the United States;

(9) States and localities find it almost impossible to handle gun-related crime by themselves due in part to the failure or inability of other States or localities to take strong measures; and

(10) accordingly, it is necessary to establish national standards to promote the safe use of firearms and to reduce gun violence, including handgun licensing and registration, expanded prohibitions against firearm transfers to, or possession by, children and persons likely to misuse or commit crimes with firearms, requirements for gun safety and safe storage, strengthened regulation of licensed manufacturers, importers, and dealers, and prohibitions on the sale of semiautomatic assault weapons and other dangerous weapons.

TITLE I—HANDGUN LICENSING AND REGISTRATION

SEC. 101. STATE LICENSE REQUIRED TO RECEIVE TRANSFER OF A HANDGUN.

(a) IN GENERAL.—Section 922 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(u)(1) It shall be unlawful for any person to sell, deliver, or otherwise transfer a handgun to an individual (including an individual taking possession of a handgun as employee or agent of another person) who is not licensed under section 923 unless—

"(A) the transferor (or a licensed dealer, if State law so directs or allows) has verified that the transferee possesses a valid State handgun license by—

"(i) examining the State handgun license;

"(ii) examining, in addition to the State handgun license, a valid identification document (as defined in section 1028) containing a photograph of the transferee; and

"(iii) contacting the chief law enforcement officer of the State that issued the State handgun license to confirm that the State handgun license has not been revoked;

"(B) the transferor (or licensed dealer) has provided to the chief law enforcement officer of the State in which the transfer is to take place a State handgun registration form for the handgun to be transferred; and

"(C)(i) not less than 7 days have elapsed from the date on which the transferor (or licensed dealer) contacted the chief law enforcement officer of the State pursuant to subparagraph (A)(iii); or

"(ii) the transferee has presented to the transferor (or licensed dealer) a written statement, issued by the chief law enforcement officer of the State in which the transferee resides within the previous 10 days, stating that the transferee requires access to a handgun because of a threat to the life of the transferee or any member of the household of the transferee.

"(2) It shall be unlawful for any person to sell, deliver, or otherwise transfer handgun ammunition to an individual (including an individual taking possession of handgun ammunition as employee or agent of another person) who is not licensed under section 923 unless the transferor (or licensed dealer) has verified that the transferee possesses a valid State handgun license by—

"(A) examining the State handgun license; and

"(B) examining, in addition to the State handgun license, a valid identification document (as defined in section 1028) containing a photograph of the transferee.

"(3) It shall be unlawful for any individual (including an individual acting as employee or agent of another person) who is not licensed under section 923 to receive transfer of a handgun or handgun ammunition unless the individual possesses a valid State handgun license.

"(4)(A) As used in this subsection, the term 'State handgun license' means a license issued under a State law that provides for the issuance and revocation of licenses and the reporting of losses and thefts of handguns and handgun ammunition consistent with this paragraph.

"(B) A State handgun license shall—

"(i) be issued by the chief law enforcement officer of the State in which the licensee resides;

"(ii) contain, at a minimum, the licensee's name, address, date of birth, physical description, a unique license number and a photograph of the licensee; and

"(iii) remain valid for a period of not more than 2 years, unless revoked.

"(C) A State handgun license shall not be issued unless the chief law enforcement officer of the State determines that the applicant—

"(i) is at least 21 years of age;

"(ii) is a resident of the State, by examining, at a minimum, documentation in addition to a valid identification document (as defined in section 1028), such as a utility bill or lease agreement;

"(iii) is not prohibited from possessing or receiving a handgun under Federal, State, or local law, based upon name- and fingerprint-based research in all available Federal, State, and local recordkeeping systems, including the national system designated by the Attorney General pursuant to the Brady Handgun Violence Prevention Act; and

"(iv) has been issued a State handgun safety certificate.

"(D) The chief law enforcement officer of the State may be authorized to charge a fee for issuance of a State handgun license.

"(E) If a chief law enforcement officer of the State determines that an individual is ineligible to receive a State handgun license and the individual in writing requests the officer to provide the reasons for that determination, the officer shall provide the reasons to the individual in writing within 20 business days after receipt of the request.

"(F)(i) A State handgun license shall be revoked if the chief law enforcement officer of the State that issued the license determines that the applicant no longer satisfies 1 of the qualifications described in subparagraph (C).

"(ii) A person possessing a State handgun license that is revoked shall return the license to the chief law enforcement officer of the State in which the licensee resides within 10 days after receipt of notice of the revocation.

"(G) The applicant shall be required under State law to report the theft or loss of a firearm within 24 hours after the theft or loss is discovered, to—

"(i) the Secretary;

"(ii) the chief law enforcement officer of the State; and

"(iii) appropriate local authorities,

failure to report to be punishable by a civil penalty of $1,000 or such greater amount as State law may provide.

"(5)(A) As used in this subsection, the term 'State handgun registration form' means a form prescribed under State law consistent with this paragraph.

"(B) A State handgun registration form shall contain, at a minimum—

"(i) information identifying the transferee, including name, address, date of birth, and State handgun license number; and

"(ii) information identifying the handgun, including make, model, caliber, and serial number.

"(C) The chief law enforcement officer of the State shall furnish information from handgun registration forms to Federal, State, and local law enforcement authorities upon request.

"(D) The chief law enforcement officer of the State may be authorized to charge a fee for registering a handgun.

"(6)(A) As used in this subsection, the term 'State handgun safety certificate' means a certificate under a State law that provides for the issuance of certificates in accordance with this paragraph.

"(B) A State handgun safety certificate shall be issued by the chief law enforcement officer of the State in which the applicant resides.

"(C) A State handgun safety certificate shall not be issued unless the chief law enforcement officer of the State determines that the applicant—

"(i) has completed a course, taught by law enforcement officers and designed by the chief law enforcement officer of the State, of not less than 2 hours of instruction in handgun safety; and

"(ii) has passed an examination, designed by the chief law enforcement officer of the State, testing the applicant's knowledge of handgun safety.

"(D) The chief law enforcement officer of the State may be authorized to charge a fee

for the handgun safety course and examination described in subparagraph (C).

"(7) As used in this subsection, the term 'chief law enforcement officer of the State' means the chief, or equivalent officer, of the State police force, or the designee of that officer.".

(b) DEFINITION OF HANDGUN AMMUNITION.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following new paragraph:

"(30) The term 'handgun ammunition' means—

"(A) a centerfire cartridge or cartridge case less than 1.3 inches in length; or

"(B) a primer, bullet, or propellent powder designed specifically for use in a handgun.".

(c) PENALTY.—Section 924(a)(1)(B) of title 18, United States Code, is amended by striking "or (q)" and inserting "(q), or (u)".

(d) EFFECTIVE DATE.—The amendments made by this title shall become effective on the date that is 180 days after the date of enactment of this Act.

(e) AMENDMENT OF BRADY ACT.—

(1) INTERIM PROVISION.—Section 922(s)(1) of title 18, United States Code, is amended by adding "or on the effective date of subsection (u), whichever occurs earlier," after "60 months after such date of enactment,".

(2) PERMANENT PROVISION.—Section 922(t) of title 18, United States Code, is amended by striking "firearm" each place it appears and inserting "firearm other than a handgun or ammunition other than handgun ammunition".

(3) TECHNICAL CORRECTION.—Section 922(t)(1)(B)(ii) of title 18, United States Code, is amended by inserting "or State law" after "section".

(f) FUNDING.—

(1) GRANTS FOR ESTABLISHING SYSTEMS OF LICENSING AND REGISTRATION.—The Attorney General shall, subject to the availability of appropriations, make a grant to each State (as defined in section 921(a)(2) of title 18, United States Code) to be used for the initial startup costs associated with establishing a system of licensing and registration consistent with the requirements of section 922(u) of title 18, United States Code.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for grants under paragraph (1) a total of $200,000,000 for fiscal year 1995 and all fiscal years thereafter.

TITLE II—RESTRICTIONS ON FIREARM POSSESSION

SEC. 201. PROHIBITION OF TRANSFER OF A FIREARM TO, OR POSSESSION OF A FIREARM BY, A PERSON CONVICTED OF A VIOLENT CRIME OR SUBJECT TO A PROTECTION ORDER.

(a) PROHIBITION OF TRANSFER.—Section 922(d) of title 18, United States Code, is amended—

(1) by striking "or" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and by inserting "; or"; and

(3) by inserting after paragraph (7) the following new paragraph:

"(8)(A) is under indictment for, or has been convicted in any court of, an offense that—

"(i) involves the use, attempted use, or threatened use of physical force against another person; or

"(ii) by its nature involves a substantial risk that physical force against another person may be used in the course of committing the offense; or

"(B) is required, pursuant to an order issued by a court in a case involving the use, attempted use, or threatened use of physical force against another person, to refrain from contact with or maintain a minimum distance from that person.".

(b) PROHIBITION OF POSSESSION.—Section 922(g) of title 18, United States Code, is amended—

(1) by striking "or" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and by inserting "; or"; and

(3) by inserting after paragraph (7) the following new paragraph:

"(8)(A) has been convicted in any court of an offense that—

"(i) involves the use, attempted use, or threatened use of physical force against another person; or

"(ii) by its nature involves a substantial risk that physical force against another person may be used in the course of committing the offense; or

"(B) is required, pursuant to an order issued by a court in a case involving the use, attempted use, or threatened use of physical force against another person, to refrain from contact with or maintain a minimum distance from that person.".

SEC. 202. PROHIBITION OF TRANSFER OF A FIREARM OR AMMUNITION TO, OR POSSESSION OF A FIREARM OR AMMUNITION BY, A JUVENILE.

(a) OFFENSE.—Section 922 of title 18, United States Code, as amended by section 101(a), is amended by adding at the end the following new subsection:

"(v)(1) It shall be unlawful for a person to sell, deliver, or otherwise transfer—

"(A) a handgun or handgun ammunition to any individual who the person knows or reasonably should know is less than 21 years of age; or

"(B) a firearm other than a handgun, or ammunition other than handgun ammunition, to any individual who the person knows or reasonably should know is less than 16 years of age.

"(2) It shall be unlawful for any person to knowingly possess and intentionally control—

"(A) a handgun or handgun ammunition if the person is less than 21 years of age; or

"(B) a firearm other than a handgun, or ammunition other than handgun ammunition, if the person is less than 16 years of age.

"(3) This subsection does not apply to—

"(A) a temporary transfer or temporary possession of a firearm or ammunition if the firearm or ammunition is possessed and used by the person who is underage—

"(i) with the personal supervision and consent of a person who is at least 21 years of age who is not prohibited by Federal, State, or local law from possessing a firearm;

"(ii) with the consent of the underage person's parent or legal guardian; and

"(iii) in accordance with State and local law;

"(B) an underage person who is a member of the Armed Forces of the United States or the National Guard who possesses or is armed with a firearm or ammunition in the line of duty;

"(C) a transfer by inheritance of title of a firearm or ammunition to an underage person, except that subsection (v)(2) shall apply to the possession by an underage person as a result of such a transfer; or

"(D) the transfer to, or possession by, an underage person of a firearm or ammunition while defending himself or herself or other persons against an intruder into the residence of the underage person or a residence in which the underage person is an invited guest.".

(b) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following new paragraph:

"(6) A person who violates section 922(v) shall be fined not more than $1,000, imprisoned not more than 1 year, or both, except that a person under the age of 18 who violates section 922(v)(2) for the first time shall be sentenced to probation on appropriate conditions and shall not be incarcerated unless the person fails to comply with a condition of probation.".

SEC. 203. STORAGE OF FIREARMS AWAY FROM JUVENILES.

(a) OFFENSE.—Section 922 of title 18, United States Code, as amended by section 202(a), is amended by adding at the end the following new subsection:

"(w)(1) Except as provided in paragraph (2), it shall be unlawful for any person to store or leave a loaded firearm, or an unloaded firearm and ammunition that can be fired by that firearm, at any place to which the person knows, or reasonably should know, a juvenile is likely to gain access at a time when the juvenile is not under the personal supervision of an adult who is not prohibited by Federal, State, or local law from possessing the firearm.

"(2) As used in this subsection—

"(A) the term 'juvenile' means a person who has not attained 16 years of age; and

"(B) the term 'adult' means a person who has attained 21 years of age.".

(b) NOTICE.—Section 923 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(l) Each licensed dealer shall post conspicuously at each of the dealer's places of business the following warning in block letters that are not less than 1 inch in height:

"IT IS A FEDERAL CRIME TO STORE OR LEAVE A LOADED FIREARM, OR AN UNLOADED FIREARM AND ITS AMMUNITION, WHERE AN UNSUPERVISED JUVENILE CAN GAIN ACCESS.".

(c) PENALTY.—Section 924(a)(5) of title 18, United States Code, is amended by striking "or (t)" and inserting "(t), or (w)".

SEC. 204. FEDERAL ARSENAL LICENSE.

(a) OFFENSE.—Section 922 of title 18, United States Code, as amended by section 203(a), is amended by adding at the end the following new subsection:

"(x) It shall be unlawful for a person to possess more than 20 firearms or more than 1,000 rounds of ammunition unless the person—

"(1) is a licensed importer, licensed manufacturer, or licensed dealer; or

"(2) has been issued an arsenal license pursuant to section 923(m).".

(b) ARSENAL LICENSE.—Section 923 of title 18, United States Code, as amended by section 203(b), is amended by adding at the end the following new subsection:

"(m)(1) The Secretary shall issue an arsenal license if—

"(A) the applicant has—

"(i) filed a sworn application with the Secretary, stating—

"(I) the applicant's name, address, and date of birth;

"(II) that the applicant is at least 21 years of age; and

"(III) that the applicant is not prohibited from possessing or receiving a firearm under Federal, State, or local law;

"(ii) filed with the Secretary a certificate, dated within the previous 60 days, from the chief law enforcement officer of the applicant's State of residence, stating that the applicant has not exhibited such a propensity for violence, instability, or disregard of

the law as may render the applicant's possession of an arsenal a danger to the community; and

"(iii) paid an arsenal license fee of $300 for a 3-year license period; and

"(B) the Secretary has determined that the information in the application is accurate, based in part upon name- and fingerprint-based research in all available Federal, State, and local recordkeeping systems.

"(2) The holder of an arsenal license shall be subject to all obligations and requirements pertaining to licensed dealers under this chapter.".

(c) PENALTY.—Section 924(a)(5) of title 18, United States Code, as amended by section 203(c), is amended by striking "or (w)" and inserting "(w), or (x)".

(d) EFFECTIVE DATE.—The amendments made by section shall become effective on the date that is 180 days after the date of enactment of this Act.

SEC. 205. RESTORATION OF FIREARM PRIVILEGES.

(a) RESTORATION BY SECRETARY.—

(1) REPEAL OF AUTHORITY.—Section 925 of title 18, United States Code, is amended—

(A) by striking subsection (c); and

(B) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(2) TECHNICAL AMENDMENTS.—(A) Section 922(d) of title 18, United States Code, is amended in the matter following paragraph (7) by striking ", or to a person who has been granted relief from disabilities pursuant to subsection (c) of section 925 of this chapter".

(B) Section 38(b)(1)(B)(i) of the Arms Export Control Act (22 U.S.C. 2778(b)(1)(B)(i)) is amended by striking "925(e)" and inserting "925(d)".

(b) RESTORATION BY A STATE OR THE PRESIDENT.—Section 921(a)(20) of title 18, United States Code, is amended—

(1) in the first sentence—

(A) by inserting "(A)" after "(20)"; and

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) in the second sentence by striking "What" and inserting the following:

"(B) What"; and

(3) by striking the third sentence and inserting the following new subparagraph:

"(C)(i) A conviction that has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, shall not be considered to be a conviction for purposes of this chapter if—

"(I) the expungement, setting aside, pardon, or restoration of civil rights applies to a named person; and

"(II) the authority that grants the expungement, setting aside, pardon, or restoration of civil rights expressly authorizes the person to ship, transport, receive, and possess firearms and expressly determines that the circumstances regarding the conviction and the person's record and reputation are such that the person is not likely to act in a manner that is dangerous to public safety and the granting of the relief is not contrary to the public interest.

"(ii) Clause (i) shall not apply to a conviction of a serious drug offense (as defined in section 924(e)(2)(A)) or violent felony (as defined in section 924(e)(2)(B)).".

TITLE III—RESTRICTIONS ON GUN SELLERS

SEC. 301. PROHIBITION ON MULTIPLE HANDGUN TRANSFERS.

(a) IN GENERAL.—Section 922 of title 18, United States Code, as amended by section 204(a), is amended by adding at the end the following new subsection:

"(y)(1) Except as provided in paragraph (2), it shall be unlawful for any person to—

"(A) receive transfer of more than 1 handgun during any 30-day period;

"(B) transfer to another person more than 1 handgun during any 30-day period; or

"(C) transfer a handgun to another person if the transferor knows or reasonably should know that such person has received transfer of another handgun during the previous 30-day period.

"(2) Paragraph (1) shall not apply to—

"(A) a transfer of a handgun to a person who is licensed under section 923;

"(B) a transfer of a handgun by inheritance;

"(C) a transfer of a handgun if another handgun is given by the transferee to the transferor in exchange; or

"(D) a transfer of a handgun that has been approved by the chief law enforcement officer of the State of residence of the transferee in accordance with regulations issued by the Secretary under subsection (b).

"(3) As used in this subsection, the term 'chief law enforcement officer of the State' has the meaning stated in section 922(u)(7) of title 18, United States Code.".

(b) REGULATIONS.—Not later than 60 days after the date of enactment of this Act, the Secretary shall prescribe regulations that—

(1) provide procedures for a chief law enforcement officer to approve the transfer of more than 1 handgun during a 30-day period if—

(A) the transferee is a private security company licensed to do business in the State where the transfer takes place; or

(B) the transferee is replacing a handgun that had been received and then stolen within the 30-day period; and

(2) require a person who is licensed under section 923, before transferring a handgun, to receive a sworn statement from the transferee that the transferee has not received transfer of another handgun during the prior 30-day period.

(c) MAINTENANCE OF RECORDS.—Section 923(g)(3)(B) of title 18, United States Code, is amended by striking all of the paragraph after "entity" and by inserting "other than Federal, State, or local law enforcement authorities.".

(d) PENALTY.—Section 924(a)(1)(B) of title 18, United States Code, as amended by section 101(c), is amended by striking "or (u)" and inserting "(u), or (y)".

(e) EFFECTIVE DATE.—Subsections (a) and (d) shall become effective on the date that is 30 days after the effective date of the regulations prescribed under subsection (b).

SEC. 302. COMPLIANCE WITH STATE AND LOCAL LAW AS CONDITION TO LICENSE.

Section 923(d)(1) of title 18, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(F)(i) the business to be conducted under the license is not prohibited by State or local law in the place where the business premise is located; and

"(ii) the applicant certifies that—

"(I) the business to be conducted under the license complies with the requirements of State and local law applicable to the conduct of the business; and

"(II) the applicant has notified local authorities, in a manner determined by the Secretary, of the filing of the application.".

SEC. 303. LICENSE APPLICATION FEES.

Section 923(a) of title 18, United States Code, is amended—

(1) in paragraph (1)(A) by striking "$1,000" and inserting "$10,000";

(2) in paragraph (1)(B) by striking "$50" and inserting "$1,000";

(3) in paragraph (1)(C) by striking "$10" and inserting "$1,000";

(4) in paragraph (2)(A) by striking "$1,000" and inserting "$10,000";

(5) in paragraph (2)(B) by striking "$50" and inserting "$1,000";

(6) in paragraph (3)(A) by striking "$1,000" and inserting "$10,000"; and

(7) in paragraph (3)(B) by striking "$200 for 3 years, except that the fee for renewal of a valid license shall be $90 for 3 years" and inserting "$1,000 per year".

SEC. 304. ACTION ON FIREARMS LICENSE APPLICATION.

Section 923(d)(2) of title 18, United States Code, is amended by striking "forty-five-day" and inserting "180-day".

SEC. 305. INSPECTION OF FIREARMS LICENSEES' INVENTORY AND RECORDS.

Section 923(g)(1)(B)(ii) of title 18, United States Code, is amended by striking "once during any twelve-month period" and inserting "3 times during any 12-month period, or at any time with respect to records relating to a firearm involved in a criminal investigation".

SEC. 306. REQUIREMENT OF BUSINESS LIABILITY INSURANCE.

Section 923(d)(1) of title 18, United States Code, as amended by section 302, is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(G) the applicant certifies that the business is covered by an insurance policy providing personal injury protection to any person injured, while engaged in lawful activity, by a handgun obtained through the negligence of the applicant, to a limit of $100,000 for loss sustained by any such person as a result of bodily injury or death.".

SEC. 307. LICENSE FOR AMMUNITION DEALERS.

Chapter 44 of title 18, United States Code, is amended—

(1) in section 922(a)(1)(B)—

(A) by striking "or licensed manufacturer" and inserting ", licensed manufacturer, or licensed dealer"; and

(B) by striking "or manufacturing" and inserting ", manufacturing, or dealing";

(2) in section 922(a)(2) by inserting "or ammunition" after "any firearm";

(3) in section 922(a)(3) by inserting "or ammunition" after "firearm" each place it appears;

(4) in section 922(a)(5) by inserting "or ammunition" after "firearm" each place it appears;

(5) in section 922(b)(2) by inserting "or ammunition" after "firearm" each place it appears;

(6) in section 922(b)(3) by inserting "or ammunition" after "firearm" each place it appears;

(7) in section 922(b)(5) by striking "armor-piercing";

(8) in section 923(a) by striking ", or importing or manufacturing" and inserting "or";

(9) in section 923(g)(1)(A)—

(A) by inserting "or ammunition" after "firearms" the first place it appears;

(B) by striking "firearms" the second place it appears; and

(C) by striking "licensed collector, or any licensed importer or manufacturer of ammu-

nition" and inserting "or licensed collector"; and

(10) in section 923(g)(2)—

(A) by inserting "or ammunition" after "firearms"; and

(B) by inserting "or ammunition" after "firearm".

SEC. 308. CHECK OF FIREARM STORE EMPLOYEES.

(a) PROHIBITION.—Section 923 of title 18, United States Code, as amended by section 204(b), is amended by adding at the end the following new subsection:

"(n) A licensed importer, licensed manufacturer, or licensed dealer shall not employ any person in a position in which the person would have unsupervised access to firearms or ammunition unless—

"(1) in the case of access to handguns or handgun ammunition, the person has a valid State handgun license; and

"(2) in the case of access to firearms other than handguns or ammunition other than handgun ammunition—

"(A) the person is at least 18 years of age;

"(B) the licensee has contacted the national system designated by the Attorney General pursuant to the Brady Handgun Violence Prevention Act and the system has notified the licensee that the possession of a firearm by the person would not violate Federal, State, or local law; and

"(C) the licensee has verified the identity of the person by examining a valid identification document (as defined in section 1028) of the person containing a photograph of the person.".

(b) PENALTY.—Section 924(a)(1)(B) of title 18, United States Code, as amended by section 301(d), is amended by striking "or (y) of section 922" and inserting "or (y) of section 922, or section 923".

SEC. 309. PROHIBITION OF SALES BY LICENSEES OTHER THAN ON LICENSED PREMISES.

Section 923(j) of title 18, United States Code, is amended to read as follows:

"(j) A licensed importer, licensed manufacturer, or licensed dealer shall not sell, deliver, or otherwise transfer a firearm from any motorized or towed vehicle or at a location other than the location specified on the license.".

SEC. 310. RESPONSES TO REQUESTS FOR INFORMATION.

Section 923(g) of title 18, United States Code, is amended by adding at the end the following new paragraph:

"(6) Each licensee shall respond immediately to a request by the Secretary for information contained in the records required to be kept by this chapter as may be required in the conduct of a criminal investigation. The requested information shall be provided orally or in writing, as the Secretary may require.".

SEC. 311. REPORTS OF THEFT OR LOSS OF FIREARMS.

Section 923(g) of title 18, United States Code, as amended by section 310, is amended by adding at the end the following new paragraph:

"(7) Each licensee shall report the theft or loss of a firearm from the licensee's inventory or collection, within 24 hours after the theft or loss is discovered, to the Secretary, the chief law enforcement officer of the State (as defined in section 922(u)(7)), and appropriate local authorities.".

SEC. 312. DEFINITION OF FIREARM EXPANDED TO INCLUDE COMPONENT PARTS.

Section 921(a)(3)(B) of title 18, United States Code, is amended by striking "or receiver" and inserting ", receiver, barrel, stock, ammunition magazine, or any part of the action".

SEC. 313. COMMON CARRIER DELIVERY TO LICENSEES.

Section 922(f)(2) of title 18, United States Code, is amended to read as follows:

"(2) It shall be unlawful for any common or contract carrier to deliver in interstate or foreign commerce any firearm or ammunition without—

"(A) examining the Federal firearms or ammunition license of the recipient; and

"(B) obtaining written acknowledgement of receipt from the recipient of the package or other container in which there is a firearm or ammunition.".

SEC. 314. CIVIL LIABILITY FOR VIOLATION OF FIREARM LAW.

Section 924 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(i)(1) Any person who sells, delivers, or otherwise transfers any firearm or ammunition in violation of Federal law shall be liable for all damages proximately caused by such sale, delivery, or other transfer.

"(2) An action to recover damages under paragraph (1) may be brought in a United States district court by, or on behalf of, any person, or the estate of any person, who suffers bodily injury or death as a result of the discharge of a firearm or ammunition sold, delivered, or transferred in violation of Federal law. Prevailing plaintiffs in such actions shall be awarded costs and reasonable attorneys' fees. Punitive damages shall be recoverable by the plaintiff if the defendant is found to have intentionally or recklessly violated the law.

"(3) No action under paragraph (2) may be brought by or on behalf of a person who was engaged in a criminal act against the person or property of another person at the time of the injury.

"(4) Nothing in this section shall be construed to preempt or otherwise limit any other cause of action available to any person.".

TITLE IV—PROHIBITED WEAPONS

SEC. 401. PROHIBITED WEAPONS.

(a) PROHIBITION.—Section 922 of title 18, United States Code, as amended by section 301(a), is amended by adding at the end the following new subsection:

"(z)(1) Except as provided in paragraph (2), it shall be unlawful for any person to manufacture, transfer, or possess a prohibited weapon.

"(2) Paragraph (1) does not apply with respect to—

"(A) the manufacture by or for, transfer to or by, or possession by or under the authority of, the United States or any department or agency thereof or a State, or a department, agency, or political subdivision thereof;

"(B) any lawful transfer or lawful possession of a prohibited weapon that was lawfully possessed before the date this subsection takes effect; or

"(C) the manufacture, transfer, or possession of any prohibited weapon by a licensed manufacturer or licensed importer for the purposes of testing or experimentation authorized by the Secretary.".

(b) DEFINITIONS.—Section 921 of title 18, United States Code, as amended by section 101(b), is amended—

(1) in subsection (a)—

(A) in paragraph (28) by striking "'semiautomatic rifle' means any repeating rifle" and inserting "'semiautomatic firearm' means any repeating firearm"; and

(B) by adding at the end the following new paragraphs:

"(31) The term 'prohibited weapon' means—

"(A) a firearm muffler or firearm silencer;

"(B) a short-barreled shotgun;

"(C) a short-barreled rifle;

"(D) a destructive device;

"(E) a semiautomatic assault weapon;

"(F) a Saturday-night-special handgun;

"(G) a nonsporting ammunition; and

"(H) a large-capacity ammunition feeding device.

"(32)(A) The term 'semiautomatic assault weapon' means—

"(i) any of the firearms, or types, replicas, or duplicates in any caliber of the firearms known as—

"(I) Norinco, Mitchell, and Poly Technologies Avtomat Kalashnikovs (all models);

"(II) Israeli Military Industries Uzi and Galil;

"(III) Beretta AR-70;

"(IV) Colt AR-15 and Sporter;

"(V) Fabrique Nationale FN/FAL, FN/LAR, and FNC;

"(VI) SWD M-10, M-11, M-11/9, and M-12;

"(VII) Steyr AUG;

"(VIII) Intratec TEC-9, TEC-DC9 and TEC-22; and

"(IX) revolving cylinder shotguns, such as (but not limited to) the Street Sweeper and Striker 12;

"(ii) a semiautomatic rifle that has an ability to accept a detachable magazine and has at least 2 of the following:

"(I) a folding or telescoping stock;

"(II) a pistol grip that protrudes conspicuously beneath the action of the weapon;

"(III) a bayonet mount;

"(IV) a flash suppressor or barrel having a threaded muzzle; and

"(V) a grenade launcher;

"(iii) a semiautomatic pistol that has an ability to accept a detachable magazine and has at least 2 of the following:

"(I) an ammunition magazine that attaches to the pistol outside of the pistol grip;

"(II) a barrel having a threaded muzzle;

"(III) a shroud that is attached to or partially or completely encircles the barrel and that permits the shooter to hold the firearm with the nontrigger hand without being burned;

"(IV) a manufactured weight of 50 ounces or more when the pistol is unloaded; and

"(V) a semiautomatic version of an automatic firearm; and

"(iv) a semiautomatic shotgun that has at least 2 of the following:

"(I) a folding or telescoping stock;

"(II) a pistol grip that protrudes conspicuously beneath the action of the weapon;

"(III) a fixed magazine capacity in excess of 5 rounds; and

"(IV) an ability to accept a detachable magazine.

"(B) The term 'semiautomatic assault weapon' shall not apply to—

"(i) any of the firearms specified in Appendix A to this section as such firearms were manufactured on or prior to January 1, 1994; and

"(ii) any firearm that—

"(I) is manually operated by bolt, pump, lever, or slide action;

"(II) has been rendered permanently inoperable; or

"(III) is an antique firearm.

"(33) The term 'Saturday-night-special handgun' means—

"(A) any handgun that has a barrel, slide, frame or receiver which is a die casting of zinc alloy or any other nonhomogeneous metal which will melt or deform at a temperature of less than 800 degrees Fahrenheit;

"(B) any pistol which does not have a positive manually operated safety device, a double action revolver which does not have a safety feature which automatically causes the hammer to retract to a point where the firing pin does not rest upon the primer of the cartridge, or any single action revolver which does not have a safety feature which by manual operation causes the hammer to retract to a point where the firing pin does not rest upon the primer of the cartridge;

"(C) any revolver with a safety device which cannot withstand the impact of a weight equal to the weight of the revolver dropping from a distance of 36 inches in a line parallel to the barrel upon the rear of the hammer spur, a total of 5 times;

"(D) any pistol that has a combined length and height less than 10 inches with the height (right angle measurement to barrel without magazine or extension) being at least 4 inches and the length being at least 6 inches, or any revolver that has a barrel length of less than 3 inches or has an overall frame (with conventional grips) length (not diagonal) of less than 4½ inches; or

"(E)(i) uses ammunition of the following calibers—

"(I) .22 short;

"(II) .25;

"(III) .32; and

"(ii) has an overall weight, while unloaded, of less than 18 ounces.

"(34) The term 'nonsporting ammunition' means—

"(A) any of the ammunition, or types, replicas, or duplicates of the ammunition known as—

"(i) Dragon's Breath; or

"(ii) .50 caliber BMG;

"(B) any ammunition that contains an incendiary or explosive charge;

"(C) any handgun ammunition measuring more than .45 inches in diameter; or

"(D) any handgun ammunition that produces a force at the muzzle in excess of 1,200 foot pounds.

"(35) The term 'large-capacity ammunition feeding device'—

"(A) means a magazine, belt, drum, feed strip, or similar device which has a capacity of, or which can be readily restored or converted to accept, more than 6 rounds of ammunition, or any combination of parts from which such device can be assembled; but

"(B) does not include an attached tubular device designed to accept, and capable of operating only with, .22 caliber rimfire ammunition."; and

(2) by adding at the end the following appendix:

"APPENDIX A

Centerfire Rifles—Autoloaders

Browning BAR Mark II Safari Semi-Auto Rifle
Browning BAR Mark II Safari Magnum Rifle
Browning High-Power Rifle
Heckler & Koch Model 300 Rifle
Iver Johnson M-1 Carbine
Iver Johnson 50th Anniversary M-1 Carbine
Marlin Model 9 Camp Carbine
Marlin Model 45 Carbine
Remington Nylon 66 Auto-Loading Rifle
Remington Model 7400 Auto Rifle
Remington Model 7400 Rifle
Remington Model 7400 Special Purpose Auto Rifle
Ruger Mini-14 Autoloading Rifle (w/o folding stock)
Ruger Mini Thirty Rifle

Centerfire Rifles—Lever & Slide

Browning Model 81 BLR Lever-Action Rifle
Browning Model 81 Long Action BLR
Browning Model 1886 Lever-Action Carbine
Browning Model 1886 High Grade Carbine
Cimarron 1860 Henry Replica
Cimarron 1866 Winchester Replicas
Cimarron 1873 Short Rifle
Cimarron 1873 Sporting Rifle
Cimarron 1873 30" Express Rifle
Dixie Engraved 1873 Rifle
E.M.F. 1866 Yellowboy Lever Actions
E.M.F. 1860 Henry Rifle
E.M.F. Model 73 Lever-Action Rifle
Marlin Model 336CS Lever-Action Carbine
Marlin Model 30AS Lever-Action Carbine
Marlin Model 444SS Lever-Action Sporter
Marlin Model 1894S Lever-Action Carbine
Marlin Model 1894CS Carbine
Marlin Model 1894CL Classic
Marlin Model 1895SS Lever-Action Rifle
Mitchell 1858 Henry Replica
Mitchell 1866 Winchester Replica
Mitchell 1873 Winchester Replica
Navy Arms Military Henry Rifle
Navy Arms Henry Trapper
Navy Arms Iron Frame Henry
Navy Arms Henry Carbine
Navy Arms 1866 Yellowboy Rifle
Navy Arms 1873 Winchester-Style Rifle
Navy Arms 1873 Sporting Rifle
Remington 7600 Slide Action
Remington Model 7600 Special Purpose Slide Action
Rossi M92 SRC Saddle-Ring Carbine
Rossi M92 SRS Short Carbine
Savage 99C Lever-Action Rifle
Uberti Henry Rifle
Uberti 1866 Sporting Rilfe
Uberti 1873 Sporting Rifle
Winchester Model 94 Side Eject Lever-Action Rifle
Winchester Model 94 Trapper Side Eject
Winchester Model 94 Big Bore Side Eject
Winchester Model 94 Ranger Side Eject Lever-Action Rifle
Winchester Model 94 Wrangler Side Eject

Centerfire Rifles—Bolt Action

Alpine Bolt-Action Rifle
A-Square Caesar Bolt-Action Rifle
A-Square Hannibal Bolt-Action Rifle
Anschutz 1700D Classic Rifles
Anschutz 1700D Custom Rifles
Anschutz 1700D Bavarian Bolt-Action Rifle
Anschutz 1733D Mannlicher Rifle
Barret Model 90 Bolt-Action Rifle
Beeman/HW 60J Bolt-Action Rifle
Blaser R84 Bolt-Action Rifle
BRNO 537 Sporter Bolt-Action Rifle
BRNO ZKB 527 Fox Bolt-Action Rifle
BRNO ZKK 600, 601, 602 Bolt-Action Rifles
Browning A-Bolt Rifle
Browning A-Bolt Stainless Stalker
Browning A-Bolt Left Hand
Browning A-Bolt Short Action
Browning Euro-Bolt Rifle
Browning A-Bolt Gold Medallion
Browning A-Bolt Micro Medallion
Century Centurion 14 Sporter
Century Enfield Sporter #4
Century Swedish Sporter #38
Century Mauser 98 Sporter
Cooper Model 38 Centerfire Sporter
Dakota 22 Sporter Bolt-Action Rifle
Dakota 76 Classic Bolt-Action Rifle
Dakota 76 Short Action Rifles
Dakota 76 Safari Bolt-Action Rifle
Dakota 416 Rigby African
E.A.A./Sabatti Rover 870 Bolt-Action Rifle
Auguste Francotte Bolt-Action Rifles
Carl Gustaf 2000 Bolt-Action Rifle
Heym Magnum Express Series Rifle
Howa Lightning Bolt-Action Rifle
Howa Realtree Camo Rifle
Interarms Mark X Viscount Bolt-Action Rifle
Interarms Mini-Mark X Rifle
Interarms Mark X Whitworth Bolt-Action Rifle
Interarms Whitworth Express Rifle
Iver Johnson Model 5100A1 Long-Range Rifle
KDF K15 American Bolt-Action Rifle
Krico Model 600 Bolt-Action Rifle
Krico Model 700 Bolt-Action Rifles
Mauser Model 66 Bolt-Action Rifle
Mauser Model 99 Bolt-Action Rifle
McMillan Signature Classic Sporter
McMillan Signature Super Varminter
McMillan Signature Alaskan
McMillan Signature Titanium Mountain Rifle
McMillan Classic Stainless Sporter
McMillan Talon Safari Rifle
McMillan Talon Sporter Rifle
Midland 1500S Survivor Rifle
Navy Arms TU-33/40 Carbine
Parker-Hale Model 81 Classic Rifle
Parker-Hale Model 81 Classic African Rifle
Parker-Hale Model 1000 Rifle
Parker-Hale Model 1100M African Magnum
Parker-Hale Model 1100 Lightweight Rifle
Parker-Hale Model 1200 Super Rifle
Parker-Hale Model 1200 Super Clip Rifle
Parker-Hale Model 1300C Scout Rifle
Parker-Hale Model 2100 Midland Rifle
Parker-Hale Model 2700 Lightweight Rifle
Parker-Hale Model 2800 Midland Rifle
Remington Model Seven Bolt-Action Rifle
Remington Model Seven Youth Rifle
Remington Model Seven Custom KS
Remington Model Seven Custom MS Rifle
Remington 700 ADL Bolt-Action Rifle
Remington 700 BDL Bolt-Action Rifle
Remington 700 BDL Varmint Special
Remington 700 BDL European Bolt-Action Rifle
Remington 700 Varmint Synthetic Rifle
Remington 700 BDL SS Rifle
Remington 700 Stainless Synthetic Rifle
Remington 700 MTRSS Rifle
Remington 700 BDL Left Hand
Remington 700 Camo Synthetic Rifle
Remington 700 Safari
Remington 700 Mountain Rifle
Remington 700 Custom KS Mountain Rifle
Remington 700 Classic Rifle
Ruger M77 Mark II Rifle
Ruger M77 Mark II Magnum Rifle
Ruger M77RL Ultra Light
Ruger M77 Mark II All-Weather Stainless Rifle
Ruger M77 RSI International Carbine

Ruger M77 Mark II Express Rifle
Ruger M77VT Target Rifle
Sako Hunter Rifle
Sako Fiberclass Sporter
Sako Safari Grade Bolt Action
Sako Hunter Left-Hand Rifle
Sako Classic Bolt Action
Sake Hunter LS Rifle
Sako Deluxe Lightweight
Sako Super Deluxe Sporter
Sako Mannlicher-Style Carbine
Sako Varmint Heavy Barrel
Sako TRG–S Bolt-Action Rifle
Sauer 90 Bolt-Action Rifle
Savage 110G Bolt-Action Rifle
Savage 110CY Youth/Ladies Rifle
Savage 110WLE One of One Thousand Limited Edition Rifle
Savage 110GXP3 Bolt-Action Rifle
Savage 110F Bolt-Action Rifle
Savage 110FXP3 Bolt-Action Rifle
Savage 110GV Varmint Rifle
Savage 112FV Varmint Rifle
Savage Model 112FVS Varmint Rifle
Savage Model 112BV Heavy Barrel Varmint Rifle
Savage 116FSS Bolt-Action Rifle
Savage model 116FSK Kodiak Rifle
Savage 110FP Police Rifle
Steyr-Mannlicher Sporter Models SL, L, M, S, S/T
Steyr-Mannlicher Luxus Model L, M, S
Steyr-Mannlicher Model M Professional Rifle
Tikka Bolt-Action Rifle
Tikka Premium Grade Rifles
Tikka Varmint/Continental Rifle
Tikka Whitetail/Battue Rifle
Ultra Light Arms Model 20 Rifle
Ultra Light Arms Model 28, Model 40 Rifles
Voere VEC 91 Lightning Bolt-Action Rifle
Voere Model 2165 Bolt-Action Rifle
Voere Model 2155, 2150 Bolt-Action Rifles
Weatherby Mark V Deluxe Bolt-Action Rifle
Weatherby Lasermark V Rifle
Weatherby Mark V Crown Custom Rifles
Weatherby Mark V Sporter Rifle
Weatherby Mark V Safari Grade Custom Rifles
Weatherby Weathermark Rifle
Weatherby Weathermark Alaskan Rifle
Weatherby Classicmark No. 1 Rifle
Weatherby Weatherguard Alaskan Rifle
Weatherby Vanguard VGX Deluxe Rifle
Weatherby Vanguard Classic Rifle
Weatherby Vanguard Classic No. 1 Rifle
Weatherby Vanguard Weatherguard Rifle
Wichita Classic Rifle
Wichita Varmint Rifle
Winchester Model 70 Sporter
Winchester Model 70 Sporter WinTuff
Winchester Model 70 SM Sporter
Winchester Model 70 Stainless Rifle
Winchester Model 70 Varmint
Winchester Model 70 Synthetic Heavy Varmint Rifle
Winchester Model 70 DBM Rifle
Winchester Model 70 DBM–S Rifle
Winchester Model 70 Featherweight
Winchester Model 70 Featherweight WinTuff
Winchester Model 70 Featherweight Classic
Winchester Model 70 Lightweight Rifle
Winchester Ranger Rifle
Winchester Model 70 Super Express Magnum
Winchester Model 70 Super Grade
Winchester Model 70 Custom Sharpshooter
Winchester Model 70 Custom Sporting Sharpshooter Rifle

Centerfire Rifles—Single Shot

Armsport 1866 Sharps Rifle, Carbine
Brown Model One Single Shot Rifle
Browning Model 1885 Single Shot Rifle
Dakota Single Shot Rifle
Desert Industries G–90 Single Shot Rifle
Harrington & Richardson Ultra Varmint Rifle
Model 1885 High Wall Rifle
Navy Arms Rolling Block Buffalo Rifle
Navy Arms #2 Creedmoor Rifle
Navy Arms Sharps Cavalry Carbine
Navy Arms Sharps Plains Rifle
New England Firearms Handi-Rifle
Red Willow Armory Ballard No. 5 Pacific
Red Willow Armory Ballard No. 1.5 Hunting Rifle
Red Willow Armory Ballard No. 8 Union Hill Rifle
Red Willow Armory Ballard No. 4.5 Target Rifle
Remington-Style Rolling Block Carbine
Ruger No. 1B Single Shot
Ruger No. 1A Light Sporter
Ruger No. 1H Tropical Rifle
Ruger No. 1S Medium Sporter
Ruger No. 1 RSI International
Ruger No. 1V Special Varminter
C. Sharps Arms New Model 1874 Old Reliable
C. Sharps Arms New Model 1875 Rifle
C. Sharps Arms 1875 Classic Sharps
C. Sharps Arms New Model 1875 Target & Long Range
Shiloh Sharps 1874 Long Range Express
Shiloh Sharps 1874 Montana Roughrider
Shiloh Sharps 1874 Military Carbine
Shiloh Sharps 1874 Business Rifle
Shiloh Sharps 1874 Military Rifle
Sharps 1874 Old Reliable
Thompson/Center Contender Carbine
Thompson/Center Stainless Contender Carbine
Thompson/Center Contender Carbine Survival System
Thompson/Center Contender Carbine Youth Model
Thompson/Center TCR '87 Single Shot Rifle
Uberti Rolling Block Baby Carbine

Drillings, Combination Guns, Double Rifles

Baretta Express SSO O/U Double Rifles
Baretta Model 455 SxS Express Rifle
Chapuis RGExpress Double Rifle
Auguste Francotte Sidelock Double Rifles
Auguste Francotte Boxlock Double Rifle
Heym Model 55B O/U Double Rifle
Heym Model 55FW O/U Combo Gun
Heym Model 88b Side-by-Side Double Rifle
Kodiak Mk. IV Double Rifle
Kreighoff Teck O/U Combination Gun
Kreighoff Trumpf Drilling
Merkel Over/Under Combination Guns
Merkel Drillings
Merkel Model 160 Side-by-Side Double Rifles
Merkel Over/Under Double Rifles
Savage 24F O/U Combination Gun
Savage 24F–12T Turkey Gun
Springfield Inc. M6 Scout Rifle/Shotgun
Tikka Model 412s Combination Gun
Tikka Model 412S Double Fire
A. Zoli Rifle-Shotgun O/U Combo

Rimfire Rifles—Autoloaders

AMT Lightning 25/22 Rifle
AMT Lightning Small-Game Hunting Rifle II
AMT Magnum Hunter Auto Rifle
Anschutz 525 Deluxe Auto
Armscor Model 20P Auto Rifle
Browning Auto-22 Rifle
Browning Auto-22 Grade VI
Krico Model 260 Auto Rifle
Lakefield Arms Model 64B Auto Rifle
Marlin Model 60 Self-Loading Rifle
Marlin Model 60ss Self-Loading Rifle
Marlin Model 70 HC Auto
Marlin Model 9901 Self-Loading Rifle
Marlin Model 70P Papoose
Marlin Model 922 Magnum Self-Loading Rifle
Marlin Model 995 Self-Loading Rifle
Norinco Model 22 ATD Rifle
Remington Model 522 Viper Autoloading Rifle
Remington 552BDL Speedmaster Rifle
Ruger 10/22 Autoloading Carbine (w/o folding stock)
Survival Arms AR–7 Explorer Rifle
Texas Remington Revolving Carbine
Voere Model 2115 Auto Rifle

Rimfire Rifles—Lever & Slide Action

Browning BL–22 Lever-Action Rifle
Marlin 39TDS Carbine
Marlin Model 39AS Golden Lever-Action Rifle
Remington 572BDL Fieldmaster Pump Rifle
Norinco EM–321 Pump Rifle
Rossi Model 62 SA Pump Rifle
Rossi Model 62 SAC Carbine
Winchester Model 9422 Lever-Action Rifle
Winchester Model 9422 Magnum Lever-Action Rifle

Rimfire Rifles—Bolt Actions & Single Shots

Anschutz Achiever Bolt-Action Rifle
Anschutz 1416D/1516D Classic Rifles
Anschutz 1418D/1518D Mannlicher rifles
Anschutz 1700D Classic Rifles
Anschutz 1700D Custom Rifles
Anschutz 1700 FWT Bolt-Action Rifle
Anschutz 1700D Graphite Custom Rifle
Anschutz 1700D Bavarian Bolt-Action Rifle
Armscor Model 14P Bolt-Action Rifle
Armscor Model 1500 Rifle
BRNO ZKM–452 Deluxe Bolt-Action Rifle
BRNO ZKM 452 Deluxe
Beeman/HW 60–J–ST Bolt-Action Rifle
Browning A-Bolt 22 Bolt-Action Rifle
Browning A-Bolt Gold Medallion
Cabanas Phaser Rifle
Cabanas Master Bolt-Action Rifle
Cabanas Espronceda IV Bolt-Action Rifle
Cabanas Leyre Bolt-Action Rifle
Chipmunk Single Shot Rifle

Cooper Arms Model 36S Sporter Rifle
Dakota 22 Sporter Bolt-Action Rifle
Krico Model 300 Bolt-Action Rifles
Lakefield Arms Mark II Bolt-Action Rifle
Lakefield Arms Mark I Bolt-Action Rifle
Magtech Model MT-22C Bolt-Action Rifle
Marlin Model 880 Bolt-Action Rifle
Marlin Model 881 Bolt-Action Rifle
Marlin Model 882 Bolt-Action Rifle
Marlin Model 883 Bolt-Action Rifle
Marlin Model 883SS Bolt-Action Rifle
Marlin Model 25MN Bolt-Action Rifle
Marlin Model 25N Bolt-Action Repeater
Marlin Model 15YN "Little Buckaroo"
Mauser Model 107 Bolt-Action Rifle
Mauser Model 201 Bolt-Action Rifle
Navy Arms TU-KKW Training Rifle
Navy Arms TU-33/40 Carbine
Navy Arms TU-KKW Sniper Trainer
Norinco JW-27 Bolt-Action Rifle
Norinco JW-15 Bolt-Action Rifle
Remington 541-T
Remington 40-XR Rimfire Custom sporter
Remington 541-T HB Bolt-Action Rifle
Remington 581-S Sportsman Rifle
Ruger 77/22 Rimfire Bolt-Action Rifle
Ruger K77/22 Varmint Rifle
Ultra Light arms Model 20 RF Bolt-Action Rifle
Winchester Model 52B Sporting Rifle

Competition Rifles—Centerfire & Rimfire

Anschutz 64-MS Left Silhouette
Anschutz 1808D RT Super Match 54 Target
Anschutz 1827B Biathlon Rifle
Anschutz 1903D Match Rifle
Anschutz 1803D Itermediate Match
Anschutz 1911 Match Rifle
Anschutz 54.18MS REP Deluxe Silhouette Rifle
Anschutz 1913 Super Match Rifle
Anschutz 1907 Match Rifle
Anschutz 1910 Super Match II
Anschutz 54.18MS Silhouette Rifle
Anschutz Super Match 54 Target Model 2013
Anschutz Super Match 54 Target Model 2007
Beeman/Feinwerkbau 2600 Target Rifle
Cooper Arms Model TRP-1 ISU Standard Rifle
E.A.A./Weihrauch HW 60 Target Rifle
E.A.A./HW 660 Match Rifle
Finnish Lion Standard Target Rifle
Krico Model 360 S2 Biathlon Rifle
Krico Model 400 Match Rifle
Krico Model 360S Biathlon Rifle
Krico Model 500 Kricotronic Match Rifle
Krico Model 600 Sniper Rifle
Krico Model 600 Match Rifle
Lakefield Arms Model 90B Target Rifle
Lakefield Arms Model 91T Target Rifle
Lakefield Arms Model 92S Silhouette Rifle
Marlin Model 2000 Target Rifle
Mauser Model 86-SR Specialty Rifle
McMillan M-86 Sniper Rifle
McMillan Combo M-87/M-88 50-Caliber Rifle
McMillan 300 Phoenix Long Range Rifle
McMillan M-89 Sniper Rifle
McMillan National Match Rifle
McMillan Long Range Rifle
Parker-Hale M-87 Target Rifle
Parker-Hale M-85 Sniper Rifle
Remington 40-XB Rangemaster Target Centerfire
Remington 40-XR KS Rimfire Position Rifle
Remington 40-XBBR KS
Remington 40-XC KS National Match Course Rifle
Sako TRG-21 Bolt-Action Rifle
Steyr-Mannlicher Match SPG-UIT Rifle
Steyr-Mannlicher SSG P-I Rifle
Steyr-Mannlicher SSG P-III Rifle
Steyr-Mannlicher SSG P-IV Rifle
Tanner Standard UIT Rifle
Tanner 50 Meter Free Rifle
Tanner 300 Meter Free Rifle
Wichita Silhouette Rifle

Shotguns—Autoloaders

American Arms/Franchi Black Magic 48/AL
Benelli Super Black Eagle Shotgun
Benelli Super Black Eagle Slug Gun
Benelli M1 Super 90 Field Auto Shotgun
Benelli Montefeltro Super 90 20-Gauge Shotgun
Benelli Montefeltro Super 90 Shotgun
Benelli M1 Sporting Special Auto Shotgun
Benelli Black Eagle Competition Auto Shotgun
Beretta A-303 Auto Shotgun
Beretta 390 Field Auto Shotgun
Beretta 390 Super Trap, Super Skeet Shotguns
Beretta Vittoria Auto Shotgun
Beretta Model 1201F Auto Shotgun
Browning BSA 10 Auto Shotgun
Browning BSA 10 Stalker Auto Shotgun
Browning A-500R Auto Shotgun
Browning A-500G Auto Shotgun
Browning A-500G Sporting Clays
Browning Auto-5 Light 12 and 20
Browning Auto-5 Stalker
Browning Auto-5 Magnum 20
Browning Auto-5 Magnum 12
Churchill Turkey Automatic Shotgun
Cosmi Automatic Shotgun
Maverick Model 60 Auto Shotgun
Mossberg Model 5500 Shotgun
Mossberg Model 9200 Regal Semi-Auto Shotgun
Mossberg Model 9200 USST Auto Shotgun
Mossberg Model 9200 Camo Shotgun
Mossberg Model 6000 Auto Shotgun
Remington Model 1100 Shotgun
Remington 11-87 Premier Shotgun
Remington 11-87 Sporting Clays
Remington 11-87 Premier Skeet
Remington 11-87 Premier Trap
Remington 11-87 Special Purpose Magnum
Remington 11-87 SPS-T Camo Auto Shotgun
Remington 11-87 Special Purpose Deer Gun
Remington 11-87 SPS-BG-Camo Deer/Turkey Shotgun
Remington 11-87 SPS-Deer Shotgun
Remington 11-87 Special Purpose Synthetic Camo
Remington SP-10 Magnum-Camo Auto Shotgun
Remington SP-10 Magnum Auto Shotgun
Remington SP-10 Magnum Turkey Combo
Remington 1100 LT-20 Auto
Remington 1100 Special Field
Remington 1100 20-Gauge Deer Gun
Remington 1100 LT-20 Tournament Skeet
Winchester Model 1400 Semi-Auto Shotgun

Shotguns—Slide Actions

Browning Model 42 Pump Shotgun
Browning BPS Pump Shotgun
Browning BPS Stalker Pump Shotgun
Browning BPS Pigeon Grade Pump Shotgun
Browning BPS pump Shotgun (Ladies and Youth Model)
Browning BPS Game Gun Turkey Special
Browning BPS Game Gun Deer Special
Ithaca Model 87 Supreme Pump Shotgun
Ithaca Model 87 Deerslayer Shotgun
Ithaca Deerslayer II Rifled Shotgun
Ithaca Model 87 Turkey Gun
Ithaca Model 87 Deluxe Pump Shotgun
Magtech Model 586-VR Pump Shotgun
Maverick Models 88, 91 Pump Shotguns
Mossberg Model 500 Sporting Pump
Mossberg Model 500 Camo Pump
Mossberg Model 500 Muzzleloader Combo
Mossberg Model 500 Trophy Slugster
Mossberg Turkey Model 500 Pump
Mossberg Model 500 Bantam Pump
Mossberg Field Grade Model 835 Pump Shotgun
Mossberg Model 835 Regal Ulti-Mag Pump
Remington 870 Wingmaster
Remington 870 Special Purpose Deer Gun
Remington 870 SPS-BG-Camo Deer/Turkey Shotgun
Remington 870 SPS-Deer Shotgun
Remington 870 Marine Magnum
Remington 870 TC Trap
Remington 870 Special Purpose Synthetic Camo
Remington 870 Wingmaster Small Gauges
Remington 870 Express Rifle Sighted Deer Gun
Remington 879 SPS Special Purpose Magnum
Remington 870 SPS-T Camo Pump Shotgun
Remington 870 Special Field
Remington 870 Express Turkey
Remington 870 High Grades
Remington 870 Express
Remington Model 870 Express Youth Gun
Winchester Model 12 Pump Shotgun
Winchester Model 42 High Grade Shotgun
Winchester Model 1300 Walnut Pump
Winchester Model 1300 Slug Hunter Deer Gun
Winchester Model 1300 Ranger Pump Gun Combo & Deer Gun
Winchester Model 1300 Turkey Gun
Winchester Model 1300 Ranger Pump Gun

Shotguns—Over/Unders

American Arms/Franchi Falconet 2000 O/U
American Arms Silver I O/U
American Arms Silver II Shotgun
American Arms Silver Skeet O/U
American Arms/Franchi Sporting 2000 O/U

American Arms Silver Sporting O/U
American Arms Silver Trap O/U
American Arms WS/OU 12, TS/OU 12 Shotguns
American Arms WT/OU 10 Shotgun
Armsport 2700 O/U Goose Gun
Armsport 2700 Series O/U
Armsport 2900 Tri-Barrel Shotgun
Baby Bretton Over/Under Shotgun
Beretta Model 686 Ultralight O/U
Beretta ASE 90 Competition O/U Shotgun
Beretta Over/Under Field Shotguns
Beretta Onyx Hunter Sport O/U Shotgun
Beretta Model SO5, SO6, SO9 Shotguns
Beretta Sporting Clay Shotguns
Beretta 687EL Sporting O/U
Beretta 682 Super Sporting O/U
Beretta Series 682 Competition Over/Unders
Browning Citori O/U Shotgun
Browning Superlight Citori Over/Under
Browning Lightning Sporting Clays
Browning Micro Citori Lightning
Browning Citori Plus Trap Combo
Browning Citori Plus Trap Gun
Browning Citori O/U Skeet Models
Browning Citori O/U Trap Models
Browning Special Sporting Clays
Browning Citori GTI Sporting Clays
Browning 325 Sporting Clays
Centurion Over/Under Shotgun
Chapuis Over/Under Shotgun
Connecticut Valley Classics Classic Sporter O/U
Connecticut Valley Classics Classic Field Waterfowler
Charles Daly Field Grade O/U
Charles Daly Lux Over/Under
E.A.A./Sabatti Sporting Clays Pro-Gold O/U
E.A.A/Sabatti Falcon-Mon Over/Under
Kassnar Grade I O/U Shotgun
Krieghoff K-80 Sporting Clays O/U
Krieghoff K-80 Skeet Shotgun
Krieghoff K-80 International Skeet
Krieghoff K-80 Four-Barrel Skeet Set
Krieghoff K-80/RT Shotguns
Krieghoff K-80 O/U Trap Shotgun
Laurona Silhouette 300 Sporting Clays
Laurona Silhouette 300 Trap
Laurona Super Model Over/Unders
Ljutic LM-6 Deluxe O/U Shotgun
Marocchi Conquista Over/Under Shotgun
Marocchi Avanza O/U Shotgun
Merkel Model 200E O/U Shotgun
Merkel Model 200E Skeet, Trap Over/Unders
Merkel Model 203E, 303E Over/Under Shotguns
Perazzi Mirage Special Sporting O/U
Perazzi Mirage Special Four-Gauge Skeet
Perazzi Sporting Classic O/U
Perazzi MX7 Over/Under Shotguns
Perazzi Mirage Special Skeet Over/Under
Perazzi MX8/MX8 Special Trap, Skeet
Perazzi MX8/20 Over/Under Shotgun
Perazzi MX9 Single Over/Under Shotguns
Perazzi MX12 Hunting Over/Under
Perazzi MX28, MX410 Game O/U Shotguns
Perazzi MX20 Hunting Over/Under
Piotti Boss Over/Under Shotgun
Remington Peerless Over/Under Shotgun
Ruger Red Label O/U Shotgun
Ruger Sporting Clays O/U Shotgun
San Marco 12-Ga. Wildflower Shotgun
San Marco Field Special O/U Shotgun
San Marco 10-Ga. O/U Shotgun
SKB Model 505 Deluxe Over/Under Shotgun
SKB Model 685 Over/Under Shotgun
SKB Model 885 Over/Under Trap, Skeet, Sporting Clays
Stoeger/IGA Condor I O/U Shotgun
Stoeger/IGA ERA 2000 Over/Under Shotgun
Techni-Mec Model 610 Over/Under
Tikka Model 412S Field Grade Over/Under
Weatherby Athena Grade IV O/U Shotguns
Weatherby Athena Grade V Classic Field O/U
Weatherby Orion O/U Shotguns
Weatherby II, III Classic Field O/Us
Weatherby Orion II Classic Sporting Clays O/U
Weatherby Orion II Sporting Clays O/U
Winchester Model 1001 O/U Shotgun
Winchester Model 1001 Sporting Clays O/U
Pietro Zanoletti Model 2000 Field O/U

Shotguns—Side by Sides

American Arms Brittany Shotgun
American Arms Gentry Double Shotgun
American Arms Derby Side-by-Side
American Arms Grulla #2 Double Shotgun
American Arms WS/SS 10
American Arms TS/SS 10 Double Shotgun
American Arms TS/SS 12 Side-by-Side
Arrieta Sidelock Double Shotguns
Armsport 1050 Series Double Shotguns
Arizaga Model 31 Double Shotgun
AYA Boxlock Shotguns
AYA Sidelock Double Shotguns
Beretta Model 452 Sidelock Shotgun
Beretta Side-by-Side Field Shotguns
Crucelegui Hermanos Model 150 Double
Chapuis Side-by-Side Shotgun
E.A.A./Sabatti Saba-Mon Double Shotgun
Charles Daly Model Dss Double
Ferlib Model F VII Double Shotgun
Auguste Francotte Boxlock Shotgun
Auguste Francotte Sidelock Shotgun
Garbi Model 100 Double
Garbi Model 101 Side-by-Side
Garbi Model 103A, B Side-by-Side
Garbi Model 200 Side-by-Side
Bill Hanus Birdgun Doubles
Hatfield Uplander Shotgun
Merkell Model 8, 47E Side-by-Side Shotguns
Merkel Model 47LSC Sporting Clays Double
Merkel Model 47S, 147S Side-by-Sides
Parker Reproductions Side-by-Side
Piotti King No. 1 Side-by-Side
Piotti Lunik Side-by-Side
Piotti King Extra Side-by-Side
Piotti Piuma Side-by-Side
Precision Sports Model 600 Series Doubles
Rizzini Boxlock Side-by-Side
Rizzini Sidelock Side-by-Side
Stoeger/IGA Uplander Side-by-Side Shotgun
Ugartechea 10-Ga. Magnum Shotgun

Shotguns—Bolt Actions & Single Shots

Armsport Single Barrel Shotgun
Browning BT-99 Competition Trap Special
Browning BT-99 Plus Trap Gun
Browning BT-99 Plus Micro
Browning Recoilless Trap Shotgun
Browning Micro Recoilless Trap Shotgun
Desert Industries Big Twenty Shotgun
Harrington & Richardson Topper Model 098
Harrington & Richardson Topper Classic Youth Shotgun
Harrington & Richardson N.W.T.F. Turkey Mag
Harrington & Richardson Topper Deluxe Model 098
Krieghoff KS-5 Trap Gun
Krieghoff KS-5 Special
Krieghoff K-80 Single Barrel Trap Gun
Ljutic Mono Gun Single Barrel
Ljutic LTX Super Deluxe Mono Gun
Ljutic Recoilless Space Gun Shotgun
Marlin Model 55 Goose Gun Bolt Action
New England Firearms Turkey and Goose Gun
New England Firearms N.W.T.F. Shotgun
New England Firearms Tracker Slug Gun
New England Firearms Standard Pardner
New England Firearms Survival Gun
Perazzi TM1 Special Single Trap
Remington 90-T Super Single Shotgun
Snake Charmer II Shotgun
Stoeger/IGA Reuna Single Barrel Shotgun
Thompson/Center TCR '87 Hunter Shotgun.".

(c) REGISTRATION OF FUTURE TRANSFERS OF PROHIBITED WEAPONS.—Section 5845(a) of the Internal Revenue Code of 1986 is amended in the first sentence—

(1) by striking "and" at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting "; and (9) a prohibited weapon (as defined in section 921 of title 18, United States Code).".

(d) IDENTIFICATION MARKING.—Section 923(i) of title 18, United States Code, is amended by adding at the end the following new sentence: "The serial number of any prohibited weapon manufactured after the date of enactment of this section shall clearly show the date on which the weapon was manufactured.".

(e) PENALTY.—

(1) VIOLATION OF SECTION 922(2).—Section 924(a)(1)(B) of title 18, United States Code, as amended by section 308(b), is amended by striking "or (y)" and inserting "(y), or (z)".

(2) USE OR POSSESSION DURING CRIME OF VIOLENCE OR DRUG TRAFFICKING CRIME.—Section 924(c)(1) of title 18, United States Code, is amended in the first sentence by inserting ", or semiautomatic assault weapon" after "short-barreled shotgun,".

SEC. 402. FIREARMS AND CHILD SAFETY.

(a) UNLAWFUL ACT.—Section 922 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(aa)(1) It shall be unlawful for a person to manufacture or import a firearm that does not have as an integral part a device or devices that—

"(A) prevent a child of less than 7 years of age from discharging the firearm by reason of the amount of strength, dexterity, cognitive skill, or other ability required to cause a discharge;

"(B) prevent a firearm that has a removable magazine from discharging when the magazine has been removed; and

"(C) in the case of a handgun other than a revolver, clearly indicate whether the magazine or chamber contains a round of ammunition.

"(2) Paragraph (1) does not apply with respect to the manufacture or importation by or for the United States or a department or agency thereof or a State or a department, agency, or political subdivision thereof.".

(b) PENALTY.—Section 924(a)(5) of title 18, United States Code, as amended by section 204(c), is amended by striking "or (x)" and inserting "(x), or (aa)".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date that is 1 year after the date of enactment of this Act.

SEC. 403. INCREASED TAX ON HANDGUNS AND HANDGUN AMMUNITION.

(a) INCREASED TAX.—Section 4181 of the Internal Revenue Code of 1986 (relating to imposition of tax on firearms) is amended—

(1) by striking "10 percent" and inserting "30 percent";

(2) by striking "Shells, and cartridges" and inserting "ammunition other than handgun ammunition (as defined in section 921 of title 18, United States Code)"; and

(3) by inserting at the end the following:

"ARTICLES TAXABLE AT 50 PERCENT

"Any handgun ammunition (as defined in section 921 of title 18, United States Code).".

(b) TAXES ON HANDGUNS AND HANDGUN AMMUNITION TO HEALTH CARE TRUST FUND.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9512. HEALTH CARE TRUST FUND.

"(a) ESTABLISHMENT OF THE TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Health Care Trust Fund", consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section.

"(b) TRANSFERS TO THE FUND.—There are hereby appropriated to the Health Care Trust Fund amounts equivalent to the taxes received in the Treasury under section 4181 which are attributable to the tax on articles subject to the 30-percent and 50-percent tax rates.

"(c) EXPENDITURES FROM THE TRUST FUND.—Funds in the Health Care Trust Fund shall be available, as provided in appropriations Acts, only for the purpose of making grants to assist hospitals, trauma centers or other health care providers that have incurred substantial uncompensated costs in providing medical care to gunshot victims except that no single hospital, trauma center or health care provider may receive more than 1 percent of the funds appropriated under this section.

"(d) ELIGIBILITY FOR TRUST FUND MONEYS.—A hospital, trauma center or other health care provider is eligible to apply for grants from the Trust Fund for any calendar year if the hospital, trauma center or health care provider—

"(1) is in compliance with Federal and State certification and licensing requirements;

"(2) is a not-for-profit entity; and

"(3) has incurred substantial uncompensated costs during the previous calendar year in providing medical care to gunshot victims.

"(e) REGULATIONS FOR TRUST FUND.—The Secretary shall, not later than 60 days after the date of enactment of this section and in consultation with the Secretary of Health and Human Services, issue such regulations as are necessary to implement the provisions of this section.".

(c) TECHNICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 9512. Health Care Trust Fund.".

TITLE V—GUN EXCHANGE TAX INCENTIVES

SEC. 501. MODIFICATIONS TO CERTAIN LIMITATIONS ON CHARITABLE DEDUCTION.

(a) GENERAL RULE.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

"(6) SPECIAL RULES FOR GUN EXCHANGE PROGRAM CONTRIBUTIONS.—

"(A) DEDUCTION ALLOWED FOR FULL MARKET VALUE.—The deduction under subsection (a) for any qualified gun exchange program contribution shall be an amount equal to its fair market value and no reduction under paragraph (1)(A) shall be made in the amount of such contribution.

"(B) INCREASE IN CORPORATE PERCENTAGE LIMITATION.—The limitation of subsection (b)(2) shall be increased by the lesser of—

"(i) the aggregate amount of qualified gun exchange program contributions made by the taxpayer during the taxable year, or

"(ii) 5 percent of the taxpayer's taxable income computed as provided in subsection (b)(2).

"(C) QUALIFIED GUN EXCHANGE PROGRAM CONTRIBUTION.—For purposes of this paragraph, the term 'qualified gun exchange program contribution' means any charitable contribution of property described in paragraph (1) of section 1221 or of a coupon or similar instrument which may be used to acquire property so described if—

"(i) such contribution is to a governmental unit described in subsection (c)(1) or to an organization described in subsection (c)(2) which is designated by a governmental unit as a qualified recipient of gun exchange program contributions,

"(ii) the property (or coupon or similar instrument) is to be transferred in exchange for firearms to persons surrendering firearms to a governmental unit in a gun exchange program established and administered by such governmental unit, and

"(iii) the taxpayer received from the governmental unit or organization designated under clause (i) a written statement that the property (or coupon or similar instrument) was transferred as provided in clause (ii)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contributions made after the date of the enactment of this Act.

SEC. 502. MODEL PROGRAM.

(a) MODEL PROGRAM.—The Attorney General shall develop a written model program for business-sponsored gun exchange programs.

(b) DISTRIBUTION.—Not later than 3 months after the date of enactment of this Act, the Attorney General shall make available such model to States, units of local governments, and businesses.

Mr. BRADLEY. Mr. President, I rise as an original cosponsor to speak in support of the Gun Violence Prevention Act. I want to congratulate the Senator from Ohio, Senator METZENBAUM, for his work on this bill. In addition, on the day the historic Brady bill goes into effect, I want to thank Jim and Sara Brady for working so diligently to highlight the need for comprehensive handgun legislation. The Brady bill was a good first step, and this legislation is an important second step in the process of curbing irresponsible handgun use in this country.

Every year, more than 24,000 Americans, 65 a day, are killed with handguns, in homicides, by committing suicide, and by unintentional injuries. Handguns account for only one-third of all firearms, but are responsible for two-thirds of all firearm-related deaths. Handguns are used in about 80 percent of all firearm murders. Ninety-five percent of the people injured by a handgun each year require emergency care or hospitalization. Of these, 68 percent require overnight care and 32 percent require a hospital stay of 8 days or more. In 1991, the United States led the developed world with 14,373 gun murders, as compared to 186 gun murders in Canada, 76 in Australia, 60 in England, and 74 in Japan. One difference between the United States and the other countries cited is that the other countries all have much stricter gun control laws.

A new handgun is produced every 20 seconds in America. For at least a decade now, almost half of America's households have contained at least one gun and at least 25 percent have owned a handgun. According to one commentator,

> Gun ownership has become so pervasive that the mere fact of possession has become a problem in and of itself. The presence of guns, especially handguns in homes, has begun to be recognized as a danger to the families who live in those homes.

Some will argue that these grim statistics are the result of weak law enforcement, light sentencing, legitimate fear, and the waning of family values. Others will argue that they are the result of joblessness, poverty, and long-term neglect of our most violent neighborhoods. I have no doubt that the growing rate of violent activity has been aggravated in part by all these factors. But accepting many of these causes of handgun violence does not erase the reality that crime and deviant behavior have become much more of a burden on our society because of the explosive growth in handguns. Disputes that were settled with fists and knives 10 years ago are now being settled with guns. The number, availability, and destructive ability of handguns has contributed significantly to this tragedy.

The purpose of this bill is to make it at least as difficult to use a handgun as it is to drive a car. When the evidence on the danger of handguns is made clear to us on a daily basis, it is irresponsible to allow an instrument which can cause so much physical and psychological damage to be made available to people on such a liberal basis.

This bill makes it illegal to purchase a handgun without a valid, State-issued handgun license. The license would be similar to a driver's license and consist of an identification card with a photograph. In order to acquire the license, a person would have to undergo a background check, present proof of residency in the State of purchase, get fingerprinted, and pass a handgun safety course offered by a local law enforcement officer. Only new purchases of handguns would require a license. Those who currently possess handguns would not have to acquire a license unless they wanted to purchase more handguns.

To stop the transfer of handguns from straw man purchases to criminals and others intending to commit crimes, this legislation requires that all handgun transfers be registered with local officials. If the person transferring the weapon does not register the transfer, he or she will be in violation of Federal law.

To curb interstate gun running, this bill limits the purchase of a handgun by any one person to one a month. When this provision goes into effect, maybe Interstate 95 will lose its nickname, the "Iron Road," as it becomes less easy to run guns from States with little gun control to States, like New Jersey, that already enjoy some of the protections in this bill.

I am particularly pleased, Mr. President, that this bill incorporates my legislation, S. 1798, which increases the licensing fees for federally licensed firearm dealers. In addition to existing requirements, federally licensed firearm dealers would have to prove that they are in compliance with State and local laws, pass background checks, and pay $3,000 for a 3-year license. Today, there are more gun dealers than gas stations and grocery stores. This is outrageous, and I hope these provisions will change that situation.

This legislation also incorporates legislation I introduced with Senator MURRAY to increase the Federal tax on handguns to 30 percent as well as increasing the Federal tax on handgun ammunition to 50 percent.

Mr. President, this bill does prohibit the manufacture of semiautomatic assault weapons and Saturday night specials and ammunition which has no purpose other than to inflict as much damage on the human body as possible. But this bill does not restrict the purchase of any legitimate sporting weapons. Rifle and shotgun purchases are not affected. The bill is narrowly drafted to affect only those instruments and practices that are causing a disproportionate amount of the carnage.

In closing, Mr. President, we must continue our fight to end the death and destruction of our children and our families, which is too easily becoming a fact of life in our cities and towns. I urge support for this responsible handgun licensing and registration legislation.

STATEMENT OF JAMES BRADY—FEBRUARY 28, 1994

Last night, Sarah and I hosted an "end of the wild west" party to celebrate the implementation of the Brady Law. For that is what today marks—the end of unchecked access to guns by criminals, the deranged, and children. And while there is clearly reason to celebrate, we know that there is much more to do.

Almost daily, we pick up our morning newspapers and we read of gun-related tragedies. Too often, these tragedies involve innocent children. So while the gun lobby continues to argue that gun control legislation will not reduce gun crime, I will continue to ask, what crimes have our children committed that they deserve to live in fear of being mowed down as they walk to school? Of what are they guilty that they should be planning their own funerals instead of planning for their proms or graduations?

I believe that it is we who are guilty—for allowing the special interest gun lobby to run rough shod over public opinion for too long. But no longer. Today, the Brady Bill is the law of the land. And today, I begin the campaign for "Brady II," a comprehensive legislative plan to end America's epidemic of gun violence. Sarah and I are in this for the long haul. For as long as it takes until we can proudly say that the United States has a sensible national gun control policy.

STATEMENT OF SARAH BRADY, CHAIR, HANDGUN CONTROL, INC., FEBRUARY 28, 1994

Today we mark the first day under the Brady Law. It's been a long struggle, and we've heard a lot in recent days about whether the Brady bill will reduce gun-related violence in our society. The answer is, absolutely. Today, for the first time, America's law enforcement officials will be able to enforce a 25-year-old law on a national level. The 1968 Gun Control Act prohibits convicted felons and others from purchasing guns, but it failed to include a federal enforcement mechanism. While half of the states in this country enacted waiting periods and background checks to screen out illegal purchasers, the other half did not. Today, law enforcement in every state will finally have the means to keep handguns out of the hands of criminals.

We've also heard a lot in recent days about the confusion surrounding implementation of the Brady Law. Remember, this is the first significant change in 25 years—some confusion is to be expected. But nearly half the states currently conduct background checks, and have successfully stopped thousands upon thousands of prohibited persons from purchasing handguns over the years. Cops have been the biggest supporters of the Brady Bill because police know what will work—and they have said over and over that they would rather spend the time and resources preventing crimes than mopping up after a crime has been committed.

In addition, the Brady Law closes the loophole that currently enables criminals to travel from states with tough gun laws into states with weak or no gun laws to buy the weapons that fuel the illegal market. More than 90% of Americans wanted the Brady Law; 87% of gun owners supported the legislation. The Brady Law will work. It must be given time to do what it is intended to do. The Brady Law will make a difference.

But for all that the Brady Law will do, we know that we need to do more. In December, Handgun Control unveiled a comprehensive package of initiatives designed to end America's epidemic of gun violence. Today, that plan is being introduced as legislation in the 103rd Session of Congress by my two good friends, Senator Howard Metzenbaum and Congressman Charles Schumer. Senators Pell, Bradley, Lautenberg, Boxer, Chafee and Kennedy are original co-sponsors. The Handgun Violence Prevention Act of 1994 includes measures that Handgun Control has long espoused—such as licensing of handgun owners, registration of handgun purchases, and limits of those purchases to one per month. It is especially meaningful to Jim and I that Senator Kennedy will be with us as a leader in this campaign, for it was his legislation calling for licensing and registration—more than twenty years ago—that helped move this country in the direction of saner gun laws.

The National Center for Health Statistics estimates that by the year 2003, death from gunshot wounds will exceed automobile fatalities. We must begin our efforts to turn that terrible trend around. We must begin with a strong comprehensive plan of action, and we must begin now.

By Mr. COCHRAN (for himself and Mr. LOTT):

S. 1879. A bill to provide disaster assistance to producers for certain losses due to freezing conditions in 1994, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

DISASTER ASSISTANCE LEGISLATION

Mr. COCHRAN. Mr. President, today, I am introducing legislation to provide disaster assistance to farmers who have suffered losses from the recent ice storm in the South.

Earlier this month, many counties in Mississippi suffered severe damage due to a winter storm of freezing rain and ice. This storm caused extensive damage to millions of acres of commercial orchards and timber. For example, it is estimated that it will be 8 to 10 years before normal production will be realized for up to one-half of Mississippi's pecan orchards. Severe damage was incurred on 3.7 million acres of forestland in the northern part of the State and included both young pine plantations and mature pine and hardwood timber. It is also estimated that the cost of cleanup and tree repair will exceed $1,000 per acre. In addition, the State's livestock and dairy industry suffered significant losses due to this storm.

This devastating ice storm not only affected Mississippi, but other States in the Midsouth and the Eastern portion of the United States. This bill will provide disaster assistance for orchard crop, forest crop, livestock, and dairy losses. Due to the severe damage to orchard trees, which will affect production for several years, this bill also provides assistance to orchard crop producers through 1998. The fact that no crop insurance is available for many of the producers suffering losses makes the enactment of this bill even more critical.

I urge other Senators to join me in this effort to ensure that disaster as-

sistance will be made available to eligible farmers.

ADDITIONAL COSPONSORS

S. 289

At the request of Mr. REID, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 289, a bill to amend section 118 of the Internal Revenue Code of 1986 to provide for certain exceptions from rules for determining contributions in aid of construction, and for other purposes.

S. 499

At the request of Mr. LOTT, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 499, a bill to amend title 18, United States Code, to provide mandatory life imprisonment for persons convicted of a third violent felony.

S. 784

At the request of Mr. HATCH, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 784, a bill to amend the Federal Food, Drug, and Cosmetic Act to establish standards with respect to dietary supplements, and for other purposes.

S. 1026

At the request of Mr. LOTT, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1026, a bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of members of the National Guard or reserve units of the Armed Forces will be allowable in computing adjusted gross income.

S. 1333

At the request of Mr. KENNEDY, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1333, a bill to improve the admissions process at airports and other ports of entry and to strengthen criminal sanctions for alien smuggling investigatory authority of the Immigration and Naturalization Service.

S. 1447

At the request of Mr. BRYAN, the names of the Senator from South Dakota [Mr. DASCHLE], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1447, a bill to modify the disclosures required in radio advertisements for consumer leases, loans, and savings accounts.

S. 1625

At the request of Mr. BROWN, the names of the Senator from Montana [Mr. BURNS], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from New Hampshire [Mr. SMITH] were added as cosponsors of S. 1625, a bill to prohibit the sale of defense articles and defense services to countries that participate in the secondary and tertiary boycott of Israel.

S. 1690

At the request of Mr. PRYOR, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1690, a bill to amend the Internal Revenue Code of 1986 to reform the rules regarding subchapter S corporations.

S. 1819

At the request of Mrs. KASSEBAUM, the names of the Senator from Alaska [Mr. MURKOWSKI] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 1819, a bill to prohibit any Federal department or agency from requiring any State, or political subdivision thereof, to convert highway signs to metric units.

S. 1836

At the request of Mr. DOLE, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 1836, a bill for the relief of John Mitchell.

S. 1859

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1859, a bill to terminate the Department of Energy's program to promote the use of liquid metal reactors for the disposal of high-level radioactive waste.

S. 1863

At the request of Mr. COHEN, the names of the Senator from Tennessee [Mr. MATHEWS], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of S. 1863, a bill to amend title II of the Social Security Act to institute certain reforms relating to the provision of disability insurance benefits based on substance abuse and relating to representative payees, and for other purposes.

SENATE JOINT RESOLUTION 161

At the request of Mr. BUMPERS, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Missouri [Mr. DANFORTH], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of Senate Joint Resolution 161, a joint resolution to designate April 1994, as "Civil War History Month."

SENATE JOINT RESOLUTION 163

At the request of Mr. LEAHY, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Nebraska [Mr. EXON], the Senator from North Dakota [Mr. DORGAN], the Senator from Michigan [Mr. LEVIN], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Delaware [Mr. BIDEN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from South Dakota [Mr. PRESSLER], the Senator from Arizona [Mr. DECONCINI], the Senator from Missouri [Mr. BOND], the Senator from Georgia [Mr. NUNN], the Senator from Montana [Mr. BURNS], the Senator from Louisiana [Mr. BREAUX], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Virginia [Mr. WARNER], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from South Carolina [Mr. THURMOND], the Senator from Indiana [Mr. COATS], the Senator from Wisconsin [Mr. KOHL], the Senator from Alabama [Mr. SHELBY], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Washington [Mrs. MURRAY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Wyoming [Mr. SIMPSON], the Senator from California [Mrs. FEINSTEIN], the Senator from Vermont [Mr. JEFFORDS], the Senator from Hawaii [Mr. AKAKA], the Senator from Illinois [Mr. SIMON], the Senator from Wyoming [Mr. WALLOP], the Senator from Mississippi [Mr. LOTT], the Senator from Kentucky [Mr. FORD], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Colorado [Mr. CAMPBELL], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from Tennessee [Mr. SASSER], the Senator from Oregon [Mr. PACKWOOD], the Senator from Texas [Mr. GRAMM], the Senator from Colorado [Mr. BROWN], the Senator from California [Mrs. BOXER], the Senator from Michigan [Mr. RIEGLE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Utah [Mr. HATCH], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Joint Resolution 163, a joint resolution to proclaim March 20, 1994, as "National Agricultural Day."

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. WOFFORD, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress in support of the President's actions to reduce the trade imbalance with Japan.

AMENDMENT NO. 1471

At the request of Mr. REID the names of the Senator from Tennessee [Mr. MATHEWS] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Amendment No. 1471 proposed to Senate Joint Resolution 41, a joint resolution proposing an amendment to the Constitution of the United States to require a balanced budget.

SENATE RESOLUTION 183—RELATIVE TO U.S. SEAFOOD PRODUCERS

Mr. KERRY (for himself, Mr. KENNEDY, Mr. STEVENS, Mr. PELL, Mr. MITCHELL, Mr. COHEN, and Mr. MURKOWSKI) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 183

Whereas the United States sells over $100 million of fresh and frozen seafood products to France annually;

Whereas the actions of the Government of France are adversely affecting the United States fishing industry;

Whereas this adverse effect is particularly severe on those parts of the industry that harvest, process and market fresh "underutilized species" such as dogfish, monkfish and skate, and causes disruptions to the normal flow of commerce for developed United States fisheries such as salmon and groundfish;

Whereas the French markets for these species and other species are important since Europeans, particularly the French, value fresh seafood products highly;

Whereas the Government of France is continuing to require inspections and testing, despite accepting the existing United States seafood certification programs of the National Marine Fisheries Service and the Food and Drug Administration;

Whereas the Government of France's additional inspections and testing are continuing without adequate justification or evidence of human health risks;

Whereas the unsubstantiated additional inspections and testing required by the Government of France, which can take up to four days, delay the delivery of fresh seafood products to the point where they begin to spoil and thus have effectively closed the French market to fresh United States seafood products; and

Whereas the harassment by the Government of France of seafood producers and products from the United States violates international agreements and raises serious questions about the usefulness of entering into agreements with the European Union and France: Now, therefore, be it

Resolved, That the Senate—

(a) calls upon the Government of France to stop immediately its harassment of United States seafood producers and products;

(b) demands that the Government of France compensate United States companies that have had seafood products damaged by its actions;

(c) calls upon the President of the United States to identify appropriate forms of sanctions that can be taken against the Government of France for its egregious violation of international agreements.

Mr. KERRY. Mr. President, Today I want to report on the recent actions by the Government of France that violate international agreements on trade and are unfairly penalizing the United States producers and exporters of fresh and frozen seafood. Unfortunately, and most apparent to all of us, the Government of France is attempting to appease its citizens, and prevent its rebellious fishermen from taking further violent actions, by conducting seafood inspection programs with no basis or justification other than harassment. To make matters worse, these actions of the French Government were implemented unilaterally without adequate warning and in contravention of French and European international trade obligations.

If I may explain further, the Government of France, in response to violent demonstrations and rioting by French fishermen protesting the importation of foreign seafood, has taken several measures. It established minimum import prices on a number of fishery products; tightened controls on import documentation and sanitary requirements; and most significantly, on February 8, 1994, implemented a ban on seafood imports from all but five non-European countries—Canada, Faroe Islands, Chile, Argentina, and New Zealand. As stated, these restrictions and the embargo came without advance notice.

The immediate effect of these measures was the stranding of 25 to 30 tons of fresh fish, valued at $250,000, at the Customs Office at Charles DeGaulle Airport in Paris where, without refrigeration, the seafood soon spoiled, began to rot and had to be destroyed. The long-term effects of these policies could be just as significant. The exporting of fresh and frozen seafood products to France is a $100 million a year business.

The Government of France justified these measures by stating that it simply has begun to enforce the European Union directives regarding seafood imports that were to go into effect next year. Only those countries whose seafood inspection regimes had received approval from the European Union were exempted from the ban.

Properly, the administration reacted swiftly to the French failure to honor its obligations as a member of the European Union and the General Agreement on Tariffs and Trade. The State Department in consultation with Ambassador Kantor immediately expressed our extreme displeasure with the French actions and challenged the French assertion that our inspection regimes did not meet the European Union standards. Information provided by the Food and Drug Administration and the National Marine Fisheries Service provided sufficient evidence that exporters who met the United States inspection regime standards would also meet European Union standards. Therefore on Saturday, February 12, 1994, 4 days after the embargo began, France had no choice but to add the United States to the list of countries from which seafood products could be imported.

This should have been the end of this problem but it is not. The lifting of the ban on United States products only means that United States products are allowed into France. However, the French, in an apparent effort to continue to placate their rebellious fishermen have maintained they have the right to conduct rigorous inspection of all seafood imports and to detain these products while awaiting results of tests ordered. This policy has resulted in needless delays of up to 4 days and in reality, means that fresh seafood, including monkfish which can spoil in one day, cannot make it to market in time.

Furthermore, the main point of entry for fresh seafood products, Charles DeGaulle Airport, is still closed to imports based on the fact that it does not have sufficient refrigeration capacity to store products that are being detained. The other Paris airport, at Orly, also has been closed to imports since its storage facility is at capacity.

These events have had a disastrous effect on the fishermen and producers of fresh seafood, especially in Massachusetts. Hundreds of individuals, and families are affected, from the fishermen who catch the fish, to the workers in processing plants, to airline workers who transport the products. I have heard from plants throughout New England that are faced with no option except to lay off workers or to close down operations until the situation is resolved. In other cases, exporters have tried alternate routes through other European Union Countries in an effort to get their products to markets in France. In an attempt to overcome the delays, Larry Sylvia of Family Fisheries in New Bedford, MA, has been flying his fresh seafood into a neighboring European Union country daily and then trucking it into France. However, his profit is being eaten up by the extra shipping costs. Now, there are reports from the French authorities that United States seafood products that arrive in France through other European Union Countries may be subject to further inspections once they reach the marketplace.

These French actions are yet another blow to the New England fishing industry since the majority of the exports to France are species such as dog fish, monkfish, and skate that at present have little United States domestic demand. However, Europeans, particularly the French, value these species much more and offer much higher market prices. The harvesting and marketing of these underutilized species was to be an important part of the plan for the New England fishing industry to transition from the present fishery primarily composed of groundfish, such as cod and haddock. This transition is necessary since the National Marine Fisheries Service management plans cut groundfish harvests by half over the next 5 years beginning in March 1994. This reduction in harvests is already being predicted to have disastrous effects on traditional fishing communities like New Bedford and Gloucester. The restrictions by the French will only exacerbate the problems of an already struggling fishing industry.

I have been in continuous contact with the Secretary of Commerce, the United States Trade Representative, the State Department, and the National Marine Fisheries Service so I know that the administration has acted quickly to respond to these unwarranted actions of France. Senator

KENNEDY, Congressman FRANK, and I have encouraged Secretary Brown to continue efforts to lift the de facto French embargo. I also have provided the U.S. Trade Representative and the State Department with examples of the immediate impact these restrictions are having on the New England fishing industry. I applaud the efforts of Representatives FRANK, STUDDS, and TORKILDSEN in their introduction of a House Resolution calling upon the Government of France to stop its harassment of United States seafood imports and for President Clinton to identify areas for retaliatory trade sanctions against France.

I appreciate the efforts and coordination of the Federal agencies and departments involved in resolving this issue. However, the latest advisories to the industry from the National Marine Fisheries Service and the FDA recommend that "fresh product should not be shipped to French airports for the foreseeable future and that frozen products are likely to suffer delays." The Federal message has been "in time we will work it out," but time is running out as the U.S. fresh seafood exporting industry is grinding to a halt. I am in a difficult position of explaining to my constituents that everything that can be done is being done and that they must be patient. This industry is one that can ill afford to be patient. Tomorrow may be too late. I encourage the State Department to pressure the French Ministry of Agriculture and Fisheries to ease the effects of the inspections by giving preference to fresh products over frozen products, to reduce the inspection time to 24 hours, and to reopen the Charles DeGaulle airport to fish imports as soon as possible.

I understand that the Government of France is exercising its sovereignty and its right to establish standards for the safety of the French people. However, in this case it has not established nor demonstrated any evidence that United States products are contaminated and somehow pose a health threat to the French population. Consequently, France is failing to honor its obligations as a member of the European Union and as a signatory to the General Agreement on Tariffs and Trade. By these actions the French have capitulated to the threat of violence rather than standing up for what is right. The French Government action's are even more difficult to understand when you realize that the United States annually imports $360 million of French seafood products, not to mention other food products. France has much more to lose than we do if we pursue our lawful remedies under international trade agreements.

I support the actions of Ambassador Kantor advising French Trade Minister Longuet on Thursday, February 17, 1994, that the harassment activities of the Government of France are not in the interest of France as an exporting nation. Furthermore, unless these unwarranted harassment efforts cease I call upon the President to institute appropriate retaliatory trade sanctions against France as soon as possible.

Mr. KENNEDY. Mr. President, I join in expressing my strong disapproval of the continuing actions by the French Government against United States seafood imports. There is no justification for France's protectionist actions against these imports. The actions clearly violate the international trade agreements that we have negotiated in good faith with both France and the European Union.

The continue harassment by France has resulted in serious damage to American fishermen. The United States fishing industry exports thousands of dollars' worth of fresh seafood each day to France. New England fisherman have already been hard hit by the recent recession, and they certainly cannot afford to suffer further economic loss as a result of unjust French trade policies.

Although France recently added the United States to its list of countries from which seafood products can be imported, France continue to harass our products by requiring them to undergo rigorous and unwarranted inspections. In addition, certain ports of entry into France remain closed to our imports. These unnecessary obstructions, restrictions, and needless delays have resulted in the spoilage of many fresh seafood products.

The trade barriers that France continues to impose on these imports must be eliminated immediately. The Senate resolution that we are introducing today urges France to comply with international trade regulations and end its harassment of United States seafood imports. It also ask restitution to the American fishing industry for the damage that has been suffered, and it urges the President to identify appropriate counter-measures to be taken against France if this distressing situation is not resolved immediately.

AMENDMENTS SUBMITTED

HEALTH SECURITY ACT

HARKIN (AND OTHERS) AMENDMENT NO. 1472

(Ordered to lie on the table)

Mr. HARKIN (for himself, Mr. HATFIELD, Mr. KENNEDY, and Mrs. KASSEBAUM) submitted an amendment intended to be proposed by him to the bill S. 1757, a bill to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care of all Americans; as follows:

At the appropriate place in title III, insert the following new subtitle:

Subtitle ___—Health Research

SEC. ____1. SHORT TITLE.

This subtitle may be cited as the "Health Research Act of 1994".

SEC. ____2. FINDINGS.

The Congress finds the following:

(1) Nearly 4 of 5 peer reviewed research projects deemed worthy of funding by the National Institutes of Health are not funded.

(2) Less than 2 percent of the nearly one trillion dollars our Nation spends on health care is devoted to health research, while the defense industry spends 15 percent of its budget on research.

(3) Public opinion surveys have shown that Americans want more Federal resources put into health research and support by having a portion of their health insurance premiums set aside for this purpose.

(4) Ample evidence exists to demonstrate that health research has improved the quality of health care in the United States. Advances such as the development of vaccines, the cure of many childhood cancers, drugs that effectively treat a host of diseases and disorders, a process to protect our Nation's blood supply from the HIV virus, progress against cardiovasculor disease including heart attack and stroke, and new strategies for the early detection and treatment of diseases such as colon, breast, and prostate cancer clearly demonstrates the benefits of health research.

(5) Among the most effective methods to control health care costs are prevention and cure of disease and disability, thus, health research which holds the promise of cure and prevention of disease and disability is a critical component of any comprehensive health care reform plan.

(6) The state of our Nation's research facilities at the National Institutes of Health and at universities is deteriorating significantly. Renovation and repair of these facilities are badly needed to maintain and improve the quality of research.

(7) Because the Omnibus Budget Reconciliation Act of 1993 freezes discretionary spending for the next 5 years, the Nation's investment in health research through the National Institutes of Health is likely to decline in real terms unless corrective legislative action is taken.

(8) A health research fund is needed to maintain our Nation's commitment to health research and to increase the percentage of approved projects which receive funding at the National Institutes of Health to at least 33 percent.

SEC. ____3. NATIONAL FUND FOR HEALTH RESEARCH.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States an account, to be known as the "National Fund for Health Research" (hereafter referred to in this section as the "Fund"), consisting of such amounts as are transferred to the Fund under subsection (b) and any interest earned on investment of amounts in the Fund.

(b) TRANSFERS TO FUND.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Fund an amount equal to the amounts designated under paragraph (2) and received in the Treasury.

(2) AMOUNTS.—

(A) IN GENERAL.—With respect to each calendar year beginning with the first full cal-

endar year during which a comprehensive health care reform program utilizing a regional and corporate health alliance structure has been implemented, each such alliance shall set aside and transfer to the Treasury of the United States the applicable amount under subparagraph (B) and under section 6097 of the Internal Revenue Code of 1986.

(B) APPLICABLE AMOUNT.—The applicable amount under this subparagraph with respect to a regional or corporate alliance shall be equal to—

(i) with respect to the first full calendar year described in subparagraph (A), .25 percent of all health premiums received by the alliance for such year;

(ii) with respect to the second calendar year described in subparagraph (A), .50 percent of all health premiums received by the alliance for such year;

(iii) with respect to the third calendar year described in subparagraph (A), .75 percent of all health premiums received by the alliance for such year; and

(iv) with respect to the fourth and succeeding calendar years described in subparagraph (A), 1 percent of all health premiums received by the alliance for such year.

(3) DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS.—

(A) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

"PART IX—DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS FOR THE NATIONAL FUND FOR HEALTH RESEARCH

"Sec. 6097. Amounts for the National Fund for Health Research.

"SEC. 6097. AMOUNTS FOR THE NATIONAL FUND FOR HEALTH RESEARCH.

"(a) IN GENERAL.—Every individual (other than a nonresident alien) may designate that—

"(1) a portion (not less than $1) of any overpayment of the tax imposed by chapter 1 for the taxable year, and

"(2) a cash contribution (not less than $1), be paid over to the National Fund for Health Research established under section _____3 of the Health Research Act of 1994. In the case of a joint return of a husband and wife, each spouse may designate one-half of any such overpayment of tax (not less than $2).

"(b) MANNER AND TIME OF DESIGNATION.—Any designation under subsection (a) may be made with respect to any taxable year only at the time of filing the original return of the tax imposed by chapter 1 for such taxable year. Such designation shall be made either on the 1st page of the return or on the page bearing the taxpayer's signature.

"(c) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this section, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last day prescribed for filing the return of tax imposed by chapter 1 (determined with regard to extensions) or, if later, the date the return is filed.

"(d) DESIGNATED AMOUNTS NOT DEDUCTIBLE.—No amount designated pursuant to subsection (a) shall be allowed as a deduction under section 170 or any other section for any taxable year.

"(e) TERMINATION.—This section shall not apply to taxable years beginning in a calendar year after a determination by the Secretary that the sum of all designations under subsection (a) for taxable years beginning in the second and third calendar years preceding the calendar year is less than $5,000,000.".

(B) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 61 of such Code is amended by adding at the end the following new item:

"Part IX. Designation of overpayments and contributions for the National Fund for Health Research.".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to taxable years beginning after December 31, 1993.

(c) EXPENDITURES FROM FUND.—

(1) IN GENERAL.—The Secretary of the Treasury shall pay annually, within 30 days after the President signs an appropriations Act for the Departments of Labor, Health and Human Services, and Education and related agencies, or by the end of the first quarter of the fiscal year, to the Secretary of Health and Human Services on behalf of the National Institutes of Health, an amount equal to the amount in the National Fund for Health Research at the time of such payment, to enable the Secretary to carry out the purpose of section 404F of the Public Health Service Act, less any administrative expenses which may be paid under paragraph (3).

(2) PURPOSES FOR EXPENDITURES FROM FUND.—Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following new section:

"SEC. 404F. EXPENDITURES FROM THE NATIONAL FUND FOR HEALTH RESEARCH.

"(a) IN GENERAL.—From amounts received for any fiscal year from the National Fund for Health Research, the Secretary of Health and Human Services shall distribute—

"(1) 2 percent of such amounts during any fiscal year to the Office of the Director of the National Institutes of Health to be allocated at the Director's discretion for the following activities:

"(A) for carrying out the responsibilities of the Office of the Director, National Institutes of Health, including the Office of Research on Women's Health and the Office of Research on Minority Health, the Office of the Alternative Medicine and the Office of Rare Diseases Research; and

"(B) for construction and acquisition of equipment for or facilities of or used by the National Institutes of Health;

"(2) 2 percent of such amounts for transfer to the National Center for Research Resources to carry out section 1502 of the National Institutes of Health Revitalization Act of 1993 concerning Biomedical and Behavioral Research Facilities;

"(3) 1 percent of such amounts during any fiscal year for carrying out section 301 and part D of title IV with respect to health information communications; and

"(4) the remainder of such amounts during any fiscal year to member institutes of the National Institutes of Health and Centers in the same proportion to the total amount received under this section, as the amount of annual appropriations under appropriations Acts for each member institute and Centers for the fiscal year bears to the total amount of appropriations under appropriations Acts for all member institutes and Centers of the National Institutes of Health for the fiscal year.

"(b) PLANS OF ALLOCATION.—The amounts transferred under subsection (a) shall be allocated by the Director of NIH or the various directors of the institutes and centers, as the case may be, pursuant to allocation plans developed by the various advisory councils to such directors, after consultation with such directors.".

(3) ADMINISTRATIVE EXPENSES.—Amounts in the National Fund for Health Research shall be available to pay the administrative expenses of the Department of the Treasury directly allocable to—

(A) modifying the individual income tax return forms to carry out section 6097 of the Internal Revenue Code of 1986;

(B) carrying out this section with respect to such Fund; and

(C) processing amounts received under this section and transferring such amounts to such Fund.

(4) TRIGGER AND RELEASE OF FUND MONIES.—No expenditures shall be made pursuant to section ___3(c) during any fiscal year in which the annual amount appropriated for the National Institutes of Health is less than the amount so appropriated for the prior fiscal year.

(d) BUDGET ENFORCEMENT.—Amounts contained in the National Fund for Health Research shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget Emergency Deficit Control Act of 1985.

HEALTH SECURITY ACT

HARKIN (AND OTHERS) AMENDMENT NO. 1473

(Ordered to lie on the table)

Mr. HARKIN (for himself, Mr. HATFIELD, Mr. KENNEDY, and Mrs. KASSEBAUM) submitted an amendment intended to be proposed by him to the bill S. 1779, a bill to ensure individual family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices to promote choice in health care, and protect the health care of all Americans; as follows:

At the appropriate place in title III, insert the following new subtitle:

Subtitle ___—Health Research

SEC. _____1. SHORT TITLE.

This subtitle may be cited as the "Health Research Act of 1994".

SEC. _____2. FINDINGS.

The Congress finds the following:

(1) Nearly 4 of 5 peer reviewed research projects deemed worthy of funding by the National Institutes of Health are not funded.

(2) Less than 2 percent of the nearly one trillion dollars our Nation spends on health care is devoted to health research, while the defense industry spends 15 percent of its budget on research.

(3) Public opinion surveys have shown that Americans want more Federal resources put into health research and support by having a portion of their health insurance premiums set aside for this purpose.

(4) Ample evidence exists to demonstrate that health research has improved the quality of health care in the United States. Advances such as the development of vaccines, the cure of many childhood cancers, drugs that effectively treat a host of diseases and disorders, a process to protect our Nation's blood supply from the HIV virus, progress against cardiovasculor disease including heart attack and stroke, and new strategies for the early detection and treatment of dis-

eases such as colon, breast, and prostate cancer clearly demonstrates the benefits of health research.

(5) Among the most effective methods to control health care costs are prevention and cure of disease and disability, thus, health research which holds the promise of cure and prevention of disease and disability is a critical component of any comprehensive health care reform plan.

(6) The state of our Nation's research facilities at the National Institutes of Health and at universities is deteriorating significantly. Renovation and repair of these facilities are badly needed to maintain and improve the quality of research.

(7) Because the Omnibus Budget Reconciliation Act of 1993 freezes discretionary spending for the next 5 years, the Nation's investment in health research through the National Institutes of Health is likely to decline in real terms unless corrective legislative action is taken.

(8) A health research fund is needed to maintain our Nation's commitment to health research and to increase the percentage of approved projects which receive funding at the National Institutes of Health to at least 33 percent.

SEC. ____3. NATIONAL FUND FOR HEALTH RESEARCH.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States an account, to be known as the "National Fund for Health Research" (hereafter referred to in this section as the "Fund"), consisting of such amounts as are transferred to the Fund under subsection (b) and any interest earned on investment of amounts in the Fund.

(b) TRANSFERS TO FUND.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Fund an amount equal to the amounts designated under paragraph (2) and received in the Treasury.

(2) AMOUNTS.—

(A) IN GENERAL.—With respect to each calendar year beginning with the first full calendar year during which a comprehensive health care reform program utilizing a regional and corporate health alliance structure has been implemented, each such alliance shall set aside and transfer to the Treasury of the United States the applicable amount under subparagraph (B) and under section 6097 of the Internal Revenue Code of 1986.

(B) APPLICABLE AMOUNT.—The applicable amount under this subparagraph with respect to a regional or corporate alliance shall be equal to—

(i) with respect to the first full calendar year described in subparagraph (A), .25 percent of all health premiums received by the alliance for such year;

(ii) with respect to the second calendar year described in subparagraph (A), .50 percent of all health premiums received by the alliance for such year;

(iii) with respect to the third calendar year described in subparagraph (A), .75 percent of all health premiums received by the alliance for such year; and

(iv) with respect to the fourth and succeeding calendar years described in subparagraph (A), 1 percent of all health premiums received by the alliance for such year.

(3) DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS.—

(A) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

"PART IX—DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS FOR THE NATIONAL FUND FOR HEALTH RESEARCH

"Sec. 6097. Amounts for the National Fund for Health Research.

"SEC. 6097. AMOUNTS FOR THE NATIONAL FUND FOR HEALTH RESEARCH.

"(a) IN GENERAL.—Every individual (other than a nonresident alien) may designate that—

"(1) a portion (not less than $1) of any overpayment of the tax imposed by chapter 1 for the taxable year, and

"(2) a cash contribution (not less than $1), be paid over to the National Fund for Health Research established under section _____3 of the Health Research Act of 1994. In the case of a joint return of a husband and wife, each spouse may designate one-half of any such overpayment of tax (not less than $2).

"(b) MANNER AND TIME OF DESIGNATION.—Any designation under subsection (a) may be made with respect to any taxable year only at the time of filing the original return of the tax imposed by chapter 1 for such taxable year. Such designation shall be made either on the 1st page of the return or on the page bearing the taxpayer's signature.

"(c) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this section, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last day prescribed for filing the return of tax imposed by chapter 1 (determined with regard to extensions) or, if later, the date the return is filed.

"(d) DESIGNATED AMOUNTS NOT DEDUCTIBLE.—No amount designated pursuant to subsection (a) shall be allowed as a deduction under section 170 or any other section for any taxable year.

"(e) TERMINATION.—This section shall not apply to taxable years beginning in a calendar year after a determination by the Secretary that the sum of all designations under subsection (a) for taxable years beginning in the second and third calendar years preceding the calendar year is less than $5,000,000.".

(B) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 61 of such Code is amended by adding at the end the following new item:

"Part IX. Designation of overpayments and contributions for the National Fund for Health Research.".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to taxable years beginning after December 31, 1993.

(c) EXPENDITURES FROM FUND.—

(1) IN GENERAL.—The Secretary of the Treasury shall pay annually, within 30 days after the President signs an appropriations Act for the Departments of Labor, Health and Human Services, and Education and related agencies, or by the end of the first quarter of the fiscal year, to the Secretary of Health and Human Services on behalf of the National Institutes of Health, an amount equal to the amount in the National Fund for Health Research at the time of such payment, to enable the Secretary to carry out the purpose of section 404F of the Public Health Service Act, less any administrative expenses which may be paid under paragraph (3).

(2) PURPOSES FOR EXPENDITURES FROM FUND.—Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following new section:

"SEC. 404F. EXPENDITURES FROM THE NATIONAL FUND FOR HEALTH RESEARCH.

"(a) IN GENERAL.—From amounts received for any fiscal year from the National Fund for Health Research, the Secretary of Health and Human Services shall distribute—

"(1) 2 percent of such amounts during any fiscal year to the Office of the Director of the National Institutes of Health to be allocated at the Director's discretion for the following activities:

"(A) for carrying out the responsibilities of the Office of the Director, National Institutes of Health, including the Office of Research on Women's Health and the Office of Research on Minority Health, the Office of the Alternative Medicine and the Office of Rare Diseases Research; and

"(B) for construction and acquisition of equipment for or facilities of or used by the National Institutes of Health;

"(2) 2 percent of such amounts for transfer to the National Center for Research Resources to carry out section 1502 of the National Institutes of Health Revitalization Act of 1993 concerning Biomedical and Behavioral Research Facilities;

"(3) 1 percent of such amounts during any fiscal year for carrying out section 301 and part D of title IV with respect to health information communications; and

"(4) the remainder of such amounts during any fiscal year to member institutes of the National Institutes of Health and Centers in the same proportion to the total amount received under this section, as the amount of annual appropriations under appropriations Acts for each member institute and Centers for the fiscal year bears to the total amount of appropriations under appropriations Acts for all member institutes and Centers of the National Institutes of Health for the fiscal year.

"(b) PLANS OF ALLOCATION.—The amounts transferred under subsection (a) shall be allocated by the Director of NIH or the various directors of the institutes and centers, as the case may be, pursuant to allocation plans developed by the various advisory councils to such directors, after consultation with such directors.".

(3) ADMINISTRATIVE EXPENSES.—Amounts in the National Fund for Health Research shall be available to pay the administrative expenses of the Department of the Treasury directly allocable to—

(A) modifying the individual income tax return forms to carry out section 6097 of the Internal Revenue Code of 1986;

(B) carrying out this section with respect to such Fund; and

(C) processing amounts received under this section and transferring such amounts to such Fund.

(4) TRIGGER AND RELEASE OF FUND MONIES.—No expenditures shall be made pursuant to section ___3(c) during any fiscal year in which the annual amount appropriated for the National Institutes of Health is less than the amount so appropriated for the prior fiscal year.

(d) BUDGET ENFORCEMENT.—Amounts contained in the National Fund for Health Research shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget Emergency Deficit Control Act of 1985.

• Mr. HARKIN. Mr. President, I rise today on behalf of myself and Senators HATFIELD, KENNEDY, and KASSEBAUM to introduce the fund for health research as a bipartisan amendment to President Clinton's Health Security Act. Congressman COYNE of Pennsylvania will be sponsoring this measure in the

House. This is a critically important amendment that addresses an issue that has been largely overlooked.

As health care spending devours more and more of the national budget, our medical research budget is dying of starvation. This year the Nation will spend nearly $1 trillion looking after the sick and less than 2 percent of that looking for cures, preventive measures and more effective treatment.

By comparison, the Department of Defense spends 15 percent of its budget on research. The cold war is over, but the war against disease and disability continues. It's time that our budget reflects that reality.

The fund for health research represents a bipartisan solution, and health care reform is the appropriate vehicle.

Mr. President, we commend the President and Hillary Clinton for taking the lead on health-care reform. Two years ago this Nation was discussing whether to reform our health-care system. Thanks to their courage and commitment, today we're not talking about whether, but when—and what kind of reform we're going to have.

But unfortunately, until now the thrust of the health care debate has been over how to pay the health-care bills—not how to prevent them. Unless we address the main cause of skyrocketing costs—disease and disability—any steps we take on health-care reform will be about as effective as rearranging the deck chairs on the *Titanic*.

We propose giving medical research a boost by amending the President's Health Security Act. The fund for health research would increase funding for the National Institutes of Health by $5 billion a year. It would be financed by a 1 percent set-aside from each health-insurance premium as well as proceeds from a check-off on Federal income-tax forms. This would increase NIH research funding by 50 percent.

Mr. President, medical research is lagging in the United States because funding for approved NIH grants has fallen below 25 percent, compared to rates of 30 percent or more just a decade ago.

Sadly, the United States is cutting back on medical research at the same time medical researchers stand poised on the verge of major lifesaving discoveries.

Just 3 months ago, researchers announced they had identified a genetic flaw linked to as many as one in seven cases of colon cancer, as well as a number of other fatal cancers. Last December researchers reported they may have identified a genetic risk factor for Alzheimer's disease.

If confirmed, this finding could lead to a simple diagnostic blood test, saving over $250 million a year, and could ultimately lead to a treatment for the disease.

This could save the Nation as much as $50 billion in long-term care costs alone—aside from the costs in human suffering, which we can't begin to measure.

But because the budget agreement Congress just negotiated freezes discretionary spending for 5 years, we lack the resources to meet this vital need.

The only way to change course, Mr. President, is to fund health research with a revenue source outside the budget process. The fund for health research would use an appropriate vehicle: Health insurance premiums.

Mr. President, our proposal has tremendous support. It has been endorsed by over 200 national organizations representing consumers, business groups, seniors, physicians, and top researchers. It is supported by numerous Nobel Prize-winners as well as our distinguished former Surgeon General, C. Everett Koop.

Most Americans support the goal of the fund for health research, as well as the financing mechanism. In a recent Lou Harris poll, 9 out of 10 Americans favored spending more money on health research. More than 70 percent said they're willing to pay $1 more per week in insurance premiums to support health research.

The timing of the introduction of the fund for health research is especially appropriate in light of the death last Monday of one of America's most tireless crusaders for health research, philanthropist Mary Lasker. Mary Lasker died at age 93 at her home in Greenwich, CT.

Thanks to her we have the National Institutes of Health—the world's preeminent health research institute. She is truly the mother of the NIH, and was integral to establishing each of its 13 institutes. In 1984, a center at the NIH was named in her honor: the Mary Woodard Lasker Center for Health Research and Education.

The best way to honor the legacy of Mary Lasker is to focus on alleviating disease and suffering as soon as possible. I encourage our colleagues to support the fund for health research so we can focus on preventing disease rather than just paying the bills.

Mr. President, I ask unanimous consent that a list of the groups endorsing our amendment, a set of questions and answers regarding the fund, and a recent Lou Harris survey on this subject be included in the RECORD along with a copy of the amendment at this point.

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

FUND FOR HEALTH RESEARCH—ENDORSEMENTS

AIDS Treatment News.
Albert and Mary Lasker Foundation.
Allergan.
Allergy and Asthma Network.
Alliance for Aging Research.
Alliance for Eye and Vision Research.
Allied Signal.
Alzheimer's Association.
Ambulatory Pediatric Association.
American Academy of Allergy and Immunology.
American Academy of Audiology.
American Academy of Child and Adolescent Psychiatry.
American Academy of Dermatology.
American Academy of Neurology.
American Academy of Opthamology.
American Academy of Orthopedic Surgeons.
American Academy of Otolaryngolog-Head and Neck Surgery, Inc.
American Academy of Physician Assistants.
American Association for Cancer Research.
American Association for Dental Research.
American Association for the Study of Liver Diseases.
American Association of Anatomists.
American Association of Blood Banks.
American Association of Colleges of Nursing.
American Association of Colleges of Osteopathic Medicine.
American Association of Colleges of Pharmacy.
American Association of Colleges of Podiatric Medicine.
American Association of Mental Retardation.
American Association of University Professors.
American Cancer Society.
American Cleft Palate Association.
American College of Allergy and Immunology.
American College of Human Genetics.
American College of Neuropsychopharmacology.
American College of Nurse-Midwives.
American College of Rheumatology.
American Congress of Rehab Medicine.
American Family Foundation.
American Federation for Aging Research.
American Gastroenterological Association.
American Geriatrics Society.
American Health Foundation.
American Heart Association.
American Lung Association.
American Nurses Association.
American Neurological Association.
American Occupational Therapy Association.
American Otological Society.
American Pediatric Society.
American Physiological Society.
American Podiatric Medical Association.
American Porphyria Foundation.
American Psychiatric Association.
American Psychological Association.
American Psychological Society.
American Social Health Association.
American Society for Biochemistry and Molecular Biology.
American Society for Cell Biology.
American Society for Gastrointestinal Endoscopy.
American Society for Microbiology.
American Society for Pharmacology & Experimental Therapeutics.
American Society of Addiction Medicine.
American Society of Clinical Nutrition.
American Society of Hematology.
American Society of Human Genetics.
American Society of Nephrology.
American Society of Therapeutic Radiology and Oncology.
American Society of Tropical Medicine and Hygiene.
American Surgical Association.
American Thoracic Society.
American Urological Association.

American Veterinary Medical Association.
Anxiety Disorder Association of America.
Arthritis Foundation.
Association for Chemoreception Sciences.
Association for Medical School Pharmecology.
Association for Practitioners in Infection Control.
Association for Research in Vision and Ophtamology.
Association of Academic Departments of Otolaryngology.
Association of Academic Health Science Library Directors.
Association of American Cancer Institutes.
Association of American Medical Colleges.
Association of American Physicians.
Association of American Veterinary Medical Colleges.
Association of Anatomy Cell Biology Neurobiology Chairpersons.
Association of Behavioral Sciences & Medical Education.
Association of Chairman of Departments of Physiology.
Association of Medical and Graduate Departments of Biochemistry.
Association of Medical School Pediatric Department Chairman.
Association of Pathology Chairman.
Association of Pediatric Oncology Nurses.
Association of Professors of Dermatology.
Association of Professors of Medicine.
Association of Reproductive Health Professionals.
Association of Schools of Public Health.
Association of Teachers of Preventive Medicine.
Association of University Environmental Health Sciences Centers.
Association of University Professors of Opthamalogy.
Autism Society of America.
Biophysical Society.
Bowman Gray School of Medicine Department of Biochemistry.
Brown University School of Medicine.
Candlelighters Childhood Cancer Foundation.
Central Society for Clinical Research.
Child Neurology Society.
Children's Blood Foundation.
Citizens for Public Action on Blood Pressure and Cholesterol, Inc.
Cleft Palate Foundation.
Coalition of Patient Advocates for Skin Disease Research.
College on Physicians and Surgeons, Columbia University.
Cooley's Anemia Foundation.
Cooper Hospital/University Medicare Center.
Corporation for the Advancement of Psychiatry.
Council of Community Blood Centers.
Crohn's and Colitis Foundation of America.
Cult Awareness Network.
Cystic Fibrosis Foundation.
DES Action.
Deafness Research Foundation.
Digestive Disease National Coalition.
Dystrophic Epidermolysis Bullosa Research Foundation of America.
Eczema Association for Science and Education.
Endocrine Society.
Epilepsy Foundation of America.
FDA Council.
Federation of American Societies for Experimental Biology.
Federation of Behavioral, Psychological and Cognitive Sciences.
Foundation for Ichthyosis & Related Skin Types.
Fred Hutchinson Cancer Research Center.
Friends of NIDCD.
General Clinical Research Centers Director's Association.
Genetics Society of America.
Health Care Engineering Policy of IEEE—USA.
Human Rights Campaign Fund.
Huntington's Disease Society of America.
IEEE—USA, Health Care Engineering Policy Committee.
Infectious Diseases Society of America.
International Rett Syndrome Association.
Johns Hopkins University, School of Medicine.
Joint Council of Allergy and Immunology.
Joslin Diabetes Center.
Juvenile Diabetes Foundation.
Learning Disabilities Association.
Leukemia Society of America.
Lupus Foundation of America.
Medical Library Association.
Microscopy Society of America.
Myasthenia Gravis Foundation.
Nathan W. and Margaret T. Shock Aging Research Foundation, Inc.
National Allergy and Asthma Network.
National Alliance for the Mentally Ill.
National Association for Biomedical Research.
National Association for Rural Mental Health.
National Association of Development Disabilities Councils.
National Association of Nurse Practitioners in Reproductive Health.
National Association of Pediatric Nurse Associates and Practitioners.
National Association of Psychiatric Treatment Centers for Children.
National Breast Cancer Coalition.
National Caucus of Basic Biomedical Science Chairs.
National Caucus and Center on Black Aged.
National Coalition for Cancer Research.
National Committee to Preserve Social Security and Medicare.
National Council on Spinal Cord Injury.
National Depressive and Manic-Depressive Association.
National Foundation for Depressive Illnesses.
National Head Injury Foundation, Inc.
National Hemophilia Foundation.
National Marfan Foundation.
National Minority AIDS Council.
National Multiple Sclerosis Society.
National Neurofibromatosis Foundation.
National Organization for Rare Disorders.
National Osteoporosis Foundation.
National Parkinson's Foundation.
National Perinatal Association.
National Psoriasis Foundation.
National Rehabilitation Association.
National Spinal Cord Injury Foundation.
National Sudden Infant Death Syndrome Alliance.
Older Women's League.
Paget Foundation.
Paralyzed Veterans of America.
Parkinson's Action Network.
Research Rett Syndrome.
School of Medicine and Dentistry, University of Rochester.
Scleroderma Research Foundation.
Sickle Cell Disease Association of America.
Society for Academic Anesthesiology Chairs.
Society for Critical Care Medicine.
Society for Gynecological Investigation.
Society for Investigative Dermatology.
Society for Neuroscience.
Society for Investigative Dermatology.
Society for Surgery of the Alimentary Tract.
Society for the Advancement of Women's Health Research.
Society of Chairman of Academic Radiology Departments.
Society of Surgical Chairman.
Society of Toxicology.
Society of University Otolaryngologists.
Spina Bifida Association of America.
Susan Komen Breast Cancer Foundation.
Surgical Infection Society.
The American Parkinson Disease Association, Inc.
The French Foundation for Alzheimer Research.
The Gerontological Society of America.
The Jeffrey Modell Foundation.
The National Center for Voice & Speech.
The Society of Surgical Oncology.
Tourette Syndrome Association.
United Scleroderma Foundation.
University of Alabama School of Medicine.
University of Michigan Medical School.
University of Vermont College of Medicine.
Upjohn Company.
Wake Forest University Medical Center.
Yale University School of Medicine.
YWCA of the U.S.A.

FUND FOR HEALTH RESEARCH—QUESTIONS AND ANSWERS

What does the proposal call for?

As a component of health care reform, a mechanism would be established to provide additional funds for health research over and above those provided to the National Institutes of Health (NIH) in the annual appropriations process. When fully phased in, approximately 1 percent of all the monthly health insurance premiums collected by corporate and regional alliances would be set aside and regularly transferred by the alliances into a Fund For Health Research in a manner consistent with the set aside for graduate medical education and academic health centers proposed in the President's health care reform plan. This additional set aside should generate sufficient funds to provide for an approximately 50 percent increase in funding for the NIH.

Each year amounts within the Fund would automatically be allotted to each of the NIH Institutes and Centers. Five percent of the monies would be directed to extramural construction and renovation of research facilities, the National Library of Medicine, and the Office of the Director. So that an appropriate range of basic and applied research is supported, each Institute and Center would receive the same percentage of the remaining Fund monies as they received of the total NIH appropriation for that fiscal year. In order to insure that the additional funds generated do not simply replace regularly appropriated NIH funds, monies from the Fund would be released only if the total appropriated for the NIH in that year equal or exceed the prior year appropriations.

Additional monies for the Fund would be generated by a voluntary Federal income tax check-off. Every year, when filing their Federal income tax returns, Americans would be given the opportunity to designate tax overpayments and contributions for health research. Monies from the check-off would be deposited in the Fund.

Why is this proposal necessary?

Health research has brought us the advances in treatment and prevention of disease and disability that define our current high standards of medical practice and prom-

ises even more remarkable advances in the near future. Perhaps more than any other component of our health care system, it holds the promise of both reducing medical costs and improving quality. Yet, because the Federal budget agreement freezes discretionary spending for the next four years, Federal funding for health research will likely not even keep up with inflation unless a separate funding stream is established. Health care reform offers the best opportunity to establish such a new stream.

What is the status of the Harkin/Hatfield proposal?

A formal amendment detailing the proposal will be introduced February 28, 1994. Efforts will focus on having the proposal attached to any health care reform proposal reported out by the Committees and adopted by the full Senate. It is anticipated that a similar proposal will be put forward in the House of Representatives. A hearing focusing on the Fund was held before the Senate Labor and Human Resources Committee on December 8, 1993.

Will the Fund simply replace exiting monies appropriated to NIH?

No. Monies generated by the Fund would be in addition to, not in replacement of those provided to each of the NIH Institutes in the normal appropriations process. Monies from the Fund could not be allotted unless total NIH appropriations in that year were equal or greater than the prior year appropriations. Therefore, the Fund could not be used as a mechanism to replace to reduce regularly appropriated funds.

What is the relationship of the premium set-aside in the Harkin/Hatfield proposal to the set aside for academic health centers and graduate medical education in the Clinton health reform plan?

The two are separate and complementary. The graduate medical education and academic health center set aside will provide many important research institutions with needed support. However, this set aside does not directly fund health research. The Harkin/Hatfield proposal does.

How would money from the Fund be allocated among research priorities?

The proposal does not pick winners and losers among areas of health research. It does not interfere with the funding decisions made through the normal appropriations process. Funds would be allocated to each of the NIH Institutes and Centers based on the percentage that each of these entities received of the total NIH appropriation for that year. Monies allotted to each NIH entity would be spent according to a plan developed by the entities' advisory council in consultation with the Director. Each Institute would decide the appropriate distribution of Fund monies among various research priorities within the Institute.

In recognition of the poor state of many medical research facilities, 2 percent of the total Fund would be taken off the top for extramural construction and renovation of research building and facilities. In accordance with traditional funding patterns, 1 percent of the total Fund would go to the National Library of Medicine. An additional 2 percent would go to the NIH Director for intramural construction and renovation and other activities supported by the Office of the Director.

How much support is there for the Fund for Medical Research?

The Harkin/Hatfield proposal has widespread support among the American people and among the health, health research and business communities. A Louis Harris poll released in December found that over 70 percent of Americans support such a plan. Support was strong across all age and income groups and in all regions of the country. In addition, over 200 organizations representing millions of Americans have endorsed the proposal. The fund has been endorsed by numerous Nobel Laureates, leading health care experts and business leaders.

[From Research America]

MEDICAL RESEARCH AND HEALTH CARE CONCERNS: A SURVEY OF THE AMERICAN PUBLIC

(Conducted by Louis Harris & Associates, November 1993)

The Harris nationwide poll was conducted by telephone within the United States between November 11th and 15th, among a cross section of 1,254 adults. Figures for age, sex, race, education and region were weighted where necessary to bring them into line with their actual proportions in the population.

Research America, a national not-for-profit organization dedicated to raising public awareness of and support for medical research, commissioned Louis Harris and Associates to ask seven questions about medical research as part of a larger survey focusing on a broad range of current issues. The margin of error is approximately 3 percent.

HIGHLIGHTS

1. Americans rank medical research as their single highest research priority.

When asked which one type of scientific research is most valuable, Americans overwhelmingly favor medical research (66%). Environmental (18%), energy (6%) and defense (4%) finish next. None of the other four types (space, electronics, computers and transportation) is preferred by more than 1 percent.

The same question was asked nationally in April of 1992. The only type of research to garner a significant increase between April '92 and November '93 is medical research.

Women are more likely than men to say medical research is most valuable.

[In percent]

Type	*April 1992*	Nov. 1993, overall	Nov. 1993, men	Nov. 1993, women
Medical	49	66	59	73
Environmental	29	18	18	17
Energy	10	6	9	3
Transportation	3	1	2	1
Defense	2	4	5	3
Space	2	1	2	1
Computer	2	1	2	1
Electronics	1	1	2	--

2. Americans think this nation is not spending enough on medical research.

Nine out of ten Americans (91%) believe this nation should spend more on medical research to better diagnose, prevent and treat disease.

In fact, 60% feel this country should spend a lot more on medical research—more than those saying spend on energy, space and defense research combined (35, 10 and 9 percent, respectively).

Sixty-four percent of women believe this nation should spend *a lot* more on medical research compared to fifty-six percent of men.

3. Not only do Americans want more spent on medical research, but Americans are willing to pay for it.

If assured the money would be spent for additional medical research:

74% are willing to spend $1 more per week in taxes;

75% are willing to spend $1 more per prescription drug; and

77% are willing to spend $1 more per week in insurance premiums.

4. The actual amount spent on medical research is well below what the American people believe should be spent.

At the moment, about three cents out of each health care dollar spent in the U.S. goes for medical research. The median value suggested by those surveyed: 10 cents per dollar.

5. As we reform the health care system, the majority of Americans think the commitment to medical research should be higher.

When asked about medical research specifically in the context of health care reform, 56% of those surveyed said the national commitment to medical research should be higher while only 5% said it should be lower. Thirty-eight percent said the commitment should remain about the same.

In the context of health care reform, 58 percent of women think the national commitment to medical research should be higher and 55 percent of men feel it should be higher.

HIGHLIGHTS

1. Americans rank medical research as their single highest research priority.

When asked which one type of scientific research is most valuable, Americans overwhelmingly favor medical research (66%). Environmental (18%), energy (6%) and defense (4%) finish next. None of the other four types (space, electronics, computers and transportation) is preferred by more than 1 percent.

The same question was asked nationally in April of 1992. The only type of research to garner a significant increase between April '92 and November '93 is medical research.

African-Americans value medical research significantly more than the overall average.

[In percent]

Type	April 1992	Nov. 1993, overall	Nov. 1993, African-American
Medical	49	66	79
Environmental	29	18	9
Energy	10	6	2
Transportation	3	1	1
Defense	2	4	3
Space	2	1	3
Computer	2	1	1
Electronics	1	1	1

2. Americans think this nation is not spending enough on medical research.

Nine out of ten Americans (91%) believe this nation should spend more on medical research to better diagnose, prevent and treat disease.

In fact, 60% feel this country should spend a lot more on medical research—more than those saying spend a lot more on energy, space and defense research combined (35, 10 and 9 percent, respectively).

Nearly three out of every four (74 percent) African-Americans believe that this nation should spend a lot more on medical research.

3. Not only do Americans want more spent on medical research, but Americans are willing to pay for it.

Percentage willing to spend more if assured the money would be spent for additional medical research:

[In percent]

	Overall	African-American
$1 more per week in taxes	74	83
$1 more per prescription drug	75	84
$1 more per week in health insurance premiums	77	89

4. The actual amount spent on medical research is well below what the American people believe should be spent.

At the moment, about three cents out of each health care dollar spent in the U.S. goes for medical research. The median value suggested by those surveyed: 10 cents per dollar.

5. As we reform the health care system, the majority of Americans think the commitment to medical research should be higher.

When asked about medical research specifically in the context of health care reform, 56% of those surveyed said the national commitment to medical research should be higher while only 5% said it should be lower. Thirty-eight percent said the commitment should remain about the same.

In the context of health care reform, 66 percent of all African-Americans contend that as we reform the health care system the national commitment to medical research should be higher.

HIGHLIGHTS

1. Americans rank medical research as their single highest research priority.

When asked which one type of scientific research is most valuable, Americans overwhelmingly favor medical research (66%). Environmental (18%), energy (6%) and defense (4%) finish next. None of the other four types (space, electronics, computers and transportation) is preferred by more than 1 percent.

The same question was asked nationally in April of 1992. The only type of research to garner a significant increase between April '92 and November '93 is medical research.

The Hispanic population values medical research four times higher than any other type of scientific research.

[In percent]

Type	April 1992	Nov. 1993, Overall	Nov. 1993, Hispanic
Medical	49	66	68
Environmental	29	18	15
Energy	10	6	3
Transportation	3	1	3
Defense	2	4	1
Space	2	1	3
Computer	2	1	.....
Electronics	1	1	5

2. Americans think this nation is not spending enough on medical research.

Nine out of ten Americans (91%) believe this nation should spend more on medical research to better diagnose, prevent and treat disease.

In fact, 60 percent feel this country should spend a lot more on medical research— more than those saying spend a lot more on energy, space and defense research combined (35, 10 and 9 percent, respectively).

Nearly two out of every three (65 percent) Hispanics believe that this nation should spend a lot more on medical research.

3. Not only do Americans want more spent on medical research, but Americans are willing to pay for it.

Percentage willing to spend more if assured the money would be spent for additional medical research:

[In percent]

	Overall	Hispanic
$1 more per week in taxes	74	78
$1 more per prescription drug	75	70
$1 more per week in health insurance premiums	77	82

4. The actual amount spent on medical research is well below what the American people believe should be spent.

At the moment, about three cents out of each health care dollar spent in the U.S. goes for medical research. The median value suggested by those surveyed: 10 cents per dollar.

5. As we reform the health care system, the majority of Americans think the commitment to medical research should be higher.

When asked about medical research specifically in the context of health care reform, 56% of those surveyed said the national commitment to medical research should be higher while only 5% said it should be lower. Thirty-eight percent said the commitment should remain about the same.●

● Mr. HATFIELD. Mr. President, my good friend, the great philanthropist, Mary Lasker said, "If you think research is expensive, try disease." These words capture the motivation and message of Senator HARKIN, Representative COYNE, and myself in proposing legislation in our respective Chambers to establish the national fund for health research.

Disease is expensive, far more expensive than medical research, costing this Nation hundreds of billions of dollars annually. Yet none of the major health care reform bills currently under consideration take seriously the role of medical research—the single means by which we will conquer disease.

Today, federally supported research on Alzhemier's disease totals $300 million, yet it is estimated that $90 billion is expended annually on care. Federally supported research on diabetes totals $290 million, yet it is estimated that $25 billion is expended annually on care. Federally supported research on mental health totals $613 million, yet it is estimated that $130 billion is expended annually on care.

Disease drives the cost of health care. Without new knowledge to develop new strategies to prevent disease, new treatments to delay the progression of disease, and new interventions to cure disease, health care costs will continue to spiral out of control. We can cap costs in the near term, but without a long-term strategy to bring these costs down or eliminate them entirely, we have only a partial solution to our health care delivery dilemma.

Health research is a central mechanism for controlling these health care costs and is an essential cost control element for comprehensive health care reform.

Disease is also expensive in another sense; it takes a heavy toll on the quality of life for millions of Americans and their families. Yet, recent dramatic developments in molecular medicine and genetics have spawned tremendous optimism and opportunity for advancing understanding and new treatments.

Uncovering the genes responsible for disorders, such as Huntington's disease, cystic fibrosis, certain rear disorders, and some forms of breast and colon cancers give hope to millions of afflicted individuals. But if we fail to maintain a vibrant health research enterprise these hopes will be dashed and the treatments of tomorrow will be the treatments of today.

It is very troubling to me that at a time when the biomedical sciences have entered such an era of unprecedented opportunity, fault lines are appearing in our research infrastructure.

In fiscal year 1993, one of the first red flags appeared. The Congress, for the first time since I have served in the Senate, appropriated less money for the National Institutes of Health than the President had requested. In fiscal year 1994 the outlook was worse. The President's budget recommended funding below the fiscal year 1993 level for 9 of the 19 NIH institutes and centers.

At the time, the percentage of research grant applications the NIH is able to fund has reached a 10-year low. The NIH estimated that under the President's budget, the number of scientifically meritorious research grants funded would fall to only one in five. Fortunately, the Congress did not concur in the President's recommendation, but instead appropriated a 5.2-percent increase for each of the institutes and centers.

This year, the budget requested by the President includes a 4.7-percent increase for the NIH, although over half of the proposed increase is targeted to specific research programs. It is, nevertheless, a more promising starting point than the budget of a year ago. However, because we are in the middle of a 5-year freeze on discretionary spending, one can only predict that meeting the President's request for the NIH will be difficult at best.

In the 1980's this country witnessed a massive military defense buildup. In the 1990's, nothing short of a disease defense buildup will yield the cost containment required and quality of life hoped for from enactment of comprehensive health care reform. Through the legislation we are introducing today to establish the national fund for health research, we are taking the first step toward this disease defense buildup—and we are doing so with the solid support of the American public.

A recent Harris poll has shown that Americans strongly support health research and are willing to put their money behind their words. The poll asked Americans which type of scientific research they favored—66 percent favored medical research. Environmental research followed at 18 percent, energy research at 6 percent, and defense finished at 4 percent. At the moment, about 3 cents out of each health care dollar spent in the United States goes to medical research. Of those surveyed, the value suggested was at least 10 cents per dollar. Even more encouraging is that if assured that the funds would be spent for medical research, 74 percent of Americans are willing to spend $1 more per week in taxes, 75 percent are willing to spend $1 more per prescription drug, and 77 percent are willing to spend $1 more per week in insurance premiums.

As a member of the Senate Appropriations Committee for over 20 years,

I know that the stability we need in medical research cannot be accomplished solely through the regular appropriations process. A dedicated funding source is required to ensure annual appropriations to meet the challenges of reduced health costs and improved quality of life for millions of Americans suffering from disease and disability.

The national fund for health research, which would fall outside of the Federal budget process, achieves this objective. When fully implemented, funding for medical research would increase by 50 percent and yield support for 1 out of 3 meritorious research proposals. This is accomplished through two funding options: a setaside on health insurance premiums and a voluntary Federal income tax checkoff.

Senator HARKIN and I are introducing our legislation today as an amendment to S. 1779, the administration's health care reform plan as sponsored by Senator KENNEDY, which is pending on the Senate calendar, and as an amendment to S. 1775, the administration's health care reform plan sponsored by Senator MOYNIHAN, which is also pending on the Senate calendar. When these bills are referred to committee, our amendment will also be referred to both the Labor and Finance Committees. It is our intention to have this concept considered on every possible health care reform vehicle. It is already attached to S. 1770, the health care reform plan sponsored by Senator CHAFEE, of which I am a cosponsor. We will pursue it on any other moving vehicle which purports to be a comprehensive health care reform bill. It is our intention to see the national fund for health research established as soon as possible.

On Thursday, February 17, the First Lady stated "medical research and health care reform go hand in hand," and I agree. The legislation we are introducing today will make this shared objective a reality. I urge my colleagues to join in this truly bipartisan effort to make sure the Nation's response to health care reform is complete.•

Mrs. KASSEBAUM. Mr. President, I am pleased to cosponsor the Health Research Act of 1994, being introduced today by Senator HATFIELD and Senator HARKIN. This legislation is aimed at expanding research funding through the National Institutes of Health [NIH]. It would do this by establishing a biomedical research trust fund. This trust fund would augment, not replace, resources currently provided to NIH through the appropriations process.

Americans of all ages benefit from the findings of biomedical research funded by the NIH. The foundation of this effort is the many committed scientists throughout this country. Through investigator-initiated efforts, these individuals have developed effective diagnostic and treatment methods for debilitating or deadly illnesses. Unfortunately, the NIH is currently able to fund only one out of five research proposals.

The $5 billion biomedical research trust fund created by this legislation would help reverse this situation. The funding raised through both a health insurance premium surcharge and a tax checkoff would allow the NIH to support a greater proportion of the grant proposals it receives. Such an increase in funding would help secure the benefits of biomedical research for generations to come.

In addition to establishing the trust fund, this legislation would also authorize the distribution of the fund to each institute, in proportion to the institutes' appropriations. While this approach has merit, I hope to work with my colleagues to improve this method. Mr. President, I believe that a portion of the trust fund, or the entire trust fund, should be distributed to the NIH director to be used at his own discretion.

Leaving the distribution of the trust fund in the hands of the Director is advantageous for a couple of reasons. First, control of the trust fund would help strengthen the role of the NIH Director. Because NIH funds are appropriated directly to each institute, the NIH Director currently has limited powers. Second, the ability to fund trans-institute efforts would improve research for many illnesses which require collaborative efforts among different institutes. Such illnesses are not currently well served by the existing funding walls posed by the institutes and the institute-specific appropriations process.

Mr. President, I look forward to working with the Senator from Oregon and the Senator from Iowa to improve this legislation. I ask unanimous consent that my statement be made part of the RECORD at the appropriate place.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on the effect of the administration's Superfund reauthorization proposals on the Department of Energy's Environmental Restoration and Waste Management Program.

The hearing will take place on Thursday, March 24, 1994, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building, First and C Streets NE., Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC. 20510, Attention: Sam Fowler.

For further information, please contact Sam Fowler of the committee staff at 202/224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. KERRY. 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 Monday, February 28.

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

ADDITIONAL STATEMENTS

1995 SPECIAL OLYMPICS WORLD GAMES COMMEMORATIVE COIN ACT

• Mr. DURENBERGER. Mr. President, it is an honor for me to join with my distinguished colleague from Connecticut, Senator DODD, as an original cosponsor of S. 1860, the 1995 Special Olympics World Games Commemorative Coin Act.

As we have proudly watched our athletes represent the United States in Lillehammer, I am reminded of another group of special individuals who give their utmost not only in the athletic arena, but in their daily lives. Three years ago this summer, Minnesota hosted over 6,000 athletes from around the world as they competed in the International Special Olympics. These games were the largest sporting event in the world in 1991—and the largest international multisport event ever held in Minnesota. I, along with members of my staff, appreciated the opportunity to admire these world-class competitors as they exhibited courage, fortitude, and a sincere desire to be the best.

These games play a vital role in the continued development of public awareness of the potential and capabilities of people with handicaps. The support which these athletes receive from their coaches, families, friends, and volunteers is returned many times over by the outstanding human spirit displayed by these special competitors.

Mr. President, I hope my colleagues will join me in support of S. 1860 as we recognize the achievements of some truly admirable individuals who have taught us so much.•

THE 100TH ANNIVERSARY OF THE UKRAINIAN NATIONAL ASSOCIATION

• Mr. MOYNIHAN. Mr. President, I understand that this month marks the

100th anniversary of the Ukrainian National Association and I am pleased to extend my warmest congratulations on this milestone.

During those 100 years the people of Ukraine suffered unimaginable deprivations. And yet, throughout Ukraine's national nightmare its friends and supporters never wavered in their support of the Ukrainian people. Today, we rejoice in the independence of Ukraine and look forward to ever stronger cultural, social, and political relations between Ukraine and the United States.●

RECOGNITION OF MARVISTA ELEMENTARY SCHOOL

● Mr. GORTON. Mr. President, I rise to recognize Marvista Elementary School in Seattle, WA for excellence in education.

Last month while I was home in Washington State, I held an education conference where I met with many teachers, administrators, parents, and students to discuss educational concerns in our State. While their thoughts and ideas were as varied and different as the many people who populate Washington, one theme was constant. Innovative and resourceful programs which educators work hard to plan and execute deserve more recognition. I therefore promised to recognize, on a monthly basis, a school or school program that is outstanding and innovative. Marvista Elementary is a school very deserving of such recognition.

At my education conference I noted two important issues for education reform. First, strong parental involvement is key to the success of students. Secondly, because of limited financial resources available to schools, innovative partnership programs with corporations are beneficial in helping the individual schools educate our children.

Marvista Elementary has been a leader in both these fields. Their PTA has been recognized as one of the most active and involved in the State. For the past 2 years, the PTA has earned statewide recognition as the outstanding local unit with its volunteers devoting over 4,000 hours to the student learning process. It is this outstanding parental involvement that is essential in educating our children.

Recognizing the limited resources available to most schools, including their own, Marvista Elementary initiated a unique partnership program with the Boeing Corp. Fifth and sixth grade students are given the opportunity to learn from Boeing employees who volunteer their time before school to assist the students in mathematics. Student participation in this award winning math program is at an amazing 34 percent. Boeing, being a major player in the economy of Washington State, is demonstrating once again that it is innovative and bold by participating in this outstanding program that assists the community. Programs such as this are key to the future of education.

Its many innovative programs have made Marvista Elementary School a leader and brought about a healthy learning environment to the students. The teachers and administrators of Marvista have established successful programs and ideas which should be promoted throughout Washington State, as well as the entire U.S.●

ORDERS FOR TUESDAY, MARCH 1, 1994

Mr. KERRY. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. Tuesday, March 1; that following the prayer, the Journal of proceedings be approved to date, and time for the two leaders be reserved for their use later in the day; that the Senate then resume consideration of Senate Joint Resolution 41, the balanced budget constitutional amendment, with the time until 1 p.m. controlled under the provisions of a previous order; further, that the time from 2:30 p.m. to 3 p.m. be equally divided and controlled between Senators SIMON and REID or their designees; provided further that the previously ordered party conferences commence at 1 p.m. and extend until 2:30 p.m..

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

RECESS UNTIL 9 A.M. TOMORROW

Mr. KERRY. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 7:27 p.m., recessed until Tuesday, March 1, 1994, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate February 28, 1994:

DEPARTMENT OF STATE

DAVID M. RANSOM, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE STATE OF BAHRAIN.