HOUSE OF REPRESENTATIVES—*Monday, February 10, 1997*

The House met at 2 p.m. and was called to order by the Speaker pro tempore [Mr. COLLINS].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
February 10, 1997.

I hereby designate the Honorable MAC COLLINS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As we meditate on all the words we could say about Your graces, O God, and the expressions that we use to describe our relationship to You, we would speak of mercy and justice, of charity and forgiveness, of reconciliation and peace in our hearts. On this day we speak those words that are above all else, those words that make us truly human and mark us as created in Your image, the words of thanksgiving and gratitude. When we ponder our lot in life and when we reflect on Your goodness to us, we express joy and praise for Your mercy to us and for Your steadfast love to all people. With gratefulness and thanksgiving, we offer this prayer to You, gracious God, for Your presence and Your power is ever with us.

This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Guam [Mr. UNDERWOOD] come forward and lead the House in the Pledge of Allegiance.

Mr. UNDERWOOD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGES FROM THE PRESIDENT

Sundry measages in writing from the President of the United States were communicated to the House by Mrs. Sara Emery, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair notes that on May 15, 1986, Mrs. Sara Currence Emery was the first woman to appear in this Chamber as the secretary of the President of the United States to deliver a message to the House of Representatives. Today she is delivering her last message. Mrs. Emery is retiring as deputy executive clerk of the White House after serving six administrations over the past 28 years. She has the congratulations and best wishes of the House.

RESIGNATION AS MEMBER OF COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Veterans' Affairs:

WASHINGTON, DC,
February 4, 1997.

Hon. NEWT GINGRICH,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby resign my appointment to the House Veterans' Affairs Committee.

Sincerely,

DUNCAN HUNTER.
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON WAYS AND MEANS

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Ways and Means:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 5, 1997.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: I am forwarding to you the Committee's recommendations for certain designations required by law for the 105th Congress.

First, pursuant to Section 8002 of the Internal Revenue Code of 1986, the Committee designated the following members to serve on the Joint Committee on Taxation for the 105th Congress: Mr. Archer, Mr. Crane, Mr. Thomas, Mr. Rangel, and Mr. Stark.

Second, pursuant to Section 161 of the Trade Act of 1974, the Committee recommended the following members to serve as official advisors for international conference meetings and negotiating sessions on trade agreements: Mr. Archer, Mr. Crane, Mr. Thomas, Mr. Rangel, and Mr. Matsui.

With best personal regards, I am

Sincerely,

BILL ARCHER.
Chairman.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 161(a) of the Trade Act of 1974, (19 U.S.C. 2211), and upon the recommendation of the chairman of the Committee on Ways and Means, the Chair announces the Speaker's selection of the following members of that committee to be accredited by the President as official advisers to the U.S. delegations to international conferences, meetings and negotiation sessions relating to trade agreements during the first session of the 105th Congress:

Mr. ARCHER of Texas; Mr. CRANE of Illionis; Mr. THOMAS of California; Mr. RANGEL of New York; and Mr. MATSUI of California.

There was no objection.

APPOINTMENT AS MEMBERS OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of clause 1 of rule XLVIII and clause 6(f) of rule X, the Chair announces the Speaker's appointment to the Permanent Select Committee on Intelligence the following Members of the House: Messrs. YOUNG of Florida; LEWIS of California; SHUSTER of Pennsylvania; MCCOLLUM of Florida; CASTLE of Delaware; BOEHLERT of New York; BASS of New Hamphire; GIBBONS of Nevada, DICKS of Washington; DIXON of California; SKAGGS of Colorado; Ms. PELOSI of California; and Ms. HARMAN of California.

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. UNDERWOOD. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 44)

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and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 44

Resolved, that the following named Member be, and is hereby, elected to the following standing committee of the House of Representatives:

To the Committee on Standards of Official Conduct: Mr. HOWARD L. BERMAN of California.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
February 10, 1997.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Under Clause 4 of Rule III of the Rules of the U.S. House of Representatives, I herewith designate Ms. Julie Perrier to sign any and all papers and do all other acts for me under the name of the Clerk of the House which she would be authorized to do by virtue of this designation, except such as are provided by statute, in case of my temporary absence or disability.

This designation shall remain in effect for the 105th Congress or until modified by me.

With warm regards,

ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105–2)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Joint Economic Committee and ordered to be printed:

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

Four years ago, we began a journey to change the course of the American economy. We wanted this country to go into the 21st century as a nation in which every American who was willing to work for it could have a chance—not a guarantee, but a real chance—at the American dream. We have worked hard to achieve that goal, and today our economy is stronger than it has been in decades.

The Economic Record

The challenge we faced in January 1993 was to put the economy on a new course of fiscal responsibility while continuing to invest in our future. In the last 4 years, the unemployment rate has come down by nearly a third: from 7.5 percent to 5.4 percent. The economy has created 11.2 million new jobs, and over two-thirds of recent employment growth has been in industry/occupation groups paying above-median wages. Over the past 4 years inflation has averaged 2.8 percent, lower than in any Administration since John F. Kennedy was President. The combination of unemployment and inflation is the lowest it has been in three decades. And business investment has grown more than 11 percent per year—its fastest pace since the early 1960s.

As the economy has grown, the fruits of that growth are being shared more equitably among all Americans. Between 1993 and 1995 the poverty rate fell from 15.1 percent to 13.8 percent—the largest 2-year drop in over 20 years. Poverty rates among the elderly and among African-Americans are at the lowest level since these data were first collected in 1959. And real median family income has risen by $1,600—the largest growth rate since the Administration of President Johnson.

The Economic Agenda

Our comprehensive economic agenda has helped put America's economy back on the right track. This agenda includes:

Historic Deficit Reduction. Since the 1992 fiscal year, the Federal budget deficit has been cut by 63 percent—from $290 billion to $107 billion in fiscal 1996. As a percentage of the Nation's gross domestic product, the deficit has fallen over the same period from 4.7 percent to 1.4 percent, and it is now the lowest it has been in more than 20 years. In 1992 the budget deficit for all levels of government was larger in relation to our economy than those of Japan and Germany were to theirs. Now the deficit is smaller by that same measure than in any other major industrialized economy. And this Administration has proposed a plan that balances the budget by 2002, while protecting critical investments in America's future.

Investments in Education and Technology. Deficit reduction remains a priority, but it is not an end in itself. Balancing the budget by cutting investments in education, or by failing to give adequate support to science and technology, could actually slow economic growth. To succeed in the new global economy, our children must receive a world-class education. Every child in America should be able to read by the age of 8, log onto the Internet by the age of 12, and receive at least 14 years of quality education: 2 years of college should become as universal as high school is today. And we must make sure that every child who wants to go to college has the resources to do so.

Expanding Markets. We have aggressively sought to expand exports and open markets abroad. In the past 4 years we have achieved two major trade agreements: The North American Free Trade Agreement and the Uruguay round accord of the General Agreement on Tariffs and Trade, which established the World Trade Organization. Members of the Asia-Pacific Economic Cooperation forum and the proposed Free Trade Area of the Americas have committed to establishing free trade among themselves by 2020 and 2005, respectively. And we have opened new markets abroad by signing more than 200 other important trade agreements. As a result, U.S. exports have boomed, which means higher wages for American workers in export industries—often 13 to 16 percent higher than the rest of the workforce.

Reforming Government. The strength of the American economy lies in the energy, creativity, and determination of our citizens. Over the past 4 years we have worked hard to create an environment in which business can flourish. And as the private sector has expanded, the Federal Government has improved its efficiency and cost-effectiveness. We have energetically reformed regulations in key sectors of the economy, including telecommunications, electricity, and banking, as well as environmental regulation. And we have reduced the size of the Federal Government as a percentage of the workforce to the smallest it has been since the 1930's.

CONTINUING TO CREATE AN ECONOMY FOR THE 21ST CENTURY

America's workers are back at work and our factories are humming. Once again, America leads the world in automobile manufacturing. Our high-technology industries are the most competitive in the world. Poverty is down and real wages are at last beginning to rise. And we have laid the foundations for future long-term economic growth by reducing the deficit and investing in education.

During the past 4 years, we have worked to prepare all Americans for the challenges and opportunities of the new global economy of the 21st century. We have worked to restore fiscal discipline in our government, to expand opportunities for education and training for our children and workers, to reform welfare and encourage work, and to expand the frontiers of free trade. But there is more work to be done. We must continue to provide our citizens with the tools to make the most of their own lives so that the American dream is within the reach of every American.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 10, 1997.*

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REPORT ON DEVELOPMENTS REGARDING CONTINUING NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 105–41)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of August 14, 1996, concerning the national emergency with respect to Iraq that was declared in Executive order 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a United States person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. United States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive order 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution (UNSCR) 661 of August 6, 1990.

Executive Order 12817 was issued on October 21, 1992, to implement in the United States measures adopted in UNSCR 778 of October 2, 1992. UNSCR 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to $200 million apiece) representing Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also finances the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member state is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order 12722 and matters relating to Executive Orders 12724 and 12817 (the "Executive Orders"). The report covers events from August 2, 1996 through February 1, 1997.

1. In April 1995, the U.N. Security Council adopted UNSCR 986 authorizing Iraq to export up to $1 billion in petroleum and petroleum products per quarter for 6 months under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. This arrangement may be renewed by the Secretary Council for additional 6-month periods. UNSCR 986 includes arrangements to ensure equitable distribution of humanitarian goods purchased with UNSCSR 986 oil revenues to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. On May 20, 1996, a memorandum of understanding was concluded between the Secretariat of the United Nations and the Government of Iraq agreeing on terms for implementing UNSCR 986. On August 8, 1996, the UNSC committee established pursuant to UNSCR 661 ("the 661 Committee") adopted procedures to be employed by the 661 Committee in implementation of UNSCR 986. On December 9, 1996, the Secretary General released the report requested by paragraph 13 of UNSCR 986, making UNSCR 986 effective as of 12:01 a.m. December 10.

2. During the reporting period, there have been three amendments to the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury. The Regulations were amended on August 22, 1996, to add the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132; 110 Stat. 1214–1319 (the "Antiterrorism Act")) as an authority for the Regulations (61 *Fed. Reg.* 43460, August 23, 1996). Section 321 of the Antiterrorism Act (18 U.S.C. 2332d), which I signed into law on April 24, 1996, makes it a criminal offense for United States persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in financial transactions with the governments of countries designated under section 6(j) of the Export Administration Act (50 U.S.C. App. 2405) as supporting international terrorism. United States persons who engage in such transactions are subject to criminal fines under title 18, United States Code, imprisonment for up to 10 years, or both. Because the Regulations already prohibited such transactions, with minor exceptions for transactions such as donations of humanitarian aid, no substantive change to the prohibitions of the Regulations was necessary. This amendment also notes the criminal penalties that may be imposed for violations of the Antiterrorism Act and implementing regulations. A copy of the amendment is attached.

The Regulations were amended on October 21, 1996 (61 *Fed. Reg.* 54936, October 23, 1996), to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The Regulations, as amended, increase the maximum civil monetary penalty provided by law from $250,000 to $275,000 per violation.

The amended Regulations also reflect an amendment to 18 U.S.C. 1001 contained in section 330016(1)(L) of Public Law 103–322; 108 Stat. 2147. The amendment notes the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571. A copy of the amendment is attached.

The Regulations were amended on December 10, 1996, to provide a statement of licensing policy regarding specific licensing of United States persons seeking to purchase Iraqi-origin petroleum and petroleum products from Iraq (61 Fed. Reg. 65312, December 11, 1996). Statements of licensing policy were also provided regarding sales of essential parts and equipment for the Kirkuk-Yumurtalik pipeline system, and sales of humanitarian goods to Iraq, pursuant to United Nations approval. A general license was also added to authorize dealings in Iraqi-origin petroleum and petroleum products that have been exported from Iraq with United Nations and United States Government approval. The rule also added definitions and made technical amendments. A copy of the amendment is attached.

All executory contracts must contain terms requiring that all proceeds of oil purchases from the Government of Iraq, including the State Oil Marketing Organization must be placed in the U.N. escrow account at Banque Nationale de Paris, New York (the "986 Escrow Account"), and all Iraqi payments for authorized sales of pipeline

parts and equipment, humanitarian goods, and incidental transaction costs borne by Iraq will, upon approval by the UNSC committee established pursuant to the 661 Committee, be paid or payable out of the 986 Escrow Account.

3. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by OFAC to the U.S. Customs Service for investigation. Several OFAC civil penalty proceedings are pending. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to OFAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

Since my last report, three civil monetary penalties totaling $102,250 have been collected from one financial institution and two individuals for violation of the prohibitions against transactions with Iraq. Additional administrative procedures have been initiated and others await commencement.

4. Pursuant to Executive Order 12817 implementing UNSCR 778, on October 26, 1992, OFAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the Order. On December 13, 1996, OFAC directed the Federal Reserve Bank of New York to transfer the interest accrued on the blocked account to the U.N. escrow account established pursuant to UNSCR 778, to match contributions in excess of $30 million by other countries.

5. The Office of Foreign Assets Control has issued a total of 653 specific licenses regarding transactions pertaining to Iraq and Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 23 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1996, through February 1, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about $1 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. Six years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors and refusal of unimpeded access; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Bagdad government continues to violate basic human rights of its own citizens through systemic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by UNSCR 688. The Iraqi military routinely harasses residents of the north, and has attempted to "Abrabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring states.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council must be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 10, 1997.*

SPECIAL ORDERS

STATUS OF GUAM'S QUEST FOR COMMONWEALTH

The SPEAKER pro tempore (Mr. COLLINS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Guam [Mr. UNDERWOOD] is recognized for 60 minutes as the designee of the minority leader.

Mr. UNDERWOOD. Mr. Speaker, I take this opportunity today to share with the American people and the Congress a compelling story about my home island Guam's quest for an improved political status with the United States.

There is no more pressing political issue for the people of Guam and our island than a political status change from the existing unincorporated territorial status to something which we call Commonwealth; a very elastic political term, a term that is used in reference to the Commonwealth of Pennsylvania or the Commonwealth of Massachusetts, but also the Commonwealth of Puerto Rico and the Commonwealth of the Northern Marianas.

The Commonwealth we seek is embodied in a piece of legislation and is one which carries out the principles of democracy, self-governance, and economic stability and fairness. We are on a long journey and our goal is an improved relationship with the United States.

Now this year, 1997, is the year before 1998 which will represent the 100th anniversary of the Spanish-American War, and that of course will finish off the 105th Congress. As many of you will recall from your history classes, Puerto Rico, the Philippines, and Cuba were spoils of that war nearly 100 years ago but, perhaps not often recognized, so was Guam. And for the people of Guam the past 100 years has been representative of a continual colonial status, a status which does not lead to clarity or surety in the final resolution of our relationship with the United States.

How we will commemorate the 100th anniversary of 1898 in many respects will be a measure of how we see ourselves as a society. It is clear that Cuba has been independent for a number of years. The Philippines were independent after World War II. Puerto Rico has a political status, and a defined process may be on the horizon for Puerto Rico as it seeks either independence, continued commonwealth or accession to statehood.

For Guam it is not clear, and for Guam, Guam will then remain the last piece of the puzzle of 100 years that has come from the results of the Spanish-American War.

It is interesting to note that when Spain lost the Spanish-American War, Spain had claims to not only the Philippines but a number of islands in Micronesia, including the Northern Marianas, much of the Caroline Islands, which includes Palau, Yap, and Truk.

Even though the United States had the opportunity to inherit those claims, it chose not to and it only took one island out of the whole Micronesian region, and that island was Guam, and Guam then had the American flag raised over it. The islands to the north of Guam, and which Guam is a part of this chain of islands, the Mariana Islands, and which we are the same ethnic group as those people from the Northern Marianas, subsequently were sold to Germany until the end of World War I. They were then inherited as a League of Nations mandate by Japan as a result of World War I, and then after World War II they became part of the Trust Territory of the Pacific Islands.

It is interesting to note that those islands that went through that entire routing process from Spanish claims to German administration, to Japanese administration under the League of Nations mandate, to American administration under the watchful eyes of the United Nations as a trust territory, have all finally resolved their political status issues. Guam, which has been the longest associated with the United States, since 1898, is the last remaining area of that group which has yet to finally resolve its political status with the United States.

And although there are many benefits to be gained by being associated with the United States for a much longer period of time, apparently resolving the political status box is not one of them. So today our neighboring islands, including the Northern Marianas as now a commonwealth of the United States, a status which is seen as a better status and more autonomous status than the one we have, even though they have only been associated with the United States since the end of World War II, for a little over 50 years.

In addition to that, there are three independent republics that came out of the trust territory which are in free association with the United States, namely the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands. It is with some sadness that I point this out because it is really the responsibility of the United States to move this process, as well as it is the responsibility of the people of Guam to make clear their desires in terms of their relationship with the United States.

It is particularly incumbent upon this body, in Congress, because Congress is constitutionally mandated to make all decisions regarding material acquisitions and the future political status, rules, regulations, and laws which appertain to those territories.

So that we keep in mind what we are discussing, there are a number of small territories still associated with the United States. They are the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Marianas, and of course the Commonwealth of Puerto Rico, which is seen as different not only because it is much larger than the small territories but because it is also often discussed in terms of a statehood option.

For more than 300 years prior to the Americans coming to Guam in 1898, Guam was a Pacific colony of Spain and as such is marked a little bit different than other Pacific islands. We adopted many Spanish customs, we learned to live with Spanish rulers, we adopted primarily Catholicism as our major religion and we incorporated many Spanish spoken words into our native Chamorro language. And as a result of that we are proud to continue to identify ourselves as proud people, indigenous people, of the Pacific islands, but certainly indeed with a great touch of Hispanicization woven into the cultural and societal fabric of our lives.

One hundred years ago, as I pointed out, the United States took Guam from Spain and established a military government of Guam. Now, Guam was considered at that time a possession of the United States, and it is a mark again of the lack of clarity in the relationship between small territories and the Federal Government, the terms that are used.

Sometimes we are referred to as the territory of the United States, the unincorporated territory of the United States. I have seen documents which refer to us as a protectorate, as a possession, as if we were a thing to be owned and moved around, but in reality the actual term and the appropriate legal term is unincorporated territory of the United States.

An unincorporated territory of the United States means that we are owned by the United States but that we are not fully part of the United States. And until we change that status, congressional authority, congressional plenary authority remains in full effect and the Constitution applies to Guam only to the extent that Congress sees fit to apply it to Guam.

So one of the main elements of great discussion about political theory today and the appropriate relationship between the Federal Government and the local government is the use of the 10th amendment, where certain powers are reserved to the States or the people. And the concept of devolution in that uses, as a core article, obviously faith in the application of the 10th amendment.

Congress of course, in its wisdom, has made sure that the 10th amendment does not apply to territories. So any powers that are forfeited, in a sense, or acknowledged by the Federal Government to be reserved to local authorities or local governance, it is clearly not the case with the territories.

It was not until after World War II that Guam was referred to as an unincorporated territory, with the passage of the Organic Act of Guam. And the Organic Act of Guam is the governing document, and an organic act simply means an act by Congress to organize a government.

The Navy, for the first 50 years of association with the United States, was the primary instrument of government over Guam, and all of the officers, the commanding officer of the naval station of Guam was also the Governor of Guam. The commander of the marines was also the head of the Department of Public Safety. The Navy chaplain was automatically the head of the Department of Education.

They had a kind of a little system devised that virtually treated people as if they were wards, as if they were people who needed a great deal of tutelage before they were even trusted with the most rudimentary forms of government. And of course the citizenship status of the people was the part that was most cloudy. People were not U.S. citizens but they were not aliens. The Navy had an interesting order called Court Martial Order No. 1923 that held while the natives of Guam are not citizens of the United States, nor are they aliens. There were no means by which they could become citizens.

So unlike aliens who have the opportunity to become citizens, the people of Guam were in a kind of permanent anomalous status, if you will. But they were most often referred to as nationals until the passage of the Organic Act in 1950, and the people of Guam became U.S. citizens.

Prior to the Organic Act in 1950, I guess the historical incident which most marks Guam, at least in the consciousness of most people in the United States today, is the experience during World War II. Guam was the only American territory with people in it to be occupied by an enemy during World War II, and, in fact, if you go back into the war of 1812, it has been the only

American territory that has been invaded and occupied by a foreign power and actually had people in it.

I know a couple of the Aleutian Islands were taken during World War II, but all the civilians, all the people were evacuated from those islands. As it was on Guam, the people were not evacuated and the people endured a very horrific occupation for which in many respects the people still bear scars from that experience.

The one thing that united the people in that experience is that people never lost hope in the Americans coming back to relieve them of the burden that they were experiencing as a result of the Japanese occupation, and many, many stories have come from that, not only for the experience of the people who endured the occupation, but certainly for the incoming marines and sailors who performed many heroic deeds in terms of liberating the island from the Japanese.

In 1950, when the Organic Act of Guam was passed by the U.S. Congress, citizenship was passed along to the people of Guam. And the Organic Act granted the people of Guam a limited form of American citizenship, commonly referred to as statutory citizenship, meaning that Congress also has the authority to take it away. Not that it is going to, but that legally it has the authority to take that citizenship away. And this is very unlike others, the vast majority of American citizens who are so-called constitutional citizens.

Certainly unlike the citizens of any of the 50 States or even the District of Columbia, the citizens of Guam do not enjoy all the full protections of the U.S. Constitution. And by being and by remaining an unincorporated territory, in its current form, the United States has broad powers over the affairs of Guam and ultimately the future of the Chamorro people of Guam.

□ 1430

What this relationship has meant is that the United States can continue to enjoy the benefits for which Guam was intended. It was no accident that Guam was picked up in 1898 over the other islands. Guam was the largest island in Micronesia. It had the most contact with outside people at that time, and it also was seen as an adequate coaling station for the level of naval technology at the time. And since that time of course we have seen Guam perform a number of roles as a strategic area. It is a major logistical point today, it can be a forward—an area for forward deployment and projection of American power into Asia and the Pacific, and if the military planners did not have the security of knowledge that Guam over any other location in the Pacific and in Asia is a stable and friendly environment for the projection of American military forces, they would have more insecurity in their sleep at night.

Guam is sometimes treated as a part of the United States, and at other times it is treated as if it were a foreign country, and that is part of the anomalous status, but most of the time it is not ignored—it is not ignored at all. I always point this out, that in the course of trying to do legislative work here in Congress, frequently when legislation is passed, unless it specifically mentions Guam or it specifically mentions territories, it is normally ignored, and over the course of the 4 years that I have been here I have always asked this question when legislation is being passed, and I will always hear the reply that it was an oversight to not include Guam, forgive me for my oversight in not thinking about the small territories, an oversight.

I have heard this term many, many times, and I always joke back that maybe we ought to have one big oversight hearing over all the oversights that Guam and some of the small territories have experienced.

Well, the next milestone for Guam politically beyond the Organic Act was in 1970. For the first time the chief executive of the island was elected by the people of Guam. So it has only been approximately 27 years since the people of Guam have had the opportunity to elect their own Governor, and in 1972 the people of Guam were afforded an opportunity to have a delegate, a nonvoting delegate, in the U.S. House of Representatives, of which I am the third such individual to be elected to this body. Sending a delegate to Congress meant that our interests could be more effectively protected by someone that the people of Guam sent here, and of course electing our own Governor gave us a great sense of control over local affairs.

But Guam's political status as an unincorporated territory continues to prove unsatisfactory, as we have a number of issues of contention with the Federal Government. As a result of this great discussion that we had in Guam in the late 1960's and through the 1970's, a series of political status hearings were held, and there was a great deal of discussion, and there were a number of elections that took place, and the major political status was held in 1982 to determine what general direction Guam wanted to go if the status quo was to be changed. From a list of six status options the people of Guam choose statehood and commonwealth as the two desired options, and those were put together in a runoff, and as a result of the runoff the overwhelming choice was a commonwealth with 73 percent.

So this led to the task then of drafting the Commonwealth Act, what piece of legislation should we present to Congress as the embodiment of our desires? That resulted in 12 separate sections of the act; each one of those sections were, in turn, ratified by the voters of Guam, and finally in 1988, in February 1988, the Guam Commonwealth Act was given to the leaders of the House and the Senate as well as the executive branch of the Federal Government. And my predecessor, Congressman Ben Blaz, a retired Marine Corps general of whom we are very proud, was the first one to introduce that. He introduced it twice. I have been here three terms; I have had the honor, distinct honor, of introducing it three times. But in all that time since 1988 we have really had only one congressional hearing on the proposal, and that was held in Honolulu in December 1989.

I might add that despite the enormous distances Honolulu is still 3,500 miles away from Guam. Hundreds of our island residents and leaders went to Honolulu to express their hopes and aspirations. At that time congressional leadership said that before they really could address this, since there were a number of complicated provisions to the Commonwealth Draft Act, they suggested that we work with the executive branch in order to narrow the differences and to enter into formal discussions.

Throughout the Bush and the Clinton administrations interagency task forces of Federal officials have tinkered with the draft commonwealth proposal, and we have seen several constitutional arguments raised, and there have been arguments about specific provisions, and for almost 7 years the people of Guam and their representatives through the Commission on Self Determination have met with Guam officials, and the Federal officials continue to raise objections.

Unfortunately, even though there was a little progress during the administration of President Bush, the interagency task force on the last day of the Bush administration issued a negative report on the draft commonwealth proposal, in effect reneging on many important provisions of the draft act.

When I was first elected in 1992 and sworn into office in 1993, the first piece of legislation which I introduced was the Guam Commonwealth Act, and last month I reintroduced the very same bill, which is now known as H.R. 100, hoping to draw a connection between the 100th anniversary of 1898 coming up next year, in which I hope that we will see final resolution of the political status process for small territories, and in particular Guam.

H.R. 100 is now under review by the President's Special Representative for Guam Commonwealth who is Deputy Secretary of Interior John Garamendi, and he is doing this in conjunction with White House officials and Cabinet level officials. Governor Gutierrez, who is the chairman of the Commission on Self Determination, and I have met with a number of White House officials

and various members of the administration on this proposal. It is clear that the manner in which we are approaching this, in which we are hoping to secure the support of the administration, makes the most sense and will clear away most of the problematic provisions, and hopefully it will eliminate many of the objections before we move this legislation here in Congress.

But the people of Guam must not make the mistake of placing their faith in this process without some hope of success. If we do this, we will pursue commonwealth in a manner which will totally frustrate us. The frustration with the current process, since it has gone on for over 7 years, is sapping some of the strength to our commitment to commonwealth and is leading to the unfortunate feeling of a lack of confidence in the Federal Government's sincerity. But I remain confident, and certainly most of the people of Guam do, that we should not give up on commonwealth. Despite the lack of support and clarity of both administrations and from Washington in general, the people of Guam still remain remarkably united behind commonwealth.

The administration negotiations has gone on rather intensely for the past year, and we have seen a number of time deadlines set, but realistically I think the people of Guam have reached the point that if we do not see this make progress by spring, the people of Guam will be in a position to reevaluate whether the current process that we are engaged in is really the way that we want to go about it and whether indeed we want commonwealth or the kind of commonwealth that we propose.

So this is a very critical time in the negotiation process, and while I commend the Clinton administration for their forthrightness in bringing it to this point, and I also want to commend Governor Gutierrez and all the elected leadership of Guam for bringing it to this point, we have been near this point in the past, and we need to get on with it, and we need to get a clear, strong signal from the administration about their sense of what commonwealth for Guam means and whether they agree with our proposal.

Next year will mark the 100th anniversary of Guam being first a possession of the United States and now an unincorporated territory, but this process with the Clinton administration is not really the culmination of the Commonwealth Draft Act because, as most people in Congress know, and certainly I hope all of them will know by the time we deal with this piece of legislation, Congress retains plenary authority over the territories of the United States through the Constitution.

This is really a congressional call. Political status change is really a congressional call. Progress in the territories and the policies which the Federal Government adopts in the territories is really a congressional call. So I am really requesting the Members of Congress, and particularly the leadership of Congress and those who are particularly responsible for the insular areas, both in the House and in the other body, to take a good strong look at the commonwealth proposal of Guam, to make it see the light of day, to allow the debate on its provisions to go forward, to give a clear and sensible answer to the people of Guam why their aspirations to be fuller Americans, Americans with more autonomy over their lives, continues to be frustrated after 7 years of discussions.

We have an opportune time in this Congress. We are facing the 100th anniversary of a war that most of us probably do not think about much. But I am certainly going to bring it to the surface as much as I can. In that war the Treaty of Paris of 1898 specifically entrusted the Congress of the United States with the exact obligation to determine the political status of the native inhabitants of Guam. We have not done that in a clear and concise manner, we have not done that in a respectful manner, and I do not think we have done that in a way that is commensurate with the value that Guam has been to the United States through its strategic location for the intervening 100 years.

I hope that as we see the 100th anniversary of the Spanish American War, I pray that the Members of Congress will bring attention to this issue, as I certainly will in collaboration with the leadership of the other territories, as well as, of course, the Commonwealth of Puerto Rico. The 100th anniversary of the Spanish-American War marks an important time period for the United States to, in a sense, come face to face with its imperial past and come face to face with what hopefully will be in the next century a more perfect union not only for the 50 States and the District of Columbia, but all the people who live under the American flag.

GAMBLING ADVOCATES SHOULD NOT BE PART OF THE NATIONAL GAMBLING IMPACT STUDY COMMISSION

The SPEAKER pro tempore (Mr. COLLINS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Virginia [Mr. WOLF] is recognized for 60 minutes as the designee of the majority leader.

Mr. WOLF. Mr. Speaker, it has recently been reported that the President of the United States and the minority leader of the House are planning to appoint gambling advocates to the National Gambling Impact Study Commission. Should this come to pass, it would prevent a commission from doing any meaningful work. The President and the minority leader should not appoint individuals with a vested interest in the outcome of the report. They should appoint men and women of good will, able to make an objective and thorough review of gambling.

Why? Because gambling is known to wreak havoc on small businesses, families, and our governmental institutions, and it is time to learn gambling's true impact on the Nation.

As the Washington Post editorialized today, the commissioners were supposed to be appointed on October 2, 1996, prior to the election. Now we have learned that the gambling interests that once gave millions of dollars to both political parties also had a coffee with the President of the United States at some of the infamous White House coffees.

□ 1445

The Wall Street Journal reported last week that the Oneida Nation donated $30,000 to the Democratic National Committee on the day that Oneida Chairwoman Deborah Doxtator attended a White House coffee event.

This administration is being scrutinized for the campaign contributions it has received in the campaign-related meetings it has had within the White House. Americans are rightly concerned, Americans of both political parties are rightly concerned, about the President meeting with drug dealers in the White House. They are concerned that China's biggest arms merchant, Mr. Wang, head of the Poly Corp. in China, who was trying to sell assault weapons to street gangs in California, was meeting with the President of the United States in the White House. What a disgrace. The president of the corporation that was selling assault weapons and even shoulder missiles to street gangs in California was meeting with the President of the United States.

Their concern was favor-seeking Indonesian businessmen, and as everyone knows, the Lippo Bank in Indonesia, and I just returned from Indonesia 2 weeks ago where we went to the island of East Timor, where the first Catholic Bishop ever in the history of the world, a winner of the Nobel Peace Prize, and I might say he was appointed and recommended by the gentleman from Ohio [Mr. HALL], from this side of the aisle, won the Nobel Peace Prize. The feeling out in Indonesia and now in the United States is that the Lippo Bank, which is an Indonesian bank, through the Riady family, which is close to the Clinton administration, gave money to the Clinton administration, which has now changed their policy on Indonesia. And we know that in Indonesia, in a little island of East Timor where 700,000 people of the Catholic faith are now being persecuted and the military fear that runs through the island as they are

taking young people away in the middle of the night.

So the American people are concerned about this. They are concerned about a reputed Russian mobster, Russian mobster in the White House with coffee, and as this administration says they are concerned about drugs, drug dealers at the White House. So therefore, they are concerned about this whole issue of campaign financing.

Anything the White House does, rightly or wrongly, will be scrutinized in light of these factors.

I call on the President to appoint three honest and decent Americans, people the American people can trust to conduct a credible study of the gambling industry. I urge the President to avoid the charge that his picks are political payola, mere kickbacks for financial support during the election. I agree with the gentleman from New York [Mr. LAFALCE], who urged the President in a February 6 letter in saying, "to place the National Gambling Impact Study Commission above politics and to consider appointments that the public can rely on to conduct a comprehensive and fair review of gambling." Because what we wanted in the commission, since gambling is spreading rampantly through the country, is an objective group of men and women who would study the issue of gambling and to see: has there been a problem on corruption, has there been a problem on crime, has there been a problem on addiction, whereby localities and State legislators and Governors could come to an objective place to see. And now we see that maybe the White House is talking of putting gambling interests on as their appointments.

I am not suggesting, and let me say for the record, that the President should appoint antigambling people to the commission. He ought not appoint antigambling people, but the test should be whether the appointees are objective, whether they are connected to the industry in some way or any way, or are proponents of gambling. The American people are watching; the editorial writers and the newspapers of this country are watching in hopes that the President will do the right thing.

In an October 31, 1995 letter to Senator Paul Simon the President wrote the following:

> I deeply appreciate your efforts to draw attention to the growth of the gambling industry and its consequences. Too often, public officials view gambling as a quick and easy way to raise revenues without focusing on gambling's hidden social, economic and political costs. I have long shared your view about the need to consider carefully all of the effects of gambling, and I support the establishment of the Commission for this purpose.

I had an opportunity a year ago to be at the White House, where the President came and said to me he supported completely what we were trying to do on the National Gambling Commission. If the President was saying what he believes to me and to Senator Simon, why are they now talking appointing people connected to the gambling interest to be on the commission? Is this White House out of control? Does the President not know what his staff is doing? Is the President aware that his staff is making these recommendations? Are these on his desk? Will he speak out? Will he be involved?

Mr. Speaker, I take the President at his word that he supports the need to consider carefully all of the effects of gambling. This can only be done, Mr. President, by an objective group of individuals willing to make a thorough and considered review of gambling. The Congress and the President may join together to establish other commissions in the future, to study issues such as Medicare and Social Security. Those commissions should not be loaded up one way or another so meaningful research is somehow thwarted. They should be above politics.

If the President appoints gambling interests to this commission, can you imagine who he will appoint to the Medicare commission? Can you imagine who he will appoint to the Social Security commission? It will destroy the confidence that the country will have in his ability for objectivity and fairness.

Likewise, the National Gambling Impact Study Commission will not be able to do its job if the panel is stacked with individuals linked to the industry. And it should be above politics.

I urge the President, in the words of a February 5 Dallas Morning News editorial, it says not to "give henhouse guard duty to the foxes." It says, do not "give henhouse guard duty to the foxes."

All the States that are holding referendums on this issue are all turning gambling down but one this last time, and they passed it 51 to 49. The President's own home State of Arkansas has turned gambling down, and now we hear that the White House is thinking of appointing gambling-interest people to this commission.

I also would like to insert in the RECORD the Washington Post editorial where it says,

> The big money gamblers are betting a bundle on President Clinton to do their bidding today. Maybe Mr. Clinton will have some second thoughts, and well he should, about stacking a Federal commission established to examine the impact of gambling activities on the country. But that is not a very safe bet, given the background situation.
>
> Start with the guess-who's-coming-to-coffee list at the White House. Last March, for example, one White House coffee guest was the chairwoman of the Oneida Nation, an Indian tribe with gambling interests. On the same day, according to the Wall Street Journal, the Oneida Nation donated $30,000 to the Democratic National Committee. Coffee guest lists show at least 10 representatives of Indian gambling interests since mid 1995.

Then it goes on to quote Mr. LAFALCE, a supporter of our bill, to set up the national commission, and he wrote to the President last fall urging him to name individuals without vested interests in the outcome of the commission. In the followup letter last Thursday, Mr. LAFALCE expressed his concern about the reported White House list urging the President to place the commission above politics.

This is the end of the Washington Post editorial:

> Given the squalid state of money-ordered politics pervading Washington, that would be refreshing news.

Also, Mr. Speaker, in closing, I would like to insert the article from the January 25 Economist magazine where it talks about the reality of dawning in this Nation with regard to what is taking place on the gambling interest. It says,

> Many places have failed to understand that casinos, more than other forms of gambling such as lotteries, cause what economists call negative externalities. There is a price to pay in the rising costs of such things as law enforcement, street cleaning, and, some argue, the extra social services needed when gambling leads to the breakup of families. When these additional costs are taken into account, it is far from clear that gambling benefits anyone except the casino operators.

Now the President stands here to address the Nation and talk about families. In fact, if you listen to both political parties, they talk about families and family values. Would it be a family value for the President to appoint three gambling-connected people to the Gambling Commission? Of course it would not be a family value for this administration to do that.

The article goes on to say,

> Perhaps one-third of Americans never gamble, reckons Mr. Grinols. Many people who do are cautious, but a small percentage, perhaps 2 to 4 percent of the American adult population, are problem or pathological gamblers. These account for a disproportionately large share of the activity's costs. One study in Minnesota found that 10 percent of bettors, 10 percent of bettors accounted for 80 percent of all the money wagered.

The article goes on to say,

> Their numbers may be small, but their impact is not. Problem gamblers have a high propensity to commit crimes, in particular, forgery, theft, embezzlement and fraud. These crimes affect both immediate family and colleagues at work. The American Insurance Institute estimates that 40 percent of white collar crime, 40 percent of white collar crime has its roots in gambling. Gamblers often descend in a spiral of increasingly desperate measures to finance their habit in the hope of recouping their losses. Further, even before they turn to crime, problem gamblers are unproductive employees, frequently absent or late, and usually distracted. A 1990 study in Maryland estimated that the State's 50,000 problem gamblers accounted for $1.5 billion in lost productivity, unpaid State taxes, money embezzled and other losses.

It ends by saying, and I will insert the whole article in the RECORD,

All this is potent evidence that casinos are a bad bet. But even if the effects of problem gambling are discounted, the fact remains that casinos are not a development tool either. The risk, which everyone was aware of at the outset, is not paying off. Without resorting to moralizing and even without mentioning organized crime, those who would clamp down on gambling can now make a formidable economic case.

In closing, Mr. Speaker, I periodically will get calls from loved ones in a family who call and say, my husband committed suicide or my wife got addicted and committed suicide, and we will also hear from other families. And has the President had the opportunity to sit down and talk to some of the families who have lost loved ones because of this addiction?

□ 1500

He sits down with the Oneida Indian tribe, he sits down with the gamblers from all around the United States, he takes their political money, but he will not sit down with a mom who calls about her son, or the wife who calls about her husband, and all of those who have been impacted.

So I call on the President, I call on the President today to make a commitment to the American people not to appoint anti-gamblers; and let there be no misunderstanding, I personally am not for gambling, but I am not asking that anti-gamblers be on the commission. But I certainly am saying that pro-gamblers and those connected with the gambling interests in any way ought not be on the commission.

When I think of all the good, honest, and decent people in this country, Republican and Democrat, liberal and conservative, who would be outstanding appointments to this commission, I call on the President to find three people like that, who have no connection, to demonstrate that the political contributions in this fall's campaign have had no bearing on it.

Because I will tell the Members, we will scrutinize who is appointed to this commission. We will dig and we will follow it out. We will find out, whether it be through subpoena power or whatever, if there has been any connection. If there is any connection, we will demand that this Congress act, and we will demand that this administration act.

Mr. Speaker, I include for the RECORD the following documents.

The material referred to is as follows:

[From the Washington Post, Feb. 10, 1997]

GAMBLING PAYOFF?

The big-money gamblers are betting a bundle on President Clinton to do their bidding today. Maybe Mr. Clinton will have some second thoughts—as well he should—about stacking a federal commission established to examine the impact of gambling activities on this country. But that's not a very safe bet given the background situation.

Start with the guess-who's-coming-to-coffee list at the White House. Last March, for example, one White House coffee guest was the chairwoman of the Oneida Nation, an Indian tribe with gambling interests. On that same day, according to the Wall Street Journal, the Oneida Nation donated $30,000 to the Democratic National Committee. Coffee guest lists show at least 10 representatives of Indian gambling interests since mid-1995.

Last week, the president's short list of choices for three seats on the gambling commission included attorney Tad Johnson, reportedly a registered member of an Indian tribe that has a casino in Minnesota. But according to Saturday's Las Vegas Review Journal, after some critical publicity on the commission appointments, this nomination may be pulled.

Other names that have been topping the Clinton list are former New Jersey state treasure Richard Leone, who is close to New Jersey Rep. Robert G. Torricelli, a strong supporter of the Atlantic City gambling industry; and Bill Bible, chairman of the Nevada Gambling Control Board. According to the Las Vegas Sun, Sen. Harry Reid of Nevada was assured by a top White House aide last October that Mr. Bible's selection was a "done deal."

The deals for these three commission seats and six others chosen by Senate and House leaders were all supposed to be done by Oct. 2, before the elections. Word last week was that Mr. Clinton would announce his choices today. But if a second look is in progress, that could be good news.

One of Speaker Gingrich's choices is the chairman and CEO of a Las Vegas casino company. House Minority Leader Gephardt, who gets one selection—and whose political committees received at least $46,500 from gambling interests along with another $4,500 from the three women listed as homemakers from Las Vegas—reportedly favors the head of a union representing casino employees.

In a letter to House and Senate colleagues, Rep. Frank Wolf of Virginia, a sponsor of the commission bill, calling the gambling leaders' effort to seek "a return on their investment" a "disgrace." Another supporter of the bill, Rep. John J. LaFalce of New York, wrote to President Clinton last fall urging him to name "individuals without vested interests in the outcome of the commission's study." In a follow-up letter last Thursday, Mr. LaFalce expressed his concern about the reported White House list, urging the president to place the commission "above politics." Given the squalid state of money-ordered politics pervading Washington, that would be refreshing news.

THE WHITE HOUSE,
Washington, DC, October 31, 1995.

Hon. PAUL SIMON,
U.S. Senate,
Washington, DC.

DEAR SENATOR SIMON: I deeply appreciate your efforts to draw attention to the growth of the gambling industry and its consequences. Too often, public officials view gambling as a quick and easy way to raise revenues, without focusing on gambling's hidden social, economic, and political costs. I have long shared your view about the need to consider carefully all of the effects of gambling, and I support the establishment of a commission for this purpose.

My Administration is eager to work with you in designing such a commission and ensuring that its work is completed in a timely and effective manner. Your and Senator Lugar's bill, S. 704, and Congressman Wolf's bill, H.R. 497, provide a very sound basis for this process, which I hope will include further discussion of the exact composition of the commission and the exact scope of its duties and powers.

Again, I applaud your efforts to place this important matter on the nation's agenda.

Sincerely,

BILL CLINTON.

[From the Economist, Jan. 25, 1997]

A BUSTED FLUSH

HOW AMERICA'S LOVE AFFAIR WITH CASINO GAMBLING TURNED TO DISILLUSIONMENT

In 1995, 177m Americans went to watch the baseball, football, hockey and basketball matches, not to mention golf tournaments and car races, that make up what most people think of as away-from-home entertainment. Yet almost as many Americans, 154m of them, walked through the doors of the country's casinos. Americans in 1995 wagered an eye-popping $550 billion on all forms of gambling, handing the gambling industry a record $44.4 billion in profits, 11% more than the previous year. Around 40% of that activity took place in casinos. On the face of it, casino gambling has become the most popular leisure activity—well, maybe the second most popular—in America.

It is at least as popular with Wall Street and American business. In the past year or so, Goldman Sachs and Morgan Stanley, two blue-chip investment banks, have set up research and banking teams to serve the "gaming and leisure" industries, as the gambling organisations like to be called. Respectable firms such as Hilton Hotels and ITT have acquired casino operators. Las Vegas and Atlantic City are expanding faster than ever before. To all appearances, casino gambling is a rich, successful and untroubled business.

It may seem strange, then, to argue that America's love affair with casinos is essentially over. Strange, too, to assert that the gambling industry is largely responsible for ensuring its own eventual decline. But there is growing evidence for both arguments. And the irony is that the roots of gambling's failure lie not only where one might expect—in moral objections—but in the consequences, expected and unexpected, of the economic success which helped the casinos' emergence into respectability.

Plenty of people are still willing to roll dice, draw cards and, most of all, play slot machines. But there has been a change of heart among the legislators whose tolerance of casino gambling gave it legal sanction. Since mid-1994, anti-gambling groups, led by the National Coalition Against Legalised Gambling, have helped to defeat more than 30 state legislative or ballot proposals to legalise or expand gambling businesses. Despite spending a fraction of their opponents' budgets on lobbying politicians and voters, the lobby against gambling has proved remarkably effective.

The gambling industry is hitting back. In June 1995 it organised itself into the American Gaming Association; it spends serious money trying to limit further damage to its fortunes. But it is likely to be a bruising and losing battle.

In August 1996 President Clinton signed a law establishing a national commission whose nine members will, for the next two years, study the impact of gambling on American society. That is quite a change for an administration which had previously seemed to look on gambling simply as a source of revenue. In 1994, Mr. Clinton floated the idea of a 4% federal tax on gambling revenues to create a fund for welfare reform. No fewer than 31 state governors replied that

the tax, by lowering their own tax-take, would do great damage to their already stretched state budgets. The proposal was shelved. Now Mr. Clinton, turning the other way, has set up his commission, and most people reckon its questions will make the casino firms squirm.

THE FALSE EXAMPLE

To understand the reason for casino gambling's coming failure, start with the reason for its success. In the 1940s, when Bugsy Siegel turned to Las Vegas as the place to set up a gambling empire, he made a shrewd guess; if you build a casino in the desert, people will flock to it. After a shaky start, the experiment proved a success. That was in part because Las Vegas at the time had a country-wide casino monopoly (the next casinos, in Atlantic City, New Jersey, were not approved until 1976).

The frenzied expansion of Las Vegas in the late 1980s and early 1990s caught the politicians' eyes. So too did the economic impact of casinos on equally isolated Indian reservations. As sovereign nations, tribes were for a long time allowed to run gambling operations when these were forbidden elsewhere. In the early 1990s, the economy of many parts of the country was stagnating, and state politicians were under pressure either to cut services or to raise taxes. Many suddenly had the same idea. Why not legalise casinos, thereby creating employment as well as a firm base for future taxes on the profits of the chosen local monopolist?

Gambling firms were quick to share the idea, promising lavish improvements in the infrastructure of run-down urban centers. Would-be operators of new casinos talked smoothly of repaved streets, splendid shops and thriving "eateries". And the politicians, for their part, found a further way to draw attention to the supposed advantages of legalised gambling. They could earmark gambling-tax revenues for some of the things voters wanted: for example, by 1991 13 states, including New York and California, had allocated some or all of their lottery receipts to education.

Look at Connecticut. Few states have had more bruising battles over whether to extend casino gambling. But since 1992 Connecticut has been home to America's most successful casino, Foxwoods, which sits on land belonging to the Mashantucket Pequot tribe of Indians. Thanks in part to the fact that 22m people live within 150 miles of Foxwoods, the casino gets around 45,000 visitors a day and makes an estimated daily profit of $1m.

Not surprisingly, other gambling interests have sought a share of the Connecticut pie. In the early 1990s, Steve Wynn, chief executive of the Mirage Corporation, a big casino operator, tried to win casino licenses in Connecticut's state capital, Harford—which has suffered from the decline of the big insurance firms that once dominated its economy—as well as the decrepit town of Bridgeport. Despite generous spending, and his gleaming vision of what gambling would do for the economy, both of Mr. Wynn's attempts failed. Yet casino operators are still seeking other places to expand. A lively debate is going on at present over proposals to legalize casinos in New York, specifically to draw "the gambling dollar" away from New Jersey and Connecticut.

HOW THE REALITY DAWNED

The trouble, as some New York legislators are pointing out, is that the supposed casino miracle has two big problems in practice. First, with few exceptions, legalizing gambling has failed to stimulate the expected economic miracle. According to Harrah's Casinos, which publishes an annual survey of the industry, casinos employed 367,000 people in 1995, more than half of them in Nevada. That was a 24% increase since the start of 1994. But the jobs created by the arrival of casinos are too often menial—money-counter, cleaners—and have all too often been cancelled out by the jobs that are lost as the newcomers drive older firms out of business. Moreover, bare statistics that show the growth of gambling jobs ignore the job creation that would have happened in the absence of a casino.

Belatedly, the politicians who welcomed casino gambling for its economic spin-offs have realised that it takes more than a few superficial improvements to revitalise a struggling city centre. Moreover, as more and more casinos have opened, so competition has diminished the amount of business each one can expect. The once-sunny economic projections have faded. In Deadwood, South Dakota, for example, an initial flush of profitability was destroyed by the speedy arrival of dozens of competing casinos, so that bust quickly followed boom.

Second, many places failed to understand that casinos, were more than other forms of gambling such as lotteries, cause what economists call "negative externalities". There is a price to pay in the rising cost of such things as law enforcement, street cleaning and (some argue) the extra social services needed when gambling leads to the break-up of families. When these additional costs are taken into account, it is far from clear that gambling benefits anyone except the casino operators.

Both these problems were predictable. It was naive to extrapolate from the success of Las Vegas a guaranteed economic stimulus for any city that opened its doors to a casino. Robert Goodman, a professor at Hampshire College in Massachusetts who writes on the economics of the gambling industry, argues compellingly that Las Vegas was a misleading model for the rest of America. To experience the seedy glamour of that city in the desert, most visitors have to come from a long distance away. A trip to gamble therefore becomes a full-scale holiday, complete with a stay in a hotel, visits to local restaurants and no doubt a little shopping thrown in. In Las Vegas, casinos genuinely support the service economy.

Contrast this with, say, Atlantic City in New Jersey. The place is a bus ride away from New York city, and perhaps 30m people live close enough to visit its casinos for a day at a time. Many even cut their own sandwiches at home; they are the "brown-bag gamblers". As is all too evident in the seedy downtown area with its paucity of restaurants, Atlantic City collects relatively few non-gambling dollars.

The contrast is greater still in places such as Joliet, Illinois, or Gary, Indiana. There is little in such cities to attract visitors from any distance away. It is the locals upon whom the casinos have to rely. Earl Grinols, an economic professor at the University of Illinois, points out what this means. Because local people are spending money on gambling that they would otherwise have spent of, say, buying clothes or going out for a meal, many non-casino firms suffer from reduced turnover and profits. This not only limits the number of people they employ; it also means that they pay proportionately less tax to local and state governments.

Similarly, many of the people employed by a casino live outside the city where the casino is sited—and spend their money outside it, too. Nearly 60% of the staff of Joliet's casino live outside the city, and half of those outside the county. This does not mean that nobody benefits. In Joliet, nine people paid some $7m for the town's casino franchise. Their investment paid for itself in six months, and each now collects a monthly dividend of some $900,000.

At last, it has started to dawn on the rest of the city's people that the economic benefit from a casino depends largely on where it is. Add the fact that, the more casinos there are, the smaller the share of America's gamblers any one of them will be able to attract, and it is plain how the dreams have been punctured. Even the gambling industry, which used to boast of the market's almost infinite potential, has become more circumspect. Casino firms have begun to consolidate as stronger competitors buy weaker ones. And industry analysts say that these days the growth prospects of many "gaming" firms come more from non-gambling sidelines (such as food, shops and shows featuring well-known crooners) than from gambling itself.

THE PRICE OF GAMBLING

As casinos have failed in many cases to revive local economies, so something else has happened. The old moral doubts about gambling, which were swept under the carpet when it seemed to offer a key to success, have resurfaced. In the process, whatever respectability gambling had recently acquired has been eroded.

Gambling-related social costs are extremely difficult to quantify. Nevada has the highest suicide rate in America; it also has among the highest number of accidents per mile driven, and deplorable crime and high-school drop-out rates. New Mexico, however, which is almost free of casinos, can rank alongside Nevada on all these counts. A causal link between gambling and these indicators is hard to prove. But it is becoming easier to establish that damage is done by gambling in general and by casinos in particular, largely because they contain slot machines, which are highly addictive.

Perhaps one-third of adult Americans never gamble, reckons Mr. Grinols. Many people who do are cautious. But a small percentage, perhaps 2% or 4% of America's adult population, are "problem" or "pathological" gamblers, and these account for a disproportionately large share of the activity's costs. One study in Minnesota found that 10% of bettors accounted for 80% of all money wagered.

Their numbers may be small; but their impact is not. Problem gamblers have a high propensity to commit crimes, in particular forgery, theft, embezzlement and fraud. These crimes affect both immediate family and colleagues at work. The American Insurance Institute estimates that 40% of white-collar crime has its roots in gambling. Gamblers often descend in a spiral of increasingly desperate measure to finance their habit in the hope of recouping their losses. Further, even before they turn to crime, problem gamblers are unproductive employees, frequently absent or late and usually distracted. A 1990 study in Maryland estimated that the state's 50,000 problem gamblers accounted for $1.5 billion in lost productivity, unpaid state taxes, money embezzled and other losses.

All taxpayers contribute towards the cost of policing, judging and incarcerating criminals. Casino gambling increases those costs. Since the Foxwoods casino opened in 1992, one police chief in a small Massachusetts town two hours' drive away reckons that

local crime related to the casino has cost some $400,000. Multiply that figure by thousands, and the national impact of casino gambling begins to emerge.

Are casinos alone to blame? After all, gambling in America extends far beyond crap tables and slot machines. State governments themselves encourage gambling by spending millions to advertise lottery jackpots on television. But not all forms of gambling are equal: in Minnesota, for instance, two-thirds of people seeking help for their gambling problems blamed casinos for their addiction. A mere 5% cited lotteries.

The casino industry itself acknowledges its role in the problem. The American Gambling Association helps to finance a national Centre for Problem Gambling. Several firms promote programmes designed to help gamblers kick their addiction, and most casinos post free telephone numbers where people can find help. Gambling interests have also suggested that tax revenues from casinos could be used to pay for treatment for recovering gamblers. But even on conservative measures (reached by assuming that the average casino visitor loses $200 annually), problem gamblers would account for three-eights of casinos' revenues. How badly does the industry want to cure them?

All this is potent evidence that casinos are a bad bet. But even if the effects of problem gambling are discounted, the fact remains that casinos are not a development tool, either. The risk—which everyone was aware of at the outset—is not paying off. Without resorting to moralising, and even without mentioning organised crime, those who would clamp down on gambling can now make a formidable economic case.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WOLF) to revise and extend their remarks and include extraneous material:)

Mr. PAPPAS, for 5 minutes, on February 12.

Mr. SAXTON, for 5 minutes, today and on February 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. RANGEL) and to include extraneous material:)

Mr. RANGEL.

Mr. FRANK of Massachusetts.

Mr. LANTOS.

Mr. CLAY.

Mr. TRAFICANT.

Mr. POSHARD.

(The following Members (at the request of Mr. WOLF) and to include extraneous material:)

Mr. THOMAS.

Mr. PETRI.

Mr. WELDON of Pennsylvania.

Mr. GILMAN.

Mr. RILEY.

Mr. BILBRAY.

Mr. LATOURETTE.

(The following Members (at the request of Mr. WOLF) and to include extraneous material:)

Mr. GALLEGLY in two instances.

Mr. WELDON of Florida.

ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 1 minute p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, February 11, 1997, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1670. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Importation of Fresh Hass Avocado Fruit Grown in Michoacan, Mexico [Docket No. 94-116-5] (RIN: 0579-AA84) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1671. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Ports Designated for the Exportation of Animals; Georgia [Docket No. 96-054-2] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1672. A letter from the Administrator, Farm Service Agency, transmitting the Agency's final rule—Tobacco-Tobacco Loan Program, Importer Assessments (Commodity Credit Corporation) (RIN: 0560-AD93) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1673. A letter from the Administrator, Food and Consumer Service, transmitting the Service's "Major" final rule—Child and Adult Care Food Program Improved Targeting of Day Care Home Reimbursements; Correction and Extension of Comment Period (RIN: 0584-AC42) received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1674. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of January 1, 1997, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 105-42); to the Committee on Appropriations and ordered to be printed.

1675. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Application of Berry Amendment [DFARS Case 96-D333] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

1676. A letter from the Secretary of the Treasury, transmitting a copy of the final report as required by the Mexican Debt Disclosure Act of 1995, pursuant to Public Law 104-6, section 404(a) (109 Stat. 90); to the Committee on Banking and Financial Services.

1677. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Regulation H, Expanded Examination Cycle for Certain Small Insured Institutions [Docket No. R-0957] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1678. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Public Housing Management Assessment Program [Docket No. FR-3447-1-03] (RIN: 2577-AA89) received February 3, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1679. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Fiscal Year 1997 Portfolio Reengineering Demonstration Program Guidelines [Docket No. FR-4162-N-01] received February 3, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1680. A letter from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Flood Insurance Requirements (RIN: 2900-AH63) received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1681. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Algeria, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

1682. A letter from the Director of the Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Forms, Instructions, and Reports (RIN: 3064-AB89) received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1683. A letter from the Federal Register Liaison Officer, Office of Thrift Supervision, transmitting the Office's final rule—Expanded Examination Cycle for Certain Small Insured Institutions [Docket No. 96-114] (RIN: 1550-AB02) received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1684. A letter from the Secretary of Education, transmitting final regulations—The State Vocational Rehabilitation Services Program, pursuant to 20 U.S.C. 1232(f) GEPA Sec. 437(f); to the Committee on Education and the Workforce.

1685. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on the Disability and Rehabilitation Research Projects and Centers Program, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Education and the Workforce.

1686. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on the State Vocational Rehabilitation Services Program, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Education and the Workforce.

1687. A letter from the Acting Assistant Secretary of Labor for OSHA, Occupational Safety and Health Administration, transmitting the Administration's final rule—Reporting Occupational Injury and Illness Data to OSHA [Docket No. R-02] (RIN: 1218-AB24) received February 10, 1997, pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Education and the Workforce.

1688. A communication from the President of the United States, transmitting a copy of Presidential Determination No. 96-54: Exempting the United States Air Force's operating location near Groom Lake, Nevada, from any Federal, State, interstate, or local hazardous or solid waste laws that might require the disclosure of classified information concerning that operating location to unauthorized persons, pursuant to 42 U.S.C. 6961; to the Committee on Commerce.

1689. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Substituted Cyclohexyldiamino Ethyl Esters; Revocation of a Significant New Use Rule [OPPTS-50598B; FRL-5580-5] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1690. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL154-1a; FRL-5685-7] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1691. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL153-1a; FRL-5685-1] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1692. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Land Disposal Restrictions: Correction of Tables Treatment Standards for Hazardous Wastes and Universal Treatment Standards [FRL-5681-4] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1693. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Parts 74, 78, 101 of the Commission's Rules to Adopt More Flexible Standards for Directional Microwave Antennas [ET Docket No. 96-35] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1694. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 402(b)(1)(A) of the Telecommunications Act of 1996 [CC Docket No. 96-187] received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1695. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Belview, Minnesota) [MM Docket No. 96-209 RM-8885] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1696. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 203 of the Telecommunications Act of 1996 (Broadcast License Terms) [MM Docket No. 96-90] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1697. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Avra Valley, Comobabi, Florence, Oracle, Oro Valley, and San Carlos, Arizona) [MM Docket No. 95-127 RM-8676 RM-8726] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1698. A letter from the Secretary of the Commission, Federal Trade Commission, transmitting the Commission's final rule—Disclosures Regarding Energy Consumption and Water Use of Certain Home Appliances and Other Products Required Under the Energy Policy and Conservation Act ("Appliance Labeling Rule") [16 CFR Part 305] received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1699. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Food Labeling: Health Claims; Oats and Coronary Heart Disease [Docket No. 95P-0197] (RIN: 0910-AA19) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1700. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Investigational Device Exemptions; Intraocular Lenses [Docket No. 9IN-0292] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1701. A letter from the Director of the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Fissile Material Shipments and Exemptions [10 CFR Part 71] (RIN: 3150-AF58) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1702. A letter from the Secretary, Securities and Exchange Commission, transmitting the Commission's "Major" final rule—Disclosure of Accounting Policies for Derivative Financial Instruments and Derivative Commodity Instruments and Disclosure of Quantitative and Qualitative Information About Market Risk Inherent in Derivative Financial Instruments, Other Financial Instruments, and Derivative Commodity Instruments [Release Nos. 33-7386; 34-38223; IC-22487; FR-48] (RIN: 3235-AG42, 3235-AG77) received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1703. A communication from the President of the United States, transmitting notification that the Federal Government frequency assignments in the 4635-4660 MHz frequency band have been withdrawn by NTIA in compliance with section 114 of the Act, pursuant to title VI of the Omnibus Budget Reconciliation Act of 1993 (H. Doc. No. 105-43); to the Committee on Commerce and ordered to be printed.

1704. A letter from the Director, Defense Security Assistance Agency, transmitting a report containing an analysis and description of services performed by full-time U.S. Government employees during fiscal year 1996 who are performing services for which reimbursement is provided under section 21(a) or section 43(b), pursuant to 22 U.S.C. 2765(a)(6); to the Committee on International Relations.

1705. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report entitled "Report on U.S. Government Assistance to and Cooperative Activities with the New Independent States of the Former Soviet Union," pursuant to Public Law 102-511, section 104; to the Committee on International Relations.

1706. A letter from the Chairman Pro Tempore, Council of the District of Columbia, transmitting a copy of D.C. Act 11-512, "Recorder of Deeds Recordation Surcharge Amendment Act of 1996" received February 6, 1997, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1707. A letter from the Chairman Pro Tempore, Council of the District of Columbia, transmitting a copy of D.C. Act 11-525, "Alcohol Beverage Control Act Private Club Exception Amendment Act of 1996" received February 6, 1997, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1708. A letter from the Chairman Pro Tempore, Council of the District of Columbia, transmitting a copy of D.C. Act 11-526, "Procurement Reform Amendment Act of 1996" received February 6, 1997, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1709. A letter from the Senior Vice President and CFO, Potomac Electric Power Co., transmitting a copy of the balance sheet of Potomac Electric Power Co. as of December 31, 1996, pursuant to D.C. Code, section 43-513; to the Committee on Government Reform and Oversight.

1710. A letter from the Administrator and Chief Executive Officer, Bonneville Power Administration, transmitting the annual management report and the 1996 annual report, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform and Oversight.

1711. A letter from the Chairman, Board of Directors, Corporation for Public Broadcasting, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 1996, through September 30, 1996; and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

1712. A letter from the Chair, Foreign Claims Settlement Commission, Department of Justice, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1996, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

1713. A letter from the Executive Director, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting the Authority's report entitled "District of Columbia's Procurement System"; to the Committee on Government Reform and Oversight.

1714. A letter from the Executive Director, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting the Authority's report entitled "D.C. Unfunded Pension Liability; Major Findings and Recommendations"; to the Committee on Government Reform and Oversight.

1715. A letter from the Administrator, Panama Canal Commission, transmitting a report of activities under the Freedom of Information Act for the calendar year 1996, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

1716. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Badlands National Park, Commercial Vehicles (National Park Service) [36 CFR Part 7] (RIN: 1024-AC30) received

February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1717. A letter from the Acting Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Florida Keys National Marine Sanctuary Final Regulations [Docket No. 960712192-6192-01] (RIN: 0648-AD85) received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1718. A letter from the Deputy Assistant Administrator of the Office of Diversion Control, Department of Justice, transmitting the Department's final rule—Comprehensive Methamphetamine Control Act of 1996; Possession of List I Chemicals, Definitions, Record Retention, and Temporary Exemption from Chemical Registration for Distributors of Combination Ephedrine Products (Drug Enforcement Administration) [DEA Number 154I] (RIN: 1117-AA42) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

1719. A letter from the Chief Executive Officer, Little League Baseball Incorporated, transmitting the Organization's annual report for the fiscal year ending September 30, 1996, pursuant to 36 U.S.C. 1084(b); to the Committee on the Judiciary.

1720. A letter from the Chief Financial Officer, Paralyzed Veterans of America, transmitting a copy of the annual audit report of the Paralyzed Veterans of America for the fiscal year ended September 30, 1996, pursuant to 36 U.S.C. 1166; to the Committee on the Judiciary.

1721. A letter from the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, Patent and Trademark Office, transmitting the Office's final rule—Interim Guidelines for the Examination of Claims Directed to Species of Chemical Compositions Based Upon a Single Prior Act Reference [Docket No. 970129014-7014-01] (RIN: 0651-xx09) received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

1722. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—National Freight Transportation Policy [Docket No. OST-96-1188] (RIN: 2105-ZZ00) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1723. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Seaway Regulations and Rules: Great Lakes Pilotage Rates (Saint Lawrence Seaway Development Corporation) (RIN: 2135-AA08) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1724. A letter from the Administrator, Environmental Protection Agency, transmitting the Agency's first report on the drinking water infrastructure needs survey, pursuant to Public Law 104-182; to the Committee on Transportation and Infrastructure.

1725. A letter from the Chairman, Surface Transportation Board, transmitting the Board's final rule—Household Goods Tariffs [STB Ex Parte No. 555] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1726. A letter from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Dependency and Income [38 CFR Part 3] (RIN: 2900-AI47) received February 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1727. A letter from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Spouse and Surviving Spouse [38 CFR Part 3] (RIN: 2900-AI36) received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1728. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Deposits of Excise Taxes [Notice 97-151] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1729. A letter from the Director, Congressional Budget Office, transmitting the CBO's sequestration preview report for fiscal year 1998, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-587); jointly, to the Committees on Appropriations and the Budget.

1730. A letter from the Secretary of Health and Human Services, transmitting notification that the Department of Health and Human Services is allotting emergency funds made available under section 2606(e) of the Low-Income Home Energy Assistance Act of 1981 to all States, tribes, and territories, pursuant to section 2604(g) of the Low-Income Home Energy Assistance Act of 1981; jointly, to the Committees on Commerce and Education and the Workforce.

1731. A letter from the Director, Defense Security Assistance Agency, transmitting a report on deliveries under section 540 of Public Law 104-107 to the Government of Bosnia and Herzegovina, pursuant to Public Law 104-107, section 540(c) (110 Stat. 736); jointly, to the Committees on International Relations and Appropriations.

DISCHARGE OF COMMITTEE

Pursuant to section 518A(e)(5)(A) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in section 101(c) of the Omnibus Consolidated Appropriations Act, 1997:

H.J. Res. 36. Approving the Presidential finding that the limitation on obligations imposed by section 518A(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, is having a negative impact on the proper functioning of the population planning program.

Committee on Appropriations discharged from further consideration. Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAN SCHAEFER of Colorado:

H.R. 655. A bill to give all American electricity consumers the right to choose among competitive providers of electricity, in order to secure lower electricity rates, higher quality services, and a more robust U.S. economy, and for other purposes; to the Committee on Commerce.

By Mr. BACHUS (for himself, Mr. YOUNG, of Alaska, Mr. CRAMER, Mr. RILEY, Mr. ADERHOLT, Mr. MICA, Mr. OXLEY, Mr. MCCOLLUM, and Mr. LATOURETTE):

H.R. 656. A bill to amend the Internal Revenue Code of 1986 to provide that distributions from qualified State tuition programs which are used to pay educational expenses shall not be includible in gross income and to include as such expenses the cost of room and board; to the Committee on Ways and Means.

By Mr. BALDACCI:

H.R. 657. A bill to establish a National Center for Rural Law Enforcement, and for other purposes; to the Committee on the Judiciary.

H.R. 658. A bill to provide for the conveyance to the city of Bangor, ME, of unused military family housing located in the city; to the Committee on National Security.

By Mr. BURR of North Carolina (for himself, Mr. SPRATT, Mr. MCINTOSH, Mr. BACHUS, Mrs. KELLY, Mr. WELDON of Pennsylvania, Mr. FROST, Mr. CALVERT, Mr. SESSIONS, Mr. MCKEON, Mr. COLLINS, Mr. DOYLE, Mr. BORSKI, Mr. BARTLETT of Maryland, Mr. OXLEY, Mr. WICKER, Mr. DAN SCHAEFER of Colorado, Mr. GRAHAM, Mr. BARR of Georgia, Mr. EWING, Mr. COBURN and Mr. BARTON of Texas):

H.R. 659. A bill to amend the Clean Air Act and the Superfund Amendments and Reauthorization Act of 1986 to clarify the listing of a unique chemical substance; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CANADY of Florida:

H.R. 660. A bill to amend title 28, United States Code, to allow an interlocutory appeal from a court order determining whether an action may be maintained as a class action; to the Committee on the Judiciary.

By Mr. GALLEGLY:

H.R. 661. A bill to make a technical correction to section 214(h) of the Housing and Community Development Act of 1980; to the Committee on Banking and Financial Services.

By Mrs. MEEK of Florida:

H.R. 662. A bill to amend the Immigration and Nationality Act relating to fulfillment by elderly persons of the requirements for naturalization; to the Committee on the Judiciary.

H.R. 663. A bill to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide for an exception to limited eligibility for the supplemental security income program for permanent resident aliens; to the Committee on Ways and Means.

By Mr. SHAYS (for himself, Mrs. KENNELLY of Connecticut, Mrs. JOHNSON of Connecticut, Ms. DELAURO, and Mr. MALONEY of Connecticut):

H.R. 664. A bill to amend title 49, United States Code, relating to the installation of emergency locator transmitters on aircraft; to the Committee on Transportation and Infrastructure.

By Mr. SOLOMON:

H.R. 665. A bill to provide for the award of the Armed Forces Expeditionary Medal to members of the Armed Forces who participate in Operation Joint Endeavor or Operation Joint Guard in the Republic of Bosnia

and Herzegovina; to the Committee on National Security.

By Mr. CHRISTENSEN:

H.J. Res. 46. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GEPHARDT (for himself, Mr. FRANK of Massachusetts, Ms. DELAURO, Mr. MORAN of Virginia, Mr. CAPPS, and Mr. GORDON):

H.J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States to limit campaign spending; to the Committee on the Judiciary.

By Mr. GALLEGLY (for himself, Mr. GILMAN, Mr. HAMILTON, Mr. ACKERMAN, Mr. BALLENGER, and Mr. HOUGHTON):

H. Con. Res. 17. Concurrent resolution congratulating the people of Guatemala on the success of the recent negotiations to establish a peace process for Guatemala; to the Committee on International Relations.

By Mr. UNDERWOOD:

H. Res. 44. Resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Mr. HALL of Ohio (for himself, Mr. WOLF, Mr. FRANK of Massachusetts, Mr. SMITH of New Jersey, Mr. KENNEDY of Rhode Island, Mrs. MORELLA, Mrs. LOWEY, Mr. LANTOS, and Mr. PORTER):

H. Res. 45. Resolution to honor 1996 Nobel Peace Prize recipients Bishop Carlos Felipe Ximenes Belo and Jose Ramos-Horta, and to express support for the process of building a just and lasting peace in East Timor; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

16. By the SPEAKER: Memorial of the House of Representatives of the State of Iowa, relative to House Concurrent Resolution 4: requesting the Congress of the United States to submit to the States for ratification a balanced budget amendment to the U.S. Constitution; to the Committee on the Judiciary.

17. Also, memorial of the Senate of the State of New Jersey, relative to Senate Resolution No. 72: urging the President and the Congress of the United States to reauthorize the Federal Intermodal Surface Transportation Efficiency Act of 1991, and to insure that the respective Federal funding amounts for highway and mass transportation are not reduced below current levels; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1: Mr. KLUG, Mr. KOLBE, Mr. FOLEY, Mr. EHRLICH, Mr. DOOLITTLE, Mr. DUNCAN, Mr. COBLE, Mr. HANSEN, Mrs. CHENOWETH, Mr. TAYLOR of North Carolina, Mr. NETHERCUTT, Mr. DICKEY, Mr. DELAY, Mr. WELDON of Florida, Mr. CHRISTENSEN, Mr. BOB SCHAFFER, Mr. ROHRABACHER, Mr. HILLEARY, Mr. SAM JOHNSON, Mr. LATHAM, Mr. BARR of Georgia, Mr. SMITH of Michigan, Mr. DREIER, Mr. DEAL of Georgia, Mr. SCARBOROUGH, and Mr. SNOWBARGER.

H.R. 40: Mr. FORD, Ms. JACKSON-LEE, and Ms. NORTON.

H.R. 55: Mr. KING of New York, Mr. EVANS, and Mr. WALSH.

H.R. 58: Ms. STABENOW, Mr. COBURN, Mr. YOUNG of Alaska, Mr. LAMPSON, Mr. PORTMAN, Mr. HULSHOF, Mr. BAESLER, Mr. BERMAN, Mr. NEAL of Massachusetts, Mr. MURTHA, Mr. DIXON, Mr. RANGEL, Mr. HEFNER, Mr. LANTOS, Mr. HINCHEY, and Mr. FROST.

H.R. 96: Mr. ENSIGN.

H.R. 113: Mr. SENSENBRENNER, Mr. ROYCE, Mr. HASTERT, Mr. WELDON of Pennsylvania, Mr. CHRISTENSEN, and Mr. WATTS of Oklahoma.

H.R. 292: Mr. STEARNS and Mr. OXLEY.

H.R. 367: Mr. LEACH, Mr. FROST, Mr. CAMPBELL, Mr. MCINTOSH, Mrs. KELLY, MR. MANZULLO, Mr. POSHARD, Ms. NORTON, Mr. LIVINGSTON, Mr. BARTLETT of Maryland, Mr. STEARNS, and Mr. PACKARD.

H.R. 426: Mr. BATEMAN, Mr. PICKETT, Mr. BONILLA, Mr. CASTLE, Mr. CANADY of Florida, Mr. PRICE of North Carolina, and Mr. WOLF.

H.R. 471: Mr. MCCOLLUM, Mr. ROHRABACHER, Mr. BRYANT, Mr. HORN, Mr. CONDIT, Mr. TRAFICANT, Mr. ROYCE, Mr. DUNCAN, Mr. SOLOMON, Mr. GOODLATTE, Mr. SHUSTER, Mr. PACKARD, Mr. PITTS, Mr. WELDON of Florida, and Mr. SENSENBRENNER.

H.R. 475: Mr. STEARNS and Mr. ENGLISH of Pennsylvania.

H.R. 498: Mr. DELLUMS, Mr. FATTAH, Ms. NORTON, and Mr. PETRI.

H.R. 500: Mr. CUNNINGHAM, Mr. MEEHAN, Mr. PALLONE, Mr. HORN, and Mr. SHERMAN.

H.R. 600: Mr. STARK, Mr. WEXLER, and Mr. WAXMAN.

H.R. 604: Mr. CANNON.

H.R. 625: Mrs. MORELLA, Mr. LOBIONDO, Mr. ENGLISH of Pennsylvania, Mr. EVANS, and Mr. KENNEDY of Rhode Island.

H.R. 635: Mr. POSHARD, Mr. DEFAZIO, and Mr. EVANS.

H.R. 647: Mr. PORTER.

H.J. Res. 1: Ms. DUNN of Washington.

H.J. Res. 27: Mr. SMITH of Michigan.

H. Con. Res. 13: Mrs. LOWEY and Mr. FARR of California.

SENATE—*Monday, February 10, 1997*

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Oh God of hope, who inspires in us authentic hope in You, we thank You for the incredible happiness we feel when we trust You completely. The expectation of Your timely interventions to help us gives us stability and serenity. It makes us bold and courageous, fearless and free. We agree with the psalmist, "Happy is he * * * whose hope is in the Lord his God"—Psalm 146:5.

You have shown us that authentic hope always is rooted in Your faithfulness in keeping Your promises. We hear Your assurance, "Be not afraid, I am with you." We place our hope in Your problem-solving power, Your conflict-resolving presence, and Your anxiety-dissolving peace.

Father, the Senators and all who work with them face a busy week filled with challenges and opportunities. Important decisions must be made, an amendment to the Constitution considered, a crucial meeting of the leaders of the Congress with the President and the Vice President held. And in it all, we have a vibrant hope that You will inspire the spirit of patriotism that overcomes party spirit and the humility that makes possible dynamic unity. Give us hope for a truly great week of progress. In the name of our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator NICKLES, is recognized.

Mr. NICKLES. Mr. President, thank you.

THE CHAPLAIN'S PRAYER

Mr. NICKLES. I wish to thank the Chaplain again for a beautiful prayer. As always, he is very eloquent, very inspirational, and I think it would certainly behoove all of us to pay tribute and guidance to his lesson this morning.

SCHEDULE

Mr. NICKLES. Mr. President, today the Senate will be in a period of morning business until 1 o'clock this afternoon. At 1 o'clock, the Senate will resume consideration of Senate Joint Resolution 1, the constitutional amendment requiring a balanced budget. By unanimous consent, Senator WELLSTONE will be recognized to offer an amendment or two at 1 p.m. We hope to be able to complete all debate on Senator WELLSTONE's amendments today. However, any votes ordered on those amendments will occur during Tuesday's session.

Beginning at 3:30 today, the Senate will resume 2 hours of debate on Senator DURBIN's amendment regarding economic hardship. Under the order, a vote will occur on or in relation to the Durbin amendment at 5:30 this afternoon. I want to repeat that there will be a rollcall vote at 5:30 this afternoon. I also remind my colleagues that the Senate is scheduled to adjourn for the President's Day recess on Thursday of this week. In addition, tomorrow President Clinton is coming to the Capitol for a meeting, and also for Senators' information, the funeral for Ambassador Harriman is scheduled for Thursday. Therefore, this week will be busy as we continue to make progress on the balanced budget amendment and consider any nominations that may become available.

I might mention that it is possible we could have a vote on the U.S. Trade Representative this week, and it's even possible on Congressman RICHARDSON, who is up for U.N. Representative. As always, we will try to keep all Senators advised on the schedule for the remainder of the week, as well as any ordered rollcall votes. There is a vote this evening at 5:30 in relation to the Durbin amendment.

I thank my colleagues and I yield the floor.

The PRESIDING OFFICER (Mr. BURNS). The time now being controlled is controlled by the Democratic leader or his designee.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I yield myself the time of the Democratic leader. If the Chair will alert me at the end of 15 minutes, I will appreciate that.

The PRESIDING OFFICER. I will do so.

THE PRESIDENT'S BUDGET PLAN

Mr. CONRAD. Mr. President, the President of the United States has now submitted his budget, a plan that extends for 5 years, a plan that continues us on the path of deficit reduction, a plan that will continue to reduce the role of the Federal Government in the life of the country, but one that will emphasize the priorities that he stressed in the most recent campaign—an emphasis on improving educational opportunity in the United States, a desire to preserve the important priorities of caring for our senior citizens through the Medicare Program, of also preserving the social safety net, and at the same time reforming the welfare program to provide that people who are in need of assistance go to work, where possible. All of these are contained in the President's latest budget submission.

I have heard a fair amount of criticism from various circles about various elements of the President's plan. I think it's appropriate to respond to those criticisms so that people who are watching this debate unfold have a balanced view of what the President has proposed.

One of the criticisms that I have heard is that the President is proposing significant increases in Federal spending. Mr. President, if one looks at the fairest measure of what is happening to Federal spending, one comes to quite a different conclusion. I have prepared this chart that shows what has happened since 1992, back when the deficit was $290 billion. It shows what has happened to Federal spending as a percentage of our national income. Also described is the gross domestic product. It is perhaps the fairest measure of what is happening to the Federal budget, because it looks, in inflation adjusted terms, at what is happening to Federal spending.

One can see by this chart that back in 1992 we were spending, at the Federal level, nearly 22 percent of our national income. In fact, it was 21.8 percent. Because of the 1993 budget deal that has done a dramatic job in reducing the Federal deficit by both cutting spending and also raising income taxes on the wealthiest 1 percent in this country, you can see what has happened. Spending, as a share of our national income by the Federal Government, has gone down—20.8 percent in 1996. Revenue went up, narrowing the gap between spending and revenue, and as a result, reducing the deficit. You can see, according to the President's plan, that Federal spending stabilizes for 1 year at 20.8 percent of national income and then starts declining each and every year until Federal spending declines to 19 percent of our national income.

Mr. President, that is dramatically lower than in any year under either the Reagan administration or the Bush administration. In fact, if you look back

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

in terms of what the Federal Government was spending as a percentage of our national income in the years of President Reagan and President Bush, what you will find is that spending ranged between 22 and 23 percent of our national income. And so President Clinton's plan, which is to take us to 19 percent of our national income going to the Federal Government, is a dramatic reduction and put us at the lowest levels that we have experienced for a very long time.

Another thing that we have heard is that the President's plan uses a rosy scenario.

Mr. President, I am a former tax commissioner of my State. One of my jobs was to project the revenue of the State of North Dakota. One of the reasons I am here is I did a pretty good job of that. We are conservative. We were able to develop substantial surpluses because we had accurate projections of our income. That is critically important at the national level. And in order to make a determination as to whether or not this administration has been guilty of rosy scenarios perhaps it is most helpful to look at the record. What did they project and what has happened? Mr. President, the record is abundantly clear.

This chart shows from 1993 to 1995 the projection for 1996 and what has happened. The blue line is the Office of Management and Budget controlled by the President. The red line is the Congressional Budget Office controlled by Congress. The green line is what has actually happened with the deficit. Interesting: What one finds is that both OMB and the Congressional Budget Office have been overly pessimistic. The fact is the deficit has declined much more sharply than either of them predicted. That is the fact. That is the record. The deficit during the term of this President has declined much more sharply—on average $50 billion a year more—than this administration predicted. No rosy scenarios here. They have adopted a very conservative fiscal outlook not only in the 4 years that they have had responsibility for it but also looking forward. In fact, they are right in the mainstream of the blue chip economic forecasters that our major corporations rely on for their forecasts.

Mr. President, we have also heard criticism that the President's plan is back-end loaded; that is, 75 percent of the savings are in the last 2 years of this 5-year budget plan. Mr. President, I would like to see less back-end loading as well. I think it would be better if we have less in the way of back-end loading. But our critics on the other side of the aisle I think have a credibility problem because if you do a fifth of what they proposed last year in the budget resolution that they passed right in this Chamber, you take this deficit reduction path which is the blue line, and you fit President Clinton's 1998 budget submission in his proposed deficit reduction path and put the two together, look what you find. They are almost identical. This is what our friends on the other side of the Chamber here voted for just last year. It was OK then. But all of a sudden now the President proposes a deficit reduction path that is almost identical to the one they proposed, and all of a sudden it is a gimmick.

I think we can test the credibility of that statement just based on the facts. If one looks at the historical record to make judgments on who has credibility with respect to deficit reduction and who does not, let us just look at the last three administrations. Let us look at the facts that nobody can dispute.

These are the actual budget deficits year by year during the Reagan administration, the Bush administration, and the Clinton administration. Look what we see. In 1981 at the start of the Reagan administration the deficit was $79 billion. It exploded promptly. Two years later we were up to $208 billion. It kept going up to $221 billion. Only at the end did we see the deficit start to come back down. Then the Bush administration took over, and it was all red ink. He took the deficit from $153 billion and ran it up to $290 billion.

This is historical fact. There is no question about these numbers. These are the official numbers of the Federal Government. In fact, these numbers come from the Congressional Budget Office.

Then President Clinton came into office, and each and every year the deficit has declined. In fact, we have gone from a deficit of $290 billion in the last year of the Bush administration—this chart shows $116 billion deficit for the most recent year. Actually it was somewhat better than that. When the final numbers came in, the deficit was down to $107 billion. So there is a dramatic reduction in the budget deficit during the Clinton years.

Another way of looking at that is to look at these deficits with what is really the best way to measure, and that is as a percentage of our national income. That is the best way to measure it because that takes account of the inflationary changes over time. So you are comparing apples to apples instead of apples to oranges.

There we see the deficit record of this administration in comparison to the previous two administrations in an even more stark way. Because when President Reagan came into office, the deficit was 2.6 percent of our national income. Within 2 years, it was up to 6 percent of our national income. Then it worked its way back down to 3 percent. Again, President Bush took over, and in each and every year as a percentage of our national income the deficit went up—went up, went up until it was 4.7 percent of our national income by the last year of the Bush administration. And in the 4 years of this administration, each and every year, largely because of the 1993 budget deal, which every Democrat—or virtually every Democrat—voted for and every Republican voted against, we got the deficit going down; not talking about reducing the deficit but finally results. It went from 3.9 percent of our national income. And this chart shows down to 1.5 percent of our national income in the most recent year. Actually, it was somewhat better than that, as I indicated on the other chart. We actually got down to 1.4 percent of our national income.

Not only is that good performance when we match against the historical record of the United States but, if we look at other industrialized countries, we see that we now have the lowest deficit of any of the major industrialized countries in the world as measured against the size of our national income. In fact, other countries in Europe have a deficit as much as 7 percent of their national incomes. Most of them are in the 4 and 5 percent range.

So the United States has not only done well matched against its own historical record during the Clinton administration but has done remarkably well in comparison to what has happened in other major industrialized countries. Partly because we have had that kind of very successful deficit reduction, we have seen a remarkable economic progress in the United States. And the list is a long one of the positive economic results that have come because we put in place a plan that actually reduced the budget deficit. That took pressure off of interest rates, and that had the very helpful effect of spurring economic growth in this country.

Let us just look at some of the very positive results.

First of all, we have seen 11 million new jobs created in this country in the 4 years of this administration—11 million new jobs. That is a remarkable record. We have also seen unemployment come down. Unemployment has dropped a full 2 percentage points. caca dldllfldlksdklmcdl We have seen inflation at very low levels. In fact, we have the best record of sustained low levels of inflation in 20 years.

Those are not the only outstanding economic results. We have also seen median household income up, the largest increase in a decade. We have seen the largest decline in income inequality in 27 years in this country. I think that is something of great concern to anybody who is worried about the future of America. That has happened as a result of an economic plan that was put in place in 1993.

There are 1.6 million fewer people in poverty. That is as of last year. That is now over 2 million fewer people in poverty, the largest drop in 27 years.

The poverty rate for the elderly in America is at 10.5 percent, its lowest level ever, lowest level of elderly poverty in the history of our country, and the biggest drop in child poverty in 20 years.

These are facts. This is a remarkable economic record and one of which this administration can be justifiably proud.

We used to talk in America a lot about the misery index. Our friends on the other side of the aisle always used to like to talk about the misery index and how bad a thing that was and how bad the situation was in America. Well, we have good news to report because the misery index, which is a combination of the unemployment and inflation rate, is at its lowest level in 28 years—lowest level since 1968.

These are facts. These are facts of deficit reduction because of a plan that some of us had the courage to vote for in 1993, a plan that worked—a plan that has made dramatic progress in reducing the budget deficit but one that has also had extremely good effects in the rest of our economy, creating jobs, building economic growth, lowering poverty, and doing a whole series of things that have made America now the most competitive nation on the face of the globe.

For a number of years there, we were very concerned that the United States could not remain competitive, and we thought the Asians were passing us. We thought the Japanese were passing us. We were concerned the Germans were on the march and on the move and we were stopped dead in our tracks.

For the last 2 years, when the experts analyzed the competitive position of the countries, the major industrialized countries in the world, the United States was No. 1. We have resumed our top position. It is due in no small measure to the economic plan that we put in place in 1993.

Some who are listening might say, well, this is a Democratic Senator speaking, and he is being partisan in terms of analyzing who should get the credit for what has happened since that 1993 financial plan was put into place. It is not just the view of this Senator. It is not just a review of the facts that lead us to this conclusion. Mr. Greenspan, testifying last year at about this time, said the deficit reduction in President Clinton's 1993 economic plan was:

> An unquestioned factor in contributing to the improvement in economic activity that occurred thereafter.

Mr. Greenspan is not a partisan. Mr. Greenspan, in fact, I think is a prominent member of the other party, but he acknowledges what is true, and what is true is very clear. This administration has made the hard choices. They made them in 1993, when a lot of us stood up and joined them in making the hard choices, and we paid a terrible price in this party at the polls in 1994 because those hard choices did cut spending. Yes, they did raise revenue, raised incomes taxes on the wealthiest 1 percent in this country.

I had a woman stop me the other day in Fargo, ND, and she said, "You have to quit raising taxes down there in Washington." I asked her if she made $140,000 a year. She said, "Oh, certainly not." I said, "Well, you did not have your taxes raised. You did not have your taxes raised unless you are making $140,000 a year. Your income taxes have not gone up."

That is the reality. That is the truth of the matter. I think as we go through this budget debate we ought to remember precisely how we got to where we are. The fact is that 1993 budget plan, which some of us voted for that has made such a profound difference, by the year 2002 will reduce the indebtedness that would have otherwise occurred by $2.5 trillion. Incredible. You look back to 1993. All of the projections were that the debt and deficits were going to skyrocket, they were going right off the charts. But we took action. Some of us voted for a plan that has produced real results, and the day before yesterday Mr. Raines, the head of the Office of Management and Budget in this administration, was able to report that by the year 2002 the 1993 budget plan will have reduced what would have otherwise occurred in terms of the growth of the debt by $2.5 trillion.

Those were hard choices that had to be made in 1993, and they were made, and the result is that we are in very a fortuitous position of having more to do, we need to do more, but we are pretty close to where we want to get.

Mr. President, how much time remains on our side?

The PRESIDING OFFICER. There are 4 minutes remaining.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. CONRAD. Mr. President, before the Senate is the question of the balanced budget amendment to the Constitution of the United States. I testified 2 weeks ago before the Judiciary Committee on this question.

I believe deeply in the need to balance the Federal budget. We have a responsibility to do that because just over the horizon, even with all the progress that has been made here, we have the demographic time bomb lying out there, and that time bomb is the retirement of the baby boom generation. When they start to retire, they are going to dramatically increase the number of people who are eligible for our major Federal programs. In fact, in very short order, they are going to double the number of people who are eligible for Social Security and Medicare and other programs like veterans' benefits. So, while enormous progress has been made, we have to do more. We have to do more.

Some say the answer is an amendment to the Constitution. Properly crafted, I would support an amendment to the Constitution. But the one before us is not properly crafted.

Let me just give three reasons why I believe it is not properly crafted. First, the balanced budget amendment before us in this Chamber will not balance the budget at all—not at all. Boy, would the American people be surprised to find out, if this passes, that come the year 2002, when the budget is supposed to be balanced, the debt is still increasing. Won't they be surprised after having been told that the Senate and the House have passed a balanced budget amendment to the Constitution of the United States.

Why is that the case? Why would the debt be increasing even after the year 2002 if we have a balanced budget amendment to the Constitution?

The answer is very simple. The definition of balanced budget that is in this amendment is not the definition of a balanced budget at all, because it includes every penny of Social Security surplus that is going to accrue to the Federal Treasury between now and the year 2002 and in the years thereafter. This balanced budget amendment, so-called balanced budget amendment, would loot and raid the Social Security trust fund of $450 billion over just the next 5 years, take every penny of Social Security surplus, throw that into the pot, and call it a balanced budget.

No private employer in this country would be able to take the retirement funds of their employees and throw those into the pot and say they balanced their operating budget. In fact, that would be a violation of Federal law. That is what the Federal Government is doing today for Social Security trust fund surpluses, and under this so-called balanced budget amendment to the Constitution, that flawed principle would be enshrined in the Constitution of the United States.

I often wonder, what would Thomas Jefferson think of putting in the Constitution of the United States a definition of a balanced budget that included every trust fund dollar and call that a balanced budget? I wonder what Benjamin Franklin would think of that. I do not think they would buy that, and we should not buy it.

The second major problem with this balanced budget amendment is it makes inadequate provision for a national economic emergency. We know that the right policy today is to cut spending and balance the budget. That is precisely what we ought to do. That was precisely the wrong thing to do in the depths of the Great Depression, because raising taxes and cutting spending in the midst of the Depression simply would make the Depression longer

and deeper. We have to pass an amendment here that can stand the test of time. The one before us now simply does not.

The third and final point: The balanced budget amendment before us now assumes that the Court will enforce this amendment. Can you imagine? We can have a situation in which the Supreme Court Justices are sitting around a table, just a block from here—in fact, I can almost see the Supreme Court through those doors—and we would have the Justices of the Supreme Court sitting around a table writing a budget for the United States, deciding perhaps to raise taxes to balance the budget, deciding they are going to cut funding for transportation or education, deciding what is going to happen that affects America in a disaster, perhaps an earthquake in California or some calamity in Florida. We are going to have unelected judges sit around a table and decide the budget of the United States. Is that really what we are going to do?

I can tell you this, I come from a rural State. I do not think any of those Justices know much about agriculture. I do not think they know much about farming. I do not think they know much about the cattle business. I do not think they know much about rural America at all. Most of them are from more populous areas.

So I just say there are fatal flaws in this balanced budget amendment that is before us today, and we ought to take steps to improve it.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I believe that we have special order time for 12:30 to 1?

The PRESIDING OFFICER. The Senator is correct.

Mr. THOMAS. We will expect several more of my associates here, but I will begin that.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. THOMAS. It is interesting to stand here beside these budgets that have gone on for 26 years—this is less than that—and to then have to say we have not balanced the budget in all that time. Yet, we hear constantly that we do not need to do anything differently than we have been doing. It is hard to imagine that you are going to have different results if you do not do something different.

I was interested in the comments of the Senator from North Dakota. Each of us has a little different idea about what has happened and what has occurred in terms of economics. Each of us has a little different idea about why we made some progress over the last several years in reducing the deficit. Certainly one reason is we raised taxes so that the average payment of taxes in this country is now about 40 percent of the income to families. You can balance the budget that way if you want to continue to let Government grow. Continue to raise taxes; that is a way to balance the budget. That is partly what this whole discussion is about.

Interestingly enough, the Senator talked about the balanced budget amendment looting Social Security. I was going to ask the Senator, if he was still here, whether Social Security income is in the budget that he talks about that the President is going to balance by 2003. Of course it is there. All the trust funds are there that he says you cannot put into a balanced budget amendment. They are in the budget that the Senator brags about balancing. If you took the Social Security out of it, by that time you would have to raise $700 billion additional to do that. This is a unified budget.

So, it is interesting how we seem to have different views. I guess if we did not have different views, why, there would not be any discussion about this. We would either do it or not. Basically, one of the differences, I think, between those of us here who want to have a balanced budget amendment to ensure that we, in fact, in the future have a balanced budget and have fiscal responsibility is whether you want more and more Government or whether you want a balanced budget to have something to do with holding down the size of Government and the increase in taxes. That is the choice. If you are going to use the balanced budget amendment simply to grow, and use the balanced budget, as the President has this year, to have an increase in spending by $1.5 trillion, then that is a choice. The other choice is to allow families to have more of their own money and spend it as they choose, to have a smaller central Government and move some of those activities to local governments, to States and counties. So that is the decision.

It has been, I think, a most interesting discussion. Of course, the budget is, I think, the key to what we do here. Obviously, there are many other things that the Government must do and that the Congress must do and the administration must do, but it all pretty much turns around what you do with the budget. The budget is a guideline of where you go, what your priorities are, what your spending is. It is also a guideline of your idea of how large Government is, as opposed to a reduced size Government. It has to do with how much tax you intend to levy. So the budget is the key to where we have been. We talked about it for years and will continue to, I suppose, forever. It has a great deal to do with what you believe is the responsibility of this Congress and the responsibility of the Government, and the responsibility of you and me, Mr. President, to establish a spending pattern in which we are responsible for the spending we incur and not pass it on to all of our children and on to future generations, which is precisely what we have done now.

I hear some on the TV saying, "Well, a balanced budget isn't that important. The deficit really isn't that important." The interest payment on the deficit this year will be about $250 billion, almost as much as defense. It will soon be more than defense. If it continues as projected, it will be $330 billion a year out of the budget to pay interest on the debt. So it is important. It has to do with responsibility.

The Senator from North Dakota mentioned Jefferson. Jefferson had a strong feeling about budgets. Let me quote from the desk of Thomas Jefferson:

> 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. I mean an additional article taking from the Federal Government the power of borrowing.

Thomas Jefferson said if you are going to use it, you ought to pay for it. And certainly he's exactly right.

I think we need to look at the benefits of having a balanced budget. We have talked about it a great deal. It is not just a benefit to the country, it is not just a benefit to the economy, it is a benefit to you and me in our lives.

It's a benefit to you and me in what we have to pay to do the things we have to do. On an $80,000 mortgage, the savings per year with a balanced budget amendment with a reduction in interest could be $1,272 for the average family. On a $15,000 car loan, monthly payments would be reduced by 200 bucks. It's a real benefit for us, as well as being the financially and morally responsible thing to do.

Some say, "Just do it, we don't need an amendment." Good idea. The evidence, however, is that that is not the case. The evidence is that we have talked about it for 26 years, through good times and bad. We say, "Well, you have to leave it flexible enough for emergencies." I certainly agree with that, and this balanced budget amendment has that provision. But we have done it through good times and bad. We have wanted to spend more than we have been willing to pay in, and that's what it is about.

We say, "Just do it." I don't think there is any question but what the President's budget doesn't just do it. The President's budget doesn't get us there. The President's budget doesn't balance the budget over a period of time.

Really, there is very little reason to oppose a balanced budget amendment. There are a number of reasons that are

given, a number of excuses that are given. Social Security is one. Almost everyone who looks at it says, if you want to save Social Security, it needs to be part of the integrated budget. Right now, there is a surplus in Social Security. We know there will not be later, and we will have to make that accommodation.

If you take Social Security out of it, I wonder how many things will be put into the Social Security Program by the Congress so they would be off budget. We have been through that before. We have seen that happen before.

Oversight by the court? How many States are there that have a balanced budget amendment of some kind? There are 40, I believe. We do in Wyoming in my home State. The court's job is to say if you haven't balanced the budget in terms of revenues equaling expenditures, then you fix it. That is the authority that they should have.

An emergency? It provides for an emergency with 60 votes, a supermajority. If we have an emergency, 60 votes would not be hard to get.

Mr. President, I think we will be going forward for some time now, for a couple of weeks, talking about the balanced budget amendment, talking about the benefits that it has to this country, the benefits that it has to American families. And I am hopeful that we have now come to the position where we will say, "Look, let's pass this amendment, send this amendment to the States, and three-quarters of the States will have to ratify it." I believe there is strong feeling among the American people, that among all things, we ought to be financially and fiscally responsible, that we ought not to pass on these debts to our offspring.

So, Mr. President, a number of us have come to the floor this morning to talk about that. I believe very strongly that it is the responsible thing to do. I believe that the amendments that we will have are not designed to strengthen our responsibility but, indeed, to kill the amendment so that there will not be the constant of fiscal responsibility applied to our future budgeting. And, therefore, I feel very strongly that it ought to pass.

I appreciate the opportunity to share some of those thoughts. I now yield to my friend, the Senator from Iowa, for 10 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Thank you, Mr. President. I thank the Senator from Wyoming. He has made very clear the need for this amendment. Most importantly, he has stressed what can legitimately be stressed on the floor of this body: that the political laboratories of our American system of Government, our State governments and our State legislatures have had much success with constitutional requirements for a balanced budget, making those State legislatures, be they controlled by liberals or by more conservative people, have a sounder fiscal policy, and a sounder spending policy than what we have had in the U.S. Congress. This is all due to the fact that each one of those State legislators takes an oath to uphold the laws and the constitution of their State, and when those respective constitutions require a balanced budget, they are carrying out their duty, not only to be fiscally sound, but also carrying out a constitutional mandate that they swore to uphold.

So those of us who support a constitutional amendment suggest that we need the fiscal discipline that will come from a constitutional amendment, which would not be necessary if the Members of the Congress in the last quarter century had been as responsible as the Members of Congress in the first 175-year history of our country. During that period of time, except during wartime, we had balanced budgets, in a majority of the cases, and had just a general understanding that it was our responsibility for a present generation to live within its income and not put off, as we have been doing for the last quarter of a century, the debt to children and grandchildren.

We are at it again in 1997, like we have in most of the recent Congresses, trying to get just one or two more votes to pass a constitutional amendment requiring a balanced budget, which takes a two-thirds vote. When you are one or two votes short of, over the last decade, getting it passed, that means that the vast majority of the Members of this body feel it necessary to amend the Constitution but, quite frankly, coming up just a few votes—last year, just one vote—short of the required two-thirds vote to pass it.

So all of the hue and cry that you hear from the other side, from the opponents of this approach of amending the Constitution to require a balanced budget, represents a minority of this body, a small minority of this body, just a third or just a little over a third. This year we hope that the opponents are just a little bit less than a third, so we get the two-thirds necessary to pass it.

These are the diehards who still believe that it's fine for us to spend in our generation and let our children and grandchildren pick up the bill for our living high on the hog.

We have heard several concerns which have been raised by the opponents of a balanced budget amendment, and I believe that these concerns are simply a mask for the opposition to the balanced budget amendment. I want to address those concerns.

First of all, some in Congress have argued that the balanced budget amendment would result in the Federal courts becoming heavily involved in the budgetary process that was meant by our constitutional writers to be a legislative prerogative. It is my firm belief that such a concern is completely unwarranted. It is just another excuse not to enact a balanced budget amendment, which the American people want by huge margins, and which will force fiscal discipline on those who are making this argument against this constitutional amendment. Experience has shown that the Federal courts are very reluctant to enter into the budgetary issues and the political controversies.

In order for Federal courts to hear a case, the person filing a lawsuit must have what lawyers call "standing to sue." That is, the person must show that he or she has suffered a unique injury resulting from the balanced budget amendment and that this injury can be corrected by the Federal courts. If the person suing the Government cannot meet these requirements, then he or she has no standing and the court will not hear the case.

For several reasons, I believe that it is unlikely that the courts would determine such a person has standing to bring a case under the balanced budget amendment.

The courts are very strict in insisting that standing requirements be met by citizens who wish to sue the Government. In case after case, the Federal courts have refused to permit citizens to challenge Government action solely on the basis of being a taxpayer. Therefore, there is absolutely no reason to fear a flood of litigation over the implementation of the balanced budget amendment.

The most important reason I do not expect to see a flood of Federal cases is that once the balanced budget amendment is passed and ratified, Congress, taking the oath to uphold the Constitution, will naturally abide by it. With the force of a constitutional amendment mandating fiscal responsibility, we will be obligated to produce a balanced budget. By obeying the constitutional law, there will be no reason for any citizen to take Government to court.

Having seen such an amendment work in my home State of Iowa, I am confident that it will force us here in Washington to be disciplined in our spending. In my view, the courts will have no need to become involved in the budget.

Clearly, the balanced budget amendment does not provide any basis for the court to micromanage the budget process, as has been indicated by the opponents of this amendment. Without mentioning the issue of judicial review, the sponsors of the resolution have refused to give congressional sanction to the courts to involve themselves in the budgetary decisions. I believe that explicitly putting language on the issue of judicial review in the balanced budget amendment implies that the Federal

courts might have power that we do not intend them to have and that they should not have.

Furthermore, should there be any unwarranted infringement in the process by the Federal courts, which, as I have stated, is highly unlikely, the Congress has the right, under article III of the Constitution, going back for 200 some years, to limit the Federal courts' jurisdiction.

Another baseless concern which has been raised regarding the balanced budget amendment is that it will allow the President to impound funds. Again, this is simply false. There is nothing in the balanced budget amendment giving the President new powers in the budget process. He must submit a balanced budget to the Congress. But beyond that, his role is not changed in any way.

In fact, the balanced budget amendment reaffirms the Supreme Court's ruling that the President is required to faithfully execute the law and to spend funds as directed by statute. The President therefore does not have impoundment authority over the Social Security trust fund since he must spend it.

Arguments against the balanced budget amendment on the grounds that it gives the President some new impoundment powers are simply unfounded. So, Mr. President, I think we can conclude that it is now time to pass this amendment. The American people are tired of all the excuses we have been hearing from a small minority of people who oppose amending the Constitution to force fiscal discipline upon the Congress. They know that we have to impose fiscal discipline on Washington if we are to preserve the American dream for future generations of our young people.

The American people are smart enough to know the empty excuses that have been heard today, and particularly those involving the courts, are mere delaying tactics meant to derail the balanced budget amendment.

I say to my colleagues on both sides of the aisle that we cannot allow ourselves to lose our focus on the major purpose of the balanced budget amendment—putting an end to the Federal deficit and keeping the budget balanced in the future. Let us keep our eyes on the ball and not be distracted or deterred by phony arguments. Senate Joint Resolution 1 has been carefully considered and analyzed by its supporters on both sides of the aisle. We must not allow a vocal minority and narrow partisan concerns to derail this critically important legislation and put the American dream in jeopardy. I say we need to send the balanced budget amendment to the States and let the American people decide.

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I rise in support of passage of the balanced budget constitutional amendment, Senate Joint Resolution 1. When we vote on Senator DURBIN'S amendment later today, I will urge my colleagues to oppose that measure.

The amendment of the Senator from Illinois seeks to skirt the three-fifths majority vote required by Senate Joint Resolution 1 to approve the deficit. This gaping hole would give Congress the ability to knock the teeth out of the constitutional amendment with a simple majority vote. The three-fifths requirement was placed in the balanced budget amendment so that Congress could not run deficits except during times of war or serious threat.

The Durbin amendment adds two additional situations and neglects to define them. In addition, it overrides the desire of a balanced budget by three-fourths of the States which would be necessary for the amendment's ratification. Senator DURBIN'S amendment gives Congress excuses for not balancing the budget. The American people are tired of excuses coming from Washington.

I would also like to take this opportunity to comment on the attacks that have been continued and have increased in intensity against this commonsense amendment.

Our opponents are conjuring up fatalistic and doomsday predictions about the future with their crystal balls. They are right to be concerned about a possible economic recession and the insolvency of our Social Security system. But they are wrong about the cause and the solution. If we fail to control our future, it will control us. We need to fear the future only if we fail to pass this amendment.

If there were only one social injustice in America today, it would be the mountain of debt we are leaving to our kids, grandkids, and those not yet old enough to vote today. An inheritance of debt is a cruel legacy. They will be left to wonder if we failed to remember the Revolutionary battle cry, "No taxation without representation."

Congressman J.C. WATTS stated in his recent speech:

> If things continue as they are, by the time [those people] are 25, the tax they could pay will be about 84 cents on the dollar. That's more than a shame. It's a scandal.

I concur. Let us quit cosigning on our kids' behalf without their consent.

The opponents of the balanced budget constitutional amendment say that some of us consider the Constitution to be a draft. I need to remind those opponents that the Constitution is being amended on a very regular basis without a majority vote each time it is amended by the judicial courts.

Opponents of the amendment also use the argument that it would be unconstitutional. I have never heard anyone declare a provision in the Constitution as unconstitutional. How could that be possible? Think about it.

Senate Joint Resolution 1 has wide bipartisan support. That is the only way we could get 62 original cosponsors to the amendment. The present administration has stated working together is the key to action. I wholeheartedly agree. We should not care who gets the credit for balancing the budget, Republicans or Democrats, Congress or the President, as long as it gets done.

This is something that the administration pays lip service to, but then proclaimed an all-out war on the balanced budget amendment even though they submitted a proposal just a few days ago stuffed and overstuffed with new Government programs that we cannot afford.

The President's budget purportedly brings the budget into balance by the year 2002. He has front-loaded his budget proposals with catchy, pretty little initiatives tied up in illusory little bows.

Mr. President, you cannot fill a leaking bucket from a dry well. Americans must know that long after this President has left office, Congress will no longer be able to avoid the mess. Tax hikes loom large on the horizon for many Americans in 2002 under President Clinton's plan—the exact year that the budget amendment might take effect.

The administration has declared war on the will of the American people as well. Let us take a look at some recent numbers from a CBS poll released February 4, 1997. When the American people were asked the question, "Do you favor a balanced budget amendment?" 76 percent of those polled said "yes." But when they were asked if the Federal budget would be balanced by 2002, 84 percent said no. This tells me the American people do not believe that the political leaders of today have the will to pass the balanced budget constitutional amendment. This lack of will is what creates cynicism and apathy in the American people.

Why don't we just give the individual States the opportunity to ratify the balanced budget amendment? Three-fourths of the States have to pass it before it becomes part of the Constitution. That is a tough test. We need to give the States this opportunity to force the Federal Government to come to grips with its finances just as the State governments are required to do. I found the best decisions are made closest to the people. The American people know best how a decision made here in Washington will affect them and their daily lives. Giving the States the opportunity to ratify the amendment would bring the budget closer to the people.

The administration likes playing the underdog, hoping to get sympathy votes against the amendment. They are insisting this could do severe damage to some important Government programs and the economy. This is shown

by the proposed budget for fiscal years 1998 through fiscal year 2002.

The President's plan sets up Congress and future administrations to do the heavy lifting. If we are to balance the budget by 2002, drastic cuts in programs will have to be made in the 2 years after the President leaves office. The President's proposed budget acknowledges that the deficit will increase, from about $107 billion in 1996 to $121 billion in 1998. That is not responsible and courageous leadership for next year, let alone the next 50 years. Responsible leadership requires the tough decisions to be made now, instead of continuing to ignore the problem and forcing future leaders to balance the budget when a slower economy may make it more difficult to get it done.

As the late Senator Paul Tsongas said, "There are a lot of votes in deficit spending. There are no votes in fiscal discipline." Former Senator Paul Simon also said, "People in public office like to do popular things, and there is no popular way to balance the budget." To these two highly esteemed former Democrat Senators, a balanced budget constitutional amendment is the only guarantee to fiscal discipline. It would require Congress and the President to make some unpopular, but desperately needed actions to control Federal spending. If we have the best economy in the post-World-War II era, why can't we balance the budget in fiscal year 1999, and make the necessary cuts now, instead of later when uncertainty of the future economic condition is greater.

I challenge the Members of this body and the President of this great Nation to balance the budget now, while the economy is growing. This would cause the economy to flourish even more, reducing interest rates and guaranteeing investors that a balanced budget will occur. It is also Social Security's only hope.

The Federal Government should be in the business of doing a few things well, instead of many things poorly. Our Federal budget is pockmarked with programs that do not work as intended, whose missions are obsolete, and have grown out of control. The balanced budget amendment would force the Government to prioritize programs, and then perform with better results. The American people have always been fearful of an overly intrusive and powerful Federal Government.

There is still a certain amount of anti-federalism in each of us. The natural response to the constraints put on Government by this amendment would be a limited government. This leads me to point out the advantages of a biennial budget. A biennial budget would complement the balanced budget constitutional amendment by allowing Congress to spend more time ironing out the details of a budget. A biennial budget would also allow Congress more time for oversight, making sure the various agencies and departments are effectively, accurately, and honestly performing their mission. It would also allow longer range planning by the Federal agencies, and State and local governments. The current annual budget and budget reconciliation process causes shortsighted planning. A biennial budget would allow more time for Congress to prioritize the agencies' and departments' functions.

American essayist, Artemus Ward said, "It ain't the things we don't know that hurt us—It's the things we do know that ain't so." I am talking about capital budgeting. A few opponents of the amendment have called for capital budgeting. As the U.S. Senate's only accountant, I can tell you that you are not being told the whole story.

It is misleading to speak about the need for a capital budget at the Federal level, as though it is an idea which has been championed for some time in this Chamber. It is being used solely as a means to confuse the issue on the appropriateness of the balanced budget amendment. The comparison has been made to the practice in State budgeting of separating capital and operating expenses, and paying for capital improvements through the method of issuing debt. The Federal budget has even been compared to the family budget and a home mortgage.

There are some distinctions which need to be made with the practice of sound capital budgeting in our States and homes and what has occurred here. First, a plan must be in place to replace or expand facilities and equipment based on its reasonable economic life. I would question whether or not the Federal Government even has an inventory of our existing facilities and equipment, let alone a plan for its replacement or expansion.

Second, both the States and our families borrow with a purpose, and with the full intent and capability of repayment of both the interest and the principal over a fixed period. The annual cost of this debt repayment is included within the annual budget. We not only lack a capital budget, we incur debt for day-to-day expenses. No State or family, if it hopes to remain solvent, incurs debt for the cost of operations or day-to-day living with the intent of only paying the interest.

This is exactly what we have been doing since 1969. Given the affinity of the Federal Government to borrow for normal day-to-day living, I can only guess at the problems we could generate if we were to create additional debt to finance capital improvements. It is a reasonable premise of borrowing that you don't loan money to a person who has shown that they cannot be trusted to repay what they already owe.

I will conclude with the famous words of Benjamin Franklin: "Work while it is called today, for you know not how much you may be hindered tomorrow. One today is worth two tomorrows; never leave that till tomorrow which you can do today." Now is the time for hard work and seriousness.

We must pass the balanced budget constitutional amendment. I urge all Americans to write or call your Representatives and Senators and tell them to pass the balanced budget amendment now. No more excuses—the future of our children and grandchildren and parents and grandparents is at stake.

I yield the floor.

DAIRY FARMERS AND MILK PRICING

Mr. SPECTER. Mr. President, the dairy farmers of northeastern Pennsylvania, and for that matter the entire State of Pennsylvania, and for that matter the entire Nation, are suffering very materially because of low milk prices. It is a national calamity, where dairy farmers all across the country are facing the prospect of bankruptcy because the costs of producing milk have risen so tremendously and the price of selling milk has decreased very rapidly in the course of the past several weeks and several months.

Because of this emergency state, Senator SANTORUM and I and others on the Pennsylvania delegation and really others in the Congress have been taking a close look at what is happening on the pricing of milk. This morning, the Secretary of Agriculture, Daniel Glickman, accepted the invitation from Senator SANTORUM and I and others in the Pennsylvania delegation to travel to Keystone College, located on the outskirts of Scranton, PA, to meet with and to hear the concerns of farmers. We had a very large crowd, hundreds of people. I am reluctant to say quite how many until I read tomorrow morning's newspapers, perhaps as many as 1,000 farmers.

At that time, we heard the economic plight of the farmers in very graphic and very emphatic terms. The highlight of the meeting occurred when a woman named Mrs. Swetter made the point, very, very emphatically, about the imminent difficulties faced by the farmers and how answers were needed now. This Mrs. Patricia Swetter made that point with special gusto, as did quite a number of the other farmers who spoke at the hearing.

Secretary Glickman responded that there would be an effort made to do what was possible now but commented about the difficulties of an immediate solution. That prompted a discussion on one point which I think has the prospect of doing something immediately, and that is delinking the price established by the Cheese Exchange out of Green Bay, WI, and have the Secretary of Agriculture develop an equivalent price for cheese.

Now, some may wonder why the talk of a price for cheese on the discussion of a price of milk. The reason is that the price of cheese is a very key component in establishing the price of milk. For every 10 cents on an increase in the price of cheese, the price of milk goes up $1 per hundredweight. There have been some indicators that the price of cheese is not accurate as it has been currently established. The Secretary responded in a dialog that a number of us had—the Secretary of Agriculture, Mr. Glickman, the farmers who were there, myself—that he would be willing to work now to develop an equivalent price of cheese, so that we could have a reevaluation as to the price of milk. There has been some indication that there has been some manipulation of the price of cheese. It may be that this is a subject which ought to be a matter for a hearing by the Judiciary Antitrust Subcommittee. It may also be that there ought to be a hearing from the Agriculture Subcommittee of Appropriations, or from the Agriculture Committee, on the pricing of milk, taking a close look at the issue of developing an equivalent price for cheese.

I intend, Mr. President, to submit to the Senate a sense-of-the-Senate resolution to urge and/or direct the Secretary of Agriculture to move promptly on this issue of the price of cheese, with a view to having some immediate modification on the price of milk. Secretary of Agriculture Glickman has stated his willingness to do so, recognizing the plight of the farmers but, obviously, requiring a sufficient evidentiary base to be able to make that modification.

So we are in the process now—my staff and I started in mid-morning—to try to make the determination as to the price of cheese in America, because the price established by the so-called Green Bay Cheese Exchange is about one-half of 1 percent, and may well not—in fact, probably does not—reflect the price of cheese across the country.

When we talk about helping the farmer, we talk about a great many items. We talk about increasing exports, which we are working on systematically, we talk about programs to increase cheese consumption at schools on programs purchased by the Federal Government. But the issue of milk pricing is something which requires our attention now.

It is true that the Secretary of Agriculture has a second track to change the price of cheese under a procedure that calls for public hearings and inputs, but that doesn't eliminate the basic authority. The Secretary of Agriculture explained to me that he does have the power to go on a separate track and to unilaterally delete the price of cheese from the Cheese Exchange and to establish an equivalent price for cheese. That is a matter we are pursuing, and I think a sense-of-the-Senate resolution would be a very substantial impetus to move that process along.

So I thank the Secretary for coming to northeastern Pennsylvania. He was up very, very early this morning. He had commitments back in Washington at noontime. I met him at the Scranton Airport shortly before 8 a.m. this morning. So it was an early start for him and for the rest of us and for all the farmers who appeared there. But I do think something material can be done to assist the farmers on this very important issue of milk pricing.

HONORING THE ACKERS ON THEIR 50TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data are undeniable: Individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of "till death us do part" seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Wilford and Jerry Acker of Weaubleau, MO, who on May 10, 1997, will celebrate their 50th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. Wilford and Jerry's commitment to the principles and values of their marriage deserves to be saluted and recognized.

U.S. FOREIGN OIL CONSUMPTION: HERE'S THE WEEKLY BOXSCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending January 31, the United States imported 7,140,000 barrels of oil each day, 246,000 barrels more than the 6,894,000 imported during the same week a year ago.

Americans relied on foreign oil for 52.4 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian Gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,140,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, February 7, the Federal debt stood at $5,301,813,739,040.73.

One year ago, February 7, 1996, the Federal debt stood at $4,987,177,000,000.

Five years ago, February 7, 1992, the Federal debt stood at $3,797,118,000,000.

Twenty-five years ago, February 7, 1972, the Federal debt stood at $423,588,000,000 which reflects a debt increase of more than $4 trillion—$4,878,225,739,040.73 during the past 25 years.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. ASHCROFT). Morning business is now closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Senate Joint Resolution 1.

The clerk will report the pending business.

The bill clerk read as follows:

A joint resolution, S.J. Res. 1, proposing an amendment to the Constitution of the United States to require a balanced budget.

The Senate resumed consideration of the joint resolution.

Pending:

Durbin Amendment No. 2, to allow for the waiver of the article in the event of an economic recession or serious economic emergency with a majority in both Houses of Congress.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have sought recognition to speak in favor of the balanced budget amendment.

Mr. President, this amendment has come up repeatedly during my tenure in the U.S. Senate, and I have consistently supported the balanced budget amendment because of my deep-seated view that the Congress needs this discipline if we are to balance the budget on a permanent basis. It is a very fundamental principle that people ought to live within their means—if you or I do not, we end up in the bankruptcy court—and that governmental entities must live within their means. The only exception to this issue of living within one's means has been the Government of the United States of America, which goes into further debt each year with deficits of $100 billion or $200 billion, or more, establishing a national debt in excess of $5 trillion.

This issue came into sharp focus for me recently when my wife and I were blessed with two grandchildren. We would certainly never think of imposing our financial obligations on our

grandchildren, or spending money on their credit cards for them to pay at some later date. But that is precisely what we have done as a society. We have undertaken a variety of methods to try to move toward a balanced budget with Gramm-Rudman and the so-called automatic sequestrations. That did not work. Nothing has worked, which is why I believe, in the final analysis, we need to move to the balanced budget amendment.

We had the vote last year, coming within one vote of having the amendment pass. The President is opposed to the balanced budget amendment. But I do believe that just the pendency of the amendment has been a very substantial impetus moving the administration, the President, and the Congress to balance the budget without a constitutional amendment.

President Clinton has laid before the Congress and the country what he submits is a plan to balance the budget by the year 2002. But the reality is, upon looking at the fine print, that it is unlikely to achieve that result because most of the cuts are in the last 2 years. When we come to that point, there is the inevitable impetus to eliminate those cuts. But to the extent that the pendency of the balanced budget amendment will move us to balance the budget without an amendment, that is so much to the good. Ideally, it would be preferable if we could balance the budget without having a constitutional amendment. But regrettably, that has not been our experience.

It is always difficult to turn down worthwhile programs for Federal Governmental expenditures, and it is very, very difficult, painful, and really, at the present time, impossible to have tax increases with a Congress that is controlled by the Republicans and, I think, properly declining to even entertain tax increases. So when we do have the mandate of a balanced budget, it is apparent to everyone—it is apparent to all 535 Members of Congress, and it is apparent to our constituents. How frequently have we all heard the cry or the comment of a constituent coming to see us, "I have a very important program that is meritorious and ought to be financed," and, at the same time, insisting that the taxes not go up and that the budget be balanced?

I think it is important, Mr. President, as we go over this balanced budget amendment, that we allow sufficient flexibility for our Government to respond in times of crises or emergency. I share the concern that the distinguished Senator from Illinois, Senator DURBIN, has expressed in offering his amendment. But I think that the underlying resolution covers the problem in the appropriate way by calling for a supermajority, or 60 votes, in order to waive the provisions of the balanced budget in the event that there is a recession, an economic crisis, which requires that. Therefore, I intend to vote against the Durbin amendment.

There has been very considerable comment about whether Social Security ought to be excluded from the balanced budget amendment. After very considerable thought, Mr. President, it is my conclusion that Social Security should be excluded. I say that notwithstanding my recognition of the problems there will be to balance the budget now if we exclude Social Security. But I submit that it is an artificial way of balancing the budget, which says that we ought to make expenditures which are not in excess of our income if we include Social Security, because those funds really are a trust fund to pay Social Security recipients at a later day. So what we are doing is saying we are going to spend more money, which we really can't afford now, by invading the trust fund, and we will put off for tomorrow what we are not willing to face up to today, to find a way to pay the Social Security recipients when the due date arises.

We know very well that the so-called baby boomers will present a charge on the Social Security trust fund at a later date—2020—which we will be unable to pay unless we find some way to raise taxes or some way to make other cuts which are unrealistic in the context of what we might expect at that time. It may be that in crafting a balanced budget amendment, excluding Social Security, we will have to implement it on a schedule which is realistic which will account for excluding those surplus funds at the present time. But when we talked about Social Security initially we were talking about an insurance fund concept. We were talking about setting aside the money in a way where it would be there to pay those benefits at the time when one reached the age for Social Security.

So that it is my very, very strong view that as a matter of sound financing that Social Security ought to be excluded. And this body has responded on many occasions when that issue has been presented. My late colleague, Senator John Heinz, was one of the major exponents for taking Social Security offbudget—not the only exponent but I recall the eloquent speeches which he made. And I recall many sense-of-the-Senate resolutions where we talked about putting Social Security offbudget because it is a trust fund.

I remember well during the tenure of James Baker, the Secretary of the Treasury, when there was an unusual invasion of the trust fund. I took the floor at that time and made a comment that there was really a fraudulent conversion which I believed was the case, and have analogized it to my experience as district attorney of Philadelphia when there was a trust fund and a fraudulent conversion. The people who took the money out of that trust fund were guilty of a criminal offense because, if it is set aside for a specific purpose and the trustee invades the fund for some purpose other than for which it was intended, that is a conversion and an invasion.

So while I believe very strongly that we ought to have a balanced budget amendment, I think if it is to be realistic and not a double set of books that Social Security ought to be kept offbudget.

Mr. President, I think that in constructing a timetable for a balanced budget amendment it is entirely possible to accommodate to the lesser amount of income which we have from Social Security payments in order to see to it that our current income aside from Social Security payments matches our current expenses, and that is the only way to truly have a balanced budget which I think we ought to have. And an amendment is the way to impose the discipline to be sure we will have it for the future.

Mr. President, I thank the Chair. I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague for his willingness to lead off in our efforts to pass the balanced budget amendment. Naturally, I disagree with him on the Social Security issue. But I know that he is a person of eminent qualification and one who does what he believes is right.

I have had many years of opportunity to know the distinguished Senator from Pennsylvania, and I have a lot of respect for him.

Mr. President, today we begin the second week of one of the most important debates that has ever taken place in the U.S. Senate. The subject matter goes to the heart of the Founding Fathers' hope for our constitutional system—a system that would protect individual freedoms with the maxim of limited government.

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

Like some of the provisions of the Constitution, the proposed constitutional amendment, Senate Joint Resolution 1, is an appropriate addition to constitutional limits on the powers of the Federal Government designed to increase the freedom of the people by limiting the freedom of the Federal Government to act in ways that are harmful to the people. It is identical to the balanced budget amendment that was passed by the House of Representatives in the last Congress. A number of our new Members voted for it at that time. It has broad support in the country and among Democrats and Republicans in that we need to ensure a

sound fiscal discipline in our budgeting process in order to leave a legacy of a strong national economy and a responsible national Government to our children and grandchildren.

Mr. President, our Nation is faced with a $5.3 trillion—going to $5.4 trillion—national debt that gets worse every year that we run budgetary deficits. The Government is using capital that would otherwise be available to the private sector to create jobs, and to invest in the future of this country. Increasing amounts of capital are being wasted on merely financing the debt because of spiraling interest costs. This problem presents risks to our long-term economic growth and endangers the well-being of our elderly, our working people, and especially our children and grandchildren. The debt burden is a mortgage on our children's and our grandchildren's future.

The total debt now stands at almost $5.3 trillion. By the end of this debate it may very well reach $5.4 trillion. That means every American, every man, woman, and child in this country has an individual debt burden of about $20,000 per person. It took us over 200 years to acquire our first trillion dollars of debt. We have been recently adding another $1 trillion to our debt about every 5 years. While the trends on this front seem to be better, the fact is we are still running sizable deficits every year. And, unless we take prompt and decisive action, those deficits will continue to rise again this year, next year, and year after year. In fact, if you look at the President's budget, he even waits until he is out of office before they have to make the tough decisions to really balance the budget by the year 2002.

Yet, Mr. President, opponents of the balanced budget amendment claim that there is no problem. They repeatedly point to the marginal slowdown in growth in debt over the past few years as though all our problems are solved. They say President Clinton has already dealt with this problem.

They are dead wrong. Only inside the beltway can people claim that when the debt is exceeding $5 trillion and still on the rise that we are on the right track. Everyone on Capitol Hill knows and the Congressional Budget Office has confirmed that we are currently not on a glidepath to a balanced budget, or to the balanced budget that the President may suggest. According to CBO's most recent projections, our 4 years of declining deficits that followed the enactment of President Clinton's record-setting 1993 tax hike will come to a grinding halt this year. What lies ahead is a familiar path of steadily increasing deficits rivaling anything we have ever seen before unless we take action to put us on the road to long-term fiscal discipline and balanced budgets.

As this chart behind me shows, the Congressional Budget Office predicts that under current policies the deficit will begin to rise this year and continue to rise throughout the foreseeable future. The Congressional Budget Office projects the deficit will rise to $124 billion in fiscal year 1997 and continue rising to $188 billion in fiscal year 2002. The deficits just keep rising until in 2007 our annual deficit is projected to be $278 billion. Added up, these deficits will add a total of more than 2 trillion additional dollars to the debt from now—in 1997—until the year 2007.

There is no balanced budget in this chart. And I have to tell you, I doubt that there ever will be without a balanced budget constitutional amendment putting the fiscal discipline into the Constitution that will require us to live within our means. The simple fact is that with every additional dollar that we borrow we throw more coal on the fire of the runaway train that we are all riding on.

The sad reality is shown by this stack of unbalanced budget submissions. The President's budget submission, which promises a path to balance in the year 2002, causes me substantial concern that this pile is just going to keep getting higher.

And this only lists the last 28 years of unbalanced budgets since the last balanced budget in 1969. Actually, there have only been eight in the last 66 years. But the last 28 years have all been unbalanced. Each one of these volumes represents one of those unbalanced budgets during each of those 28 years.

The sad reality is shown by this stack of unbalanced budget submissions. The President's budget submission which promises us a path to balance in the year 2002 just makes it very clear, if you believe in the Congressional Budget Office projections, that this stack is just going to grow that much higher over the next number of years.

For example, the President's new budget projects a modest surplus in the year 2002 but also requires a 75-percent deficit reduction to get there in the 2 years after he leaves office.

Now, get that. Up through the year 2000, this President's budget does not require much sacrifice or much effort to try to balance the budget. But in the years 2001 and 2002, 75 percent of the cuts have to take place, and we all know around here that that is basically impossible to do.

So the game continues, the same game we have put up with for 28 years, and it is pathetic, is what it is. This just indicates more of the same status quo, an avoidance of the tough decisions and deferral of the costs to the next guy, or should I say to our children.

Additionally, the Senate Budget Committee has suggested that recomputing the numbers under CBO's more conservative economic assumptions puts the President's budget off balance in the year 2002 to the tune of an additional $66 billion. So the President's budget that he submitted just last week is not going to balance.

The point is that we cannot yet congratulate ourselves for a job well done. There is hard work ahead for each of us to do, and there is no assurance of success. Based on the sad history illustrated by each of these 28 years of unbalanced budget submissions and the continued resistance of the President to take on the tough choices during his actual tenure in office, success is in serious doubt.

That is one of the reasons why we need a balanced budget constitutional amendment. It has been called an insurance policy that we will get the budget actually balanced in the year 2002 and, more importantly, that we will keep it balanced thereafter.

I would also note that it comes as no surprise that these increases in our Nation's debt mirror increases in Federal spending. The first $100 billion budget in the history of the Nation occurred as recently as fiscal year 1962—that was the whole budget—more than 179 years after the founding of our Republic. It took only 9 years for that figure to double, and in just another 6 years Federal spending had doubled again to $400 billion in 1977. I know, I was here. With another 6 years came another $400 billion increase in the Federal budget, and by 1986 our Nation had seen its first $1 trillion annual budget. Today we face an annual budget for fiscal year 1997 projected to exceed $1.6 trillion, as is the case under the budget recently submitted by the President.

The Federal Government's appetite for spending the American people's money is the engine that has been driving this debt up and up because it has been easier to take the money in the form of a hidden tax like interest costs and future taxes, than in the form of a direct tax.

One of most pernicious effects of the enormous deficit beast is the interest costs required to feed it. Interest on the public debt in 1996 amounted to some $344 billion. That is roughly $50 billion more than total Federal revenues in 1975. In other words, we spent less than $300 billion in 1957. In 1996, just 20 years later, gross interest costs took nearly 25 percent of all Federal revenues and more than half of all individual income tax revenue. And as this chart shows, net interest payments on the debt make up the third largest charge of our Federal budget.

It is the red pie that is taken out of the total pie—the third largest payment in the Federal budget—exceeded only by defense spending and Social Security.

It is really amazing when you look at it: Social Security spending, 22 percent, defense spending is 18 percent,

and net interest is 15 percent. And it is going up every year and will go up exponentially unless we do something about it. And yet we have the same people around here year after year saying, "Oh, let us just exercise our will and let us just do it." That is what they said for every 1 of these 28 years of these unbalanced budgets, and that is what they will be saying 10 years from now without any balanced budget, if we do not have the balanced budget constitutional amendment.

Opponents of the balanced budget amendment suggest that we cannot afford to create a constitutional impediment to deficit spending because they believe that balancing the budget will result in decreased social spending.

I do not personally understand the logic of continuing to waste such a large portion of our budget on interest on the rationale that we cannot afford to cut spending. What we cannot afford to do is continue to throw away so much of our budget on interest payments. Think of how much we could do on crime control, defense, disaster relief, health, science, and education if we had $344 billion available next year instead of paying interest against the national debt with that money.

To help my colleagues put this in even better perspective, gross interest on the debt in 1966 amounted to more than the entire defense budget of $266 billion; 99 percent of Social Security payments, $347.1 billion; 64 percent of all discretionary outlays, $535.4 billion, and nearly 45 percent of all mandatory programs of $784.9 billion.

The $334 billion of gross interest payments on the debt in 1996 could have covered our entire health spending, including Medicare and Medicaid, that is, $293.6 billion, all veterans-related entitlement spending, $18.8 billion, unemployment compensation, $22.6 billion, the cost of Federal law enforcement activities of $8 billion, and we would still have $1 billion to spare.

Last year, in fact, we spent more money on net interest payments on the debt than we did for the combined budgets of the Department of Commerce, the Department of Agriculture, the Department of Education, the Department of Energy, the Department of Justice, the Department of the Interior, the Department of Housing and Urban Development, the Department of Labor, the Department of State, and the Department of Transportation. Just think about that.

Interest on the debt is the fastest growing item in the annual Federal budget. According to the current Congressional Budget Office projections, gross interest on the debt will continue to rise substantially over the next 5 years from $360 billion in 1997, to $412 billion by 2002, and by 2007 just the interest on the debt is projected to be $493 billion.

If we keep going like we are, we are going to be paying almost everything on interest that could be used to solve a lot of problems in our society. This $495 billion is just $50 billion shy of our entire discretionary budget for the current fiscal year.

Over the past 4 years of short-lived deficit reduction, we have paid roughly $1.3 trillion in interest on the public debt. That is more than the Federal Government took in during all of 1994. Without the gross interest on the debt, we would not have had a deficit in 1996. In fact, we would have run a budget surplus of $237 billion.

But we cannot even begin to think about reallocating this money to more productive uses until we begin to reduce our debt. If interest rates go back up, the problem will be increased exponentially. Self-propelled interest costs will continue to eat a larger share of our National Treasury, destroying our choices to fund new programs and eroding our ability to keep the commitments we have already made. This is serious stuff.

And even if we are successful in passing a budget this year that will balance our budget by the year 2002, we will never begin to reduce our debt unless we can provide some assurance that such balanced budgets will become the rule rather than the exception. That is what the balanced budget amendment is geared to do.

Mr. President, both sides will recite lots of numbers and figures during the course of this debate. One such figure is our current $5.3 trillion national debt. But how does one communicate the implications of our staggering debt?

In 1975, before this recent borrowing spree, the Federal debt amounted to approximately $2,500 per person. That was each American's share of it in 1975, and the annual interest charges were roughly $250 per taxpayer. At present, the Federal debt amounts to about $20,000 per person, with annual interest charges that each person in this country, each man, woman, and child in America, has to pay, totaling nearly $1,350 per person, or roughly $2,975 per taxpayer. That is at today's interest rates, which will go even higher if we do not get things under control.

The Congressional Budget Office predicts that in the year 2002, total Federal debt will be more than $6.8 trillion. That means roughly $24,000 of debt for every man, woman, and child in America, with annual interest costs projected to be over $3,100 per taxpayer.

These last figures would mean a nearly tenfold increase in per-capita debt and a nearly twelvefold increase in annual interest charges per taxpayer since 1975. Over time, the disproportionate burdens imposed on today's children and their children by a continuing pattern of deficits could include some combination of the following: Increased taxes, reduced public welfare benefits, reduced public pensions, reduced expenditures on infrastructure and other public investments, diminished capital formation, diminished job creation, lower productivity enhancement and less real wage growth in the private economy, higher interest rates, higher inflation, increased indebtedness to and economic dependence on foreign creditors, and increased risk of default on our Federal debt.

Senator Simon would always make this point: If we keep going like we are going, ultimately we are going to have to monetize the debt—that is, print cheap money—where it will cost you a bushelful of dollars to buy a loaf of bread like it did in Germany in the 1930's, and then write off all the debt on cheap dollars. But the United States of America as we know it will be gone at that point.

Mr. President, this is fiscal child abuse and it must end. But, as I indicated earlier, there is no end in sight. After 4 years of declining deficits—financed partly with the largest tax increase in history—we have not reduced our staggering $5.3 trillion national debt 1 penny. We have only slowed the growth in the national debt.

More important, as my Republican colleagues and I predicted would happen during the debate on the President's 1993 budget package, the Congressional Budget Office now predicts—and if you look at this chart—it now predicts that annual deficits will resume their upward climb beginning this year from an annual deficit of $124 billion in 1997, to $188 billion in the year 2002, and then exceeding $200 billion the next year and reaching a near record $278 billion high in the year 2007. Even OMB's estimates from the President's newly proposed budget, which predict lower debt totals than CBO, project that gross Federal debt will top $6.6 trillion, exceeding 66 percent of our gross domestic product by the year 2002.

That means, according to their own estimates, the Clinton administration's self-proclaimed victory in bringing down the deficit will result in an additional $1 trillion or more being added to the national debt between now and the year 2002.

Mr. President, we do need to do more. It is time for Congress to pass Senate Joint Resolution 1, to permanently restore the fiscal environment in which the competition between tax spenders and taxpayers is a more equal one—one in which spending decisions will once more be constrained by available revenues. The time has come for a solution strong enough that it cannot again be evaded for short-term gain. We need a constitutional requirement to balance our budget. Senate Joint Resolution 1 is that solution. It is reasonable, enforceable, and necessary to force us to get our fiscal house in order.

There are those who oppose the balanced budget amendment because they say that Congress and the President are already committed to balancing the budget by the year 2002. As a matter of rhetoric, that is true; as a matter of what people say, that is true. But as a matter of real world politics, it is clear that the bridge between such rhetoric and reality is a rather long one.

Since 1978 alone, there have been no fewer than five major statutory regimes enacted which promised to deliver balanced budgets. This includes Gramm-Rudman-Hollings. But there has not been a single balanced budget since 1960.

Here are the 28 succeeding budgets. In about every one of these it was promised there would be an effort made to balance it, every one of which is unbalanced right up to today.

Notwithstanding all of these budget plans and the five statutory attempts to require a balanced budget that I have mentioned, the national debt has increased by roughly $4.5 trillion since 1978. In other words, nearly 85 percent of our current national debt has accumulated during the period of time in which Congress has operated within statutory budget frameworks designed to ensure the types of fiscal discipline that would be required under Senate Joint Resolution 1.

While I support the efforts of the past and commend the dedication expressed by leaders of both political parties to reaching a balanced budget, I seriously doubt whether, without the weight of a constitutional requirement to balance the budget, we will achieve balance by the year 2002. Even if we did, there is nothing to prevent future Congresses from yielding to the inherent political pressures that would lead to renewed deficit spending. We need a constitutional amendment if we are truly committed to solving this problem.

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

In seeking to reduce spending bias in our present system—fueled largely by the unlimited availability of deficit spending—the major purpose of Senate Joint Resolution 1 is to ensure that under normal circumstances, votes by Congress for increased spending will be accompanied either by votes, A, to reduce other spending programs or, B, to increase taxes to pay for such programs. For the first time since the abandonment of our historical norm of balanced budgets, Congress would be required to cast politically difficult votes as a precondition to politically attractive votes to increase spending.

The American political process is skewed toward artificially high levels of spending. It is skewed in this direction because Members of Congress have every political incentive to spend money and almost no incentive to forego such spending. It is a fiscal order in which spending decisions have become increasingly divorced from the availability of revenues.

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

Senate Joint Resolution 1 represents both responsible fiscal policy and responsible constitutional policy. Passage of this resolution would constitute an appropriate response by Congress to the desires of the people and the States for a constitutional amendment on this issue.

The Senate must approve Senate Joint Resolution 1, the balanced budget amendment. It is the right thing to do for ourselves, our children, our grandchildren, and future generations, and it will give us back responsible and accountable constitutional Government. The faithful stewardship of public funds that was so prized by our Founding Fathers can be restored for 21st century Americans.

The virtues of thrift and accountability can be rekindled by this very 105th Congress, so I urge Senators to join with me and the other 61 sponsors of Senate Joint Resolution 1 in support of the bicameral, bipartisan, consensus balanced budget amendment which has taken years to develop and for which we have fought for over 20 years.

This is the thing to do. This is the chance to do it. This is the chance to do what is right. I hope our colleagues will do so.

I apologize to my colleague who has been on the floor, who would like to call up an amendment, so I yield the floor to him at this time.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, let me first of all thank my colleague from Utah for his remarks. He has been a real leader on this. He is tenacious; he never, never gives up. I have tremendous respect for his work as a Senator, even though we are in profound disagreement on this question. But I would like to thank him for kind of matching what he does on the floor of the Senate with the kind of words he speaks.

Mr. HATCH. I thank the Senator.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Dr. Rebecca Constantino, who is a fellow in our office, be granted the privilege of the floor during the debate on the amendment I am about to propose.

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

AMENDMENT NO. 3

(Purpose: To state the policy of the United States that, in achieving a balanced budget, Federal outlays should not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 3.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Redesignate section 8 as section 9 and after section 7 add the following:

"SECTION 8. It is the policy of the United States that, in achieving a balanced budget, Federal outlays must not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children."

Mr. WELLSTONE. Mr. President, let me read this amendment slowly and carefully, because I am hoping to get a very strong vote in favor of this amendment, and I hope it will be an up-or-down vote. This is a pretty important matter amending the Constitution, and if this is going to be done—it may or may not be done—we better do it well, we better do it carefully.

This amendment says:

It is the policy of the United States that, in achieving a balanced budget, Federal outlays must not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children.

What this amendment is saying, and I will give plenty of historical and economic context for it, is that we should go on record and make it very clear that if, in fact, this constitutional amendment to balance the budget is passed, which then locks us into this goal, will make the commitment that we are not going to, as we did in the last Congress, disproportionately cut programs that affect, quite often dramatically, the nutritional or health or educational status of poor children in America.

The reason that I offer this amendment is that I think we need to have some focus on this question. There can

be arguments made, and there have been, on whether or not we ought to amend the Constitution. There can be arguments made about whether or not this is a mistake vis-a-vis our fiscal and monetary policy to make sure recessions don't become depressions. There are arguments both ways.

Senator Durbin has an amendment on the floor that says, look, if we need to move forward with an economic plan that puts the budget out of balance during a downturn in the economy, it should just be a requirement of a majority vote. I think that amendment is on the mark.

I see the budgets over the years. There could be an argument of whom to blame. I wasn't here during the decade of the eighties or prior to that time. We can argue it both ways. I think historians are going to write about a piece of legislation which was euphemistically called the Economic Recovery Act which dramatically cut tax rates. I think it became rather regressive, because most benefits went to higher income citizens, at the same time of dramatically increased expenditures in the Pentagon. I think President Bush once called it voodoo economics. All of it was to lead to economic growth. People would have more money with a tax cut, productivity, jobs. It would lead to eliminating the debt. Actually, quite the opposite happened.

That was actually borrowed money and borrowed time. It was politics of illusion. I really appreciate the focus of Senator HATCH on no longer having that illusion and the message from the people in the country that we should get our economic house in order and our political house in order. But what I am asking Senators to do, because I think we really owe it to the people we represent, is to make a commitment that one more time, as we go about achieving a balanced budget, Federal outlays must not be reduced in a manner which disproportionately affects outlays for education, nutrition and health care programs for poor children.

I hope this amendment will not be tabled. I offer this amendment with passion and with commitment to a matter that I think is very important. I think there should be an up-or-down vote, and I hope it will be adopted.

Mr. President, why the amendment? Well, because of recent history. The Center on Budget and Policy Priorities issued a report entitled "Bearing Most of the Burden: How Deficit Reduction During the 104th Congress Concentrated on Programs for the Poor." I will just read a few of their conclusions:

More than 93 percent of the budget reductions in entitlements have come from programs for low-income people. The Congressional Budget Office estimates that legislation enacted during the 104th Congress reduced entitlement programs by $65.6 billion from 1996 to 2002. Of that, almost $61 billion out of the $65.6 billion comes out of low-income entitlement programs, the largest reductions in the supplemental security income program and programs for the elderly and the poor.

Please remember, I say to my colleagues, that one out of every five children in America today is poor. Mr. President, I read an article the other day with great interest of how you, as the Senator from Missouri, have teamed up with other Senators, like Senator COATS, and you have your own commitments to really not turning our gaze away from the concerns and circumstances of one out of every seven Americans, many of them children, but you are committed to doing something.

We might have different ideas of what to do. I think that is commendable, and I know you well enough to know that you have that commitment. What I am worried about is deficit reduction based on the path of least political resistance, because I think that is exactly what we did in the last Congress. That is to say, we are afraid to take on powerful interests, so, instead, what we do is we go after the people who are not the heavy hitters, who are not the big givers, who are not well connected, and those people, all too often, in the Senate are voiceless and they are faceless and they are powerless and they are disproportionately poor children in America.

I hope my colleagues will at least support this amendment. If this passes, it happens one time. Let's get it right. If we are going to lock ourselves into balancing the budget and deficit reduction, let's lock ourselves into humane and fair priorities that we are not going to disproportionately cut programs that affect the educational and nutritional and health care status of children.

Mr. President, other than entitlements, 34 percent of the reduction in nondefense programs that are not entitlements came from nonentitlement programs for people with low incomes. Those low-income people programs accounted for only 21 percent of overall funding, but they were disproportionately cut as well.

Just looking at the 104th Congress, I offer this amendment to make sure that we make a commitment that we are not going to cut such vital programs. Sometimes we are just too generous with the suffering of others. Let's not be too generous with the suffering of poor children in America.

The Concord coalition had this to say. Martha Phillips the executive director, on November 26, 1996:

> Balancing the Federal budget—

And this has been a goal of the Concord coalition—

> and keeping it in balance is critically important, but balance ought not to be achieved principally on the backs of the poor. Every program should be on the budget cutting table. No programs, groups or special interests should be exempt or get a free ride when the budget is being balanced. But neither should the needy be singled out to bear a disproportionate share of the load.

They go on to say—this is the Concord coalition, I say to my colleagues, committed to deficit reduction. The Concord coalition goes on to say, under the able leadership of Senator Rudman and Senator Tsongas, who passed away—a real loss for our country—the Concord coalition goes on to say:

> Even though the 104th Congress, which passed the laws, and the President, who signed them, did not plan to target deficit reduction efforts on programs affecting low income people, that was nevertheless the result of both actions that were taken and those that were not.

(Mr. ROBERTS assumed the chair.)

Mr. WELLSTONE. Mr. President, there is another interesting statement from the Committee on Economic Development. By the way, I would like to congratulate the business community in our country. The Committee on Economic Development over and over and over again, over the last several years, have said, from the point of view of economic performance for our Nation, we must invest in the health, skills and intellectual character of our children. We must do that.

I quote, as a part of a letter that was written November 26, 1996, by the senior vice president and director of research of the Committee on Economic Development:

> Second, in an unfortunate surrender to misplaced ideology and political opportunism, our leaders in both political parties have increased the magnitude of the financing problem by insisting that tax reductions be included in their balanced budget plans.

That was their view. By the way, I think we are going to have to look very closely at some of those budget proposals. My understanding is the Joint Tax Committee, in projecting the majority party's tax cuts over the next 10 years, has identified close to $500 billion in the first 5 years more targeted toward middle-income people and the second 5 years more targeted toward wealthy, high-income people.

What is going to be the offset? Cuts in the nutritional and educational and health care programs for poor children in America? If that was the case, that would be unconscionable. If there was some sort of budget deal that leaves these children out in the cold, that would be unconscionable.

The senior vice president of the Committee on Economic Development goes on to say:

> Third, as a result of the fiscal pressures created by these two factors, the burden of budget austerity has fallen disproportionately on those parts of the budget, and those parts of society, that offer the least political resistance.

Actually, I have been saying that over and over again. I guess we are in

agreement. I am pleased to hear them actually state it that way.

For the budget that means that the discretionary annually appropriated programs, including those public investment activities for a society—it quite simply means the poor.

Now the quote:

As David Stockman observed a decade ago, politics triumphs over policy in seeking out weak clients rather than weak claims.

This amendment asks us not to let politics triumph over policy. This amendment asks us to seek out the weak claims, not the weak clients.

This amendment says we go on record that when we balance the budget, we will not cut disproportionately those programs that affect the health care, nutritional and educational status of poor children. We ought to have 100 Senators voting for that. We can go forward to balance the budget. We can go forward with deficit reduction. But given the way we did it in the last Congress, and the evidence, I must say to my colleagues, it is irreducible and irrefutable that we ought to at least make this commitment.

Mr. President, the Washington Post in an editorial written today had this to say:

The balanced budget debate is only in part what it purports to be—an argument over the deficit, savings, growth, and the shifting of cost to the next generation. It is also a sharp debate over social policy, conducted in fiscal code. If you decide to balance the budget, the question immediately becomes, at whose expense? The budget is by its very nature a redistributive device. On balance, it tends to move money from people who are better off to those who are not. If you narrow the deficit, will it end up doing more of that, less or about the same?

This editorial goes on to make the argument that if we are going to do it, we ought to do it on the basis of a standard of fairness. We did not do that in the 104th Congress.

This amendment asks the U.S. Senate, in the 105th Congress, Democrats and Republicans, to go on record that if we are going to balance the budget, we are not going to do it on the basis of the path of least political resistance and not going to go after weak clients. We are going to go after weak claims. And we are not going to end up passing budgets that disproportionately cut programs that affect the health, nutritional and educational status of poor children in America.

If I were to get 100 votes, I would feel like I have died and gone to Heaven. I really would. I am so hopeful that my colleagues will vote for this amendment.

Mr. President, in an interesting poll result, the Committee for Education Funding points out that whereas there is support for the constitutional amendment to balance the budget—and there is. I have been opposed to it. You have to ultimately follow your conviction and vote for what you think is right or wrong. Senator HATCH clearly takes another position, and he votes his conviction. No one would ever say otherwise.

But it is interesting that public opinion polls show—according to the Committee for Education Funding—that 90 percent of Americans support maintaining or increasing Federal support for education. When directly asked if they would support a balanced budget constitutional amendment that reduces funds for education, nearly 70 percent disagreed. So this amendment just asks us to be clear about how we intend to do this.

Mr. President, just a little bit more context. I am going to get a chance to speak on this amendment today, and then I guess we will go back to the Durbin amendment and tomorrow get a chance to speak and then have a vote.

We are, as I said the other day on the floor of the Senate, in many varied ways a model for much of the world. I mean, we should be so proud of our country, the diversity of our country, so proud of our economic performance, so proud of our leadership in the world, so proud, I think, of really helping to create a world where we no longer have to think so much about a nuclear war that could be the end for our children and grandchildren. But there is at least one way in which we are not a model, one area in which I think in recent years we have been moving in the wrong direction. And that is in fulfilling our national vow of equal opportunity. That kind of national commitment is in need of refurbishing and renewal.

I bring this amendment to the floor because more than 35 million Americans are poor. That is one out of every seven citizens. In 1994, of poor children under the age of 6, nearly half lived in families below half the poverty line. That figure has doubled over 20 years. The number of people who work and are poor and work full time, 52 weeks a year, 40 hours a week, and still are poor has dramatically increased as well.

Mr. President, minorities are poorer than the rest of Americans. African-Americans are close to 30 percent, Hispanics at a little over 30 percent, and female-headed households are even poorer, and 44.6 percent of the children who live in such families are poor. In 1994, almost half of all children who were poor in America lived in female-headed households. So what we have here is one out of every five children poor, but it is getting closer to one out of every four children. One out of every two children of color are poor. Unfortunately, we cannot turn our gaze away from this reality, a strong convergence between poverty and race and gender and children in America.

I am asking us to go on record to be for fairness in how we do this deficit reduction.

Mr. President, let me give a few examples of the kinds of programs that I am talking about when I say that we should go on record that we will not disproportionately cut these programs that affect the nutritional health and educational status of children.

Let me start out with the Women, Infants, and Children Program. Let me make a point with my colleagues, because sometimes I am going to give a lot of examples. I am going to talk about women and children. I want to translate these statistics into personal terms.

But, first, as a teacher, I think I have said it before on the floor of the Senate, but I want to say it again. I was a college teacher for over 20 years. I have been in a school in Minnesota probably about every 2 weeks ever since I was elected. It is just crystal clear to me that the most important educational program in the United States of America—you know we talk about higher education. I was a college teacher. It is a big issue. It cuts across affordable higher education, cuts across a broad section of the population that people are very focused on, and it should be.

But as a matter of fact, I think the most important educational program is to make sure that every women who is expecting a child has an adequate diet, rich in vitamins, minerals, and protein. It is just a fact. It is just a fact. The evidence is irreducible and irrefutable and it is medical evidence. If we do not make sure that every woman carrying a child has an adequate diet, all too often her child will be born severely underweight, her child will be born with an impairment that may mean that no matter what we do in our public schools, that child will never have the same chance as probably all of our children, Senators' children, or grandchildren. It is the essence of the American dream. It is the goodness of our country, for us to say that every child, no matter what race or gender or income of family, will have the same opportunity to reach her full potential or his full potential. That is what my father, who was a Jewish immigrant from Russia, taught me about our country. That is the greatness of our country. It is not too much for me to ask my colleagues to go on record that in balancing the budget we will not make any cuts in the most important educational program, the Women, Infants, and Children Program.

In 1996, Mr. President, WIC provided assistance for 7.2 million women, infants, and children. That was about 60 percent of the eligible population. There are about 11 million women and children that are eligible. So, some women and some infants and some children are left behind.

Mr. President, let me talk a little bit about the WIC Program. It was established as a pilot program in 1972 and it was made permanent in 1974. It is administered by the U.S. Department of

Agriculture. Who is eligible? Pregnant or postpartum women, infants, and children up to the age of 5 are eligible. Mr. President, how many people does it serve? More than 7 million people get WIC benefits every month, and participation has risen steadily. Children are the largest category of WIC recipients. Of the average 6.89 million people who received WIC benefits each month, 3.5 million were children, 1.8 million were infants, and 1.6 million were women.

Mr. President, this is a program that is a huge priority or should be a huge priority for this Senate. It is a success story. Sometimes we harp on the complexity of it all like we do not know what to do. I am in agreement with every single Senator that says some of these Government programs ought to be reevaluated, some of them do not work well. But from the point of view of decency, of fairness, of justice, of saving money—what is the figure? For every $1 we invest in the Women, Infants, and Children Program, it is $3 less we spend in medical assistance later on.

WIC is a huge success story. The Women, Infants, and Children Program reduces fetal deaths and infant mortality. WIC reduces low birth rates and increases the duration of pregnancy. WIC improves the growth of at-risk infants and children. WIC decreases the incidence of iron deficiency anemia in children, improves the dietary intake of pregnant and postpartum women, and improves weight gain in pregnant women. Pregnant women participating in the Women, Infants, and Children Program receive prenatal care earlier. I think, Mr. President, about every 2 minutes in America a child is born to a woman who had no prenatal care. Children enrolled in WIC are more likely to have a regular source of medical care and are better immunized. Children who receive WIC benefits demonstrate superior cognitive development. WIC significantly improves children's diet. WIC is cost effective.

I am just asking my colleagues to make a commitment that we will not disproportionately cut this program as we move forward to balance the budget because in the last Congress we disproportionately made cuts in programs that affected those citizens who did not have the political clout here, who did not give the big dollars, who are not the heavy hitters, who are not the well connected. This is a distorted priority if we at least do not make a commitment on behalf of these children.

Mr. President, I will give some examples from the Women, Infants, and Children Program, but I want to first of all call attention to my colleagues to a special report in Time magazine February 3, 1997, "How a Child's Brain Develops and What It Means for Child Care Welfare Reform." Mr. President, I congratulate Time magazine for this issue. I really believe that we will see major change in how we think about our priorities here as a result of the kind of research that Time magazine reports on. Basically, if I had to summarize this whole issue, the conclusion is as follows: If you do not make sure that women expecting a child have an adequate diet, if you do not make a commitment to these children when they are young, if you do not make sure that they do not have not only adequate nutrition and adequate health care, but if you do not make sure that they do not have intellectual stimulation, a nurturing and caring environment—and by the way, Government cannot do all of that. The President knows that. Much of that is up to the family. If you do not make sure that that does not happen, then by age 3 for many of these children, it is almost close to all over; certainly by age 5.

I think that what we are going to see and more of the concern that will come out, and it will be compelling, if we do not make the investment, if we do not do everything to make good things happen at the local and community level, and realizing people need resources to make sure that for these children we invest in the intellect and the character of these children, or many of them will therefore not make it. What a waste that would be for our Nation.

Mr. President, I have said before on the floor of the Senate and today is my day to try and give this context because I think so much of politics is personal, I have learned so much as a grandfather. Because our children are all older and we had our children when we were very young, I forget what it was like. Now when we have the grandchildren over, I have said on the floor of the Senate before, you take a 2-year-old and you watch him or I watch our granddaughter, it is amazing. Being in the same room, in the same house, and every 15 seconds they find something interesting and new. The President is smiling. He may have seen the same thing. What is going on is that these small children are experiencing all the unnamed magic of the world that is before them. We ought to ignite that spark for all of our children. We do not want to pour cold water on that spark, and we have, for too many children. Actually, it does not make much of a difference whether it is my grandchildren or anyone else's grandchildren, they are all God's children. I think it is time for us to move beyond symbolic politics and it is time to stop giving the speech and having the photo opportunities next to the small children unless we are willing to make an investment.

Mr. President, at 23 years old, Elaine became pregnant and soon after she was laid off of her $9 an hour office job. Since she was pregnant she had difficulty finding another job. She did find one at $6 an hour. With little resources, she immediately learned about the Women, Infants, and Children Program which she says is the reason her baby was born healthy and strong. Her initial guidance from the WIC office in Reno, NV, taught her the basic nutritional information. I am just reading from this example. We have collected stories from people around the country. All too often we just speak in statistics here, or strategy or tactics. I want to try and translate this amendment into personal terms as it affects people's lives. Every month Elaine attended nutritional classes and received vouchers for items like milk, cheese, peanut butter, and beans. She said, "I had no idea what I was supposed to eat and what was right for my baby. The public nurses were all so nice and helpful, I never felt bad. They wanted me to have a healthy baby as much as I did. I knew nothing about babies, like breast feeding and stuff. They taught me all that." After Elaine gave birth to a healthy boy, she would take him to the WIC clinic where he was examined.

The same nurses who guided her through the pregnancies guided her through the initial steps of child rearing. Not only did she learn the basics of taking care of her son, but she continued to receive financial assistance. Says Elaine, "The formula cost $160 a month and I did not have it. WIC gave it to me, and I'm not sure what I would have done without that help."

Eventually, Mr. President, Elaine returned to her office job at a rate of $9.60 an hour, and she was no longer eligible for WIC, and she should not have been. She now lives independently with her son. "WIC saved me. I really don't know how I would have survived. It helped me survive on an emotional level and with finances. I was really surprised. I always thought these kinds of programs were for 'low-lifes,' but they were a lot like me. I just had hard luck and needed help. I got it." And Elaine's son got it. That is the difference between Elaine's son having a really what we would call successful and full life versus what might have happened to her son if she had not received this assistance.

Is it too much for me to ask colleagues to go on record that we will not disproportionately cut the Women, Infants, and Children Program? Really, we should not cut it at all. This amendment doesn't even ask us to do that. Actually, we ought to fully fund it now. I don't understand some of these proposals here in Washington—some from the White House. When we don't actually fully fund some of these programs, I don't know exactly how we figure out which children go without health care, which children go without the nutritional help they need, which children are not in the Head Start programs. Who makes that decision? We know how we can make a difference

and be helpful. We have some proven, credible programs that have worked, that are key to children, key to what we are about as a country. I am just saying, let us at least make a commitment that these programs are not the programs that we disproportionately cut.

Mr. President, let me now move on and talk about the Head Start Program. Mr. President, the Head Start Program is a program that began, as I remember, back in 1965, or thereabouts. It is a program which, in many ways, is not perfect, but it has lived up to its title, which is that we do, as a Nation, just what the program says; we give children from some really difficult and tough circumstances, from low-income families, a head start. That is the goodness of America, what we are about. Yet, Mr. President, in 1996, the Head Start Program reached only 17 percent of eligible 3-year-olds and only 41 percent of eligible 4-year-olds. In the United States, almost 4 million children are eligible for Head Start, because children 1 and 2 could be receiving or participating in this program. But it served just over 800,000 of those over 4 million children. Roughly, 3.2 million children are not being served.

The President's budget proposal says we will, by 2000, 2001, fund Head Start for another 1 million children. I still don't understand how we can make the collective decision not to fully fund it. How do we explain to people in the country, or more important, how do we explain to children?

Jonathan Kozol—and I recommend Jonathan's work—wrote a book called "Amazing Grace: Poor Children and the Conscience of America." He wrote another book called "Savage Inequalities: Public Education in America." His writing is so powerful. In an article he recently wrote for a journal called Tikun, a very interesting journal, he writes at the end:

> Millions of children in sequestered neighborhoods, like the South Bronx, do not know what they have the right to hope for. Their eyes ask questions that you and I and all of us have yet to answer.

Their eyes ask questions that, as Senators, we have not answered. One of those questions is, how can a country, how can a Congress, that purports to love children do so precious little to help some of the children that are the most vulnerable citizens with the direst need?

Mr. President, across the freeway from the comforts of Disneyland is a housing division, a stone's throw from the lavish and affluent hotels that serve tourists. In a corner apartment lives Rene, a lively, exuberant, and bright 8-year-old. She is in the second grade where she is doing well in school. In fact, every morning Rene runs to school excited to learn. Too many of our children are running into the arms of police, rather than into the arms of parents and teachers.

We pay a price for not investing in our children. We pay a price for not investing in poor children in America. Rene attended two years of Head Start, which, according to her mother, was "a Godsend." At Head Start, Rene learned the fundamentals of schools, such as her colors, the alphabet, and writing her name. More importantly, Rene and her family learned about school. For Rene, learning about school at Head Start meant more than academics. It meant her mother learned about nutrition and eating right. It meant her mother learned how to interact with and talk to teachers. Her mother learned how to prepare Rene for school, things like clean clothes and breakfast. It meant her mother learned about reading to Rene. It meant her mother learned that Rene needed a structure, a set time to eat dinner and to go to bed. Head Start taught this. Learning about school meant Rene learned to interact with her peers. She learned about sharing. She learned how to listen, how to take directions. Rene learned about curling up and being read to. She even learned to brush her teeth. Rene, Mr. President, represents one of the many children who have benefited from Head Start. Said her mother, "Before Rene got in this program, I knew nothing about what she needed. I was kind of scared for her to go to school. I didn't do so good in school, and I was getting ready for the same with her. Her teachers cared about her and me. They wanted to work with us, too. I knew they cared."

Remember, Mr. President, that the Head Start teachers who did so much for Rene and began her on the path to school success earn about $17,000 a year. Also, keep in mind that for every Rene that benefited in Head Start, two are turned away. For every Rene that benefited in Head Start, two are turned away.

I am asking Senators to make a commitment with this amendment, in an up-or-down vote, that we will not, in balancing this budget, disproportionately cut programs that affect the educational, health care, or nutritional status of children. WIC is one example, and the Head Start Program is another. I don't think that is too much to ask.

Marcus, a shy and quiet first-grader, finds himself in the principal's office for the third time in a week. According to his teacher, Marcus is either overagitated, annoying other students in class, or else listless and disinterested in the tasks at hand. Marcus usually doesn't understand what is happening in class. He does not yet know all of his colors, his numbers, or the alphabet.

> Though many of his classmates attended a Head Start Program and learned the initial steps toward understanding school and learning, Marcus did not. He represents one of the 1.2 million children who, though eligible, could not participate in the Head Start Program.

Mr. President, in Minnesota, my State, only 40 percent of the children who are eligible for Head Start have access to it. In other States it is much lower.

> The program near his home was full. Not only was it full but there was a year waiting list when Marcus' grandmother tried to sign him up. Though there was room in another program, it was too far for his grandmother to take him. Instead, Marcus stayed home, sometimes alone, while his grandmother worked. Marcus is conspicuously behind his classmates. While his classmates scurry around the teacher to be read to, he had not yet held a book or had ever been read to. Marcus does not even know how to write his name.

Let me pick up on that.

He had not held a book, and he had never been read to. Why don't we go on record, in all of this haste to balance the budget, that we will not balance the budget on the backs of poor children, and we will not make cuts which would make it impossible for a child like Marcus to have a book read to him in a Head Start Program?

There are a lot of homes that do not have any books at all. I read somewhere that one of the factors that most explains how well children do in school is the number of books that are in the home. Mr. President, there are many homes where the parent or parents can't afford any books. I would just suggest to my colleagues that one of the most important things we could ever do is to make sure that children have access to those books or that someone can read those books and nurture those children and stimulate those children.

Peter Hutchinson, superintendent of schools in Minneapolis, made an excellent suggestion that I am going to try out speaking at the legislature next week speaking about children. Peter Hutchinson, Mr. President, said something that I think is appealing to you; a wonderful voluntary effort. He said, "You know, PAUL * * *" and he has two teenagers—"we have all of these wonderful children's books in the home but the children are older now. Why don't we get those books in the other child's home? Let us get those books out of our homes. Let's get bookmobiles and get them into the homes of those children. And let us get them to those Head Start Programs and make sure that all of our children get that stimulation."

That is what I am talking about today.

> Marcus did not know how to write his name nor did he know how to recite the alphabet. In a phrase, Marcus is not a part of the culture of the school. He did not come to school ready to learn. Marcus' teacher is concerned and anxious about him. He is far behind his classmates, and she has little, if any, time to help him catch up. As weeks progress, he falls further behind and is more frustrated. Already Marcus hates school and learning, counting the days until summer vacation. He knows he is different. He knows

he does not understand but also knows there is not much he can do.

Here is a child who is utterly defeated. I meet children. I travel the State. I travel the country and I meet with children who are age 10, age 8, who can't look me in the face, who look down. They have no confidence. They don't believe they are going to be teachers. They don't believe they are going to be doctors. They don't believe they are going to be successful business people. They don't believe they are going to be lawyers. They don't believe they are going to be architects. They don't believe they are ever going to be Senators or Representatives. None believe they will ever be President. They have none of that hope. It is gone.

Can't we make a commitment as a Senate knowing full well the importance of family and community? But can't we at least get some resources for the communities and neighborhoods and families so that we can support our children?

I will tell you something. I am absolutely convinced that when historians write about this time period of the decade of the 1980's moving into the decade of the 1990's, the ultimate indictment of our country will be the way in which we have abandoned our children and devalued the work of adults who work with those children. Think about it for a moment.

I am not off the topic. I love to take my grandchildren to the zoo. But if you work at the zoo, you get paid twice the salary, twice the wage, that a woman or a man makes working in a child care center. We pay people who work for the zoo twice as much money as we pay men and women who work with children. What in the world does that say?

When I was a teacher at Carleton College in Northfield, MN, I would meet students, and they would say, "In all due respect, we do not want to be college teachers. We want to work with these children when they are young, 1, 2, 3, or 4 years of age, because we know that is such a critical time." But many of them would then go on and say, "But we can't. We can't support the family. We would make $6 an hour with no health care benefits."

What are we saying? Let us dig into our pockets. Let us not spend money on wasteful programs. Let us cut. Let us balance the budget. Let us be fiscally responsible. But, please, let us make a commitment with this amendment that we are not going to balance the budget on the backs of poor children. Please let us invest in certain areas of life in America, starting with our children.

Marcus' teacher said:

I just don't know what could be done for him. I know that he needs a lot of one-on-one attention and love, but I just do not have the time or the resources. Every day I feel him slipping, and, frankly, it breaks my heart. He is a good boy and a smart boy. I feel as if he is being punished for what we did not do for him. I am worried that he will always hate school and suffer until he can leave. He tries so hard. Sometimes I want to cry.

That is what this debate is all about. It is about people. It is about children.

I say to my colleague from Utah that I really believe there can be 100 Senators voting for this. I am not bringing this amendment to the floor because I want to point the finger at other colleagues. I am not bringing this amendment to the floor to force an embarrassing vote. I am bringing this amendment to the floor in good faith and in good conscience really hoping that my colleagues will support it because, otherwise, I will just tell you, given our track record of deficit reduction based on the path of least political resistance, we are, with this constitutional amendment to balance the budget, going to lock ourselves into very stoic priorities, and we will make these cuts, and I believe in the absence of some commitment, we will make cuts in these very programs that affect these very children.

By August of 1996, in West Monroe, Louisiana, there was already a waiting list for Head Start for August 1997. Zora Cheney has been a Head Start teacher there since 1965. She was there at the very beginning. Not only does she see the need for it, but she lives the success. According to Zora, without Head Start the lives of many children would be in words "a disaster."

I visit Head Start programs all across Minnesota. Another outstanding feature is parental participation—high-participation parents—in meeting with the teachers and in talking about the children. This program is a really important investment in poor children.

We get kids here, so many kids here, that need us and would not endure later school years without it. I have seen some kids who come in, and it is obvious they are not cared for enough and that the home family needs help. While Zora's program emphasizes the traditional things that we discuss with Head Start, like building on language, learning shapes and colors and developing social skills, it does so much more. Says Zora, "We are concerned with everything about that child. We want the parents to learn how to feed them, how to dress them, how to parent them." She continued, "I have had children come to school, and I know they have been sleeping on the floor. I know they need so much at home. We work with other groups. We refer the families to get things like furniture and doctor appointments." When asked the most significant contribution that Head Start in West Monroe, Louisiana has made to the community Zora replies, "For many its the first place that they feel safe."

I have other examples that I will go through tomorrow, but I just wanted to give some examples of some children, and I am going to be doing this over and over and over again, actually thanks to the people in Minnesota—I am just going to bring to the floor of the Senate the lives of children so that we can get some votes on their behalf because I will tell you something. For example, the Senator from Utah—and this is not meant to challenge him—on these children's issues he is effective and he is a powerful Senator for children. I know that. So I do not feel like I am spitting in the wind when I come out here to speak or I do not think I make a mistake with this amendment. I am just trying to get my colleagues to make this commitment because I know so many of them care so deeply about children.

The amendment says we make a commitment that we will not put into effect disproportionate cuts in programs that affect education—I talked about that—nutritional and health care programs for children.

According to the Childrens Defense Fund, 10 million children, one in seven children in America, are without any health care coverage at all, and I think that close to about a million children a year have been dropped from coverage because actually more and more people are getting dropped from employment-based coverage, or what has happened, employers will cover the adult but they do not cover the children.

It used to be that people could get coverage for everyone in their family. Who are these 10 million uninsured children? Nine in ten, 88 percent, have parents who work. Nearly two in three, 64 percent have parents who work full time. These are children of working poor families. More than three in four, 77 percent, are white. Sometimes we do a little bit too much by way of stereotyping and always assume we are talking about African American people or Hispanics. Two-thirds live in families with income above the poverty level, and more than three in five, 61 percent, live in two-parent families. Each year since 1989—this was the statistic I was struggling for—900,000 fewer children on the average have received private coverage.

I think actually it is real important for me to make this point about what this amendment is talking about and also some of the legislative initiatives that will be taken in this Senate in the 105th Congress. We are talking about working poor families. We are talking about people who are not old enough for Medicare, and even if, by the way, you receive Medicare in my State of Minnesota people do not have prescription drug costs covered and elderly people still live in terror of catastrophic expenses if they are no longer to stay at home and the nursing home costs, or we are talking about families that are not poor enough to qualify for medical assistance. They fall between the cracks. They work, they work hard, they are barely above the poverty-level income and they are not fortunate enough to have an employer that provides them with health care coverage. So their children are at risk. These families live paycheck to paycheck.

What does this translate into? More than half of uninsured children with asthma never see the doctor during the

year. More than half of uninsured children with asthma never see the doctor during the year. Many of these asthmatic children are hospitalized with problems that could have been prevented. One-third of uninsured children with recurring ear infections never see the doctor. Many suffer permanent hearing loss. Children with untreated health problems are less likely to learn in school. If you have an ear infection, if you suffer permanent hearing loss, if you are not treated for asthma, if you do not have dental care, if you come to school with an infected tooth, with a tooth with an abscess and you cannot even get dental treatment, you are not likely to do as well in school.

Mr. President, it will actually save money when we invest in children. Each dollar invested to immunize a child saves between $3.40 and, some say, $16 in direct medical costs, and it goes on and on. In every other advanced economy children get better health care coverage than in America.

So, Mr. President, here we have children with undiagnosed vision problems who do not get glasses and do not even see the blackboard. We have children who suffer from asthma, we have children who have ear infections and can suffer hearing loss, we have children who are in pain and discomfort and have trouble concentrating, we have children who are not treated early for lead paint poisoning and these children can suffer permanent mental retardation, and we have 10 million children in America who are uninsured.

Given this shameful statistic, is it too much to ask my colleagues to make the commitment that in our effort to balance the budget we are not going to make any disproportionate cuts that affect the health care status of poor children in America? We are not doing near enough right now.

That is all this amendment does. I am fearful, on the basis of what we did in the last Congress, that when push comes to shove, we will not have a deficit reduction plan locked in by this constitutional amendment to balance the budget based upon a standard of fairness, that we will embark upon once again deficit reduction based upon the path of least political resistance, and those Americans who will disproportionately be asked to sacrifice are the very Americans who cannot tighten their belts any longer—poor children in America. This amendment goes to the very heart of who we are and what we are about.

I do not know. My colleague from Utah may speak to this. Maybe there is a strategy on the other side—not the other side as if we are not friends, but we have majority party and minority party. I am in the minority party—to basically vote against all the amendments. I hope not. And one more time, I really hope that we will have an up-or-down vote on this amendment. I introduce this amendment with respect for colleagues. I think it speaks to a terribly important matter. I really hope that people will vote for it. I really believe most Senators agree that these are not the areas where we are going to make disproportionate cuts. I really think most Senators agree.

Mr. President, I will speak more to this amendment, but for right now I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I wish to express my regard for the distinguished Senator from Minnesota. He is very sincere, and he always means well, and, frankly, I care a great deal for him.

Having said that, I do want to point out that this is a constitutional amendment we are talking about here, and I need to take just a few minutes to respond to some of the comments that my friend and colleague, Senator WELLSTONE, has made.

Let me begin by saying that I do not know of any other Member of this body more genuinely concerned about the children in this country and particularly those in poverty, unless it is myself. He works hard for these unfortunate people, these unfortunate kids, as do a lot of us, and I give him credit for that. When Senator WELLSTONE speaks on these issues, he speaks from his heart, and we all know that. Regardless of the differences on this amendment, you still have to give him credit for that.

Having said that, Mr. President, the efforts to try to help children by exempting programs that affect them from the balanced budget amendment's purview will have precisely the opposite effect. As a matter of fact, we are throwing their future away unless we pass this amendment. We are saddling them with historic debt that literally is going to cause them to spend the rest of their lives working to get out from under the debt that we in our generation are leaving, or should I say the past generations because it is more than just our generation.

The Senator has circulated a new section 8 that would become part of this amendment if it was passed. Let us have no illusions. Senator WELLSTONE, the distinguished Senator from Minnesota, is not going to vote for this constitutional amendment no matter what happens, even if we accepted this section. But we could not, because this section says:

> It is the policy of the United States that, in achieving a balanced budget, Federal outlays must not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children.

He has circulated a whole number of amendments exempting the Women, Infants, and Children Program, a program I support, Head Start, a program I support, and education positions which I support. His current amendment exempts, as it says here, outlays for education, nutrition and health programs for poor children from disproportionate cuts.

If we care about children in this country—and I know we do; I don't think there is a person in the Senate who would not say that he or she cares—the most important thing we could do is pass this balanced budget amendment. Without it, it is our children and our grandchildren who will inherit the legacy of these astronomical debts, and they are going up by leaps and bounds. It is our children and grandchildren who will be called upon to pay the price for our years of profligacy, and they will pay that price with higher taxes, higher interest rates, fewer jobs, and economic instability. Thus, the amendment that we must support in order to save the children is not one which would gut the balanced budget amendment. To ensure the well-being of future generations, we need to pass the balanced budget amendment. It is the only hope for our children.

One of the things that is difficult for me to understand is why some would argue or assume that exempting certain programs from the balanced budget regime would somehow save or help those programs. Just the opposite is the case. If there is a program worth preserving, and I suggest those programs are, we ought to make sure these programs are funded responsibly and not with rubber checks. What is the point? Exempt a program from the budget so it would be allowed to go bankrupt on its own? Is that what the point is? That is simply the kind of reasoning that has led us to a $5.3 trillion national debt, going to $5.4 trillion in the next couple of months.

Mr. President, several self-proclaimed liberals are making these points as well as myself, notably Representative JOSEPH KENNEDY, among others, the Representative from Massachusetts. They have become staunch supporters of the balanced budget amendment. JOE KENNEDY is one of them because, as a self-professed liberal, he believes and other liberals believe, who are supportive of the amendment, that balancing the budget is the only way to protect and preserve the worthy programs for the needy. We are not doing anyone any good by bankrupting the Government and spending an increasing amount on interest on debt. Representative KENNEDY last week suggested that interest was the primary villain, crowding out good social spending programs. Imagine what we could do with the hundreds of billions of dollars we spend on interest every year?

No, the way to ensure the preservation and stability of critical programs and help the most needy in our society

is to foster fiscal integrity. This is not the first time we have seen an amendment that sought to carve out a loophole in the balanced budget amendment, nor will it be the last. But I would like to ask my colleagues to consider what the balanced budget amendment would look like if we really did exempt all of these different parts of the budget because we like some parts better than others. Anything affecting children, gone; seniors, gone; investments, disasters, all manner of social spending, all gone from the amendment if these folks have their way. So what is left? What would those who propose this barrage of exemptions and loopholes leave under the balanced budget amendment? Absolutely nothing. And everybody on this floor has some favorite program, that is what has led us to this morass and this mess. We all would like to save something. We all would like to do something.

I have to say, it is pretty hard to fight against children's programs. I don't know anybody who wants to do that, and if they have to compete, they will compete very well and respectably for their share of the Federal budget. They always have and they will. I have to admit, I wish there was more money for these programs. I wish I could do more for those programs. But the best thing I think I can do for them is pass a balanced budget amendment that puts the fiscal responsibility into this system.

Look, what do they leave under the balanced budget amendment? Nothing? That is what it all comes down to. These kind of amendments tug at the heartstrings of all Americans, and they try to make those who sponsor the balanced budget amendment look mean. But the truth is, if you really care about children, senior citizens, and disaster victims, you will vote for the balanced budget amendment. You will vote for a Federal Government with the fiscal strength to be there for them. You will vote for a balanced budget amendment because, without that, you will never be able to protect these programs and these people. And you will vote for a balanced budget amendment without loopholes such as the distinguished Senator from Minnesota is sincerely advocating here, because everybody deserves a balanced budget amendment. I hope we reject these amendments and pass Senate Joint Resolution 1 as it is before us.

Additionally, I am not clear on the effect of the amendment of the distinguished Senator from Minnesota. This Wellstone amendment states that it is the policy of the United States that, in achieving a balanced budget, there should not be disproportionate cuts to poor children's programs. What is this, a sense-of-the-Constitution resolution? Is that what we put in the Constitution? I don't think so.

I know it is not intended as an insult, but it kind of is, in a way, by suggesting we are not going to do right by our children. The distinguished Senator says we are not doing right now by our children because there is just not enough money. I can agree with that. I can agree I wish we had more money, I wish we could solve every social program there is. But no nation on Earth has ever completely solved them, and certainly no nation that is not fiscally responsible. And ours is the most fiscally responsible Nation in the world, or at least it has been up to the last 60 years.

In the last 60 years—in just the last 28 years, we have had 28 straight unbalanced budgets that are demonstrated by this. We have two piles here, one behind the other. It would be a lot higher than double my size if we put the other pile on top of this one. These are unbalanced budgets over each of the last 28 years. That is only part of it. We have only balanced the budget 8 times in 66 years. No wonder we cannot do enough for our children. No wonder we do not have the money to take care of these social needs. It is going to get worse and the people who are going to get hurt the most are children.

Look at Social Security. When I talk to seniors, there are those who want to take Social Security out of the purview of the balanced budget amendment, and that will be one of the big votes on this amendment. I talk to seniors. They are concerned about children, too, and they are concerned that most all the social spending now is going towards seniors, and very few dollars are going to children. Part of that is because we do not have a fiscally responsible Congress that has to try and divvy up the money so they work in the best interests of all Americans.

Now, we have had a Congress that just said, "Just keep borrowing and just keep spending and you can just keep doing that ad infinitum, forever." We all know that is not the case. Our priorities do shift from time to time.

Again, I get back to the Wellstone amendment, is this a sense-of-the-Constitution resolution? What does "disproportionate" mean? My gosh, do you realize what constitutional authorities would do with a word like that? What does that mean? Does this limit across-the-board budget cutting? Is that what it does? Our priorities shift from time to time, as we do the budgets. Congress has to be free to allocate resources within a balanced budget rule. It has to be free to do that. We cannot write something like this into the Constitution.

How do we decide what is disproportionate? To senior citizens, they might think that spending on children is disproportionate, rather than spending on them. To children's advocates, spending on seniors is disproportionate to what we should be spending on children. We have to battle these things out. That is what we are elected to do. But we need to do it within the constraints of a balanced budget amendment so we really get down to the matter of setting priorities.

I happen to believe if we set priorities, the distinguished Senator from Minnesota will be right in there pitching for the priorities of children, and so will I.

(Ms. COLLINS assumed the chair.)

Mr. HATCH. Madam President, I think we will be able to win on this, to the extent we have the votes to win it.

Furthermore, on this disproportionate business, how do we decide which programs affect children? Do we do it on the basis of program title, or by surveying recipients to see the actual use of the money? Is that how we do it?

Madam President, it is pretty clear that if you put something like this in the Constitution, you create more problems than you solve. It's pretty clear that if you start advocating for any one select part of the budget to be outside the budget, because you want that protected from budgetary restraint, that you are hurting everybody. It's pretty clear if you prefer one group over another, you're going to have a lot of conflict among groups.

If you do that, you darn well better do it within a balanced budget constraint, so the people know what is going on, and not just think the money is going to come from somewhere, which is about the attitude we have had around here for the last 60 years, and certainly for the last 28 years, every year we had an unbalanced budget. And in current years, where we said this is a balanced budget for the first time—give me a break, not one of them has been and nobody has thought any would be.

I have to tell you, I think it is going to be a budget charade this year as well. The President's budget, according to CBO, is already $66 billion in debt, and the budget will be balanced in the year 2002, that is assuming current interest rates, that is assuming current rosy scenarios, that is assuming we continue to have no minor or major recession. All of those things are ifs.

We should reject this and similar amendments and pass the balanced budget amendment that will lead a stronger future for our children and grandchildren away from bankruptcy and debt, which is where we are headed if we don't get smart and do what is right. To exempt anything from the budget is almost an insult to everybody who serves. It is an insult to everybody who serves in the Congress.

We are here to try and do what is right. I believe the distinguished Senator from Minnesota, myself and others, who similarly feel the depth of these problems, will be able to fight very, very well for these particular items in the budget, but within a balanced-budget concept. If we do that, I

think we will have more money in the end, more real dollars to help children than we are going to have if we don't pass this balanced budget amendment. So I hope that our colleagues will vote this down.

Just so people will know right off the bat, I probably am going to move to table every amendment that comes up. I don't want anybody to feel badly about it. We think that is the only orderly way to proceed.

Mr. WELLSTONE. Will the Senator yield?

Mr. LEAHY. Madam President, if I might make a comment to the Senator from Utah.

Mr. HATCH. I will be happy to yield for a comment.

Mr. LEAHY. Obviously, he has his right, as any Senator does, to move to table any amendment.

Mr. HATCH. That is what we have always done.

Mr. LEAHY. But I hope no person in the public will be fooled by that. The result is still going to be the same as an up-or-down vote would be.

Madam President, the Senator from Utah has virtually a blood oath from the Republicans to vote against anything that might try to protect Social Security, children, or anything else in this proposed constitutional amendment. So he would have the votes, I assume, to win. But I hope the American public will not think this is a procedural thing. This is very much a vote on the merits on any motion to table that the Senator from Utah might make to defeat an amendment.

He does have an absolute right, as any of us do, to move to table at some appropriate time. I hope he will allow enough time, of course, for debate, but he does have that right. But the vote on that motion to table should be viewed as if it were a vote on the merits.

I further ask the distinguished Senator from Utah how much longer he will take.

Mr. HATCH. I will only be a minute. I will say this, I agree with the Senator. The fact we move to table an amendment doesn't necessarily mean the substance of that amendment or the substance of that vote should be ignored. It is just a procedural way of handling the matter that I think we are going to have to do in an orderly way. But I think the vote will still mean who voted for it and who voted against. I always felt that way. I don't have any problem with that.

I also would just like to say that I don't think there are any blood oaths around here either. I hope some Democrats who have cosponsored and my fellow Republicans will vote to sustain the motions to table, but I don't know of any blood oaths, nor do I know of any all-profound commitments that people have made. I just believe that people know this game is about to come to an end and that this is a chance to pass a balanced budget amendment to put our fiscal affairs in order, and that this is the last chance. This involves both Republicans and Democrats who have worked hard to come up with this consensus amendment in the best interest of our country. I understand there are different sincerely held beliefs on this matter. But in any event, I do not agree with my colleague.

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

Mr. HATCH. Yes, I yield.

Mr. WELLSTONE. I know the Senator from Vermont wants to speak, and then I will, after the Senator from Vermont speaks, respond to some of my colleague's points. I don't understand, I will say to my friend from Utah, he talks about tabling the amendment because this is an orderly way to do it. I don't understand why an up-or-down, yes-or-no vote isn't just as orderly. What is the problem with an up-or-down vote as opposed to tabling? It is just as orderly.

The second thing—I guess it is less a question, and I don't know if my colleague, who is a good friend, meant it in this way—I don't think this is a game. This is less a question than, I guess, a response. I don't think it's a game at all. I don't think it's a game to these children, and it is not a game to me. I just want to be clear about it. It is an amendment offered out of respect. It is an amendment that I believe is profoundly important for our country. It is an amendment I hope Senators will support. It is not a game. It is not a game.

Mr. HATCH. Madam President, it may not be to the distinguished Senator from Minnesota, but I really believe it is time to pass a balanced budget amendment, and this is the context in which this is in.

With regard to tabling, we have always done it and intend to table the amendments if we can, and that is a right that we have. It is not meant to hurt the Senator or his position, it is just a matter of procedural choice, which I—and I just want to make it clear up front—will probably do on all, if not most all, amendments that come before the body on this matter.

I realize the distinguished Senator from Minnesota is very sincere, that he would not bring this amendment to the floor if he didn't mean it and it wasn't meaningful to him. I am not meaning to disparage his amendment at all, other than I think it would be a terrible way of writing the Constitution, putting words in the Constitution that would be almost impossible to define and I think would, basically, gut the constitutional amendment.

Even if we put it in, even if somehow or another we could find some way of putting it in the amendment, I don't believe we would have the vote of the Senator from Minnesota anyway.

To make a long story short, it is one of a long series of amendments that are intended to defeat the balanced budget amendment, and I hope my colleagues will vote to table.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, normally, I would speak in response to this, but I understand the distinguished Senator from Texas needs a few minutes to introduce a bill. Without losing my right to the floor, I yield to my distinguished colleague from Texas.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Madam President. I thank the Senator from Vermont.

(The remarks of Mrs. HUTCHISON pertaining to the introduction of S. 294 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. HUTCHISON. Thank you, Madam President.

I yield to the Senator from Vermont and appreciate his willingness to let me introduce this bill on the day the officer is being buried. Thank you.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I should note a couple things from the debate that my good friend from Utah has stated. He said he is in favor of a balanced budget amendment. I know he has been very sincere about that. My difference is I am in favor of a balanced budget. The two are not necessarily the same. We have been voting closer and closer to a balanced budget each of the last 4 years.

We have seen, after the enormous increase in deficits and the national debt that grew up with Presidential budgets throughout the 1980's, for actually 12 years, beginning in the early 1980's straight through 1992, where we saw a tripling of the national debt—I do not want to sound partisan, but I point out those were all Republican budgets and Presidents, Republican Presidents who got virtually every single thing they ever asked for. In fact, the only appropriations bill that President Reagan ever vetoed—the only one—was one that did not spend as much money as he wanted. Yet he had, with his budgets, nearly doubled the national debt. The debt had taken 200 years to build up to the point where he became President. Within 8 years he doubled it. It was nearly tripled by the time his successor, another Republican, finished office.

So we actually built up the debt during that time—we are spending over a half a billion dollars every working day just in interest on that. We would not have a deficit today had there not been

so much debt built up during the Reagan and Bush administrations.

In the last 4 years, under President Clinton, the deficit has come down every single year. No President, Republican or Democrat, has done that in my lifetime. I think he ought to get some credit for it. Now he has submitted another budget that will bring it into balance by the year 2002.

We have endured a number of gimmicks, from the dumping of thousands of dollars of cash on the ground to even a debt ticker. Now we have this stack of books being represented as the unbalanced budgets of the last 28 years. They are not the budgets for the last 28 fiscal years. Let us make this very clear. The stack of books over there are not the budgets for the last 28 years. They are not the budgets of the United States at all. The stack of books are a mishmash of documents. Some are proposed budgets by past Presidents. Some are proposed appendices of the proposed budgets. Some are simply analyses of the proposed budgets. Actually, the stack is as much a gimmick as a constitutional amendment to balance the budget is a gimmick—as everyone from the Wall Street Journal, on the right, to newspapers like the Los Angeles Times and the Washington Post, more to the left, have pointed out.

In fact, here is a copy of last year's budget resolution. It is a little tiny thin thing. This, incidentally, brought the deficit down for the fourth year in a row. It is not a very picturesque thing. It is not a gimmick. It is actually something we vote on. And by voting on it, we brought the deficit down.

President Clinton made it very, very clear. All it takes to balance the budget is our votes and his signature; not a constitutional amendment. It also takes some courage on our part.

Many of us have shown that courage over the last 4 years in bringing down the deficit. I am proud to be one of those. I am proud to be one of those who voted against the economic plan that built up those huge deficits in the first place. Because we are willing to cast specific votes is why I support the amendment of the Senator from Minnesota, Senator WELLSTONE.

I share his strong commitment to keeping America's children healthy and strong. He has stated this not just on the floor of this body but in individual talks with Senators. It is a deeply held view on his part. As one who has chosen to protect the lives of those in the next century, I share his view of that. I believe in strong families and a strong family structure in this country. Families prosper only if their children go the bed fed, not when their children go to bed hungry.

Last Congress, we had this Contract With America—or contract on America. It seems like deja vu all over again. If you read the fine print of that contract, as the Senator from Minnesota has, and the balanced budget plan in there, it repealed the School Lunch Act that provides lunch to 26 million children. The Contract With America legislation repealed the WIC Program, special supplemental nutrition program for women, infants, and children, that provides nutritious foods to 6.9 million women and children. That Contract With America legislation repealed the Food Stamp Program, which is a nutritional safety net, a very modest one for 28 million people.

Now we beat back the repeal of the School Lunch Act with the help of the Senator from Minnesota. We beat back the repeal of the WIC Program with the help of the Senator from Minnesota and we beat back the repeal of the Food Stamp Program with the help of the Senator from Minnesota and the Senator from North Dakota and others who were here on the floor today. We beat them back because people saw what was in the so-called Contract With America.

But with the balanced budget amendment you do not see how this is going to be done. Nobody wants to bring up the enabling legislation, the details for future Congresses, or most likely for unelected judges to decide. How can we guarantee—I will ask this question of the Senator from Minnesota, is there any way you can guarantee that we would not repeal the School Lunch Act or the WIC Program or the Food Stamp Program without at least some of the protections of your amendment? Is there any way we can be sure we protect them?

Mr. WELLSTONE. Madam President, the answer is no, absolutely not, on the basis of what was attempted. Also on the basis of some of the cuts made in the last Congress, the evidence is quite to the contrary. The evidence is, in the absence of some assurance and some sort of commitment in spite of all the speeches made and words uttered, we will make disproportionate cuts in the programs that affect health, nutrition, and educational status of these children.

If the Senator from Vermont would not mind if I go on briefly and respond to some of the comments made by my colleague, the Senator from Utah. First of all, sort of a clarification about how you define "disproportionate." It is pretty simple. Again, the evidence, and I am interested if somebody wants to argue with it, in the last Congress 93 percent of the budget reductions in entitlements came from programs for low-income people. Madam President, 93 percent. All you need to do is figure out the percentage of the overall entitlement programs that are low income and you do not cut by more than that.

We have the same thing with discretionary. You do not have to be a rocket scientist to understand what the amendment says. You cannot dance around it. Second, in all of the amendments we introduced and all the amendments that the majority party is introducing, in this whole constitutional amendment there will be implementing legislation to work out the final details.

Third, Madam President, as to the Constitution and whether you can have policy in the Constitution, I am not a lawyer, but article III says:

> The judicial power of the United States, shall be invested in one supreme Court, in such inferior courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their offices during good Behaviour, and shall, at stated Times, receive for their Services a Compensation which will not be diminished during their Continuance in Office.

It certainly seems as if we have such policies in the Constitution right now.

Madam President, what troubles me the most about the comments of my colleague from the Senator from Utah, first of all, he talks about this amendment giving an exemption. There is no exemption. This amendment just says give them what we did last time. Make a commitment that we will not disproportionately cut programs that vitally affect the nutritional, educational, and health care status of poor children in America. I gave examples of those programs in the way they work and what they mean to children. That is all it says and no more. Senators should be clear on what they are voting on.

Finally, Madam President, and I want to be clear if I could get the attention of my colleague from Utah, I do not want him to think I say this without giving him a chance to respond, but in all due respect to my good friend from Utah, when we talk about bringing the deficit down and real interest rates down, and that is the way to help children, a lot of the children that I have talked about, Senator, do not have that future. If we do not make a commitment that we will make sure that they have adequate diet, adequate nutrition, that they come to school prepared to learn, that they come to school in good health, they are not going to have this future.

For gosh sake, we should not in the name of deficit reduction savage poor children in America today. You do not want an up-or-down vote? You will vote to table. Fine. But this amendment is substantive. It speaks to the very real problem of the deficit reduction based on the path of least political resistance, picking out the most vulnerable citizens. If we do not make a commitment that we are not going to cut these programs that are so vital to poor children's lives—as a matter of fact, we should be investing much more—then these children do not have a future.

Deficit reduction, I am all for. Balancing the budget, we should do it. But instead of focusing on poor children in America, why do we not focus on the subsidies that go to oil companies, tobacco companies, pharmaceutical, big insurance companies, and a whole lot of other corporate welfare? Why do we not focus on the $17 billion over 2 years more than the Pentagon requested wanted for the Pentagon? There are other places to make the cuts, but I say to my colleague from Utah, and I am sorry to say with indignation, this is anything but an abstraction to the children I am talking about.

Your argument about how the best thing for these children is to make sure we balance the budget because real interest rates will come down—by the way, the Federal Reserve ought to bring the real interest rates down right now if everybody is right, I am not sure they are about the Consumer Price Index having overstated inflation, what in the world are we talking about even the possibility of real interest rates going up? They ought to be going down. Above and beyond that point, it does not do the children that I am talking about today one bit of good to talk about balancing the budget in the future when you balance the budget on their backs. That is what we did the last Congress. That is what we did the last Congress.

I am just saying, Senators, we should do this on the basis of some standard of fairness. I still think I can get 100 votes for this. I hope the Senator from Utah tomorrow, after we have a little bit more time for final debate, will not move to table this. I hope he will support it. With all due respect, the evidence does not suggest that with the absence of this assurance we will not make these cuts in exactly these decisive areas of life that so crucially affect the quality, or if we do not make this commitment, the lack of quality of the lives of poor children in America. I yield the floor.

Mr. HATCH. Madam President, I know there are 2 minutes left before we end debate on this amendment. I acknowledge my colleague is sincere. It does not negate the fact we have to live within budget constraints or this country will go down and children will be the first to be hurt. That is why this amendment is so important. You cannot make any exceptions.

If you make exceptions, then it does not become important. It does not work and it will not be the constraint that we need, it will not be the fiscal discipline, that it will make a difference whether this country really continues to be the greatest country in the world or not and whether it can do for children and families what we would all like to do. The best thing we can do is pass this amendment and pass it without exceptions, like my good friend who is very sincere thinks we ought to do.

I just want to bring that to the attention of everybody, that it takes guts to stand up and do what is fiscally responsible, because it is easier to offer spending through all these constituencies then it is to have to make priority choices. This amendment will force us to make priority choices. I think that is critical in any kind of nation that really wants to call itself great.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Madam President, last week I talked about the balanced budget movement from a historical perspective. I discussed the fact that when our country started out as a new nation, policymakers felt a moral and ethical obligation to balance the budget year after year after year, and they did that. However, as time evolved, a process was developed under which programs were funded based on demand. This process produced what are called entitlement programs. It created a blank check. As a result of these entitlements and the corresponding lack of accountability, there is no longer the same concern to balance the budget that existed during the time of the Founders.

I wanted to talk a little bit this afternoon from the perspective of a family man who has grown up in America, from the perspective of a small businessman who has had to start his business from scratch. Those obligations that I faced as a family man and those obligations that I faced as a businessman are pretty much the same obligations that we are facing as a Congress, as the leaders of this country, this great country called America.

Thus far, we have had two amendments presented before this body which, in effect, provide for exceptions to a balanced budget amendment. One is the Durbin amendment, and the most recent one is the welfare amendment. These amendments are unnecessary. We already have a provision to meet emergencies in the balanced budget amendment proposal that is before us. Madam President, 60 percent of the vote in the House and 60 percent of the vote in the Senate, or 261 votes in the House and 60 votes in the Senate, and we will be able to waive the provisions of this amendment to meet those national emergencies.

Madam President, I understand I will have an opportunity later on to continue with some of my remarks and that there is an order on the floor for another amendment.

I will continue my remarks at another time.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the hour of 3:30 p.m. having arrived, the Senate will now proceed to the consideration of the Durbin amendment No. 2, on which there shall be 2 hours of debate equally divided.

Mr. HATCH. Madam President, I yield 8 minutes to the distinguished Senator from Colorado, so he can finish his statement.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. I thank the Senator for yielding. I would now like to finish my comments that I began a few minutes ago.

The Wellstone amendment would provide funding for education, nutrition, and health programs for poor children. So, again, as I was speaking about earlier, I want to talk about this from the perspective of a family man and also a small businessman. Joan, my wife, and I started like most American families. After we got our education, we got jobs. We earned a salary and worked hard to save money so that we could incur our first major debt as a family. For most families in this country, their first major debt is when they purchase a home. They are able to incur that commitment only after they have enough income saved up to go ahead and qualify to buy that first house.

Most families in America work hard to pay down that debt because they understand that if they pay down that debt, then, in effect, they are beginning to free up their resources so that at some later date they can meet the educational needs of their children, the nutritional needs of their children, and they can meet the health care needs of their children. They also, hopefully will be able to save enough of their resources to get their children started out in life. In addition, by paying off that debt, they begin to build up a reserve in their home that they will be able to use in case of emergency.

That is not unlike the situation that we have here in America. That is why it is important that we get deficit spending under control and that we have a balanced budget amendment that will say to the Congress that it can't spend more money than it brings in.

Our debt today is greater than $5 trillion. Every year, for the last 28 years, we have continually added to that debt. We have been going in a different direction than the average American family. If we really want a better future for our children and grandchildren, we do not need to establish more Government programs that will cause the deficit to rise instead of fall. Instead, eliminating the deficit is the most unselfish thing that we can do for our children and grandchildren.

Now, as a small businessman, a veterinarian, when I started out, I had to go to the local banker to take out a loan. The largest portion of that debt went to purchase a building so that I could take care of my clients and their animals' needs. As time moved along, I worked hard to pay down that debt that I had incurred. I knew that the sooner I paid down that debt, the better I would be able to serve my clients

because a smaller debt load would begin to free up my resources for other uses. Instead of paying out money on interest, I was able to buy new equipment and bring in more help so that I could take better care of my clients.

I think that these two situations, as a family man and as a businessman, are not unlike what we face as a country. If we, as Members of Congress, face our responsibility as custodians of this country's future, we simply have to eliminate deficit spending. Despite everybody's good intentions, the trend has been in the opposite direction—our national debt has grown larger every year. I think that the most unselfish thing we can do for our children and grandchildren is to eliminate deficit spending and assure them a prosperous future. That is why I am supporting a balanced budget amendment. The only way that we will gather the courage and discipline to address our budgetary problems is if we have a constitutional requirement to balance the Federal budget.

Now, many will argue here on the floor that we need to protect particular programs. And lots of times they will couch their arguments in terms of certain benefits for our children. But what they really want is to save their own jobs and programs. Because additional waivers or exceptions to the balanced budget requirement will preserve the deficit spending status quo, their primary concern cannot really be our children's future. The balanced budget amendment and eliminating deficit spending is the approach that concentrates on providing for our children's future. It is unselfishly saying that we want a better life for our children and grandchildren. That is why I am such a strong supporter of a balanced budget amendment.

I wanted to share with Members of this body my experience as a family man and a small businessman. I don't think that the Federal budget is unlike what the average American family or small businessman faces on a daily basis. They understand the need to eliminate deficit spending, to pay down their debt. I just hope that this body has the same foresight that many American families and small business people in this country have.

I yield back the remainder of my time to the Senator from Utah. Thank you.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

AMENDMENT NO. 2

Mr. DURBIN. Madam President, it is my understanding that under the order of the Senate, there is to be 2 hours of debate, if I am not mistaken, with 1 hour to be controlled by me and the other hour by the Senator from Utah, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DURBIN. Thank you. I yield 10 minutes to my colleague from North Dakota, Senator CONRAD, at this time.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD] is recognized.

Mr. CONRAD. I thank the Chair and my colleague from Illinois.

Madam President, first of all, I thank him for offering the amendment he has put up, which we will be voting on in just 2 hours. I think it is a critically important amendment. Before I discuss that amendment, I would like to talk about what I have heard here today, because I have heard a lot of talk about how we are going to balance the budget. I heard a lot of talk about how we are going to eliminate deficits, and all of it is going to be done with this balanced budget amendment to the Constitution.

I thought to myself, maybe they really don't know that, in fact, this isn't a balanced budget amendment at all, because even if you pass this amendment, the debt will continue to rise. Isn't that surprising? We have heard all of this brave talk about how this amendment is going to balance the budget. We have heard all of this talk about how it is going to eliminate deficits. Yet, if we pass it, and if it is implemented, the debt will continue to rise.

I asked June O'Neill, the head of the Congressional Budget Office, when she came to testify before the Senate Budget Committee, "What is the deficit this year?" She said, "Well, Senator, the projected deficit for this year is $124 billion." I said, "Is that right, $124 billion?" She said, "Yes, that's the deficit." I said, "Well, how much is the debt going to go up this year?" Well, she wasn't sure of the number. I looked it up in a table before I asked the question. I said, "Well, would it surprise you to find out that the debt, subject to limit, will be increasing $255 billion this year?" She wasn't surprised by that. Of course, none of us who serve on the Budget Committee are surprised by that.

The difference is that the deficit they are talking about in this amendment and the deficit she was talking about before the Budget Committee is the so-called unified deficit. That is when you put everything into the pot—all the income, all of the outgo, and you call that the unified deficit. The problem with that is, every penny of Social Security surplus is going in. That is about $70 billion this year of trust fund money that they are using to say they have balanced the budget.

That is not a balanced budget. In fact, by law, in the United States that is not a balanced budget. But they are going to put it into the Constitution of the United States that it is. Is that really what we want to do? Do we want to phony up what is a balanced budget and put a phony description of a balanced budget in the Constitution of the United States? Boy, I do not want any part of that game. Are we going to say in the Constitution of the United States that it is a balanced budget when you take every penny of Social Security surpluses and throw those into the pot and call it a balanced budget? If any private employer in this country tried to take the retirement funds of their employees and put them into the pot to balance their operating budget, they would be in violation of Federal law. That is called fraud. Yet, that is what we are talking about here. Their defense is, "Well, we are doing it now." Yes, we are doing it now. We have been doing it for 13 years. It does not make it right. And it certainly is not something we should put in the Constitution of the United States.

The first question the people of the United States ought to insist be answered by our colleagues on the other side of the aisle is, What budget is being balanced? We need to ask that question, the most basic question of all, because by any serious definition of a balanced budget this amendment to the Constitution of the United States that they are offering is not a balanced budget amendment at all.

This is the description. It says, "Total receipts shall include all receipts of the United States Government. Total outlays shall include all outlays of the United States Government." That seems to make common sense. But the problem is that you are taking all of those trust fund surpluses.

Look at what they are. In 1998, the fiscal year that we are working on the budget, $81 billion of Social Security surplus. Under this amendment that they want to put in the Constitution of the United States, the organic law of our country, they want to take every penny it of it to claim they have balanced the budget. In 1999, $169 billion will be the cumulative surplus by that time of those 2 years; 2000, $263 billion; 2001, $361 billion of Social Security surpluses, every penny of it going into the pot to claim they have balanced the budget. What a hoax. What an absolute hoax to call this a balanced budget. By 2002, $465 billion of Social Security surpluses, and they will have taken every penny, they will have spent every penny, in order to claim that they have balanced the budget.

That does not pass any kind of credibility test. For us to be entrenching that principle into the Constitution of the United States—I thought about this very hard 2 years ago when it came down to my vote. I thought to myself, I don't know what the political ramifications are. I don't know how this will be read. But I know one thing. I am not putting my name on an amendment to the Constitution of the United States, the organic law that has made this the greatest nation in human history, and put my name on an

amendment to the Constitution of the United States that says that a balanced budget is one that uses every penny of the Social Security surplus to call it a balanced budget. No. I am not signing up to that kind of deal.

Look at what we are talking about. By the year 2013, $1.8 trillion of Social Security surpluses, and they are going to take every dime and claim they have balanced the budget.

Let me turn now to the amendment of my colleague from Illinois, an amendment that I think is critically important because I think there are three failures to this balanced budget amendment that is before us today. No. 1, it raids Social Security surplus funds to claim balance; No. 2, it does not have adequate provision for a national economic emergency.

Madam President, we know right now that the right thing to do is cut spending and balance the budget, without question. I have spent a great deal of my time offering balanced budget plans in this Chamber. I deeply believe it is the right thing to do to secure the economic future for our country. There is a right way to do it and a wrong way to do it, and unfortunately the amendment before us, the underlying constitutional amendment, is the wrong one; wrong because it loots Social Security trust funds; wrong because it does not have adequate provision for national economic emergencies.

But let me be clear. While it is the right thing to do now to cut spending and balance the budget, that was precisely the wrong thing to do in the depths of the Depression. Cutting spending, raising taxes in the depths of the Depression would only have made that calamity last longer and be deeper. That is the economic reality. And we are passing an amendment here not just for today, not for the next 5 years, not for the next 10 years, but perhaps for the next 200 years. It ought to be an amendment that can stand the test of time. This one, the underlying amendment, fails that test.

The Senator from Illinois, Senator DURBIN, has come to us and recognized that we ought to amend the balanced budget amendment to take account of national economic emergencies.

He is saying that when we get into a situation, especially a depression, this country ought to be able to take fiscal policy that would help this country emerge. The Senator from Illinois has put his finger right on it, one of the key weaknesses of this amendment.

Henry Aaron, director of economic studies at Brookings Institution, says, "One does not need to be a primitive Keynesian to believe that a requirement forcing tax increases or spending cuts during an economic slowdown could be catastrophic. Yet, the need to mobilize a three-fifths majority, not just in the Senate but in the House of Representatives as well, heightens the possibility that such policies would result because of incapacity to mobilize the necessity supermajority in both Houses."

Some of my colleagues on the other side who are moving this amendment may say, "Well, all we have to do is get a three-fifths vote to waive these provisions in the event of a national economic emergency." I think that is cold comfort, Madam President. All we have to do is look back at some of the decisive moments in history to see that it isn't easy to get a three-fifths vote in this Chamber. On the eve of World War II we could not get a three-fifths vote to institute a draft. If there ever was a national emergency, it was World War II, and we couldn't get a three-fifths vote to institute a draft. In fact, we couldn't get a majority vote to institute a draft.

Madam President, we don't want to hold the economic future of America hostage at in a time of national economic emergency. That does not make sense.

Robert Solow, the Nobel laureat from MIT, said, "The balanced budget amendment would force perverse actions by Congress, easily turning a small recession into a big one and a big one into a disaster."

We ought to pass the Durbin amendment because it makes economic sense. We ought to do that.

This chart shows what we have learned in terms of evening out the economic cycles. This chart shows real economic growth from 1870 to 1995. You can see these wide swings, these wild swings, in economic activity up until about 1950. Then these economic stabilizers that we put in force in this economy eliminated these wild swings that lead to so much pain, so much suffering, and so much devastation. That is what the Durbin amendment addresses. It says let us not eliminate these economic stabilizers. Let us not be in a situation in which we handcuff the American economy in the midst of a national economic emergency. Let us not be in a circumstance in which we cannot do what we know works to eliminate disastrous economic consequences. That just makes common sense.

I hope we will support the Durbin amendment.

I thank the Chair and yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Madam President, the Senator from North Dakota has been very eloquent. The problem is that what he seems to be arguing for is a continuation of the status quo. For instance, on Social Security, at the very time he is arguing that it is immoral and that it is a rape of the trust, that it is a ripoff to keep Social Security within the purview of the balanced budget amendment, he supports a President who is doing exactly that.

That is what the President's budget does. That is what every budget of every President has done ever since we started the unified budget system. And it just makes little or no sense to take it out of the Federal budget, out of the unified system, because if it cannot stand on its own, which Social Security can, then why would we make any selectivity. The fact is it is a gimmick to take it off budget, and it is a risky gimmick at that. What they are trying to do is really defeat the balanced budget amendment.

Then to argue that we have to take care of economic emergencies, well, what are economic emergencies? I must be able to list at least 3,000 of them right now that could occur to which everybody could argue that the balanced budget amendment does not apply.

It is one thing to argue for the status quo. I have seen 28 years of it. I have been here 21 of the 28 years. And I have to admit I fought for a balanced budget every one of those years, and there have been a number of us who have done so, but we have been in a distinct minority as unbalanced budget after unbalanced budget has been passed.

Now they are saying let us keep the status quo. Even though this gimmick is going to take Social Security off budget and subject to all budgetary matters, we should take it out of the balanced budget amendment, as though Social Security cannot stand on its own. Come on. That would be one of the most risky things we could do. Every item ought to be on budget.

Social Security is the largest item in the Federal budget. It ought to be in the budget. And we can work around the problems that are concerning the Senator from North Dakota and others who argue that. To talk about economic emergencies and try to write that into the Constitution, everybody knows that is a gutting amendment that would destroy the balanced budget amendment.

To say that you cannot get a three-fifths vote is an insult to everybody who believes in this country and who is patriotic and who really believes that the country should go forward. If we have a true economic emergency, we will be able to get the three-fifths vote, and there will be a lot of us who are conservative who will be voting for the three-fifths vote.

The fact of the matter is if it does not measure up, then that three-fifths vote will not be granted. And a lot of these very same people will be saying, "Oh, this is the most important thing in the world," as we go into another year of unbalanced budgets. That is what we have been doing.

I hear these people saying, "Oh, we can do it. Just do it. Just do it." I have heard that for 21 solid years. We have never done it yet in the last 28 years. What makes us think that "let's do it"

means we are going to do it the next year. The fact is the President's budget is not going to be in balance, according to the CBO; the one he sent us is not balanced. And keep in mind the last 2 years are where all of the budget cuts have to occur in order to be in balance, according to the President, or there will not be any tax relief to the American people.

So, look, we know that these amendments are intended to gut the balanced budget amendment. People who are arguing for them may be doing it sincerely, and I presume they are. But they are people who are not going to vote for this balanced budget amendment no matter what we do. They are not for it no matter what we do. We heard the distinguished Senator from Minnesota. Why, he has four or five major items that he would exclude from any budgetary restraint. There are others who would exclude Social Security from any budgetary restraint. And there are 98 others in this body who would also like to exclude some of their special projects.

The best we can do is work together on the unified budget and face the music and make priority choices within a budgetary constraint system, and if we do that we will save this country, we will protect our children, protect our seniors, protect those who need it, and we can. Otherwise, we are going to monetize the debt in order to stave off bankruptcy, and that means ruining our country, having interest rates going out of sight and inflation through the roof.

We are talking about saving the country right now. That is what we are talking about. With these gutting amendments, if any of them pass, the balanced budget amendment will become a lot less effective.

I yield the floor.

Mr. DURBIN. Madam President, I yield 3 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, just to respond to my distinguished colleague from Utah, the Senator from Utah says, well, it is OK for us to put in the Constitution of the United States a definition of a balanced budget which assumes that you are going to loot Social Security trust funds, and every other trust fund, for that matter, because the President did it in his budget submission.

I say that is a mighty weak defense of a constitutional provision. We are not talking about a statute here. We are talking about the organic law of the United States.

Mr. HATCH. Will the Senator yield on that point, just on that point?

Mr. CONRAD. Let me complete my thought, and then I would be glad to.

Mr. HATCH. If the Senator would.

Mr. CONRAD. Then I would be glad to yield.

The fact is we are talking here about an amendment to the Constitution of the United States. This amendment does not lead to a balanced budget. The debt continues to increase even if this is passed. That is not a balanced budget, No. 1.

No. 2, the President's budget, which is done on a unified basis in the same way as this constitutional amendment, is also not a balanced budget. And I have said that clearly.

Mr. HATCH. Will the Senator yield?

Mr. CONRAD. I have said it publicly, and I have said it privately. It is not a balanced budget, because although this amendment claims balance and the President's budget claims balance, they are taking trust fund money in order to claim balance. That is not a balanced budget. It defies our own law. Our own law says you should not count Social Security trust funds.

Second, the difference between Social Security and other funds is it has a dedicated revenue source. We impose a tax, a regressive payroll tax on the workers of this country and the employers of this country, and that fund is in surplus. And so when you mix it in with everything else, you are taking the surpluses generated by that stream of revenue that is being generated for a purpose. The purpose is to prepare for the baby-boom generation. But all the money is being spent. It is being spent for another purpose. That is wrong. And it is dead wrong to enshrine that flawed principle in the Constitution of the United States.

Mr. HATCH. Will the Senator yield?

Mr. CONRAD. Third point. The Senator from Utah says three-fifths vote, requiring that is an insult to those who serve here. Not at all. It has nothing to do with insults. I could turn that on the Senator from Utah and say his requirement of a three-fifths vote is an insult to democracy. In democracy, majority vote prevails. We do not have supermajorities. I do not choose to do that.

I do not think it is a matter of insult. I think it is a matter of reality. Do we really want to be in a circumstance in which this country faces an economic emergency and we have to have a supermajority vote to respond when we know from our own past that it has been difficult to muster a three-fifths vote. Even on the eve of World War II, to institute a draft, we could not do it. I submit to this Chamber and to the American public, the wiser course is the amendment of the Senator from Illinois.

Mr. HATCH. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I listened to these arguments, and I did not make the argument that we should have Social Security in the balanced budget amendment because the President is doing it. Everybody has done it because it is a unified budget that requires everything to be on budget. And on the other side of that coin, starting about the year 2014 Social Security goes in deep deficit. What are we going to do, keep that off budget so that we do not have to face the music, so we can keep borrowing?

The PRESIDING OFFICER. The 3 minutes of the Senator from North Dakota have expired.

Mr. HATCH. I will use my own time. I am sorry.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. The fact of the matter is, you cannot budget without putting everything on budget and you cannot handle it right. And the President is doing what the Secretary of Treasury said he should do, and that is keep all items on budget. There are 31 trust accounts, at least in the Federal Government. Are we going to take them all off because somebody makes the unfounded allegation that we are ripping off the trust funds? The fact is, the only way not to rip them off is to keep everything on budget. And that is a pretty important point.

I do not see how you can argue to take it off budget. It just makes sense that we face all the music here, not just part of it, and that we do not make any exceptions so that we have to make priority choices if we are going to have a balanced budget amendment.

The Senator is right on one thing and that is this amendment does not require a balanced budget. We can choose not to balance the budget. All we need to do is get a supermajority.

This is not a pure democracy in this country. This is a representative democracy, and the Senate is a perfect illustration of how we do not always have a majority vote. The fact of the matter is, each State has two Senators, regardless of population, and that gives a disproportionate amount of voting power to some States over others.

The House of Representatives is a purer democratic body, and our Founding Fathers in their wisdom understood this. They also would understand, if you are going to do a balanced budget amendment, you have to keep everything on budget. And it still does not rebut my point, which is that this is a gutting amendment. This amendment basically says when we have an economic emergency we can go off budget, the amendment does not apply. Again, I ask you, what is an economic emergency? There is a wide disparity of belief as to what is, and we provide for a way around that by a three-fifths vote, which I think, in a true economic emergency, will be easily obtained here and should be easily obtained here.

In response to the supermajority requirement, the Senator from North Dakota raises the vote on war, a military threat. Senate Joint Resolution 1 provides a lower threshold for votes to

waive the balanced budget rule in times of war or national security emergency. With regard to economic emergencies, during the past 15 years Congress has passed emergency unemployment compensation by supermajorities every time but once, and it can be legitimately argued that the once was a time when they should not have. Disaster relief has been enacted by a similar supermajority every time except twice over the last 7 years.

What is wrong with requiring people who have not balanced a budget in 28 years and who keep saying the same things, what is wrong with requiring some fiscal restraint of these people? It is apparent that Congress is not going to live with fiscal restraint unless it is imposed upon them, and the only way we can impose it—after five tries in the last few years of budget restraint by statute, none of which have worked—the only way you can impose it is through an amendment to the Constitution that everybody in this body and in the other body is sworn to uphold. I think it is just that simple.

There is room for legitimate disagreement here, I am sure. I do not mean to imply that my colleagues are not sincere in every word that they are saying. But, on the other hand, I think those of us, the vast majority in this body, who will vote for this are sincere as well. We have seen 28 years of sincerity. People were sincere in trying to get balanced budgets during those years, but they did not do it. The reason they did not do it is because they did not have to do it and it was easy to borrow. It was a lot easier to borrow and mortgage the future of our children than it was to face the music. Our amendment will require we face the music.

I yield the floor and reserve the remainder of my time.

Mr. DURBIN. Mr. President, I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from North Dakota is recognized for 1 minute.

Mr. CONRAD. Mr. President, words do not change reality. You can call it a balanced budget amendment to the Constitution of the United States. It is an amendment to the Constitution of the United States, but it is not a balanced budget. The simple fact remains, if you pass the amendment offered by the Senator from Utah and it is fully implemented, the debt continues to go up. You can say that is a balanced budget but it is not. It is simply not. The reason it is not is because the Senator from Utah is taking every penny of the Social Security trust fund surplus and throwing that into the pot and saying he has balanced the budget. It is not a balanced budget. No private employer could do that. It would be a violation of Federal law.

On the question of three-fifths vote, it is very interesting——

The PRESIDING OFFICER. The minute of the Senator has expired.

Mr. CONRAD. May I have 30 more seconds?

Mr. DURBIN. I yield 30 seconds to the Senator from North Dakota.

Mr. CONRAD. On this question of national economic emergency, it is very interesting that all these arguments about supermajority go right out the window because they themselves provide for a simple majority in the case of a national security emergency but not in the case of a national economic emergency. That is a fatal flaw in this amendment.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I hear the distinguished Senator, but what he fails to say is that we are continuing that system without any restraint if we do not pass the balanced budget amendment. I think the Senator from North Dakota, not deliberately, has made several misleading statements, to some of which I would like to respond.

He says the balanced budget amendment does not balance the budget if it does not exclude Social Security. Of course he fails to mention that in the long run everyone knows Social Security is going to run huge deficits and that it is not always going to run surpluses. This tends to balance out. If we follow his suggestion, we do nothing but continue the current system. His own President is including Social Security because he has to, because it is part of the overall unified budget. By the time today's children are retiring, Social Security will be running annual deficits of $7 trillion each year. Unless we keep Social Security on the budget and make it work and resolve it, in current dollars, it will be a $7 trillion deficit a year.

He also fails to mention that this huge deficit would not count under the Social Security amendment that he supports. The amendment he supports would call this $7 trillion deficit a balanced budget. You talk about hoax; I don't see how anybody can argue that. Yet they do. The fact is, we are in trouble and what are we going to do? Just the status quo? Just keep doing year after year what we are doing; mortgaging our children's future and making it so this, the greatest country in the world, becomes the least great country in the world? That is where we are headed if we do not do something about it.

The Senator from North Dakota also described the balanced budget amendment as looting Social Security. What a half-truth. The balanced budget amendment does not touch one penny in Social Security. That whole argument is nothing more than an accounting preference. The Social Security trust funds will be still invested in the greatest securities in the world, and that is American securities, U.S. Treasury bills, if you will. That is the only thing they can be invested in. That is going to happen whether we pass a balanced budget amendment or if we do not. So, this is a phony argument and, frankly, it would be literally—literally—a risky, risky gimmick to take Social Security out of the major budget because, on the one hand, there are surpluses today, but they are all invested in American securities. Starting about the year 2013, we have huge deficits; not surpluses, but deficits. Should we take it out when we have surpluses and not put it in when we have deficits? No. You keep it in all the time and you work with it and you do what is right. That is what the Secretary of the Treasury did. That is what he suggested. That is what he said is the right way to do it. By the way, that is also what the President just did in sending up his budget.

So, if we do nothing here, we have business as usual, another, a 29th, year of unbalanced budgets. I would feel a lot better if some of these people who are bringing up these amendments would be voting for the balanced budget amendment. But, no, these are amendments to gut the balanced budget amendment.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, could you please tell me how much time is remaining to me?

The PRESIDING OFFICER. There are 42 minutes for the Senator from Illinois, 38 for the Senator from Utah.

Mr. DURBIN. Mr. President, I thank my colleague from North Dakota, Senator CONRAD, for supporting my amendment and joining in the debate. He has raised two very important issues. One relates to the future of Social Security and its involvement in balancing the budget. The other relates directly to my amendment, to whether a supermajority vote will be required in the House and the Senate in times of a national disaster or a national economic emergency for the Congress to decide to spend more than we have received in tax revenues that year.

The Senator from Utah, the chairman of the committee, has spoken in committee and on the floor. His point is made and made clearly. He believes that Social Security should compete with all the other Federal programs. He believes that it should be there with no special treatment, should not be excluded, should be brought to the debate and treated the same way. I respect his point of view. I disagree with it.

But in order to bring this back to my amendment, I would like to focus on the debate which started last Thursday and continues this afternoon.

Consider this possibility. If we are successful in balancing the budget in

fiscal year 2002, as proposed by President Clinton and virtually all of the leadership in Congress, we will applaud, congratulate ourselves and believe, I think rightly, that our economy is in stronger shape. And now let's take a hypothetical.

In the next year, 2003, there is a downturn in the American economy. This is not an extraordinary event. In fact, history tells us that once every 5 years we face such a downturn. So our budget is in balance and the next year, millions of Americans, because of this recession, are out of work; men and women who have been paying Federal taxes, no longer working. Naturally, they are not paying the taxes.

On the other side of the coin, they are men and women who need a helping hand. They are men and women who need unemployment compensation from the Government. They are men and women who may need, in dire circumstances, food stamps to feed their children from the Government. They may also need Medicaid for hospitalization care of their children while they are unemployed from the Government. They may be determined to go back to work and headed for a job training program to get them qualified for another job, that training program coming from the Government. They may decide it is time to get that advanced degree or college degree and need to ask for a loan from the Government. In each of these instances, people who are not paying taxes, working families who, through no fault of their own, are out of work, turn to the Government for a helping hand.

Any economist is going to tell you your books are not going to be in balance that next year. Congress will then have to decide whether in the year 2003, in this hypothetical, we will not have a balanced budget, because we don't want to relegate millions of unemployed Americans to the ash heap of economic history. We want to make certain they have the same chance other families have had to get back on their feet, and that is the purpose of the Durbin amendment.

How will we reach that decision? Under the amendment to the Constitution being offered by the chairman, the Senator from Utah, it would take a three-fifths vote of the House and the Senate, approved by the President in order for us to decide, yes, in the year 2003, we are going to waive the requirements of a balanced budget in order to get the economy moving again, in order to get people back to work, not to risk going more deeply into the recession.

The chairman stands and says this supermajority requirement, this 60-percent requirement, is not unreasonable. Surely, he says, the House and the Senate, faced with this economic challenge, will rise to the occasion, cast partisanship aside, avoid the personalities, rally around the flag, stand behind the families. I say to the chairman and to others of like mind, history suggests it might not be that easy.

In the desk of each Senator is a publication known as the Senate Manual. It contains a lot of information about the rules of the Senate, and it also contains the Constitution of the United States.

I ask the chairman to consider the following: When our Founding Fathers wrote the Constitution, which we are seeking to amend with this resolution, there were 13 colonies organized under the Articles of Confederation. And they said that 9 of the 13 colonies would have to ratify the Constitution for it to go into effect.

Think about this: The birth of our Nation, the creation of the United States of America, and turning to 13 legislatures in 13 colonies, this Constitution was given to them, asking them to be a part of our Federal system.

What if we had given them the Constitution with a supermajority requirement in each of the legislatures? What if we had said to them, "Just to make certain that you don't do anything rash, we are going to require a 60-percent vote from the legislature of each colony to ratify the Constitution, and it will take 9 of the 13 colonies to do it"?

Mr. President, I am not certain we would be a federal nation today, because if you reflect on the votes actually cast in each of the 13 colonies, you will find, unfortunately, that 5 of the 13 did not meet the supermajority requirement. Only 8 of the colonies would have met the chairman's supermajority requirement.

So, though he believes we can rise to the occasion in economic recession, history tells us that even in the creation of this Republic, a supermajority requirement would have complicated things, slowed them down. I don't know if we would be standing today on the floor of the Senate of the United States of America. It is anyone's guess. But the suggestion that a supermajority requirement is something easy to come by belies history.

What my amendment says is that a majority is necessary to make this decision. So, if we face a natural disaster—the big one in California, a hurricane in Florida, a hurricane in North Carolina—or a national recession, that we will come together as a national legislature and decide for that given year we will waive the requirement of a balanced budget because of a national economic emergency, a national disaster.

The chairman suggests people will abuse this. They are going to call everything a national economic emergency. I don't think so. I think history tells us over the last 4 years, with the Clinton administration, with both a Democratic Congress and a Republican Congress, there has been a real commitment to deficit reduction.

The chairman is standing next to his leaning tower of unbalanced budgets and suggesting to us that this is going to go on forever. But if the chairman would look closely over the last 4 years, he will see they are somewhat different than the other 24 years, because we have come to a bipartisan conclusion that we should and can reduce the deficit in a responsible way.

President Clinton's administration, with the cooperation of a Democratic Congress and a Republican Congress, have brought 4 straight years of deficit reduction. This is the first time that has occurred in this century and far into the last century. So it suggests Congress has the message and has the goal in mind and is moving toward it in the right way.

The chairman has said to us many times, this is something the American people want, a balanced budget, and he is right, not just by our empirical evidence of visiting our States and speaking to our constituents, but also by sophisticated polling time and again. People come forward and say, "Let's have a balanced budget." But I say to the chairman, I will also add a couple things to that.

If you would ask them whether they want to protect the Social Security trust fund as part of balancing the budget, they want that in an overwhelming way.

If you would ask them whether or not it is right for our Nation to come to the rescue of families unemployed in the midst of a recession, for the Nation to come together to offer things to families to get back on their feet, I think you will find an overwhelming response. Because the bottom line for most American families, whose senses are dulled by all this economic theory rhetoric, is whether or not they are doing well for themselves.

Are people in their households working? Do they have a job? Do the kids have a chance for a bright future? Is our economy expanding, creating good-paying jobs? I think that really is a bottom-line question. In election after election that is the test we are held to.

This amendment does not meet this test. This amendment, by requiring a supermajority vote, says that this Senate of the United States and the House of Representatives will hold itself to such a standard as to question whether or not we can rise to the occasion when there is an economic necessity.

Mr. KENNEDY. Will the Senator yield?

Mr. DURBIN. I would be happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I strongly support the amendment offered by Senator DURBIN to protect jobs for working families. Without it, millions of Americans may well lose their

livelihood if adequate steps are not taken to prevent real damage to the economy from the proposed constitutional amendment.

Proponents of the balanced budget constitutional amendment claim that it will help American families. They predict dire consequences without a constitutional requirement to force a balanced budget. But, we know better. President Clinton's budget gets us to balance by 2002, and American families don't need or want to lock themselves into a budgetary straightjacket.

Secretary of the Treasury Robert Rubin and over 1,000 economists have told Congress that the balanced budget constitutional amendment is a mistake. Because the amendment turns off the economy's automatic stabilizers, "it could turn slowdowns into recessions, and recessions into more severe recessions or even depressions," according to Secretary Rubin.

Without the automatic stabilizers, the Treasury Department estimates that the 1990 recession might have led to 9 percent unemployment—instead of 7.7 percent. That would have cost the country over 1 million additional jobs.

The fundamental problem with the amendment is that it requires a balanced budget even in times of recession. The depression of the 1930's was made far worse because Congress repeatedly cut Federal spending and raised taxes trying to keep the budget in balance. This amendment could easily condemn us to repeat that unacceptable history.

Surely, we can't ignore the views of over 1,000 economists who agree that this amendment mandates "perverse actions in the face of recessions." The last time we failed to heed the warnings of the Nation's economists, at the beginning of the 1980's, the deficit skyrocketed and hundreds of thousands of Americans lost their jobs.

Of course, supporters of the amendment say this will never happen. They tell us that if an economic depression is on the horizon, the proposed constitutional amendment allows Congress to waive the balanced budget requirement with a three-fifths vote. But it is reckless for Congress to gamble in this way with the economy.

The Durbin amendment is needed to avert these serious threats to the economy and to American families. Under the Durbin amendment, a constitutional majority could waive the balanced budget amendment's requirements if there is an economic recession or serious economic emergency in the country.

The amendment protects the country during times of military emergency, and it should also protect families during an economic emergency. I urge my colleagues to support the Durbin amendment.

Finally, I want to ask the Senator a question, if I might.

I have listened with great interest to the Senator's explanation. I find it enormously powerful and extremely compelling. After listening to the interpretation of both the balanced budget amendment and the Senator's anti-recession amendment, one has to draw the conclusion that on the one hand Americans who have great wealth will not be significantly impacted by the implementation of the balanced budget amendment during a recession.

The very wealthy do not rely on the kinds of programs that you have mentioned. So their lives will not be adversely affected if this measure is actually put in the Constitution.

On the other hand, as the Senator has pointed out, working families, children of working families, and parents of working families have the greatest risk under this amendment. If I understand the position of the Senator from Illinois, it will be the sons and daughters of working families that will suffer because Pell grants will be cut. It will be the children in Head Start—children of working families—that will have their education put at risk. It will be mothers and fathers of working families who will not receive assistance from job training or job dislocation programs during times of economic calamities. It will be their parents, those who have toiled in the factories, served in the Armed Forces, lifted this country out of depressions, and been the backbone of this Nation, whose Social Security and Medicare checks are put at risk.

I wonder whether the Senator's arguments reach this issue of unfairness inherent to the balanced budget amendment. Because, it seems to me that one group of Americans, those hard-working Americans, have the most to risk. And those that are the wealthiest individuals or the most successful corporations have the least to risk. I wonder whether the Senator agrees with that observation.

Second, if the Senator believes that is true, then what does he believe is the position of the organizations that represent working families.

Where do the workers stand on this? Are they for this? Do they think that their futures are more secure by putting the balanced budget amendment in the Constitution? They say no.

What about those groups that have fought for the rights of children, day in and day out, year in and year out, what is their position? Do they say yes? They say no.

Do those groups that have been fighting to ensure decent health care for American seniors come to us and say, "This balanced budget amendment is in the best interest of our seniors," or do they say, "Do not pass this measure, at least not without the Senator's amendment?"

I am just interested if the conclusions that I draw from the Senator's excellent argument, particularly as it relates to the adverse impact economic downturns would have on hard-working Americans, is something that the Senator is very concerned about as well.

Mr. DURBIN. I thank my colleague, the Senator from Massachusetts.

I think his point is well taken. I might add this. He has specified various groups that have come forward with reservations about this amendment. He and I both understand that in a time of economic turmoil, economic recession, some of the most vulnerable Americans are not even represented in Washington by a special interest group. They are the working poor, getting up every morning, and going to work, 40 hours a week, struggling to get by, barely beyond the minimum wage, often husbands and wives, sometimes working two jobs, trying to make ends meet, trying to keep their families together.

That is what concerns me. They will be the first casualties in a recession. They will be the ones laid off. They will be the ones who will have to then make a decision about their lives and to get back on track. And what we are saying, I believe the Senator from Massachusetts and I agree, is that at various points in the modern history of America there have been opportunities for them created through Government programs that have helped.

Oh, certainly they need their own personal responsibility, their own initiative. But the door was there for them to walk through. If that door is bolted shut with the supermajority requirement, these families, the working poor, the groups that the Senator from Massachusetts has outlined, they will be the first casualties. That is why I offered the amendment. I thank the Senator from Massachusetts for speaking on behalf of the amendment.

Mr. KENNEDY. I thank the Senator.

As he has pointed out, the economic issues and strength of our country is really the backbone for all of the hopes and dreams of working families. His amendment goes right to the core issue about what this impact would be at a time of economic cycles. I think anyone that understands the history of the economic strengths and weaknesses of our country would see that we should learn lessons from the historic past.

Unfortunately, this amendment does not benefit from that kind of historical perspective, the underlying amendment. The Senator's amendment certainly does. I look forward to supporting the Senator's amendment. I thank him for bringing this matter to the attention of the Senate today.

Mr. DURBIN. I thank the Senator and reserve the balance of my time.

The PRESIDING OFFICER. The Senator from Utah has reserved the balance of his time.

Mr. HATCH. I would like to recognize the distinguished Senator from New

Hampshire, but first let me take 1 minute.

I heard the dialog between the distinguished Senator from Massachusetts and the distinguished Senator from Illinois, and I have to say that I am fully familiar with all those groups. And about 78 percent of the American people—between 68 and 78 percent of the American people—have always been for this balanced budget amendment. They come from all walks of life, from every group. The reason they do is they are deathly afraid that if we do not get this spending under control, the very people that my good friends have been talking about are going to be hurt the most. There is no question about it.

To just keep arguing that we can continue to do business as usual, as has been argued here, that is the biggest joke of all.

I yield 15 minutes to the distinguished Senator from New Hampshire.

Mr. BOB SMITH. I thank my colleague from Utah for yielding and thank him for his strong leadership on this issue which he has done for so many years as we wait to see the long hoped for amendment finally reach passage.

I was somewhat taken by the comments on the Durbin amendment made by my colleague. This is again an effort obviously to weaken the amendment. It is an interesting question about what an economic recession would be. How would one define it? Would it be just a general feeling of anxiety about the economy? Would that be an economic recession?

I might also add, that in difficult economic times you will see areas of the country where certain pockets of the country, certain areas of the country there would be an economic downturn and other areas there may be an economic upswing. So the areas of the country where there is an economic downturn, how do we define where the amendment and when the amendment would kick in?

It is obviously a weakening amendment. It is interesting, Mr. President, that for years and years and years we have heard from the critics, we do not need this amendment. We do not need a constitutional amendment to balance the budget. All we have to do is balance it. We have not done it yet. So I am waiting. And those people who say that we ought to do that, without the amendment, keep offering amendments to weaken what we are trying to do.

This is a very historic debate that we are in today. Not only is it historic in the sense that there have been a number of efforts in the past to have a balanced budget amendment, but it is historic in the sense that if we fail, our children are going to pay the consequences. I think they are going to judge us not in a very kind way if, in the future, in the outyears, if they look back upon this time when we had a chance to deal with this in the Constitution and did not do it.

I am pleased and proud to be on the side of Senator HATCH in this debate. I think he is on the side of the American people. Frankly, not only the American people today, but tomorrow and for many, many years to come. We have had a number of efforts, starting in 1935 in the 74th Congress. That was the first measure designed to require an annually balanced budget, and introduced by a Democrat, Senator Tydings of Maryland. The next year, the first proposed amendment to balance the budget constitutionally was by Harold Knutson of Minnesota, a Republican, in 1936. It was a bipartisan idea, and it began as early as 1935. Since then, we have had some 30 measures that in some form or another have come before this Congress.

The balanced budget amendment is not a Republican proposal. It is a bipartisan proposal. It always has been. Not only have all Senate Republicans cosponsored the resolution, but many Democrats have, as well—not as many as we would like, but many have. We hope we will get the other two or three that we might need.

Senate Joint Resolution 1 was approved by the Judiciary Committee with the support of three Democrats—BIDEN, TORRICELLI, and KOHL. In addition, six other Democrats, BRYAN, GRAHAM, BAUCUS, BREAUX, MOSELEY-BRAUN, and ROBB, as well as Senator KOHL. So we have bipartisan support. This is not a partisan issue. Preserving the United States of America for our children is not a partisan issue.

Former Senator Paul Simon remains a very active and vocal proponent of the amendment and helped to lead the fight here on the floor 2 years ago when it was up on the floor. Perhaps even more recently, the late Senator Paul Tsongas, whom we all knew and respected, who recently passed away, stated: "What you have here is a sad case of pursuit of self as opposed to pursuit of what is in the national interest. The balanced budget amendment is simply a recognition of that human behavior." Paul Tsongas was right.

Secretary of Education Richard Riley was the Governor of South Carolina. He stated:

> I have opposed the amendment in the past, thinking it was a 'political cop-out.' The deficit problem has gotten so bad, that I have now decided to support it.

That is the issue here. It has gotten bad. We have not had the political courage, collectively, to balance the budget. You can say all you want, that we do not have to put it in the Constitution, but while we say that, the debt keeps going up, and it is now $5 trillion. Where do we stop, $50 trillion? When we get to $10 trillion, we will not be able to service the debt because a $10 trillion debt will cost you $1 trillion in interest alone. The entire Federal budget is a little over $1.5 trillion, so two-thirds of the budget will be interest if we continue along this line. It needs bipartisan support, and I am glad that it has it. I hope it has enough.

The last time the Federal Government had a balanced budget was 1969. The total debt was $366 billion. Today, it is $5 trillion. In less than 10 or 12 years, it will be almost $10 trillion if we continue with the current rate of spending.

Yet, we still have those who come to the floor and say we do not need an amendment, we do not need to clutter the Constitution. The Founding Fathers knew what they were doing; they did not put it in there; we do not need it; we can balance the budget. When? Each year that the Federal Government spends more than it takes in, billions are added to the overwhelming weight of our national debt.

Even if we pass this, by the time we get things in order, we will add hundreds of billions of dollars to the debt, Mr. President. In fiscal year 1998, we will pay approximately $1 billion a day—$1 billion a day—in interest on the debt. In the fiscal year 1997, the gross interest we pay to the service of debt will total $360 billion, the second largest expenditure in the entire budget. It is $100 billion more than we spend on defense. Mr. President, $100 billion more than we spend on defense we spend to service the debt in 1997.

What could we have done with all the money we have paid to service that debt? Now, that is a very interesting topic. We get criticized a lot here in the Senate for fantasizing. Let me fantasize about what we could do with all that money.

I came to Congress in 1985. What if we had passed a balanced budget amendment to the Constitution that year and achieved balance in 1990? Imagine what we could have been doing with that money, which by now would have accumulated to $1.7 trillion. We could have built 97 space stations. We could have increased funding for the EPA 261 times. Imagine the potential of crime control programs if the Department of Justice just received 98 times more than this year's level. If we balanced the budget in 1985 and continued the current rate of spending, we could have done all of those things. If you did not like them, fund something else.

What if Congress had balanced the budget in 1970 and kept it balanced? That was the year after we started the deficit spending. What if we actually had a $5 trillion surplus? We could preserve both Medicare and the Social Security Program for our children. Veterans benefits and services could be increased by 116 times. We could provide tax refunds instead of tax increases. Instead of imposing fees to enter our parks, we could increase funding for national parks by 4,000 times.

So when you hear the people come to the floor and say it does not matter, we do not need to clutter the Constitution, that is not cluttering the Constitution. That is a well-needed amendment. Had we done this in 1970—true, we would not need the amendment. That is why we have the amendment process, Mr. President. The U.S. Constitution should be amended only in the gravest of times, only when it is necessary. How much graver can you get than the kind of debt we are passing on to our children? How much graver can you get than a $10 to $15 to $20 trillion debt? That is where we are headed.

It has been changed 27 times, this Constitution. It affects every single Government activity and all Federal spending and touches the life of every man, woman, and child in our Nation, this issue of debt. A constitutional requirement makes it impossible for Congress to shirk its duty to make responsible fiscal decisions. That is what this debate is about: discipline by a constitutional requirement. No copout. You cannot have Senators coming on the floor, giving all these excuses, because it is in the Constitution. So they will have to do it. We may disagree on what we want to cut or what we have to do to balance that budget. We may disagree on that, and we will have that debate, vote, and take our lumps one way or the other, but we have to do it. We have to do it. That is what we have to do now. Congress will have to come up with cures for the Nation's financial woes, not just Band-Aids, and not just words.

In a very few years, Mr. President—I am sure Senator HATCH and others have said this on the floor—in a very few years, interest rates on the debt plus entitlements will equal 100 percent of the Federal budget. That is the good news. The bad news is it is continuing to expand, that interest is consuming more and more and more of that pie, including the entitlement pie, because, theoretically, if we do not stop it, it will consume everything. If you think of your homes, your businesses, you can only go to the bank so many times and then they put the stop on, the cap on the credit card, the cap on your credit, and say, "Now you have to live within your means," that is what this amendment will force this Congress to do.

Despite compelling evidence of the need for immediate deficit control, legislative budget controls have failed to produce a budget surplus since 1969. We tried it with Gramm-Rudman. It sounded good. What happened? When we went to the sequester, when the rubber hit the road and we had to make the decision, we changed the law. We copped out. You cannot change this law. If we pass it into the Constitution, it is constitutional, you have to do it.

Deficit spending is no mystery, although some would prefer it remain so. In fact, on Thursday, the Senator from North Dakota displayed a chart titled, "We Cut the Deficit in Half." While it is true that the deficit projections are decidedly better than the May 1996 estimates, what actually accounts for the rosier outlook? The welfare reform legislation we passed last year had the greatest budgetary impact of any piece of legislation passed by the 104th Congress, according to CBO. This was the bill which President Clinton had to be dragged kicking and screaming to sign. And he apologized for signing it, but he signed it. That is the important thing. In addition, in his recent budget request, the President now proposes to add $22 billion in new spending to that welfare bill. Yet, he wants us to trust legislative remedies. Legislative remedies don't work, folks, because of human nature—the temptation to spend.

With a balanced budget constitutional amendment, we don't have to worry about the whims and indulgences of a President, or Congresses, in years to come. Congress would have to stick to a strict budget just like American families and businesses. We need to pass this amendment. We need to pass it now. We should have passed it years ago. We could have passed it 2 years ago. We lost by one vote. All we are doing, my colleagues, is giving the American people a chance to have this go to their State legislatures so that they, then, can act to either approve or disapprove what we do. We are giving them the opportunity.

Over the last 60 years, total Federal expenditures have increased by more than 800 percent. By 2020, if we do not raise taxes, we can zero out all Federal spending, except interest on the debt, and still not balance the budget. That is why we need it now.

Now, it's interesting that when we think about balancing the budget, we think about it in terms that are perhaps away from home—this big issue balancing the Federal budget, don't spend this or that. Let me give an example. In New Hampshire, my State, the average citizen pays as much as $38,000 more on a 30-year mortgage for an $80,000 home as a result of the budget being out of balance. A student in New Jersey pays almost $9,000 more toward a 10-year loan. In just 1 year, a car owner in South Dakota could save $180 on an average auto loan, if we balance the budget and keep it balanced. The Concord Coalition estimates that the average family's income is $15,000-plus a year lower because of the deficits of the past 20 years. It impacts everyone—whether you work or don't, whether you have children or whether you don't. We can improve wages. We can create jobs. A 2-point cut in interest rates would not only reduce loan payments for families, but it would produce more jobs, perhaps 4½ million more in 10 years. For businesses, a 2-point percentage reduction in rates would lower investment costs and enhance the incentive to invest.

I don't want to have to explain to my children someday, as we look back on this debate, why I stood here and mortgaged away their future. I am standing on this floor today, proudly in the sense that I support this amendment, but in a way ashamed that we have to. A baby born today can expect that over $187,000 of his or her lifetime income will be used just to pay interest on the debt—$187,000.

Paul Tsongas, our former colleague, described Congress' deficit spending as "generationally immoral." He was right. He was right a lot. I wish some of the colleagues on the other side of the aisle would have listened to their former colleague. We must look for a real long-term solution to address the retirement of the baby boom generation and the explosion of entitlement programs that will accompany this shift. We must not push off these disasters and leave them to my children and your children to solve. In simple terms, when we all shuffle off this planet at some time—hopefully, later rather than sooner—you would probably like to leave your assets to your children. Do you sit up at night and dream about leaving them your debts, your mortgage, your car payments? Or would you like to leave whatever you were able to build up as assets?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SMITH. May I have 2 more minutes?

Mr. HATCH. I yield 2 more minutes to the Senator from New Hampshire.

Mr. SMITH. I thank my colleague. The conclusion is that there is a light at the end of this tunnel. You know what stands in the way of that light, Mr. President? About three votes—three votes. Maybe two. Senator HATCH is counting the votes. I haven't been counting them all. But it's two or three votes, two or three U.S. Senators who are probably on the fence. That is the difference. That is how close it is. We lost it by one vote 2 years ago.

Votes do matter. That is the difference between trillions in more debt and mortgaging our future or not. Senator Rudman, my New Hampshire colleague, said to me one time, "There are only two things that can happen if we don't stop this insane process. First, we can continue to deficit spend and just cause sheer chaos when we can't pay our bills and go bankrupt. Or, second, we can print more money and sit around with 200, 300 percent inflation." We should all think about what that would do to our daily lives.

There is no other option if we don't balance the budget. It is insane. Every American—man, woman, and child—in this country knows it is insane. They know it. You know you would not put up with it with your school board, your

business, or your local government, town government; but you let the Federal Government, the Congress men and women spend you into oblivion. There is a light at the end of the tunnel, and I hope that the U.S. Senate and the Senators won't block that light. I hope this month the Senate will show the American people that they are interested in the future of our country and our children. Thank you very much.

Mr. DURBIN. Mr. President, I thank the Senator for his contribution to this debate. I agree with him that there are many leaders in both political parties who come to this issue with complete sincerity. He has noted my predecessor, Senator Paul Simon of Illinois, the late Paul Tsongas of Massachusetts, Warren Rudman, and the list goes on—men and women who have taken the time to analyze this situation and have come to the conclusion that a balanced budget amendment is in the best interest of this Nation.

I respect all of those people, but I respectfully disagree with them when it comes to the specific language of this amendment. There is a reason why the Secretary of the Treasury, Mr. Rubin, after 26 years on Wall Street, came before our Judiciary Committee and testified that absent an amendment, such as the one I am offering today, this procedure that we are enshrining in the Constitution will tie our hands in times of economic emergency and recession. It will turn recessions into deeper recessions or even depressions. We can't justify that, in the name of clinging to the old school language of the balanced budget amendment. The Senator from New Hampshire says we may be within one or two votes.

I say to the Senator from New Hampshire, if we can sit down in a calm, bipartisan way and address two aspects of this balanced budget amendment, the supermajority gridlock when it comes to a national disaster or national economic emergency, and protection of the Social Security trust fund, I would daresay to my friend from New Hampshire that we would not be quibbling over two votes. This amendment would leave the floor of the Senate and the House with the kind of substantial bipartisan majority which would say to the legislatures across America that this amendment is a better one, a better version. But you know what happens in this town, in "Wonderland, DC." Special interest groups get dug in. You can't change a word. If you touch a word of it, you are betraying all of the trust that has been given you. Please, how seldom we rise to amend this Constitution. Should we not do it in a way that is responsible, in a way that meets the requirements of our future?

You know, during the worst days of our budget deficits, during the Reagan and Bush administrations, there were many Members of the House—most are not serving now—that I served with, who used the balanced budget amendment as a figleaf for their fiscal recklessness. They would rush down and vote for these unbalanced budgets. They would lard up their districts. They would vote for big spending here and there. And then, when people said, "Well, how do you explain doing this when it produces such deficits?" "I am for a balanced budget amendment, I want to amend the Constitution, and I want to make it against the law for people to do what I am doing. That shows you how sincere I am."

Now we are like generals fighting the last war. That mentality, that language, brought to 1997 is what we want to put in and enshrine in this Constitution, saying that the wording and terms are inviolate, ignoring the realities. And, yet, the Treasury Secretary and over 1,000 recognized experts on the economy have come forward and warned us. They have warned us to think twice about this. It may have a surface political appeal. But how on God's green Earth is it going to work?

The chairman spoke eloquently in the debate on Thursday regarding my amendment and said, "The very purpose of this provision of the distinguished Senator from Illinois is to make a balanced budget amendment easier to waive." He went on to say, "Instead of trying to find ways to avoid fiscal responsibility, we ought to be working toward passing a strong balanced budget amendment that will help us to keep out of recessions in the first place."

I would like to say to the distinguished chairman of the Senate Judiciary Committee that if he can help us craft an amendment that will abolish recessions in the American economy, I will certainly consider it carefully. But I do not think we gain anything by suggesting that a balanced budget amendment will put an end to the business cycle. With or without this amendment we will someday face a recession, and the question is, How will we respond?

For those who question whether or not this Senator from Illinois will vote for a balanced budget amendment, I have voted for five balanced budget amendments—five versions that protected Social Security, avoided the supermajority gridlock, and addressed important issues that protect the American people particularly in times of recession.

I would also like to make note of another element. Some say that this will lead to irresponsible behavior by the Senate and the House; that, if the Durbin amendment is adopted requiring only a majority vote, the people will exploit this amendment. I do not think the critics have taken a close look. If the critics of this amendment will read it carefully, they will see that, in my amendment, anxiety is not the basis for waiving the balanced budget. They will see that it requires, in fact, specific action by the House and by the Senate for waiving.

First, there must be an economic recession, or a serious economic emergency in the United States.

Second, Congress, must declare that there is such a recession, or serious economic emergency, by joint resolution.

Third, that resolution must be adopted by a majority of the whole number of each House.

Fourth, that resolution must become law, which means it must be signed by the President, or enacted over his veto by two-thirds vote of both Houses.

I do not believe that any future Congress will view this as an escape hatch to ignore the requirements of a balanced budget. If they do, it will be at their own political peril.

I believe that the requirement which I have in my amendment to the balanced budget amendment will require public accountability, a record vote, and the determination by the House and the Senate that, in fact, we do face an economic emergency.

The chairman has also said we do not need the Durbin amendment; that what we need to do is to run a surplus in our Treasury so we have a so-called rainy day fund that we can turn to to take care of working families who have lost their jobs. Unfortunately, the lead witness called by the chairman of the Judiciary Committee to testify on behalf of the balanced budget amendment, former OMB Director James Miller, who is living proof of the redemption of politics, a man who has presided over a series of deficits as OMB Director and now is totally committed to a balanced budget since he no longer holds that position, came before us and said that, if he could change one thing in this balanced budget amendment, he would allow the Federal Government to establish a rainy day fund, or a stabilization fund.

Mr. Miller knows, I know, and I think most do, the language being offered by the chairman in Senate Joint Resolution 1 does not allow the creation of a surplus, or this rainy day fund, to be there when our economy is in need. That, I think, is a serious shortcoming.

Chairman Greenspan of the Federal Reserve Board, a man credited by both political parties despite controversy of having used monetary policy to stabilize our economy, was testifying before the Budget Committee when I asked him point blank, "Are you for a balanced budget amendment to the Constitution?" He said that we should not put "detailed economic policy" into the Constitution. I asked him about the automatic stabilizers, the Government coming to the rescue of an economy because of a recession. He said, "It is far better to have a surplus or rainy day fund."

I am sorry to tell Chairman Greenspan that the balanced budget amendment before us today does not give us that option. It does not give us that option and, because it does not give us that option, is fatally flawed.

Let me speak to the supermajority vote again. Not only would a supermajority vote result in too many of our predecessors failing to ratify our Constitution but a supermajority vote—think about this for a moment. Think about it in the context of the last 24 months, the last 24 months when this Government was in such chaos and gridlock that we had Government shutdowns. Because of the requirement of a supermajority vote? No. Because of the requirement of a majority vote to extend the debt limit of the United States. Facing the need to pass a debt limit bill simply acknowledging our obligation for debt already incurred, or about to be incurred, we could not do it by majority vote. Without that debt limit extension, Federal law required that the functions of Government stop. The Government was shut down not once but twice for a total of 27 days at the cost to taxpayers of over $1.4 billion for the failure of Congress to muster a majority vote.

Now we hear from the proponents of this amendment, "Trust me. If we get into trouble, if there is a regional economic recession, if there is a disaster, a Midwest flood, or hurricane in Florida, surely this Congress will come together and do the responsible thing." Well, we saw, unfortunately, in recent memory when the Congress did not rise to its responsibility, or rise to the occasion, and allowed these terrible Government shutdowns for lack of a majority vote. And now we are putting in the Constitution of the United States clear language to require a supermajority to respond to a national economic emergency.

The Senator from Idaho, Mr. CRAIG, said on Friday that past Congresses have passed economic stimulus packages in times of recession when they were needed with the necessary 60 votes, including 1993. Unfortunately, his recollection was not accurate. The inability to obtain 60 votes prevented enactment of antirecession legislation in 1993, and even the President's deficit reduction package, which turned out to be a tremendous boost to the economy, passed this body only when the Vice President voted with an "aye" vote. By supermajority it never would have occurred, and I am not certain where we would stand today in terms of our economic situation.

I reserve the remainder of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, what we need to do for families is to resist the higher interest costs on the mortgages, student loans, consumer purchases, auto loans, et cetera. If Congress can get its fiscal house in order, more jobs will be created and those jobs will be more secure. If Congress stops borrowing so much, we will have a more stable economy, which, of course, can help us to avoid these economic downturns in the first place. The only way we are going to get there is to quit piling the 29th unbalanced budget and the 30th and the 31st on top of each other.

The fact of the matter is the balanced budget amendment is flexible enough to respond to most needs—in fact, all needs. Put it that way. But it is serious enough to stop Congress from continuing the pattern of borrowing year after year which has kept the economy from growing as well as it could have.

My colleague from Illinois has introduced an amendment that seeks to waive the provisions of Senate Joint Resolution 1 for any fiscal year in which there is an economic recession or serious economic emergency. As such, the Durbin amendment seeks to avoid the three-fifths vote required by Senate Joint Resolution 1 to waive the balanced budget rule. This three-fifths majority was placed in the balanced budget amendment so that a simple majority of the Congress could not run deficits except in important situations—those recognized by a supermajority of the Members. Efforts such as the Durbin amendment would blow a huge hole in the balanced budget amendment.

The terms used in the Durbin amendment is undefined. The determination of an economic recession or serious economic emergency could easily be manipulated by a spendthrift Congress as a way to avoid the discipline of the balanced budget amendment. Thus, the amendment would create a giant loophole that would swallow the balanced budget rule.

Remember, also, that if the balanced budget amendment is waived for a recession, it is waived for all spending in that year. In other words, this amendment would permit deficit spending for any number of wasteful projects that are in no way related to the so-called economic emergency. Just remember President Clinton's 1993 attempt to push through a multi-billion dollar boondoggle under the guise of trying to end a recession which had in fact already ended. In short, Mr. President, if you take your finger out of the hole in the dike, the whole town is going to be flooded.

One of the arguments made in favor of this amendment is that without it, the balanced budget amendment will somehow inhibit the functioning of the so-called automatic stabilizers. Mr. President, I believe the importance of automatic stabilizers has been overstated and, in any case, the balanced budget amendment will not inhibit their functioning. Moreover, the Durbin amendment does not respond to the concerns raised about the automatic stabilizers. It simply allows Congress to avoid the balanced budget rule by a lower threshold.

Just to be clear on what these stabilizers are supposed to do, the notion of automatic stabilizers has to do primarily with the belief that in an economic downturn, there is a decrease in tax revenues and a concomitant increase in unemployment compensation and other welfare payments.

The claim that the automatic stabilizers have moderated the business cycle is based on the assumption that the relative increases in Government spending associated with automatic stabilizers causes automatic, effective counter-cyclical fiscal policy. It is argued that such increased spending is the key to moderating both the depth and length of recessions and that the balanced budget amendment will prevent that spending from occurring.

I believe the characterization of the effectiveness of the automatic stabilizers has been overstated.

When appearing before the Senate Budget Committee just last month, CBO Director June O'Neill was asked a question about the relationship between automatic stabilizers and the apparent moderation in the business cycle over the last half-century. She cited better monetary policy and the Nation's move from away an agricultural based economy, with the inherent ups and downs that go along with agriculture, as factors at least as important as automatic stabilizers in minimizing recessions. Additionally, the move to a service economy and better inventory management practices have reduced the fluctuations associated with inventory overstocks and the factory economy.

Further, a financial markets expert pointed out to the Judiciary Committee that the primary reasons why the business cycle has moderated in recent years are, first, monetary policy, which is controlled by the Federal Reserve Board; and second, the increasing efficiency of private markets, because of better information and other factors. These have nothing to do with automatic stabilizers or fiscal policy.

It is relatively well-recognized that the perceived moderation of the business cycle over recent decades is due to many factors. For example, a December 2, 1996 article in the Washington Post affirmed, "The success in finally halting the U.S. economic roller-coaster has been the result of many elements * * *"

The Post article cited "new technologies, the deregulation of many industries, and the increased globalization of business and finance," as some of the most important changes that helped stabilize our economy. Global trade enables us to export what

would otherwise be oversupply thus avoiding a bust cycle.

Further, that article quoted Herb Stein, a former chairman of the Council of Economic Advisors, who noted that "[b]ecause the economy is so big and so diversified and so open to the world economy, a shock would have less impact now." Thus, an event that may have sent the country into a recession in 1890 would only be a localized disturbance today.

Another major factor in helping to tranquilize recessions that the Post recognized is that we are no longer on the gold standard. "After the United States was no longer obligated to defend the price of gold, and the nation's deficits in international transactions could be financed easily by that world capital market, the Fed had far more ability to set interest rates according to the needs of the domestic economy."

So while these automatic stabilizers may have had some effect, there are clearly many other major factors that have brought our economy to the level of consistency we enjoy today.

Certainly the automatic stabilizers are no justification for balancing the budget only eight times in the last 65 years. Let's face it. Our deficits have not been countercyclical, they have been counterproductive. While business cycles have come and gone over the last four decades, our deficit habit has not. Our deficits are structural and largely permanent, not cyclical.

I also want to note that the notion of a country spending itself out of a recession is now rejected by many economists. One commentator has wryly stated that the theory of spending and borrowing out of a recession "is the game-plan that propelled Argentina and Bolivia to economic superpower status in the 1970's." More recently, Japan has tried to do this and the result has been continued recession and larger debt. On the other hand, a number of the world's up-and-coming countries are enjoying booming economies while keeping their national budget in balance or even surplus. Perhaps we should be more concerned that we do not spend ourselves out of prosperity.

But even if we assume that automatic stabilizers are important, Mr. President, the balanced budget amendment will not impede their use.

The balanced budget amendment in no way prevents us from running a small surplus, which could be used to offset the effects of an economic downturn, thus avoiding a deficit. In fact, a number of experts the Judiciary Committee has heard over the years have suggested we do so. Fred Bergsten, a noted economist and former Treasury Department official, suggests we create a habit of regularly shooting for a small surplus, rather than absolute balance, which will allow us to use fiscal policy within the balanced budget rule better than we can now without it, with chronic, structural deficits.

Even if we drop below an intended annual rainy day surplus, the balanced budget amendment has anticipated this sort of need. A three-fifths vote in Congress will allow the balanced budget rule to be suspended for a year. That way, we have the flexibility to run reasonable deficits if we need to. The three-fifths requirement makes sure that we do not waive the amendment unless it is a true need and not just an attempt to avoid the tough choices.

Some have suggested that the necessary three-fifths will be hard to come by. The history of the votes in Congress demonstrate that in actual circumstances of economic need, the Congress has had little difficulty achieving the vote that would be required under the balanced budget amendment, despite the fact that no such requirement was in place.

The Congress has voted a number of times to extend the emergency unemployment compensation program. During the past 15 years, according to the Congressional Research Service, there is only one instance where the extension of this important program failed to garner a supermajority of votes in either Chamber. Indeed, in many cases even higher supermajority requirements would have been fulfilled. In times of real need, Congress will get a three-fifths vote.

Some have also argued that the Durbin amendment is needed because Congress is too slow to respond to recessions. Well, they are half right. Congress is too slow to respond to recessions. Almost everyone agrees that when Congress tries to spend the country out of an economic downturn, their attempt either has little effect or they make things worse by spending as the economy is already recovering and then sowing the seeds of a future recession.

But the Durbin amendment does nothing to address this concern. It does not speed up congressional action—I'm not sure anything can. All it does is change the vote required from three-fifths to a majority. And since history clearly shows that we get the three-fifths when we need it, all this amendment would do is make it easier to waive the balanced budget rule when we don't really need it.

Finally, Mr. President, when he introduced his amendment the Senator from Illinois told a story about a friend who needed temporary help from the Government in his transition from one job to another. There is no doubt that this is a meaningful and laudable use of our precious resources.

But it seems to me that we do all the working people of America a lot more good if we balance the budget, and thus reduce the number of recessions that they must endure, than if we create a loophole in the balanced budget amendment to allow future Congresses to easily increase the already crushing burden of debt. We ought to be less concerned about when we can spend more, and more concerned about when we must spend less.

Senator DURBIN's amendment seeks to waive the provisions of Senate Joint Resolution 1 for any fiscal year in which there is an economic recession or serious economic emergency in the United States as declared by joint resolution. As such, the Durbin amendment seeks to avoid the three-fifths vote majority prescribed by Senate Joint Resolution 1 in avoiding the requirement that receipts match outlays for any given fiscal year. This three-fifths majority was placed in the balanced budget amendment so that a simple majority of the Congress could not run deficits except in important situations—those recognized by a supermajority of the Members. Efforts such as the Durbin amendment will render Senate Joint Resolution 1 useless.

The Durbin amendment is wholly unnecessary. A brief analysis of historical fact will demonstrate that in circumstances of national disaster or economic downturn, the Congress has had little difficulty passing remedial legislation with supermajority support.

The history of votes in this body demonstrates that in actual circumstances of economic assistance for unemployment or disaster relief, the Congress has had little difficulty achieving the supermajority vote that would be required under the balanced budget amendment. The Congressional Research Service helped me do some research on voting patterns in this area. I want to present for you the results of my research because I think it is illustrative.

Let me summarize the results briefly: On the question of responding to economic recessions, the Congress has voted a number of times to extend the emergency unemployment compensation program. During the past 15 years, I count only one instance where the extension of this important program failed to garner a supermajority of votes in either Chamber, based on Congressional Research Service data.

Similarly, in the area of disaster relief, over the past 7 years, I found that in virtually every circumstance, emergency spending bills placed before the House and Senate passed with supermajorities, on the order required by the balanced budget amendment, even though no such requirement was in place.

Let me go into more detail on the unemployment compensation votes. H.R. 3167, which became Public Law 103–152, extended the emergency unemployment compensation program [EUCP] in November 1993. This conference report passed the House with a vote of 320 to 105 and passed the Senate, 79 to 20. The underlying bill achieved similar majorities, passing the House 320 to 105, and the Senate 79 to 20. In March 1993,

another emergency unemployment compensation bill passed the Congress and became Public Law 103–6. The supermajority on H.R. 920 in the Senate was 66 to 33, and the vote in the House was 254 to 161.

In 1992, the House passed the conference report on H.R. 5260, to extend the EUCP, by a vote of 396 to 23. The Senate acted similarly, passing the bill, which became Public Law 102–318, by a vote of 93 to 3. Also in 1992, the Senate passed H.R. 4095 to extend the EUCP by a vote of 94 to 2. The House passed the same bill, which became Public Law 102–244, by a vote of 404 to 8.

In 1991, the House passed S. 1722, to provide emergency unemployment compensation, by a vote of 294 to 127. The Senate passed the same bill, which was vetoed by the President, by a vote of 69 to 30. Similarly, the House passed the conference report on this bill by a vote of 300 to 118 and the Senate passed the measure 65 to 35. Earlier in 1991, the House passed H.R. 3201, to provide emergency unemployment compensation, by a vote of 375 to 45. This measure became Public Law 102–107. The Senater passed it by voice vote. Finally, H.R. 1281 was passed in March 1991, providing funding for the Unemployment Compensation Administration [UCA]. This bill passed the House with a vote of 365 to 43. It passed the Senate by a vote of 92 to 8. The conference report on this bill, Public Law 102–27, passed with tallies of 340 to 48 and 93 to 3, respectively. In 1990, the House passed H.R. 4404, to provide funding for the UCA, by a vote of 362 to 59. The conference report passed 308 to 108. This bill became Public Law 101–302, after passing the Senate by voice vote.

All the way back in 1983, the Senate passed H.R. 1718, to provide funds for the Unemployment Trust Fund. The bill, Public Law 98–8, passed the Senate 82 to 15. Finally, the Senate voted in February 1982 to pass House Joint Resolution 391, to provide funding for the Employment and Training Administration, by a vote of 95 to 0.

What do these vote tallies indicate? They demonstrate that the Durbin amendment is completely unnecessary. During the past 15 years, my research reveals only one instance where a vote to provide unemployment compensation during a period of economic recession did not pass by a supermajority. One time in 15 years. That's remarkable.

Similarly, in the area of disaster relief, Congress has overwhelmingly acted by supermajority votes in responding to crises.

In fiscal year 1995, the House and Senate voted on H.R. 1944, which provided $7.2 billion disaster aid, mostly to help with recovery efforts in Los Angeles from the 1994 earthquake. The bill passed the Senate with a vote of 90 to 7—a clear supermajority. In the House, the bill passed with 276 votes—also a supermajority.

The 1994 fiscal year Disaster Supplemental Appropriations bill, H.R. 3759, received similar treatment. That bill, to provide nearly $10 billion in new appropriation for the emergency expenses of the Los Angeles earthquake, humanitarian assistance and peacekeeping activities, as well as for Midwest flood assistance and highway reconstruction from the San Francisco earthquake, passed the House by a vote of 337 to 74—not really close, was it, to the 261 required for the three-fifths vote. The same measure passed the Senate by a vote of 85 to 10.

The 1993 fiscal year disaster supplemental appropriations bill, H.R. 2667, providing nearly $3 billion for emergency relief from the widespread flooding in the Midwest and other natural disasters, passed the House by a vote of 400 to 27. The Senate adopted it by voice vote.

In 1992, the disaster relief supplemental appropriations bill, H.R. 5132, passed the Senate by a supermajority vote of 61 to 36. The bill provided $2 billion in new budget authority for fiscal year 1992, including funds for disaster assistance and loans to respond to the Los Angeles riots and the Chicago tunnel collapse and subsequent flooding. In the House, the same bill passed by a vote of 244 to 162.

Also in 1992, the defense and disaster supplemental appropriations bill, H.R. 5620, providing $10 billion in grants and loans to help victims of Hurricane Andrew, Typhoon Omar and Hurricane Iniki, passed the Senate by a vote of 84 to 10, it passed the House by a vote of 297 to 124. Finally, the 1992 supplemental appropriations bill passed the Senate with a vote of 75 to 17. This bill provided $8 billion for Operations Desert Shield and Desert Storm as well as other moneys for communities recovering from other natural disasters. The same bill passed the House by a vote of 252 to 162. The conference report passed the House by a vote of 303 to 114.

Last, the 1990 continuing appropriations bill, House Joint Resolution 423, provided disaster assistance generally. This bill passed the House by a vote of 321 to 99, and passed the Senate by a vote of 97 to 1.

During the past 7 years, we have voted many times on emergency disaster funding programs. I count only two situations where a supermajority was not reached—this despite the fact that no supermajority was needed.

The facts are hard to refute. The Durbin amendment clearly has little or no factual basis when compared to the voting record of the Congress. When the situation warrants, either because of economic recession or natural disaster, this body has had little difficulty achieving a supermajority of votes to pass needed spending programs. The balanced budget amendment has the flexibility necessary to respond to true emergencies. Creating loopholes like the Durbin amendment only serve to make deficit-spending as a matter of course easier.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I think the chairman, the Senator from Utah, concluded that automatic stabilizers do have some impact. I think that the chairman would agree with me that for a person who has lost his job or a person who has lost her job, the prospect of turning to the Government for unemployment insurance to continue to keep your family together not only stabilizes your situation while you search for another job but helps to stabilize the economy.

I think the Senator from Utah would agree with me that unemployed workers seeking retraining and additional education to find a job in fact help to stabilize our economy. And that is exactly the point of this debate.

I would concede every point made by the chairman about all of the other stabilizers that have evolved in our economy if he would concede that there is still a legitimate role of specific programs which step in to help the unemployed family.

Let me give you an illustration of this which has been used in this debate before. This is an illustration of the business cycle in America from 1870 forward. The spikes on the top of the line are the good news. That is when the economy was expanding, businesses were growing, farmers were doing well, and jobs were being created.

But every time we dip below this line, we see unemployment, businesses going out of business, farmers quitting, heading to town. And look at these spikes in the economy on the negative side leading up until about 1945 or 1947—much more pronounced, much more dramatic, deeper recessions, depressions, millions of Americans put out of work.

But what happened after the mid-1940's? We see the downturns, but they are barely noticeable in comparison to what occurred before that time.

Automatic stabilizers. The things which the Senator from Utah noted—global economy, monetary policy, so many other things—but what happens are the things I have noted as well. Families out of work had a place to turn. It was no longer survival of the fittest. If you had personal responsibility, if you were held accountable, you had a means to get back on your feet.

Last Thursday, in this debate I talked about my friend, Bob Bergen, who lost his job at the factory in Springfield. Bob came by my house yesterday in Springfield, and we were

talking about it. I said, "Bob, remind me. How did you get out of that factory job?" which he had been at for 22 years. They closed down the factory, and he got into the business of furnaces and air-conditioning. I said, "What was the name of the program?"

"The JTPA Program. I signed up for it, and I went to the community college. I took the courses, and when they closed that plant, I was ready to do something with my life."

JTPA is a Federal Government program. It is one of the automatic stabilizers we have used in the past. To discount that or dismiss it and say that it has nothing to do with Bob Bergen now in a good business in Springfield, IL, employing his son, I might add, as are so many millions of others, is to ignore reality.

Let me address one other point raised by the chairman.

The chairman says that my use of the term "economic recession" is just not precise enough. I call the attention of the chairman to Senate Joint Resolution 1, to his own language, which allows, in section 5, Congress to waive all the provisions of the balanced budget amendment in times that "the United States is engaged in military conflict which causes an imminent and serious military threat to national security."

What does it mean? Troops in the field, troops under fire, whether or not we suspect that might occur or it already has? These sorts of things suggest that whatever the language of this constitutional amendment, our implementing legislation is going to have to be there to make certain that it is explained in detail.

At this time I yield to the ranking Democrat, Senator LEAHY.

Mr. LEAHY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Vermont has 7½ minutes.

Mr. LEAHY. Mr. President, I yield myself 3½ minutes.

I do support the Durbin amendment. I stated earlier that I wish it would not be tabled, that we would have a straight up-or-down vote, but I think the American public understands what the vote means.

I was interested in hearing my friend, the chairman of the Judiciary Committee, the senior Senator from Utah, oppose the Durbin amendment last week by saying the proposed constitutional amendment does not need the flexibility of the Durbin amendment in times of economic crisis because we can build up yearly surpluses to handle tough times. The distinguished chairman said:

> The balanced budget amendment in no way prevents us from running a reasonable surplus which could be used to offset the effects of an economic downturn. This surplus would allow us to use fiscal policy within the balanced budget rule better than we can now without it.

Not quite so. The constitutional amendment does not have that flexibility. It is very specific as it is written, and it prohibits this use of a rainy day fund. Indeed, those who support it—proponents' own witnesses before the Judiciary Committee over the course of the last two Congresses—pointed this out and suggested the language be amended to provide for such a rainy day fund. The distinguished Senator from Illinois was present at those hearings this year when they were saying just that.

Fred Bergsten in 1995 and James Miller in 1997, the witnesses brought by the proponents of the constitutional amendment, criticized the language before us for not including the possibility of accumulating surpluses in a rainy day fund. That is what we do to prepare for economic downturns in my own State of Vermont.

So I hope we might pay attention to the Durbin amendment. I hope we might support it.

The distinguished senior Senator from West Virginia, Senator BYRD, challenged the other side to explain the language in this proposed constitutional amendment to say how it is going to work; what do the words mean; what sections do what? In fact, nobody has taken up the Byrd challenge. I urge the proponents to accept the challenge of Senator BYRD, if they can—I suspect they cannot—and say just what the words mean.

If you read the words, they say, "Total outlays for any fiscal year shall not exceed total receipts for that fiscal year." Then they provide for waiver by a three-fifths majority —come on, that is not going to happen. The rainy day fund is out. It would require outlays, specifically, those saved in the rainy day fund, to be expended in a latter year and thereby exceed the total receipts for that fiscal year.

I ask unanimous consent that a copy of a letter opposing the so-called balanced budget amendment for the Coalition for Budget Integrity be printed in the RECORD. This is a coalition of approximately 150 organizations that oppose amending the U.S. Constitution to add a 28th amendment on budgeting. The organizations range from labor unions and children's advocacy groups, to seniors' groups, teachers, religious and secular charities, environmental groups, nutrition groups, and veterans.

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

COALITION FOR BUDGET INTEGRITY,
Washington, DC, February 4, 1997.

OPPOSE THE BALANCED BUDGET AMENDMENT

We, the undersigned organizations, strongly urge you to oppose a balanced budget amendment to the United States Constitution.

The proposed constitutional amendment is not the answer to the nation's economic problems. The proposed balanced budget amendment is likely to damage the economy more than strengthen it. The amendment would require larger spending cuts or tax increases in years of slow growth than in years of rapid growth, precisely the opposite of what is needed to stabilize the economy and avert recessions. The amendment thus risks making economic recessions more frequent and deeper.

A constitutional amendment would also be likely to limit public investments which are critical to long-term economic growth because the amendment fails to distinguish public investments needed for growth from other areas of government spending. The amendment would largely deny the federal government a basic practice that most businesses, families, and state and local governments use—borrowing to finance investments with long-term payoffs.

This amendment has no place in the Constitution of the United States. It would inappropriately draw the judicial branch of government into the determination of fiscal and economic policy. The amendment also undermines the important constitutional principle of majority rule by establishing a three-fifths vote to allow a budget to go unbalanced.

The American public has a right to know how a balanced budget will be achieved before a balanced budget amendment is enacted. Which important programs—education, health care, social security, transportation, job training, environmental protection, housing—will either be dramatically cut or eliminated threatening America's vital interests?

We strongly urge you to oppose the constitutional balanced budget amendment.

Sincerely,

AFSCME.
ACORN.
Advocates for Youth.
AIDS Action Council.
Alliance to End Childhood Lead Poisoning.
Amalgamated Transit Union.
American Arts Alliance.
American Association of Children's Residential Centers.
American Association of Classified School Employees.
American Association of Retired Persons.
American Association of University Professors.
American Federation of Government Employees.
American Federation of School Administrators.
American Federation of Teachers.
American Friends Service Committee.
American Jewish Committee.
American Jewish Congress.
American Postal Workers Union.
American Public Health Association.
Americans for Democratic Action.
Association of Performing Arts Centers.
B'nai B'rith.
Bazelon Center for Mental Health Law.
Bread for the World.
Catholic Charities USA.
Center for Community Change.
Center for Law and Education.
Center for Law and Social Policy.
Center for Science in the Public Interest.
Center for the Advancement of Public Policy.
Center on Budget and Policy Priorities.
Center on Disability and Health.
Center on Social Welfare Policy and Law.
Chicago Coalition for the Homeless.
Child Welfare League of America.
Children's Foundation.
Children's Defense Fund.
Church Women United.
Citizen Action.
Coalition for Low Income Community Development.

Coalition for New Priorities.
Coalition of Labor Union Women.
Coalition on Human Needs.
Colorado Rivers Alliance.
Common Cause.
Communications Workers of America.
Community Nutrition Institute.
Community Service Society of New York.
Consumer Federation of America.
Council of Graduate Schools.
Council of Jewish Federations.
Democratic Socialists of America.
Economic Policy Institute.
Environmental Action.
Environmental Justice Working Group.
Environmental Working Group.
Families USA.
Family Service America.
Food Research Action Center.
Friends Committee on National Legislation.
Friends of the Earth.
Fund for New Priorities in America.
Grassroots Policy Project.
Gray Panthers.
Hadassah.
International Association of Fire Fighters.
International Brotherhood of Boilermakers, Iron, Ship Builders, Blacksmiths, Forgers and Helpers.
International Brotherhood of Teamsters.
International Federation of Professional and Technical Engineers.
International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers.
Laborers' International Union of North America.
Leadership Conference on Civil Rights.
League of Women Voters.
Legal Action Center.
Libraries for the Future.
Lutheran Office for Governmental Affairs, ELCA.
McAuley Institute.
Mexican American Legal Defense and Educational Fund.
Migrant Legal Action Program.
National Association for Visually Handicapped.
National Association of Area Agencies on Aging.
National Association of Child Advocates.
National Association of Community Health Centers.
National Association of Letter Carriers.
National Association of Retired Federal Employees.
National Association of School Psychologists.
National Association of Service and Conservation Corps.
National Association of Social Workers.
National Caucus and Center on Black Aged, Inc.
National Coalition for the Homeless.
National Commission for Economic Conversion and Disarmament.
National Council of Jewish Women.
National Council of Senior Citizens.
National Council on Aging.
National Council on Family Relations.
National Education Association.
National Family Farm Coalition.
National Family Planning and Reproductive Health Association.
National Farmers Union.
National Hispanic Council on Aging.
National Jewish Community Relations Advisory Council.
National Low Income Housing Coalition.
National Minority AIDS Council.
National Neighborhood Coalition.
National Organization for Rare Disorders.
National Organization for Women Legal Defense and Education Fund.
National PTA.
National Puerto Rican Coalition.
National Rural Housing Coalition.
National Senior Citizens Law Center.
National Treasury Employees Union.
National Urban League.
National Women's Law Center.
Natural Resources Defense Council.
Neighbor to Neighbor.
NETWORK: A National Catholic Social Justice Lobby.
Older Women's League.
OMB Watch.
OPERA America.
Paralyzed Veterans of America.
Peace Action.
Physicians for Social Responsibility.
Public Employees Department, AFL–CIO.
Service Employees International Union.
The American Association of University Professors.
The ARC.
The Enterprise Foundation.
Union of American Hebrew Congregations.
Unitarian Universalist Service Committee.
UNITE, Union of Needletrades, Industrial and Textile Employees.
United Auto Workers.
United Church of Christ, Office for Church and Society.
United Food and Commercial Workers Union.
United Methodist Church, General Board of Church and Society.
United States Student Association.
United Steelworkers of America.
United Transportation Union.
Wider Opportunities for Women.
Wisconsin Assembly of Local Arts Agencies.
Women and Poverty Project.
Women of Reform Judaism, The Federation of Temple Sisterhoods.
YWCA of the USA.

Mr. LEAHY. Mr. President, paralleling the position of the 1,060 economists who banded together to oppose this constitutional amendment, the 150 organizations that make up the Coalition for Budget Integrity argue that the proposed amendment is likely to damage the economy more than strengthen it. They note that the amendment would require spending cuts or tax increases at just the wrong times. They are concerned that the constitutional amendment would likely limit public investments by failing to distinguish public investment from Government spending and failing to allow for a capital budget. They correctly observe that the constitutional amendment would draw the judicial branch into the determination of fiscal and economic policy and undercut the constitutional principle of majority rule with supermajority three-fifths requirements to raise the debt limit and waive the provisions of the amendment.

Mr. President, I also want to commend the honesty of Jack Kemp, who appeared yesterday on the NBC News television program, "Meet The Press."

Jack Kemp was quite honest in his appraisal of the so-called balanced budget amendment to the Constitution.

Jack Kemp said yesterday on national television:

> I have never been enamored with putting a budget balanced amendment into the Constitution. . . . I would not vote for the Stenholm balanced budget amendment because it clearly is a trap into which, I think, a future Congress would end up keeping taxes high or raising taxes in a recession. . . . It's a recipe for a future disaster for this country.

Jack Kemp said what I believe many Members of Congress privately believe, but are too afraid to say in public.

I believe Jack Kemp was right to speak his conscience and I hope more Members of Congress will follow his courageous lead.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator has 11 minutes, 15 seconds. Who yields time?

Mr. LEAHY. Mr. President, how much time remains to us?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. LEAHY. I withhold the remainder of my time.

Mr. HATCH. I yield 5 minutes to the distinguished Senator from Idaho.

Mr. LEAHY. I give control of our remaining time to the Senator from Illinois.

Mr. CRAIG. Mr. President, let me first of all react to the Senator from Vermont's inclusion of Jack Kemp's remarks of yesterday into the RECORD. Jack Kemp does not support our balanced budget because he feels it is not strong enough in one respect; it does not require the tax limitation that Jack Kemp believes is necessary. Over the years I have debated this at length with Congressman Kemp. He knows that what our amendment does is a substantial movement in the right direction. While I would have liked tax limitation over time, we know that is a vote that cannot be won on the floor of the Senate or the House. That is why we have left tax limitation up to the true limiters, and that is the electorate, to decide if a tax increase should produce a change in the makeup of the U.S. Congress. So we are not going to put our Government on automatic pilot, as would be the subtle insinuation of Senator DURBIN in arguing that, somehow, this amendment is not flexible enough and therefore we need his majority-vote waiver.

Let me talk about putting whims in the budget process, because I believe that is exactly what would be done if you favor the Durbin amendment. It does not require this Senate to make tough choices, and it creates almost an unlimited opportunity for deficit spending. The balanced budget amendment as we have proposed it, and as it has been introduced on the floor of the Senate by Senator HATCH, is flexible

enough. It allows deficit spending if 60 percent, or three-fifths of the majority of the Congress, vote that way. If there is a true long-term emergency, the votes will be there to respond to it.

Let me cite some examples. The Senator from Illinois knows these examples. He has participated, as have I, in a fair number of them. From 1962 to the present, there have been 12 economic stimulus packages passed by Congress. All 12 have received three-fifths votes in the Congress. So, every time there was a true emergency and collectively the Senate or the House decided it was just that, the three-fifths majority written into this balanced budget amendment was garnered. In other words, when there is legitimacy, and not just the easy pass go that we have had now for decades upon decades, that has built the stack of unbalanced budgets here on this table, but when it was really necessary, the record clearly shows that the support of three-fifths of the Congress was there.

Of course, there was one so-called economic stimulus package that did not pass at first. We got involved in a filibuster in 1993 on a so-called stimulus package, but at that time a recovery was already underway. Every economist in the country said, "We are in a recovery; why are you pumping more deficit spending into the economy and risking a surge of inflation?" And, of course, we did filibuster, and that deficit spending package failed, largely because it was nickel-and-dime kind of stuff, to build a swimming pool here or paint a mural there or create some kind of make-work somewhere else. It had nothing to do with job training to a great extent, or job creation. Yet some were pushing it, even when economists were saying, "Yes, in fact, the economy is recovering."

But even when that first, large bill did not pass in 1993, an overwhelming majority of the Congress still showed compassion for those actually in need; we soon passed a stripped-down bill, which extended unemployment benefits.

While we do not use the word "emergency" in the balanced budget amendment, clearly an emergency is whatever three-fifths of the Congress term it is. That is a reasonable test of what is a true emergency. So, those 12 economic stimulus packages that I referred to since 1962 were deemed by the Congress to be important enough to garner the three-fifths vote. Therefore the other day, several weeks ago, when the President said, "If you had a little flexibility in there for a recession," and he was visiting with those of us who were proponents of this amendment, then he "would show some kind of interest in it." I said, "Well, it is there, Mr. President. You need to recognize that we saw those needs and that is why we put inside the amendment the three-fifths requirement that would be necessary to deficit spend."

Some have said that recessions are often regional, that there are economic areas within our country that fail to respond to recovery, and that economics shifts occur unevenly. They say, without the Durbin amendment, it would be hard to provide relief in those cases. If that is the case, why has there not been why has there not been a long list of regional recession relief bills that have been defeated? Or that have passed only narrowly? No, the Congress has responded in time of need and that is why all of these bills have gotten the three-fifths vote that we thought was a necessary safeguard for this amendment.

The Durbin amendment is based on a fundamental mistake. Let me repeat that. The Durbin amendment is based on what I believe to be a fundamental mistake. Regularly balanced budgets do not harm the economy, but saying they do is the mistake he makes. He assumes, as does the Secretary of the Treasury, that somehow balanced budgets are dangerous for the economy, or could create or worsen a downturn. And yet economists, liberal and conservative, argue a that balanced budgets will lead to a sustained 2- to 2.5-percent drop in the overall interest rates. They would create jobs and a higher standard of living.

I see that as an economic stimulus. The balanced budget amendment would create economic stimulus. Regularly balanced budgets would help the economy. And yet we still recognized the need for putting into the amendment some flexibility in the case of a recession and Congress needing to respond to it.

The Durbin amendment simply guts the balanced budget amendment. It would let a majority waive the requirement for a balanced budget on a whim. It does not require that there be a real recession, merely that Congress declare one. It would not just allow the amount of deficit spending supposedly necessary or unavoidable because of an economic emergency—it would allow unlimited deficit spending.

If you go back and look at history, you find that economic growth was greater, and average unemployment was lower, during those periods in which budgets were regularly balanced.

In fact, if Congress had passed the balanced budget amendment the first time I voted for it in 1982, the typical family's income would be $15,500 higher today. That is not my number, but was estimated by the Concord Coalition. According to the General Accounting Office, if we balance the budget and keep it balanced, after 20 years, our children's standard of living will be between 7 and 36 percent higher.

Deficits are the problem. The debt is the threat to the economic security of our children, our seniors, and those who are vulnerable to changes in the economy. Former Senator Paul Simon brought in liberal economists who told us that the debt and deficit are so big, deficit spending is now useless as an economic stimulus.

The evidence does not show that balancing the budget makes recessions more severe. Investors Business Daily pointed last week to a 1986 study the National Bureau of Economic Research that said, when you adjust for the different way data were collected before World War II, prewar and postwar recessions did not really differ significantly in length and severity.

While the balanced budget amendment already, with its three-fifths vote requirement, anticipates the need to respond to a serious, long-term economic problem, the Durbin amendment seems concerned with a rapid response to short-term swings. But Congress has a notoriously bad track record when it comes to short-term responses to the economy.

Every economic stimulus or anti-recession bill since 1949 was passed by Congress after the recession was over. But the Durbin amendment still requires Congress to vote to waive the balanced budget amendment—meaning it does not allow a prompt response, just an easy evasion.

The Durbin amendment has nothing to do with so-called automatic stabilizers. The balanced budget amendment already allows for automatic stabilizers. Section 6 of the balanced budget amendment allows for the honest, good-faith use of estimates in legislation that implements a balanced budget. Read the committee report: If Congress makes good-faith, reasonable estimates of receipts and outlays, and then mid-year changes in the economy cause a temporary deficit, that would not trigger a three to five vote. Unemployment benefit checks, for example, would still go out.

The problem is that we now have permanent deficits, in good times as well as bad.

CONCLUSION

We do not need a loophole in the balanced budget amendment—like the Durbin amendment. We need to change the bleak status quo. Our $5 trillion debt—growing by more than $8,000 a second—proves that we have a long-term problem. This stack on the Senate floor of the last 28 unbalanced budgets—14 of which promised balance but did not deliver—demonstrates that this problem requires a permanent solution. If we pass the balanced budget amendment, we will create an economic bill of rights for the 21st century.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HATCH. I yield 1 minute.

Mr. CRAIG. Mr. President, let me draw to a conclusion my debate on this amendment, because I hope that we

can table this amendment. I see no reason to write that kind of language into the Constitution. We have given clearly the kind of flexibility that the Congress has needed in the past to respond.

It isn't by accident that we picked three-fifths. When you go back and analyze past actions of Congress and economic stimulus packages that meet the definition of an emergency or what's needed for recessionary recovery, that is exactly what this amendment is designed to respond to. I believe it does, and I hope that our colleagues will join with us in tabling this effort.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I understand I have 4 minutes remaining; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DURBIN. Thank you, Mr. President. I will use this to conclude my remarks.

I want to first thank my colleague, the Senator from Utah, for this debate, for his fairness throughout this debate and the prior debate, though we clearly disagree on a very important issue. I thank him for the fairness with which he has handled this debate and allowed me the opportunity to express my point of view.

I said at the beginning of this debate I don't think there is a more serious vote that a Member of the House or Senate could make, absent a vote on whether the United States goes to war, than a vote on whether we amend this Constitution. When you think that on only 17 occasions in the 205 years, since 1791 have we actually amended this great document, each of us should pause and reflect and make certain that what we bring to the legislatures of this Nation for consideration is the very, very best.

What we are talking about today, I think, is a critically important part of this debate. It is important because, as the Senator from Vermont, who was kind enough to join me in this debate, said, we are talking about the ability of the American people through their Government to respond to an economic emergency.

There are those who would argue we need a supermajority, and history tells us in the last 2 years, the requirement of a majority vote resulted in gridlock and Government shutdown and national embarrassment. I worry that at some future date in the midst of an economic downturn, after this budget has been pared back dramatically to reach balance, when there are people and groups in this town, like hungry dogs on one bone, trying their very best to preserve something, requiring a supermajority vote to step up and help working families get back on their feet could be an invitation to gridlock at a time when those families need us the most.

Mr. President, I close by making a final request to the fairminded, to the judicious chairman of this committee in asking him for one last consideration, and that is that we have the yeas and nays on the merits of this amendment. I think I know the outcome, but let us preserve in this debate an up-or-down vote on this question. Let us give, in the course of this debate, to the American people our best judgment on the merits.

Let us not have this question, I think critical question, masked by some procedural vote that will suggest that this amendment on its face does not merit a yea-and-nay vote in the Senate. I think it does, and I would gladly give that right to any Senator in their effort to improve on a modification of a document which we all value and revere, the Constitution of the United States.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. How much time is remaining?

The PRESIDING OFFICER. The Senator has 5½ minutes.

Mr. HATCH. Mr. President, I will only take a few minutes. I want to thank the distinguished Senator from Illinois for the kind way he has conducted himself on this amendment. He has a wonderful personality. He did a very good job in our committee, and I think he has done a very good job here on the floor.

In all honesty, his amendment would drive huge loopholes into the balanced budget amendment and make it, basically useless, because almost anybody could claim almost any type of event as an economic emergency. That would trigger his amendment and do away with the balanced budget amendment.

There is one thing I would like to clarify. My good friend from Vermont talked about Fred Bergsten. Fred Bergsten suggested we shoot for a small annual surplus to be used during the course of each fiscal year. Mr. Bergsten is a Keynesian who believes fiscal policy will work better if the cycles are above the zero balance line rather than below. The fact the past surpluses accumulated in past years cannot be used without a three-fifths vote puts a lock on our savings, so such savings will not be used willy-nilly. But the best use of surpluses will be to pay down our debt. If Congress decides to use accumulated surpluses, it will be easier to get a three-fifths vote to use savings than to borrow, and that is the point I am making.

Let me just conclude with the thought that the Durbin amendment is an unnecessary loophole that would, basically, make the balanced budget amendment, once a part of the Constitution, very ineffective. Congress can respond appropriately to real needs, but we need the increased protections of Senate Joint Resolution 1 to protect future generations.

I worry about our children and our grandchildren and their children. I worry about whether people are going to have good jobs in the future. I worry about whether it is going to take a bushel barrel of dollars to buy a loaf of bread. I worry about whether we are going to monetize this debt, as the distinguished liberal Democrat Senator from Illinois, Senator DURBIN's predecessor, Paul Simon, has always said will happen. If we monetize this debt, this country, as we know it, will be gone, because people will no longer believe in the credit of the United States. If we inflate our economy to pay off our huge national deficits and debt, we are ultimately going to wind up where we will have inflation that would eat every working person's lunch every day.

If you really love the poor, if you really love senior citizens, if you really love our children and grandchildren, if you really love the future of this country, then we can't have loopholes like this blown into the balanced budget. We have to stand up and vote for a strong balanced budget amendment. It is difficult, I have to admit. It makes life a little more difficult for us as Members of Congress, but don't you think it is time to end these unbalanced budgets? Here are 28 of them, the last 28 years, and without this amendment, it will go on forever and our children's future will be gone.

I yield back the remainder of my time.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I move to table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment offered by the Senator from Illinois [Mr. DURBIN]. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Pennsylvania [Mr. SANTORUM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 35, as follows:

[Rollcall Vote No. 7 Leg.]

YEAS—64

Abraham	Faircloth	McConnell
Allard	Frist	Moseley-Braun
Ashcroft	Gorton	Murkowski
Baucus	Graham	Nickles
Bennett	Gramm	Reid
Biden	Grams	Robb
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Bryan	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Chafee	Hollings	Smith (OR)
Coats	Hutchinson	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kempthorne	Thompson
D'Amato	Kyl	Thurmond
DeWine	Lott	Warner
Domenici	Lugar	Wyden
Dorgan	Mack	
Enzi	McCain	

NAYS—35

Akaka	Feinstein	Leahy
Bingaman	Ford	Levin
Boxer	Glenn	Lieberman
Breaux	Harkin	Mikulski
Bumpers	Inouye	Moynihan
Byrd	Johnson	Murray
Cleland	Kennedy	Reed
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Torricelli
Durbin	Landrieu	Wellstone
Feingold	Lautenberg	

NOT VOTING—1

Santorum

The motion to lay on the table the amendment (No. 2) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT—AMENDMENT NO. 3

Mr. LOTT. Now, Mr. President, I ask unanimous consent that at 2:15 on Tuesday, February 11, there be 60 minutes of debate, equally divided, in the usual form prior to a vote on or in relation to the Wellstone amendment No. 3, and following the expiration or yielding back of the time, the Senate proceed to a vote on or in relation to the Wellstone amendment.

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

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, for the information of all Senators, there will be no further votes this evening. It is my understanding that Senator BOXER intends to make a statement relative to the constitutional amendment. Also, the President of the United States will be visiting with congressional leaders tomorrow on the Senate side of the Capitol—in fact, in the President's Room just off the floor of the Senate Chamber. Therefore, it is my hope that when the Senate convenes following the weekly policy party luncheons, there will be a short time agreement for debate prior to a vote on or in relation to the Wellstone amendment regarding underprivileged youth. Members should expect a vote relative to the Wellstone amendment in the 3 o'clock timeframe tomorrow. Also, the Senate could be asked to confirm the nomination of Congressman RICHARDSON to be Ambassador to the United Nations. Therefore, a rollcall vote is expected with respect to that nomination.

I thank my colleagues for their cooperation.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Thank you very much, Mr. President. Before he leaves the floor, I would like to personally thank the newly elected Senator from Illinois, Senator DURBIN, for his leadership on this extremely important amendment that he offered the Senate, which would have made this balanced budget amendment a much more attractive amendment to the people of Illinois, to the people of California, to the people of all of our States—to the Nation.

A very interesting poll just came out in the February 9 edition of The Los Angeles Times, some people, when asked in the abstract, said they would support a balanced budget amendment to the Constitution, under any circumstances. However, about 39 percent of the people polled said they would not support the balanced budget amendment if it could mean cuts in areas that they overwhelmingly approve of, such as Medicare, Social Security, and Medicaid.

I learned at a very early age from my parents what it was like to live through a depression. There was no safety net then in the 1930's, and people were literally committing suicide because there was no safety net. They didn't know what they were going to do for their families, and they were absolutely filled with despair.

We have learned a lot since then, and Senator SARBANES, with his charts, has shown us that we learned a lot since the Great Depression, and that we have the ability to soften those recessionary periods. Yet, in this inflexible amendment that is before us, it would take a supermajority, Mr. President, to act on behalf of the American people. Now, I did not come here to this great Senate to have my hands tied in the case of a recession, a depression, or a natural disaster.

I want to thank my friend from Illinois for raising that issue as well. He has gone through the Midwest floods, as I have gone through the California floods, earthquakes, and fires, and there but for the grace of God goes every single one of us in this Chamber. And if we cannot act as a majority, without the requirement of a supermajority, to meet the needs of the people, then what are we doing here?

By rejecting this amendment of the Senator from Illinois, which he was so eloquent in explaining, I truly believe that this amendment, as it stands, is dangerous. It is dangerous for our people.

Mr. SARBANES. Will the Senator from California yield for a question?

Mrs. BOXER. I am delighted to yield to my friend.

Mr. SARBANES. The Senator made reference to this earlier, and I think the very able Senator from California is on to an extremely important point here. I want to illustrate it with this chart.

The PRESIDING OFFICER. Senators in the rear of the Chamber will cease conversations. Take the conversations outside the Chamber.

The Senator from California is recognized.

Mrs. BOXER. Mr. President, what we are talking about here, because we have voted down this extremely important amendment, is, how are we going to act in this U.S. Senate to ease the pain of people during recessions or other economic emergencies. People who are jobless, who have no health insurance or who can't afford to pay their rent?

I am happy to yield to my friend.

Mr. SARBANES. Well, as the Senator has noted, as economists across the country have commented, and as the chart beside me shows, since World War II we have been able to ease the business cycle because we experience automatic stabilizers during an economic downturn. We start running deficits because we are not collecting taxes and we are paying out unemployment. If you try to balance the budget, or if you are required to do so by constitutional amendment during an economic downturn, you are going to return our economy to these boom-and-bust cycles that we experienced throughout the first part of this century and we are going to lose the ability to have this kind of movement in the business cycle, which is much better for our people.

The Senator is absolutely correct. With this amendment, we are going to be dooming ourselves to going back and turning economic downturns into recessions and recessions into depressions, as the Senator has pointed out.

Mrs. BOXER. Exactly. I would say to my friend that you have to learn from history. If we can't learn from history, we are doomed to fail the people. Some of us have heard about these depressions from our parents. Look at the Senator's chart. We can clearly see what has happened since World War II. We have spared our people from the deepest, darkest days of recession and depression.

By rejecting the amendment offered by the Senator from Illinois, which would have given this U.S. Senate and

the House the ability to act without requiring a supermajority in times of recession, this becomes a very radical amendment to the Constitution.

Does my friend not agree?

Mr. SARBANES. I agree absolutely with that. We at the moment have the best unemployment situation in 20 years; the best performance on inflation in 30 years. We have now brought the deficit down as a percent of the gross national product to the best ratio in 25 years. We are making progress on all of these fronts. We have the strongest economy in the world.

People come in with this radical notion of amending the Constitution of the United States. All we need to do is continue to make the hard decisions that are made with respect to the budget. It is one thing to balance the budget. Those are the tough decisions. Those are the ones we ought to make and not put an amendment into the Constitution of the United States which is going to deny us the ability to deal with economic downturns and recessions when they occur. The amendment they are talking about putting into the Constitution of the United States does not abolish the business cycle. It does not eliminate economic ups and downs. Yet with this amendment, we run the risk of going back to economic cycles with very deep downturns when our people are really suffering through depression. We have not had that since World War II. And I for one don't want to go back to it.

Mrs. BOXER. I want to thank the senior Senator from Maryland for his leadership on this. I have the honor and privilege of serving with him on the Banking Committee, where he is the ranking member, and on the Budget Committee, where we serve together. So we have a chance to debate and discuss these issues. A great privilege it is always to have the participation of my friend from Maryland because he brings such insight.

I say to my colleague that he and I have voted for balanced budgets in the past. That is why this amendment debate is really a figleaf. As my friend pointed out, it does not do one thing to balance the budget.

I am going to show some most extraordinary newspaper articles which have appeared as editorials or as op-eds. The writers of those articles call this balanced budget amendment what it is—a technique for people to say, "Oh, I voted to balance the budget," even though in many cases these colleagues didn't vote for the one budget in 1993 that my friend from Maryland and I voted for along with a bare majority of the Senate which has set this country on a course of 4 years of declining deficits and has set this country on a course of economic prosperity. We have far to go, but we are moving in the right direction. The vote that mattered, I say to my friend, was the vote that we cast, the tough vote—and some people lost their seats because of it—that made the actual changes in budgetary policy which has cut this deficit from $290 billion when George Bush left office to where it is today at about $107 billion. That was the tough vote.

This vote is an easy vote. We are just setting the stage for the States to call conventions in order to ratify the amendment. And even if it is approved by the States, in the end, there is a real possibility that there will be a disagreement and the courts will be called upon to try to resolve the situation.

So it makes no sense. That is why 1,100 economists condemn the balanced budget amendment as unsound and unnecessary. I know that this statement has been quoted time and time again.

I see that my friend is on the floor now with some very important numbers. I am happy to yield to him.

Mr. SARBANES. I want to support the very perceptive statement of the distinguished Senator from California about the reduction in the deficit subsequent to the enactment of the 1993 budget, which, as the Senator pointed out, was passed on the tie-breaking vote of the Vice President.

In 1992, the deficit was $290 billion. We have brought it down 4 years in a row. It is now at $107 billion. Four years in a row we have had a steady decline in the deficit. We brought it down from $290 billion to $107 billion, and, as a percent of our gross product, the deficit has dropped from 4.9 percent in 1992 to 1.4 percent in 1996. The last time the deficit was this low as a percent of our gross domestic product was in 1973. This is the best performance in 23 years in reducing the deficit as a percent of our gross domestic product. This is a very good record. We are going to continue the progress. We are going to continue to bring the deficit down, both in absolute terms and as a percentage of our GDP.

Let me show you a chart which compares what we have succeeded in doing in this country and what is happening in the other major industrial countries.

This chart compares various nations' deficit as a share of GDP. The United States is now at 1.4 percent. Here is Japan, 3.1; Germany 3.35; Canada 4.2; France 5; the United Kingdom 5.1; Italy 7.2. We have the best performance of any of the major industrial countries.

We have an economy now with 5.4 percent unemployment, the best unemployment in 20 years. We are at less than 3 percent inflation, the best inflation performance in 30 years. The deficit of 1.4 percent of GDP, the best since 1973. That is a vertical comparison with our past performance in this country.

Then we look to see how we are competing with other countries. This chart shows we have the best performance of any of the G–7 countries. This economy is working. We ought not now to take this, as the Senator has described it, radical step of trying to amend the Constitution of the United States and perhaps dooming ourselves in some future crisis to be unable to confront the economic circumstances of the time. As the Senator has pointed out, that is what these over 1,100 economists across the country are saying.

I thank the Senator.

Mrs. BOXER. I thank my friend and colleague.

I think the record is clear. We are making progress, and what we ought to be doing now is debating how we make further progress. Instead we are spending many, many hours discussing an amendment to the Constitution which does not one thing to continue this progress.

These economists, including 11 Nobel laureates in economics from Stanford University, the University of California at Berkeley, New York University, Carnegie-Mellon, Yale, and MIT—you can't have a better group of people who know what they are talking about. Some of what they say is, "We condemn the proposed balanced budget amendment to the Federal Constitution. It is unsound and unnecessary."

I received a degree in economics many years ago, and I know that economists choose their words carefully because economics is not an exact science. As a result, economists try very carefully to measure their tone and measure their words. So when you have 1,100 economists signing on to this, and using the word condemn, this is serious business. Now, maybe there are colleagues in the Senate who could stand up to some of these people and tell them they are incorrect, but I have a hard time believing that.

Let me sum up what they said. And it just parallels what the Senator from Maryland has shared with us.

> The amendment is not needed to balance the budget. The measured deficit has fallen dramatically in recent years from $290 billion in '92 to $107 billion—

They say:

> The deficit is 1.3 percent of gross domestic product, a smaller proportion than that of any other major nation.

The Senator from Maryland has said this very same thing. They go on to say:

> Congress and the President can reduce the deficit to zero, balance the budget or even create budget surpluses without a constitutional amendment.

These 1,100 economists close by saying:

> There is no need to put the Nation in an economic straitjacket. Let the President and Congress make fiscal policy in response to national needs and priorities as the authors of our Constitution wisely provided.

Now, Mr. President, I am so honored to be in this Senate representing the largest State in the Union. It truly is an honor. I am humbled by it. I am

humbled by our Constitution. And so I think we need to be pretty humble when we think of how we are going to vote on this. I think we have to be humble. I think we have to look at what the experts tell us. I think we have to look at the facts as they have been laid before us by my friend from Maryland. Our economy is moving in the right direction.

Having a balanced budget amendment to the Constitution would in fact put us in a straitjacket, would in fact tie our hands, would in fact make it very difficult for us to get out of an economic crisis when we may have to temporarily go out of balance while we take care of it.

Let me ask a question of my friend from Maryland, who is still in the Chamber.

In his State he has been fortunate not to have had the number of natural disasters that I and the people of my State have had to face. He knows this place, however, because he has been here a long time, and the people of Maryland keep sending him back for a reason—because he is wise. So I ask my friend, under this amendment as it is proposed—and particularly since this Senator DURBIN's recession amendment was defeated—California was in a horrible recession, the worst in the country. We moved from an economy that was heavily supported by jobs in the defense sector, to an economy without the great dependence it once had on defense sector jobs, and we had a very hard time. We made investments that softened the blow but still it was tough. Then we got hit with an unbelievable earthquake called the Northridge earthquake. Because the Federal Government acted swiftly, because we could act without having to have a supermajority, we were able to pump $11 billion into the California economy to rebuild the infrastructure. We are rebuilding the universities. We are rebuilding hospitals. We are rebuilding people's lives.

I say to my friend, I will offer an amendment to waive the requirements of a supermajority in case of natural disasters such as earthquakes, fires, floods—where people are homeless and in trouble.

Under the amendment as it stands now, however, if any State had a disaster like that which occurred in California, with $11 billion of damage and people hurt and suffering, does my friend believe we could get the required supermajority to act swiftly?

I have very grave doubts about it, because I have seen us have a hard time even getting 51 votes. I ask my friend, would he want to be here representing a State that had a disastrous flood or earthquake or any other natural disaster and have this amendment in place which requires a supermajority?

Mr. SARBANES. The Senator from California asks a very appropriate question. In a sense, she answered it right at the end with the observation that she herself has, as I have, seen instances in this Chamber when we were scrambling to get a simple majority in order to provide disaster relief to one or another State in the country that had been devastated by a natural disaster. And many Members said, "Well, we don't really want to do that. Yes, it's a difficult situation, but we don't want to make this response."

I have seen the very able Senator from California personally work the floor of the Senate in order to try to get a majority vote in order to respond to what her State had been stricken with, and she was successful, I must say. But suppose you had to get a supermajority in order to do it. Past experience does not bear out the assumption that you can just get a supermajority willy-nilly. In the past, we have had to scramble simply to get a majority.

The amendment contains a provision that states that you cannot raise the debt limit unless you have a supermajority, and obviously unless you can raise the debt limit and borrow additional funds, you are not going to be able to respond to the disaster, and particularly not respond to it immediately, which is often what is required. But time and time again in this Chamber I have seen the leadership sweating bullets in order to get a simple majority in order to deal with a debt limit issue. So it just defies past experience for Members to stand here and say, "Oh, we will get the supermajority." As the Senator from California has pointed out, it is tough enough to get the majority, the simple majority.

Mrs. BOXER. I give my friend an example. The San Francisco earthquake, Loma Prieta, which was way back, we are still rebuilding from, I say to my friend. And we had a freeway go down, just a disaster, and we got the funds to rebuild the freeway. About 2 years ago on the floor of this Senate a Senator said we have to back off this because we are building it in a different fashion and it is costing too much money.

I stood up as one of the two Senators from California and explained that if we rebuilt it the same way it was prior to the earthquake, it would fall down again. We had to put a little more into it to make sure that the structure was as safe as possible—to ensure that the residents traveling on the freeway would be safe.

Well, I won that vote, but I have to tell you it was close, I say to my friend.

Under this constitutional amendment, there is no way I could have done that because it would have required a supermajority—we would have needed to be out of balance for a short period of time because of the unanticipated funds required to respond to the disaster. And I say to my friend that, if any State experiences a multibillion dollar disaster, unless you can come on the floor and convince colleagues to cut other programs, you are going to be in deep trouble. That is the other reason why this is a very, very radical amendment.

I want to say to my friend, I so appreciate his participating in this discussion. It means a lot to me that he is here. As a matter of fact, it reminds me of one time out in California when he was at a forum with me, when most people had gone home. It was a situation very similar to tonight.

But I want to say to my friend, as we sit on the Budget Committee together, there is one figure who comes before the Budget Committee that my colleagues on the other side of the aisle just think is the best. They credit this person with everything good about the economy, and his name is Alan Greenspan. I think Alan Greenspan is doing a good job. I sometimes disagree with him, but overall I think he has done a good job. Where is Alan Greenspan on this constitutional amendment to balance the budget? Let me say—I am not going to read his whole statement, but I think this sums it up:

> As a consequence, what I am concerned about is that it is very difficult to implement technical economic policy through the Constitution. I don't like the idea of embodying concrete economic issues in the Constitution, which is going to have to stay in the Constitution for 50 or 100 years or more.

So I find it really interesting that on every single economic issue, my colleagues on the other side of the aisle—who all support this amendment; I do not think there is one of my colleagues on the other side who is going to vote the other way—have abandoned Alan Greenspan's leadership, where they have followed him down every other economic road. Again, I ask my colleagues to be a little humble on this. We do not have all the answers. None of us has all the answers. But, certainly, if you are going to walk away from someone who you think has been right on target, keeping inflation under control, keeping the economic recovery going, and he is telling us not to do this, it seems to me fairly arrogant to disregard it.

I would like to share with my colleagues what I think is a terrific editorial that appeared in the Los Angeles Times. As a matter of fact, it is so good I am going to read you most of it. I honestly think this says it the way it is. It speaks for me.

> Balanced Budget Plan: Looks, 10; workability, zero.
>
> This seductive idea won't stand up under close inspection.

Here is what it says:

> No. 1 on the legislative menu of the new 105th Congress is a Republican-backed constitutional amendment to require a balanced

budget by the year 2002 and every year thereafter. What could have more first-glance appeal? But amending the Constitution, despite the political symbolism, is not the way to go about controlling government spending.

On Tuesday, President Clinton voiced his strongest opposition yet, appropriately characterizing the proposed amendment as a "straitjacket" that pays little regard to the vagaries of the economy. For instance, it would not provide the flexibility needed to deal with recessions . . .

My friend and I from Maryland, we have gone through this, I think, in a detailed way. It says:

. . . it would not provide the flexibility needed to deal with recessions, when Federal funding might have to rise as revenues drop. The proposal would allow suspension of the balanced budget requirement only if three-fifths of each House approved. That's not much of an escape valve, considering how long it takes Congress to act on most problems . . .

We know that. It takes us time to gear up around here, as the President is going to learn as he enjoys his stay in the Senate. So, in time of recession, we are often behind the curve as it is. We come in the second quarter, after the recession.

The amendment, pushed through the Senate Judiciary Committee on Thursday, generally fails to spell out how a balanced budget would be achieved. The difficult decisions on what spending to cut or how to raise revenues are not addressed but simply are left to future Congresses—and everyone knows how difficult and seemingly endless budget negotiations can be in the Capitol . . .

The article closes by saying:

The amendment—which will be put before the States' legislatures if it wins approval in the House and Senate—has drawn opposition from a broad spectrum of economists and fiscal experts. It should. The amendment is irresponsible governance, fiscally reckless and a false political star.

The Los Angeles Times is not known for such strong language. It is very measured. The editorials are very measured. So let me repeat that:

The amendment is irresponsible governance, fiscally reckless, and a false political star.

The last article which I want to mention comes from the USA Today, on Monday, February 3, 1997. The headline reads:

This is cheap political grandstanding. There is an easier way to balance the budget: Just do it.

"Just do it." It says, "Balance The Budget? Yes. But An Amendment? No."

So, whether it is our worry about being in a straitjacket when there is a recession or a natural disaster, or whether it is our worry about the Social Security trust fund—which absolutely will be hit if an amendment does not carry the day to exempt it—or whether it is our worry about Medicare—all of these areas are at great risk if we continue with this proposal, which has been condemned by 1,100 economists. Editorials all over the country have pointed out that passing a balanced budget amendment to the Constitution is just not a wise thing to do.

We can and must balance the budget. I voted for six balanced budgets. I am very proud of that. I am proud to see the deficit coming down. It is a serious matter. I hope, however, my colleagues will have the courage to walk away from an idea that seems wonderful on its face, but if you look behind the door, you will see the pitfalls there.

I thank you, Mr. President, for your kind courtesies. I thank my colleague from Maryland for participating in this discussion with me. I hope, as we go down the road on this debate, we will have some more colleagues step away from this at-first-glance politically popular idea and realize that it will put us in an economic straitjacket with no way to respond to recessions or other economic emergencies or crises. So it is putting us into a straitjacket which can only harm the people.

To close: "Balance The Budget? Yes. But An Amendment? No."

There is an easier way to balance the budget: Just do it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We are on the Wellstone amendment, No. 3.

Mr. SARBANES. I thank the Chair. Mr. President, I commend the very able Senator from California for her very fine statement. She clearly understands the pitfalls that are involved in a balanced budget amendment and, I think, has spoken eloquently to the issue. She has also spoken with a very deep personal knowledge of the situation confronting her and her State when she has had to deal with these natural disasters. I simply want to underscore, again, for those who say, "well, we will easily get a supermajority in order to waive the provisions of this amendment in an emergency situation," that I saw the Senator working literally day and night just to get a majority in order to deal with a natural disaster and, as she pointed out, coming up with close votes in order to do it.

She succeeded, which is very much to her credit and reflected her very effective advocacy. But had a supermajority been required, she would have fallen short. So I want to thank her for her very strong statement.

Mr. President, I know it is late into the evening, and I am not going to take long, but I want to take just a few minutes to speak to the issue before us, and I hope at a later point to make a longer statement.

First of all, I want to point out, as we deal with this amendment to amend the Constitution to require a balanced budget, it is very important to understand that the budget we are talking about balancing, the U.S. budget, does not have a capital budget to it. Everyone gets up and says, "well, the State governments do it, the local governments do it, private individuals do it, corporations do it, why shouldn't the Federal Government do it?"

None of those other entities balance a capital budget as well. They all provide for capital budgets that are financed by borrowing. That is what State governments do. They have a requirement to balance the operating budget, but they then sell bonds. Why do States and municipalities issue bonds? Why is there a municipal bond market? Because they borrow in order to fund the capital budget.

We don't have a capital budget at the Federal level, and anyone who is really serious about trying to write requirements into the Constitution, which, by the way, I think are extremely difficult to do because you can't provide for every contingency, but if you had any degree of seriousness, would first provide for a capital budget. You would set capital investments apart and say, "all right, we recognize we make investments in the future and we capitalize them, and we borrow to fund the capitalization."

That is what people do when they buy a home. Although it is said that everybody has to balance their budget, people don't balance their budget every year. It is wise and prudent financial policy, if your income is adequate to the task, to borrow in order to buy a home, to borrow in order to buy a car.

If individuals had to operate under this amendment's balanced budget requirement, the vast majority of people in this country would not be able to buy an automobile and they would not be able to buy a home, because they couldn't produce the cash with which to make the full payment in the year they incur the obligation, which is what this amendment is requiring of the Federal Government.

So that is the first point to make. You are talking about trying to balance a budget that includes within it your capital expenditures, instead of setting them aside and funding the capital expenditures through a capital budget, which is financed by borrowing and which makes prudent economic sense. After all, the highway or the building is going to last you for 20, 30, 40 years, and it makes sense to borrow, to amortize it over that period of time and have the use of it right from today out into the future.

The second point I want to make about the balanced budget amendment is in the post-World War II period, we have used what are known as automatic fiscal stabilizers in order to ameliorate economic downturns. When the economy begins to go soft, the Federal budget automatically shifts toward deficit, for two reasons: First, people are losing jobs, and because they are no

longer working, they are not paying taxes into the Treasury; therefore, the revenues into the Government decrease. This happens automatically. We don't take any action around here for that to happen. It just occurs. Because people are no longer working, they are no longer earning, and those people, at least, are not paying taxes into the Treasury.

Second, at the same time, automatically expenditures increase, because we pay out unemployment insurance. If you have been working, you become unemployed, you are entitled to draw unemployment insurance. So those payments go up.

The consequence of those two things happening—and there are other transfer payments also that go up in the course of an economic downturn or a recession—the deficit widens. But that deficit serves to cushion the economic downturn, because it helps to sustain purchasing power in the economy that would otherwise go into decline. Cushioning occurs because by providing unemployment insurance, you help to hold the economy up and to check the downturn.

Now, that happens automatically. It doesn't require a conscious decision. If the recession is bad, we often then go on to make conscious decisions here about ways to try to bring the economy back. But under normal circumstances, this cushioning is sufficient to moderate the economic downturn.

Because we have followed this policy essentially since the end of World War II, we have been able to check the boom-and-bust cycle of our economy, which we had previously been experiencing. Of course, that is a very good thing, because you don't put your economy and your people through the absolute wringer of a major economic downturn.

The fact of the matter is, as the economy goes soft, you begin to run these deficits. If you try to offset the deficit, either by cutting spending or raising taxes or a combination of the two, in an economic downturn, you would only drive the economy further down. The economy, the business cycle is swinging downwards, and if you compound that swing by a policy of trying to eliminate the deficits which arise from that downturn, you only make the downturn worse, and we have experienced that in our history, during the Great Depression.

This is why these automatic stabilizers are so important, and this is why, in many respects, this amendment is so dangerous.

This chart beside me measures real economic growth from 1870 to 1995, and it shows the ups and downs in economic growth in our economy, beginning in 1870 and running through until 1995. The essential thing the chart shows is that since World War II, we have essentially been able to avoid deep economic recessions or, indeed, depressions.

One of the reasons—not the only reason, but one of the reasons—we have been able to do that is because we have had these automatic economic stabilizers which have kept the economy from coming down into deep negative growth. Only a couple of times have we actually had a downturn that took us into negative growth. Most of the time we get movements, they remain in the positive level, and, as you can see, we have not in recent history experienced the kinds of deep moves we experienced pre-World War II.

That is why the Secretary of the Treasury, Secretary Rubin, in testimony before the Judiciary Committee about this amendment to the Constitution, said he was fearful that what it would do is turn an economic downturn into a recession and a recession into a depression.

Amendment supporters say, "Well, if that happens, we'll get a supermajority around here, we will waive the provisions of the Constitution, and we will take action."

There are a number of difficulties with that response. First of all, the automatic stabilizers work automatically. No one has to recognize there is an economic downturn. Often, we don't see an economic downturn is happening until much later, until it is well into its cycle.

Only a few years ago, Alan Greenspan thought the economy was doing well and said so. Later, it turned out that at the moment he said that, the economy was already into a downturn, but it wasn't recognized, it wasn't seen. Later, when all the figures came in, we went back and saw that we had already gone into a downturn. This amendment is going to cost us these automatic fiscal stabilizers that operate without the need for congressional action, and that cushion a recession that we might not even know to exist.

Second, we have a lot of arguments around here about whether we have a downturn, how serious a downturn is, how you have to respond to it.

Franklin Raines, the Director of OMB pointed out the other day before the Budget Committee that a lot of our difficulties are regional depressions, not national depressions. Much of the country might be doing all right, but a region of the country may be in severe trouble and needs help in order to address the situation in which to find itself.

Of course, then it is going to be extremely difficult to get a supermajority because most communities will not be experiencing a recession or downturn and their representatives will not want to waive this provision.

I can remember during the administration of President Bush when we tried to act on extending the unemployment insurance. It took us months, months, months, and months before we were able to do it. And all the time the economic downturn was getting worse. As a consequence, all the time we were falling further and further behind the curve.

The fact of the matter is, is that the earlier you can act, and particularly if you can act automatically, through stabilizers, the quicker you can check the downturn. If the downturn gains momentum, begins to build up steam in that direction, the amount of corrective action that has to be taken in order to turn it around is much greater. The prudent thing is to act early on, because then you do not suffer as much damage because you do not go as deep into the decline.

But this balanced budget amendment is a virtual guarantee that that kind of early action will not be taken and that we will always be playing catch up with the economic cycle.

The many distinguished economists who have spoken out, and to whom my very able colleague from California has made reference, have focused, amongst other things, on this aspect of the situation. We ought not to give away lightly the benefits that have come to us by developing effective fiscal policy to help restrain the movements of the business cycle. We have not eliminated it. I assume my colleagues who are pushing this amendment do not for a moment suggest they somehow have figured out a magical way to eliminate the business cycle. But we have developed policies that have ameliorated the business cycle.

I do not want to go back to these deep declines in the economy. We ought not to be in the situation where, as in the 1930's, we would rue the day that we denied ourselves the capacity to respond to that kind of an emergency so that we actually had to experience something approximating economic devastation before we were prepared to take action.

Why would you do that? Why would you want to do that? Is the economy not working well? Let us look at that issue for just a moment.

The unemployment rate today is 5.4 percent. It has been down in the low range of 5 percent now for many months. It is a very good performance. The last time we had a performance anything like that over a sustained period of time was 20 years ago.

What about the inflation rate? The inflation rate is under 3 percent. It has been there now for the last 4 or 5 years—about or under 3 percent. The last time we had a performance on the inflation front that was that good was 30 years ago.

So we are doing very well on unemployment and inflation.

We have created 11.5 million jobs over the last 4 years. Other countries envy us in terms of what we are doing.

But, amendment proponents say, we still have a problem with the deficit? What about the deficit? Let us take a look at the deficit.

Are we making any progress on reducing the deficit? Can someone contend that we are not making any progress on the deficit-reduction front and, therefore, we need a constitutional amendment, as risky and as radical as it might be, in order somehow, some way to compel some kind of action? We should note, however, that the amendment does not curb the deficit at all? You are still going to have to make the budget decisions with respect to the budget—your spending and tax decisions with respect to the budget. Have we been doing that already?

In 1992, the deficit, in current dollars, was $290 billion. Since then, we brought the deficit down in each of the succeeding 4 years. The deficit now is $107 billion. And the President has submitted a budget plan that will eliminate the deficit by the year 2002.

Some have criticisms of that plan. Others praise it. I think it is a pretty good plan but it is not written in stone and it is up to the Congress to deal with it now in consultation with the administration. But in any event, there is a plan to bring it down and eliminate the deficit by the year 2002.

I think the President has pretty good credibility in putting forward this plan on the basis of his record.

We ran large deficits in the 1980's and into the early 1990's. It was not just the administration that did that, the Congress was complicit in it as well. After all, you do not get a budget unless we in Congress pass it. Although I do want to point out that through those 12 years, in all but 1 year the budget passed by the Congress had a lower deficit figure than the budgets submitted to the Congress by the administration.

In other words, in every year but one the Congress was able to do a tighter budget than what the administration had submitted to the Congress. Had we passed the administration's submitted budgets, as proposed to us, the deficits would have been larger, not smaller. We did not increase the deficits. We in fact lowered the deficits.

But now in the last 4 years we have made this very impressive progress and we are on the path to a balanced budget. The way you make this progress is you make decisions on the budget each year. None of this progress was made because there was an amendment in the Constitution. And if you put an amendment in the Constitution, the progress still will not be made.

The progress can only be made when you vote the budgets, when you make the spending and the tax decisions that are contained within the budget, the consequences of which then give you your deficits or your balance. That is when you make the decisions. And we have been making hard decisions, particularly the 1993 economic plan, which passed this body on the tiebreaking vote of the Vice President.

A lot of people criticized that plan. People said "Oh, this is going to have devastating consequences on the economy." It was a combination of spending cuts and some tax changes. But what it produced was a reduced deficit and an economy that has worked exceedingly well over the last 4 years, an economy that other countries look at with a great deal of envy.

These are the absolute figures on reducing the deficit. Let us look at the measure of the deficit as a percent of the gross national product, which is a very important measure. It enables us to compare with our own performance over time and with other countries. Because as you strengthen your economy, you can bring your deficit down and it becomes a smaller percentage of the GDP and becomes easier to handle. It is like an individual's situation. If he has more income, he is better able to handle the deficit. If his economic strength grows more rapidly than the deficit he is trying to handle, then he gets stronger and more able to pay off the debt.

Let us look at that. This is what has happened. In 1992, the deficit was 4.9 percent of GDP. That is not a good figure. I am prepared to state that right at the outset. The European Community now, which is trying to move toward monetary union, has established some benchmarks which it is pressing the 15 members of Europe to abide by in order to achieve the monetary union. And one of them is that deficit, as a percent of GDP, be under 3 percent—under 3 percent. That is the benchmark they have set out.

In 1992 we were at 4.9 percent. As this chart beside me shows, we brought down our deficit as a percentage of GDP to 4.1 percent in 1993, 3.1 percent in 1994, 2.3 percent in 1995, and 1.4 percent in 1996. That is the best performance since 1973, 23 years ago. It is a better performance than all but 3 of the 15 members of the European Union, three of the smaller countries—Luxembourg, Denmark, and Ireland. Our projections out into the future are very positive; according to these projections, we will do even better than 1.4 percent in the future.

So we are making very significant progress toward a balanced budget. We really are on the right track. The real place we ought to be focusing on is on the budget process and the decisions that will be made with respect to spending programs, tax programs, tax subsidies, tax expenditure issues, and so forth.

Further, our performance of 1.4 percent deficit as a percent of GDP is better than any of the G7 countries, the major industrial countries in the world.

I was at a Joint Economic Committee hearing this afternoon where Chairman Stiglitz of the Council of Economic Advisers was presenting the economic report of the President. He talked about how nice it was now to go to international meetings with the performance of our economy and be able to hold out as an example to other countries what we are doing.

Look at this chart beside, which compares the deficit as a share of GDP for each of the G7 nations. Here is the United States, down to 1.4 percent. We have a game plan now, by the year 2002 to close that out completely. Now, I know we will have arguments here about the game plan, but I think it is credible. It could be changed, it could be different. I think it is credible. I think it represents a bona fide effort to close this out.

Look at this comparison: Here is Japan with 3.1 percent deficit, Germany, 3.5 percent; Canada, 4.2 percent; France, 5.0 percent; the United Kingdom, 5.1 percent. Italy is 7.2 percent. If you make the comparisons, if you do a vertical comparison over our history, we have the best performance now, deficit as a share of GDP, since 1973. That is how we stack up in terms of our past record. If you do a horizontal comparison with other countries around the world, this is how we stack up. Any way you look at that, that is a pretty good performance.

Now, let me finally address one other point about this amendment. I want to address this assumption here that you can simply get these supermajorities almost by the wave of the hand if you have any kind of serious problem confronting you. Now there are two kinds of supermajorities required in this proposed resolution, Senate Joint Resolution 1—either a majority of the total membership of the body or three-fifths of the total membership of the body, what they call the whole number of the House. Now, what the "majority of the whole" requirement means is in the Senate you would have to have 51 votes—although there is some argument, legally, about the role of the Vice President's vote in this process, an interesting debate that shows you the complexity of this proposal and its potential for complications. That question has never been resolved. Then there is the three-fifths supermajority requirement, which of course in this body would be 60 votes.

I want to make historical reference to one critical vote in the House, which in a historical sense we can look at and say, "Well, that was a critical vote in the history of this country. That was really a national crisis, and clearly Members should have recognized it and should have acted accordingly. That is the kind of situation which, if it arises again, we certainly would be able to get these supermajorities provided for in this Senate Joint Resolution 1." In 1940 the U.S. Congress, on the urgings of President Roosevelt, provided for a

draft for 1 year, because President Roosevelt saw the war clouds that were gathering in Europe and felt the United States needed to undertake preparation for what might be coming. A year later, of course the issue arose, since it was only for a year, about extending the draft. We are now talking about the fall of 1941, only shortly before Pearl Harbor. The President asked the Congress to extend the draft so that we could continue this program of military preparedness because the war clouds were even darker and more ominous.

The issue was so close in the House of Representatives that Speaker Rayburn, exercising a very rare prerogative of the Speaker, took the floor of the House at the close of the debate to urge extension of the draft. The vote on that issue in the House was 203 to 202, so under the Constitution it carried. You had a quorum present, had a majority of those voting, carrying it 203 to 202. Mr. President, 203 is—and was not then—a majority of the whole number of the House of Representatives, which would be 218 today, and it is certainly not three-fifths of the whole number of the House. These are the two supermajorities required in this resolution.

Now, there you were with a crisis situation which certainly, looking back at it historically, you would have said, "Well, obviously, those Members of Congress will recognize what the country is confronting and vote to carry this forward." They barely did it. They cast a vote that would not have worked under the supermajority requirements contained in Senate Joint Resolution 1.

I think those who say of course we will achieve supermajorities are being much too sanguine. The amendment says that the debt limit shall not be increased without three-fifths of the whole number. We can hardly put together simple majorities in Democratic or Republican administrations to achieve this goal. I have voted in this body to lift the debt ceiling in Republican administrations at the request of Republican Presidents and Republican Secretaries of the Treasury because I felt obviously we had to do that. We could not put the credit of the United States at risk. But those votes have been exceedingly close and they have not come anywhere near meeting the supermajority requirements contained in this Senate Joint Resolution 1. No wonder the Secretary of the Treasury has voiced his apprehension that we might risk a default on the debt and hurt the creditworthiness of the United States through the passage of this amendment to the Constitution.

Mr. President, I urge my colleagues to think long and hard about this amendment. It is a very radical proposal. It has a lot of surface appeal, as my colleague from California pointed out when she quoted the editorial in the Los Angeles Times. The easy vote is obviously to be for it, as most people upon hearing it say it is a good idea. You really have to go into it and examine it very carefully and appreciate the real way you bring the deficit down is to make the budget decisions, not to amend the Constitution of the United States.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

REPORT CONCERNING THE NATIONAL EMERGENCY WITH IRAQ—MESSAGE FROM THE PRESIDENT—PM 11

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States

I hereby report to the Congress on the developments since my last report of August 14, 1996, concerning the national emergency with respect to Iraq that was declared in Executive Order 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a United States person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. United States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution (UNSCR) 661 of August 6, 1990.

Executive Order 12817 was issued on October 21, 1992, to implement in the United States measures adopted in UNSCR 778 of October 2, 1992. UNSCR 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to $200 million apiece) representing Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also finances the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order 12722 and matters relating to Executive Orders 12724 and 12817 (the "Executive Orders"). The report covers events from August 2, 1996 through February 1, 1997.

1. In April 1995, the U.N. Security Council adopted UNSCR 986 authorizing Iraq to export up to $1 billion in petroleum and petroleum products per quarter for 6 months under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. This arrangement may be renewed by the Security Council for additional 6-month periods. UNSCR 986 includes arrangements to ensure equitable distribution of humanitarian goods purchased with UNSCR 986 oil revenues to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. On May 20, 1996, a memorandum of understanding was concluded between the Secretariat of the United Nations and the Government of Iraq agreeing on terms for implementing UNSCR 986. On August 8, 1996, the UNSC committee established pursuant to UNSCR 661 ("the 661 Committee") adopted procedures to be employed by

the 661 Committee in implementation of UNSCR 986. On December 9, 1996, the Secretary General released the report requested by paragraph 13 of UNSCR 986, making UNSCR 986 effective as of 12:01 a.m. December 10.

2. During the reporting period, there have been three amendments to the Iraqi Sanctions Regulations, 31 CFR Part 575 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury. The Regulations were amended on August 22, 1996, to add the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132; 110 Stat. 1214–1319 (the "Antiterrorism Act")) as an authority for the Regulations (61. *Fed. Reg.* 43460, August 23, 1996). Section 321 of the Antiterrorism Act (18 U.S.C. 2332d), which I signed into law on April 24, 1996, makes it a criminal offense for United States persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in financial transactions with the governments of countries designated under section 6(j) of the Export Administration Act (50 U.S.C. App. 2405) as supporting international terrorism. United States persons who engage in such transactions are subject to criminal fines under title 18, United States Code, imprisonment for up to 10 years, or both. Because the Regulations already prohibited such transactions, with minor exceptions for transactions such as donations of humanitarian aid, no substantive change to the prohibitions of the Regulations was necessary. This amendment also notes the criminal penalties that may be imposed for violations of the Antiterrorism Act and implementing regulations. A copy of the amendment is attached.

The Regulations were amended on October 21, 1996 (61 *Fed. Reg.* 54936, October 23, 1996), to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The Regulations, as amended, increase the maximum civil monetary penalty provided by law from $250,000 to $275,000 per violation.

The amended Regulations also reflect an amendment to 18 U.S.C. 1001 contained in section 330016(1)(L) of Public Law 103–322; 108 Stat. 2147. The amendment notes the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571. A copy of the amendment is attached.

The Regulations were amended on December 10, 1996, to provide a statement of licensing policy regarding specific licensing of United States persons seeking to purchase Iraqi-origin petroleum and petroleum products from Iraq (61 Fed. Reg. 65312, December 11, 1996). Statements of licensing policy were also provided regarding sales of essential parts and equipment for the Kirkuk-Yumurtalik pipeline system, and sales of humanitarian goods to Iraq, pursuant to United Nations approval. A general license was also added to authorize dealings in Iraqi-origin petroleum and petroleum products that have been exported from Iraq with United Nations and United States Government approval. The rule also added definitions and made technical amendments. A copy of the amendment is attached.

All executory contracts must contain terms requiring that all proceeds of oil purchases from the Government of Iraq, including the State Oil Marketing Organization must be placed in the U.N. escrow account at Banque Nationale de Paris, New York (the "986 Escrow Account"), and all Iraqi payments for authorized sales of pipeline parts and equipment, humanitarian goods, and incidental transaction costs borne by Iraq will, upon approval by the UNSC committee established pursuant to the 661 Committee, be paid or payable out of the 986 Escrow Account.

3. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by OFAC to the U.S. Customs Service for investigation. Several OFAC civil penalty proceedings are pending. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to OFAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

Since my last report, three civil monetary penalties totaling $102,250 have been collected from one financial institution and two individuals for violation of the prohibitions against transactions with Iraq. Additional administrative procedures have been initiated and others await commencement.

4. Pursuant to Executive Order 12817 implementing UNSCR 778, on October 26, 1992, OFAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the Order. On December 13, 1996, OFAC directed the Federal Reserve Bank of New York to transfer the interest accrued on the blocked account to the U.N. escrow account established pursuant to UNSCR 778, to match contributions in excess of $30 million by other countries.

5. The Office of Foreign Assets Control has issued a total of 653 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 23 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1996, through February 1, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about $1 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. Six years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994;

sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors and refusal of unimpeded access; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by UNSCR 688. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring states.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council must be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 10, 1997.*

THE ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 12

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Joint Economic Committee.

To the Congress of the United States:

Four years ago, we began a journey to change the course of the American economy. We wanted this country to go into the 21st century as a Nation in which every American who was willing to work for it could have a chance—not a guarantee, but a real chance—at the American dream. We have worked hard to achieve that goal, and today our economy is stronger than it has been in decades.

THE ECONOMIC RECORD

The challenge we faced in January 1993 was to put the economy on a new course of fiscal responsibility while continuing to invest in our future. In the last 4 years, the unemployment rate has come down by nearly a third: from 7.5 percent to 5.4 percent. The economy has created 11.2 million new jobs, and over two-thirds of recent employment growth has been in industry/occupation groups paying above-median wages. Over the past 4 years inflation has averaged 2.8 percent, lower than in any Administration since John F. Kennedy was President. The combination of unemployment and inflation is the lowest it has been in three decades. And business investment has grown more than 11 percent per year—its fastest pace since the early 1960s.

As the economy has grown, the fruits of that growth are being shared more equitably among all Americans. Between 1993 and 1995 the poverty rate fell from 15.1 percent to 13.8 percent—the largest 2-year drop in over 20 years. Poverty rates among the elderly and among African-Americans are at the lowest level since these data were first collected in 1959. And real median family income has risen by $1,600—the largest growth rate since the Administration of President Johnson.

THE ECONOMIC AGENDA

Our comprehensive economic agenda has helped put America's economy back on the right track. This agenda includes:

Historic Deficit Reduction. Since the 1992 fiscal year, the Federal budget deficit has been cut by 63 percent—from $290 billion to $107 billion in fiscal 1996. As a percentage of the Nation's gross domestic product, the deficit has fallen over the same period from 4.7 percent to 1.4 percent, and it is now the lowest it has been in more than 20 years. In 1992 the budget deficit for all levels of government was larger in relation to our economy than those of Japan and Germany were to theirs. Now the deficit is smaller by that same measure than in any other major industrialized economy. And this Administration has proposed a plan that balances the budget by 2002, while protecting critical investments in America's future.

Investments in Education and Technology. Deficit reduction remains a priority, but it is not an end in itself. Balancing the budget by cutting investments in education, or by failing to give adequate support to science and technology, could actually slow economic growth. To succeed in the new global economy, our children must receive a world-class education. Every child in America should be able to read by the age of 8, log onto the Internet by the age of 12, and receive at least 14 years of quality education: 2 years of college should become as universal as high school is today. And we must make sure that every child who wants to go to college has the resources to do so.

Expanding Markets. We have aggressively sought to expand exports and open markets abroad. In the past 4 years we have achieved two major trade agreements: the North American Free Trade Agreement and the Uruguay Round accord of the General Agreement on Tariffs and Trade, which established the World Trade Organization. Members of the Asia-Pacific Economic Cooperation forum and the proposed Free Trade Area of the Americas have committed to establishing free trade among themselves by 2020 and 2005, respectively. And we have opened new markets abroad by signing more than 200 other important trade agreements. As a result, U.S. exports have bombed, which means higher wages for American workers in export industries—often 13 to 16 percent higher than the rest of the workforce.

Reforming Government. The strength of the American economy lies in the energy, creativity, and determination of our citizens. Over the past 4 years we have worked hard to create an environment in which business can flourish. And as the private sector has expanded, the Federal Government has improved its efficiency and cost-effectiveness. We have energetically reformed regulations in key sectors of the economy, including telecommunications, electricity, and banking, as well as environmental regulation. And we have reduced the size of the Federal Government as a percentage of the workforce to the smallest it has been since the 1930s.

CONTINUING TO CREATE AN ECONOMY FOR THE 21ST CENTURY

America's workers are back at work and our factories are humming. Once again, America leads the world in automobile manufacturing. Our high-technology industries are the most competitive in the world. Poverty is down and real wages are at last beginning to rise. And we have laid the foundations for future long-term economic growth by reducing the deficit and investing in education.

During the past 4 years, we have worked to prepare all Americans for the challenges and opportunities of the new global economy of the 21st century. We have worked to restore fiscal discipline in our government, to expand opportunities for education and training for our children and workers, to reform welfare and encourage work, and to expand the frontiers of free trade. But there is more work to be done. We must continue to provide our citizens with the tools to make the most of their own lives so that the American dream is within the reach of every American.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 10, 1997.*

MEASURE PLACED ON THE CALENDAR

The following measure was placed on the calendar:

S.J. Res. 14. Joint resolution affirming certain findings of the President of the United States with regard to programs concerning international family planning.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1021. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Change in Disease Status of Great Britain Because of Exotic Newcastle Disease" received on February 4, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1022. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Importation of Fresh Hass Avocado Fruit Grown in Michoacan, Mexico" received on February 6, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1023. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Ports Designated for the Exportation of Animals" received on February 10, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1024. A communication from the Administrator, Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Tobacco-Tobacco Loan Program, Importer Assessments" (RIN0560–AD93) received on February 5, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1025. A communication from the Secretary of Defense, transmitting, a report of retirements; to the Committee on Armed Services.

EC–1026. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding transactions involving exports to Algeria; to the Committee on Banking, Housing, and Urban Affairs.

EC–1027. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding transactions involving exports to Egypt; to the Committee on Banking, Housing, and Urban Affairs.

EC–1028. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a rule with respect to Regulation H received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1029. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, a rule entitled "Loan Guaranty: Flood Insurance Requirements" (RIN2900–AH63) received on February 4, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1030. A communication from the Chairman of the Board of the National Credit Union Administration, transmitting, pursuant to law, the report on establishing and adjusting schedules of compensation; to the Committee on Banking, Housing, and Urban Affairs.

EC–1031. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Community Development Financial Institutions Fund for fiscal year 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–1032. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, a rule entitled "Revisions to the Export Administration Regulations" (RIN 0694–AB52) received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1033. A communication from the Acting General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, two rules including a rule entitled "Public Housing Management Assessment" (FR 3447, 4162) received on January 31, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1034. A communication from the Acting General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, a rule entitled "Sale of HUD-Held Single Family Mortgages" (FR 33814) received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1035. A communication from the Assistant Secretary of Commerce for Export Administration, transmitting, pursuant to law, a rule relative to the Commerce Control List (RIN 0694–AB24), received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1036. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of a rule relative to pilotage rate increase (RIN 2135–AA08), received on February 6, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1037. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of nine rules including one rule relative to Class E airspace (RIN 2120–AA64, AA66), received on February 6, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1038. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to NII Devices, received on February 3, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1039. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to microwave antennas, received on February 4, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1040. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to local exchange carriers, received on February 6, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1041. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to FM broadcast stations, received on February 7, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1042. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to maximum license terms, received on February 7, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1043. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to FM broadcast stations, received on February 7, 1997; to the Committee on Commerce, Science, and Transportation.

EC–1044. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of a rule relative to appliance labeling, received on February 6, 1997; to the Committee on Commerce, Science, and Transportation.

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. WELLSTONE:

S. 292. A bill to amend title XVIII of the Social Security Act to provide for coverage of certain ambulance services; to the Committee on Finance.

By Mr. HATCH (for himself and Mr. BAUCUS):

S. 293. A bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions; to the Committee on Finance.

By Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. THURMOND, Mr. SESSIONS, Mr. HAGEL, Mr. SHELBY, Mr. GRAMM, and Mr. NICKLES):

S. 294. A bill to amend chapter 51 of title 18, United States Code, to establish Federal penalties for the killing or attempted killing of a law enforcement officer of the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

By Mr. JEFFORDS (for himself, Mr. COATS, Mr. GREGG, Mr. FRIST, Mr. DEWINE, Mr. ENZI, Mr. HUTCHINSON, Ms. COLLINS, Mr. WARNER, Mr. MCCONNELL, Mr. ASHCROFT, Mr. GORTON, Mr. GRASSLEY, Mr. NICKLES, Mr. MACK, and Mr. SHELBY):

S. 295. A bill to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WELLSTONE:

S. 292. A bill to amend title XVIII of the Social Security Act to provide for coverage of certain ambulance services; to the Committee on Finance.

THE AMBULANCE SERVICES ACT OF 1997

• Mr. WELLSTONE. Mr. President, I am pleased to introduce the Ambulance Services Act of 1997 today to ensure that Medicare beneficiaries are covered for necessary transport for emergency treatment.

I am deeply concerned that Medicare beneficiaries in rural areas have a difficult time gaining access to emergency care, and there are relatively few hospitals in these areas, and patients must often travel a great distance to reach them. The Medicare ambulance transport reimbursement regulations have not kept pace with changes in the health care system that have occurred

as a result of efforts to improve care while decreasing the cost of care.

In many locales, clinics and ambulatory surgery centers staffed by physicians have developed the ability to provide routine emergency care. The local physicians are often available at the clinic, which has facilities and capability for emergency treatment. In fact, patients who are transported to the hospital emergency department during the day wait longer to see a physician than those at the clinic, as the physician must travel from the clinic to the hospital in order to see the patient.

It is often necessary for seniors who are experiencing a medical emergency to be transported via an ambulance. Under current regulation, seniors who require ambulance transport to an emergency care facility must be taken to a hospital. Therefore, the senior is left with a difficult choice: be transported to the hospital facility, which may take longer and is likely to involve a longer waiting time for emergency care, or be transported to a local facility that provides emergency care to other citizens, and pay for the ambulance transport out of pocket. Neither of these is an optimal choice.

As the reimbursement policy stands now, patients are required to use a more expensive facility when it may not be necessary. It would seem that allowing reimbursement for transport to nonhospital facilities that provide emergency care could result in fiscal savings in that the cost of ambulance transport combined with a clinic visit bill would be less than that of ambulance transport and a hospital emergency department bill. In addition, it would allow our senior citizens to have a health care benefit that is available to other members of the community.

Concerns that might arise about the medical necessity of transporting certain patients to a hospital emergency department can and should continue to be addressed by local and regional emergency medical service systems, based on levels of care that are available in the area. These systems set standards and protocols for emergency medical service providers and work with the health care community in developing protocols for transport and patient care.

Mr. President, I remain concerned about providing all of our citizens with an adequate level of health care. Our seniors need to be able to avail themselves of expeditious emergency care, without having to worry about how transport for this care will be paid for. The Ambulance Services Act of 1997 will go a long way toward this goal.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 292

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 "Ambulance Services Act of 1997".

SEC. 2. MEDICARE COVERAGE OF CERTAIN AMBULANCE SERVICES.

(a) COVERAGE.—Section 1861(s)(7) of the Social Security Act (42 U.S.C. 1395x(s)(7)) is amended by striking "regulations;" and inserting "regulations, except that such regulations shall not fail to treat ambulance services as medical and other health services solely because, in the case of an emergency, the individual is transported to a clinic or to an ambulatory surgical center;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items and services provided on or after the date of enactment of this Act.•

By Mr. HATCH (for himself and Mr. BAUCUS):

S. 293. A bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions; to the Committee on Finance.

THE ORPHAN DRUG ACT OF 1997

Mr. HATCH. Mr. President, today I am introducing the Orphan Drug Act of 1997, legislation to extend permanently the orphan drug tax credit. I am pleased that my good friend and colleague from Montana, Senator BAUCUS, is joining me. Similar legislation was introduced in the House last year by Representatives NANCY JOHNSON and ROBERT MATSUI. I am confident that they will once again introduce legislation this year to make the credit permanent.

Mr. President, this credit encourages private firms to develop treatments for rare diseases. As many of my colleagues know, we extended this medical research tax credit last year, but, it will expire on May 31 of this year.

Since the 1983 enactment of the orphan drug tax credit we have seen very encouraging progress in developing new drugs to alleviate suffering from a number of so-called orphan diseases, those diseases that afflict a relatively small number of people. Because the process of research, development, and approval for new pharmaceuticals is so costly_running into hundreds of millions of dollars_the small market for a drug discourages drug companies from undertaking it.

Mr. President, the incentive provided by this credit gives hope to individuals who suffer from such rare but devastating conditions as Tourette's syndrome. Huntington's disease, and neuro- fibromatosis, to name a few. Many drugs designated as orphan drugs have a much small potential market than even the 200,000 patients referred to in the definition in this credit_sometimes they are for conditions that affect as few as 1,000 persons in the United States. This means that without some incentive there is simply no possibility for a firm to profit from its decisions to develop drugs that treat these diseases.

Fortunately, the orphan perception has been changing over the years that this research credit has been in effect. In fact, Mr. President, pharmaceutical companies have made great strides in discovering treatments for these orphan diseases. While only seven orphan drugs were approved by the FDA in the decade before the credit's initial passage, over 100 have been approved since and approximately 600 are now in development.

Last year, I mentioned the first-ever treatment for Gaucher disease, a debilitating and sometimes fatal genetic disorder. This disease afflicts fewer than 5,000 people worldwide, yet the company who discovered the treatment expended its time and money to search for a treatment precisely because of the orphan drug credit's incentives. There are other examples as well.

Mr. President, this credit's effectiveness has been tested for the past 14 years, and it has passed with flying colors. Few provisions of the tax code can claim to have clearly reduced human suffering and to have expanded our store of medical knowledge. This credit has done both.

By helping small, entrepreneurial firms to take advantage of the orphan drug credit, we can make it even more effective. Before last year, the tax credit only served as an incentive for companies that earn a current-year-profit. If the credit could not be used immediately, it was lost forever. For large, profitable drug companies, this was rarely a problem.

However, for many small, start-up pharmaceutical companies, this current-year restriction made the credit of little or no use. These firms typically lose money in the early years since they put all available funding into research. They only expect to see profits many years into the future.

In order to improve the credit's usefulness, we modified the credit in legislation last year to allow firms to carry the credit back 3 years and carry it forward 15 years. This will give small, growing companies an incentive to find ways to treat these rare diseases that cause so many to suffer. I have been impressed by the strides being made in the biomedical field, including growing firms in my home State of Utah.

In the course of research, scientists often stumble upon treatments that could, if developed, improve the lives of victims of rare diseases. However, because of the high cost of drug experiments and the enormous expense involved in gaining FDA approval, many researchers reluctantly set these promising drug innovations aside. Mr. President, this should not happen, not when so many are suffering from these rare

diseases, and we have an effective credit available that has proven its benefits.

The following national groups officially endorse the Orphan Drug Act of 1997: National Organization for Rare Disorders [NORD], National Multiple Sclerosis Society, Tourette Syndrome Association, United Parkinson Foundation, American Autoimmune Related Disease Association, Leukemia Society of American, Cystinosis Foundation, New England Biomedical Research Coalition, Biotechnology Industry Organization, and the Epilepsy Foundation.

I urge my Senate colleagues to join us in sponsoring this bipartisan legislation. Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT FOR CERTAIN CLINICAL TESTING EXPENSES MADE PERMANENT.

(a) IN GENERAL.—Section 45C of the Internal Revenue Code of 1986 (relating to clinical testing expenses for certain drugs for rare diseases or conditions) is amended by striking subsection (e).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after May 31, 1997.

By Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. THURMOND, Mr. HAGEL, Mr. NICKLES, Mr. SHELBY, Mr. GRAMM, and Mr. SESSIONS):

S. 294. A bill to amend chapter 51 of title 18, United States Code, to establish Federal penalties for the killing or attempted killing of a law enforcement officer of the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

THE OFFICER BRIAN GIBSON DISTRICT OF COLUMBIA POLICE PROTECTION ACT

Mrs. HUTCHISON. Madam President, I appreciate this opportunity. I came to the floor because I want to introduce a bill today that I think is very important. It is the Officer Brian Gibson District of Columbia Police Protection Act. I send this bill to the desk and ask for its appropriate referral.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mrs. HUTCHISON. Thank you, Madam President. I am introducing this bill today on behalf of myself, Senator LOTT, Senator THURMOND and Senator SESSIONS, because today we are laying to rest a person who has given his life for the public protection, Officer Gibson, in the District of Columbia, who was brutally murdered in his squad car. A person went up to his car, stuck a gun in his face and shot it.

If we cannot protect that man and make sure that he has every possible ounce of support that we can give to protect him, then I do not know what we can do to help the crime rate in the District.

I hope very much that the Mayor of the District and Congresswoman NORTON will be helpful on this. I have not yet been able to talk to them though I have put in a call. But the bottom line is we are trying to make the Capital City good for the people who live here but also good for any American or any foreign visitor, so they can come and see the most beautiful symbol of America possible. And that is not the case today.

So we are asking for the death penalty for the murder of a police officer in the District of Columbia, the same protection that a member of the Capitol Police now has and that police in 38 States now have. I think this is one way to say that if you are going to commit a heinous crime like this, you are going to face the ultimate of penalties.

I want Officer Gibson and his family to know that we appreciate that he gave his life in the line of duty. I want them to know that in the future, in his memory, we are going to not only give the highest penalty to someone who would kill one of his comrades, but we will also give restitution to the family that is suffering from the loss of their breadwinner, their father, their husband.

So I will introduce this bill today. I hope that we can get immediate action on it because it is time for us to say that the District of Columbia is going to be the model Capital City. I know all of us, on a bipartisan basis, want to make that happen. We want to come together to make this city work. After all, it is the beacon to the world for what is good about America. It is time that the Capital City met that test.

So in memory of Officer Gibson, I hope we will pass this bill. I hope we will do everything possible to get the crime rate in our Capital City down so that visitors from all over America will want to come and see this beautiful city that is our Capital.

By Mr. JEFFORDS (for himself, Mr. COATS, Mr. GREGG, Mr. FRIST, Mr. DEWINE, Mr. ENZI, Mr. HUTCHINSON, Ms. COLLINS, Mr. WARNER, Mr. MCCONNELL, Mr. ASHCROFT, Mr. GORTON, Mr. GRASSLEY, Mr. NICKLES, Mr. MACK, and Mr. SHELBY):

S. 295. A bill to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes; to the Committee on Labor and Human Resources.

THE TEAMWORK FOR EMPLOYEES AND MANAGERS ACT OF 1997

Mr. JEFFORDS. Mr. President, today I am introducing, together with a number of my colleagues, the Teamwork for Employees and Managers Act of 1997. This bill is identical to the TEAM Act approved by the Senate last year.

This bill responds to a series of decisions by the National Labor Relations Board which have cast doubt on the legality of many forms of workplace cooperation. Specifically, the Board held in the Electromation case that certain employer-employee committees violated the National Labor Relations Act's prohibition against employer-assisted labor organizations.

This ruling has had a chilling effect on some 30,000 companies that have employee involvement programs. The TEAM Act amends Federal labor law to allow voluntary workplace cooperation to continue. The legislation allows employers and employees to meet together to address issues of mutual interest, including issues related to quality, productivity, and efficiency as long as the committees or other joint programs do not engage in collective bargaining.

This last point is important. The bill does not allow employers to establish company unions or sham unions that undermined independent collective bargaining back in the 1930's. Under the TEAM Act, workers retain the right, as well they should, to choose an independent union to engage in collective bargaining.

More importantly, the TEAM Act gives workers the opportunity for greater input and involvement in the workplace. Not only does this allow workers to improve and expand their skills, but workplace cooperation also increases our productivity and competitive edge in the global marketplace.

This bill received bipartisan support in the last Congress, and I am confident it will again this year. This bill is not about labor versus management. It's about clarifying the law so that workers and management can work together to their mutual benefit and to the benefit of our economy as a whole. I look forward to working with Members on both sides of the aisle so that the TEAM Act becomes law in the very near future.

Mr. ASHCROFT. Mr. President, today I rise in support of my colleague from Vermont in his introduction of the Team Work for Employees And Management Act. I thank the Senator from Vermont for his leadership in helping American workers develop the capacity to be competitive, to be productive, and to maintain our standard of excellence throughout the world. The Team Act, which passed both the Senate and the House during the 104th Congress, but was vetoed by President Clinton, is vital to the survivability and strength of our Nation's economy.

Our Nation's strength is a result of recognizing the importance of the human resource in the equation. You

simply cannot be competitive without tapping every part of the resource that you have. When we think of the NCAA basketball tournament next month, it is unthinkable that we would send teams into competition and forbid the coaches to talk to the players. What nonsense that would be.

It is fundamental recognition of the fact that the people on the court will have a different perspective than the people off the court. The people on the field will have an awareness of how things are going that is special, different, unique, and of value.

The same is true in industry. No matter how hard a compassionate manager tried to observe the process from outside, no matter how well the engineer from the design room tries to structure the environment for productivity, the person who actually is on the floor is going to have the ability to say, "This doesn't work here. It may look good in theory, but it doesn't work in practice."

I think that is what the TEAM Act is all about. It is about understanding and recognizing the tremendous resource that workers are, that they can be to the competitive position of this country by outproducing, outworking, outthinking, outsmarting, and out- cooperating workers anyplace else in the world.

Most Americans would believe, and it is because we are commonsense people, that it is OK for employees and employers to talk. If you would have listened to the debate in this Chamber, you would have heard from those on the other side of the aisle, "Why, it's all right, it's all OK, it's perfectly legal right now. We don't need this."

When opponents of the TEAM Act say it is perfectly legal now, we do not need this law, it confounds me. Let me read from a list of things that have been ruled inappropriate for nonunion employers to talk to their nonunion employees on, so the American people have an understanding of what the law is and whether it needs to be changed.

If you discuss the extension of the employees' lunch breaks by 15 minutes, that is illegal, from the case of Sertafilm and Atlas Microfilming; the length of the workday, to discuss how long each workday is going to be, that is illegal, from Weston & Booker Co. A decrease in rest breaks from 15 to 10 minutes, that is illegal to talk about with workers. What paid holidays you have_the Singer Manufacturing case held that was illegal to talk about. The extension of store hours during wheat harvest season_the Dillon's company case said you cannot talk with workers about that to get their input.

Workers know what kind of break they need. Workers know what kind of workday they would like to work. I know of one plant in my home State where workers decided they wanted to work 4 days of 10 hours a day instead of 5 days of 8 hours a day and have 3-day weekends every week. Why would Government stand between workers and manufacturers, between managers and employees or their associates to say you cannot discuss those things, and yet that is what the law is for 8 out of 9 American workers, because 8 out of 9 American workers are nonunion workers.

The National Labor Relations Act governs election of unions and collective bargaining. Section 8(a)(2) was passed in 1935 to prohibit the establishment of sham company unions, a tactic commonly used by employers to defeat union organizing. These organizations pretended to engage in collective bargaining, but followed management's dictates and typically were run by officers handpicked by management. Companies then pretended to enter into collective-bargaining agreements with these sham organizations so that when a union attempted to organize the workers, the companies could hide behind the exclusive representation and contract bar tenets of the law.

Vigorous enforcement of section 8(a)(2) resulted in the demise of the company unions by the early 1950's. While sham unions should continue to be prohibited under our labor laws—and would remain so under the TEAM Act—the broad prohibition that remains in effect today prevents the types of legitimate cooperative working relationships that encourage worker participation and decisionmaking.

Let me give you an example. When I was Governor of the State of Missouri, I had the opportunity to work with companies. Like I do today, I would go and work on the assembly line. I would go and work with people to learn about their jobs and talk to them about their concerns.

One of the companies that was hauled into the justice system of the Labor Department for cooperating with its employees was a company called EFCO Corp. It was a small company in Missouri, having approximately 60 jobs. Now it has over 1,000 jobs. Much of its capacity was to increase its on-time deliveries, which went from the low seventies up into the high nineties, and which allowed workers to start working 4 days a week instead of 5 days a week, get their 40 hours in 4 days and have long weekends, spend more time with their kids, accommodate the demands of their families. It all came from these programs.

What was most distressing was that when EFCO wanted to be involved, it was said to have dominated its discussion groups or teams because they provided employees with pencils and pens and allowed them to have access to the financial records of the company. That was what the NLRB said was a violation.

You would say this company is bending over backward. It opens up the books to the workers and says: How can we do better for and how can we, as a team, do better, how can we as a company have the kind of performance and productivity that will recommend us to the world? And indeed they are now a world-class company. But because they provided the pens and pencils and they allowed the workers to have access to the company's financial records, the NLRB filed charges against the company. This is not the kind of thing that recommends America for leadership. It is the kind of thing that takes correction.

Opponents say if you talk about those things, the workers will think you have union when you don't. It will be a sham union. Frankly, I do not underestimate the American worker that severely.

Over the Christmas break I went to and worked in about five or six places in Missouri, actually on the job side-by-side with people. I never met a single worker who did not know whether he or she was in a union. They know. Workers know whether union dues are being deducted. The know whether they are in a separate organization. It is not hard. This is not above the capacity of the American worker. The idea somehow that if we allow managers to talk to employees, employees will be tricked into thinking they have a union when they do not have a union is ludicrous. It underestimates the intelligence of the American work force.

A second objective from the other side is, "Well, maybe if we allow people to talk, they will be just talking to certain employees who only have limited views, and they will not reflect the views of employees generally." There is a safeguard. If there is an unfair system established where workers and employers are communicating with each other and it is working against the interests of the workers, it is easy. Workers have every right to unionize. They can form a labor union. They can petition for a labor union. They can ask that unions come in if they think it is unfair.

There is a structural guarantee of competition. If nonunion systems are not working well for employees, if these things are likely to be so distorted or so unfair, nothing in this law, nothing in this proposal, in any way derogates, undermines, erodes, or otherwise lessens the right of a worker to petition for an election to organize or unionize a plant.

There are about 30,000 employers that would like to have such employee-involvement programs. Why is it they would like to have such programs? Because they have seen that when we work together we succeed. Strange to me, that is basically a quote from President Clinton's 1996 State of the Union Address. He said, and I agree, "When companies and workers work as a team, they do better, and so does America."

The real truth of the matter is understood in the hearts and minds of everyone who has every worked on a team, knowing that when you work together, you do better than when you work at odds with each other.

The ability of union workers to collaborate with employers is well ensconced. It is fought for by the unions and protected by the employers, recognized as a great benefit. But why should we limit that great benefit to 11 or 12 percent of our society, to the 1 out of 9 workers in America that are in unions? Why not extend this benefit to all workers in America saying that it is entirely appropriate for nonunion workers, as well as union workers, to be involved in collaborating and cooperating, in providing their good judgment of how best to improve the situation for workers and to improve the productivity and profitability of the business?

No. I do not think we would send our teams to the NCAA tournament forbidding the players to talk to the coaches. We have too much sense to do that. No, I do not think that union companies are going to stop having team discussions between employees and the company owners and managers. They have too much sense to do that. And, no, I do not think that this Government should stand between the owners of corporations and their managers and the employees who work hard and want to succeed and want to be productive and keep them from talking to each other, because I believe the American people have too much sense to do that.

I urge my colleagues to extend this benefit which now inures to the benefit of 1 out of 9 workers in America to the rest of the working population. Let us give everyone an opportunity to contribute to a winning effort, to succeed. That will maintain America's position as the most productive and most profitable and most rewarding place, not just for companies, but for citizens, not just for institutions, but for individuals. It is, in fact, a reason that America continues to draw people from around the globe. It is the fact that we have recognized the worth and value of individuals. And for us to deny their value in a commercial setting would be a substantial error which we must not make.

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. DASCHLE, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 13, a bill to provide access to health insurance coverage for uninsured children and pregnant women.

S. 20

At the request of Mr. DASCHLE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 20, a bill to amend the Internal Revenue Code of 1986 to increase the rate and spread the benefits of economic growth, and for other purposes.

S. 61

At the request of Mr. LOTT, the names of the Senator from Minnesota [Mr. WELLSTONE], the Senator from California [Mrs. FEINSTEIN], the Senator from New Hampshire [Mr. GREGG], and the Senator from Nebraska [Mr. HAGEL] were added as cosponsors of S. 61, a bill to amend title 46, United States Code, to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the U.S. merchant marine during World War II.

S. 104

At the request of Mr. MURKOWSKI, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 104, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 124

At the request of Mr. GRAMM, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 124, a bill to invest in the future of the United States by doubling the amount authorized for basic science and medical research.

S. 139

At the request of Mr. FAIRCLOTH, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 139, a bill to amend titles II and XVIII of the Social Security Act to prohibit the use of social security and medicare trust funds for certain expenditures relating to union representatives at the Social Security Administration and the Department of Health and Human Services.

S. 183

At the request of Mr. DODD, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 183, a bill to amend the Family and Medical Leave Act of 1993 to apply the act to a greater percentage of the U.S. workforce, and for other purposes.

S. 207

At the request of Mr. MCCAIN, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 207, a bill to review, reform, and terminate unnecessary and inequitable Federal subsidies.

S. 219

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 219, a bill to amend the Trade Act of 1974 to establish procedures for identifying countries that deny market access for value-added agricultural products of the United States.

S. 220

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 220, a bill to require the U.S. Trade Representative to determine whether the European Union has failed to implement satisfactorily its obligations under certain trade agreements relating to U.S. meat and pork exporting facilities, and for other purposes.

S. 228

At the request of Mr. MCCAIN, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 228, a bill to amend title 31, United States Code, to provide for continuing appropriations in the absence of regular appropriations.

S. 239

At the request of Mr. DASCHLE, the names of the Senator from Virginia [Mr. ROBB], the Senator from Montana [Mr. BURNS], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Kansas [Mr. ROBERTS] were added as cosponsors of S. 239, a bill to amend the Internal Revenue Code of 1986 relating to the treatment of livestock sold on account of weather-related conditions.

S. 246

At the request of Mr. GREGG, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 246, a bill to amend title XVIII of the Social Security Act to provide greater flexibility and choice under the medicare program.

S. 261

At the request of Mr. DOMENICI, the names of the Senator from Nebraska [Mr. HAGEL] and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 261, a bill to provide for a biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government.

S. 263

At the request of Mr. MCCONNELL, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 263, A bill to prohibit the import, export, sale, purchase, possession, transportation, acquisition, and receipt of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 269

At the request of Mr. ABRAHAM, the names of the Senator from Nebraska [Mr. HAGEL] and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 269, a bill to provide that the Secretary of the Senate and the Clerk of the House of Representatives shall include an estimate of Federal retirement benefits for each Member of Congress in their semiannual reports, and for other purposes.

AMENDMENTS SUBMITTED

THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

WELLSTONE AMENDMENT NO. 3

Mr. WELLSTONE proposed an amendment to the joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States to require a balanced budget; as follows:

Redesignate section 8 as section 9 and after section 7 add the following:

"SECTION 8. It is the policy of the United States that, in achieving a balanced budget, Federal outlays must not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children."

NOTICES OF HEARINGS

SUBCOMMITTEE ON EMPLOYMENT AND TRAINING

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Subcommittee on Employment and Training, Senate Committee on Labor and Human Resources, will be held on Thursday, February 13, 1997, 2 p.m., in SD–430 of the Senate Dirksen Building. The subject of the hearing is S. 4, the Family Friendly Workplace Act. For further information, please call the committee, 202/224–5375.

COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing on February 26, 1997, entitled "The President's Fiscal Year 1998 Budget Request for the United States Small Business Administration." The hearing will begin at 9:30 a.m. in room 428A of the Russell Senate Office Building.

For further information, please contact Louis Taylor at 224–5175.

ADDITIONAL STATEMENTS

RULES OF PROCEDURE OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS

• Mr. THOMPSON. Mr. President, I herewith submit a copy of Rules of Procedure adopted by the Committee on Governmental Affairs pursuant to rule XXVI, section 2, Standing Rules of the Senate, and ask that they be printed in the RECORD at this point.

The Rules of Procedure follow:

RULES OF PROCEDURE OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS

(PURSUANT TO RULE XXVI, SEC. 2, STANDING RULES OF THE SENATE)

RULE 1. MEETINGS AND MEETING PROCEDURES OTHER THAN HEARINGS

A. Meeting dates. The Committee shall hold its regular meetings on the first Thursday of each month, when the Congress is in session, or at such other times as the chairman shall determine. Additional meetings may be called by the chairman as he deems necessary to expedite Committee business. (Rule XXVI, Sec. 3, Standing Rules of the Senate.)

B. Calling special Committee meetings. If at least three members of the Committee desire the chairman to call a special meeting, they may file in the offices of the Committee a written request therefor, addressed to the chairman. Immediately thereafter, the clerk of the Committee shall notify the chairman of such request. If, within three calendar days after the filing of such request, the chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the Committee members may file in the offices of the Committee their written notice that a special Committee meeting will be held, specifying the date and hour thereof, and the Committee shall meet on that date and hour. Immediately upon the filing of such notice, the Committee clerk shall notify all Committee members that such special meeting will be held and inform them of its date and hour. (Rule XXVI, Sec. 3, Standing Rules of the Senate.)

C. Meeting notices and agenda. Written notices of Committee meetings, accompanied by an agenda, enumerating the items of business to be considered, shall be sent to all Committee members at least three days in advance of such meetings, excluding Saturdays, Sundays, and legal holidays in which the Senate is not in session. In the event that unforeseen requirements or Committee business prevent a three-day notice of either the meeting or agenda, the Committee staff shall communicate such notice and agenda, or any revisions to the agenda, as soon as practicable by telephone or otherwise to members or appropriate staff assistants in their offices.

D. Open business meetings. Meetings for the transaction of Committee or Subcommittee business shall be conducted in open session, except that a meeting or series of meetings on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in clauses (1) through (6) below would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the Committee or Subcommittee members when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of foreign relations of the United States;

(2) will relate solely to matters of Committee or Subcommittee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of an informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Rule XXVI, Sec. 5(b), Standing Rules of the Senate.)

Notwithstanding the foregoing, whenever disorder arises during a Committee or Subcommittee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the chairman to enforce order on his own initiative and without any point of order being made by a member of the Committee or Subcommittee; provided, further, that when the chairman finds it necessary to maintain order, he shall have the power to clear the room, and the Committee or Subcommittee may act in closed session for so long as there is doubt of the assurance of order. (Rule XXVI, Sec.5(d), Standing Rules of the Senate.)

E. Prior notice of first degree amendments. It shall not be in order for the Committee, or a Subcommittee thereof, to consider any amendment in the first degree proposed to any measure under consideration by the Committee or Subcommittee unless a written copy of such amendment has been delivered to each member of the Committee or Subcommittee, as the case may be, and to the office of the Committee or Subcommittee, at least 24 hours before the meeting of the Committee or Subcommittee at which the amendment is to be proposed. This subsection may be waived by a majority of the members present. This subsection shall apply only when at least 72 hours written notice of a session to mark-up a measure is provided to the Committee or Subcommittee.

F. Meeting transcript. The Committee or Subcommittee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceeding of each meeting whether or not such meeting or any part thereof is closed to the public, unless a majority of the Committee or Subcommittee members vote to forgo such a record. (Rule XXVI, Sec.5(e), Standing Rules of the Senate.)

RULE 2. QUORUMS

A. Reporting measures and matters. A majority of the members of the Committee shall constitute a quorum for reporting to the Senate any measures, matters or recommendations. (Rule XXVI, Sec.7(a)(1), Standing Rules of the Senate.)

B. Transaction of routine business. Five members of the Committee shall constitute a quorum for the transaction of routine business, provided that one member of the minority is present.

For the purpose of this paragraph, the term "routine business" includes the convening of a meeting and the consideration of any business of the Committee other than reporting to the Senate any measures, matters or recommendations. (Rule XXVI, Sec.7(a)(1), Standing Rules of the Senate.)

C. Taking testimony. One member of the Committee shall constitute a quorum for taking sworn or unsworn testimony. (Rule

XXVI, Sec.7(a)(2) and 7(c)(2), Standing Rules of the Senate.)

D. Subcommittee quorums. Subject to the provisions of sections 7(a) (1) and (2) of Rule XXVI of the Standing Rules of the Senate, the Subcommittees of this Committee are authorized to establish their own quorums for the transaction of business and the taking of sworn testimony.

E. Proxies prohibited in establishment of quorum. Proxies shall not be considered for the establishment of a quorum.

RULE 3. VOTING

A. Quorum required. Subject to the provisions of subsection (E), no vote may be taken by the Committee, or any Subcommittee thereof, on any measure or matter unless a quorum, as prescribed in the preceding section, is actually present.

B. Reporting measures and matters. No measure, matter or recommendation shall be reported from the Committee unless a majority of the Committee members are actually present, and the vote of the Committee to report a measure or matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken. (Rule XXVI, Sec. 7(a) (1) and (3), Standing Rules of the Senate.)

C. Proxy voting. Proxy voting shall be allowed on all measures and matters before the Committee, or any Subcommittee thereof, except that, when the Committee, or any Subcommittee thereof, is voting to report a measure or matter, proxy votes shall be allowed solely for the purposes of recording a member's position on the pending question. Proxy voting shall be allowed only if the absent Committee or Subcommittee member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be filed with the chief clerk of the Committee or Subcommittee thereof, as the case may be. All proxies shall be in writing and shall contain sufficient reference to the pending matter as is necessary to identify it and to inform the Committee or Subcommittee as to how the member establishes his vote to be recorded thereon. (Rule XXVI, Sec. 7(a)(3) and 7(c)(1), Standing Rules of the Senate.)

D. Announcement of vote. (1) Whenever the Committee by rollcall vote reports any measure or matter, the report of the Committee upon such a measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the Committee. (Rule XXVI, Sec. 7(c), Standing Rules of the Senate.)

(2) Whenever the Committee by rollcall vote acts upon any measure or amendment thereto, other than reporting a measure or matter, the results thereof shall be announced in the Committee report on that measure unless previously announced by the Committee, and such announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment thereto by each member of the Committee who was present at the meeting. (Rule XXVI, Sec. 7(b), Standing Rules of the Senate.)

(3) In any case in which a rollcall vote is announced, the tabulation of votes shall state separately the proxy vote recorded in favor of and in opposition to that measure, amendment thereto, or matter. (Rule XXVI, Sec. 7(b) and (c), Standing Rules of the Senate.)

E. Polling. (1) The Committee, or any Subcommittee thereof, may poll (a) internal Committee or Subcommittee matters including the Committee's or Subcommittee's staff, records and budget; (b) steps in an investigation, including issuance of subpoenas, applications for immunity orders, and requests for documents from agencies; and (c) other Committee or Subcommittee business other than a vote on reporting to the Senate any measures, matters or recommendations or a vote on closing a meeting or hearing to the public.

(2) Only the chairman, or a Committee member or staff officer designated by him, may undertake any poll of the members of the Committee. If any member requests, any matter to be polled shall be held for meeting rather than being polled. The chief clerk of the Committee shall keep a record of polls; if a majority of the members of the Committee determine that the polled matter is in one of the areas enumerated in subsection (D) of Rule 1, the record of the poll shall be confidential. Any Committee member may move at the Committee meeting following the poll for a vote on the polled decision, such motion and vote to be subject to the provisions of subsection (D) of Rule 1, where applicable.

RULE 4. CHAIRMANSHIP OF MEETINGS AND HEARINGS

The chairman shall preside at all Committee meetings and hearings except that he shall designate a temporary chairman to act in his place if he is unable to be present at a scheduled meeting or hearing. If the chairman (or his designee) is absent ten minutes after the scheduled time set for a meeting or hearing, the ranking majority member present shall preside until the chairman's arrival. If there is no member of the majority present, the ranking minority member present, with the prior approval of the chairman, may open and conduct the meeting or hearing until such time as a member of the majority arrives.

RULE 5. HEARINGS AND HEARINGS PROCEDURES

A. Announcement of hearings. The Committee, or any Subcommittee thereof, shall make public announcement of the date, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearing, unless the Committee, or Subcommittee, determines that there is good cause to begin such hearing at an earlier date. (Rule XXVI, Sec. 4(a), Standing Rules of the Senate.)

B. Open hearings. Each hearing conducted by the Committee, or any Subcommittee thereof, shall be open to the public, except that a hearing or series of hearings on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in clauses (1) through (6) below would require the hearing to be closed, followed immediately by a record vote in open session by a majority of the Committee or Subcommittee members when it is determined that the matters to be discussed or the testimony to be taken at such hearing or hearings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of foreign relations of the United States;

(2) will relate solely to matters of Committee or Subcommittee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of an informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Rule XXVI, Sec. 5(b), Standing Rules of the Senate.)

Notwithstanding the foregoing, whenever disorder arises during a Committee or Subcommittee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the chairman to enforce order on his own initiative and without any point of order being made by a member of the Committee or Subcommittee; provided, further, that when the chairman finds it necessary to maintain order, he shall have the power to clear the room, and the Committee or Subcommittee may act in closed session for so long as there is doubt of the assurance of order. (Rule XXVI, Sec.5(d), Standing Rules of the Senate.)

C. Full Committee subpoenas. The chairman, with the approval of the ranking minority member of the Committee, is authorized to subpoena the attendance of witnesses or the production of memoranda, documents, records, or any other materials at a hearing or deposition, provided that the chairman may subpoena attendance or production without the approval of the ranking minority member where the chairman or a staff officer designated by him has not received notification from the ranking minority member or a staff officer designated by him of disapproval of the subpoena within 72 hours, excluding Saturdays and Sundays, of being notified of the subpoena. If a subpoena is disapproved by the ranking minority member as provided in this subsection, the subpoena may be authorized by vote of the members of the Committee. When the Committee or chairman authorizes subpoenas, subpoenas may be issued upon the signature of the chairman or any other member of the Committee designated by the chairman.

D. Witness counsel. Counsel retained by any witness and accompanying such witness shall be permitted to be present during the testimony of such witness at any public or executive hearing or deposition to advise such witness while he or she is testifying, of his or her legal rights; provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the Committee chairman may rule that representation by counsel from the government, corporation, or association or by counsel representing other witnesses, creates a conflict of interest, and that the witness may only be represented during interrogation by staff or during testimony before the Committee by personal counsel not from the government, corporation, or association or by personal

counsel not representing other witnesses. This subsection shall not be construed to excuse a witness from testifying in the event his counsel is ejected for conducting himself in such manner so as to prevent, impede, disrupt, obstruct or interfere with the orderly administration of the hearings; nor shall this subsection be construed as authorizing counsel to coach the witness or answer for the witness. The failure of any witness to secure counsel shall not excuse such witness from complying with a subpoena or deposition notice.

E. Witness transcripts. An accurate electronic or stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. The record of his or her testimony whether in public or executive session shall be made available for inspection by the witness or his or her counsel under Committee supervision; a copy of any testimony given in public session or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be provided to any witness at his or her expense if he or she so requests. Upon inspecting his or her transcript, within a time limit set by the chief clerk of the Committee, a witness may request changes in the transcript to correct errors of transcription and grammatical errors; the chairman or a staff officer designated by him shall rule on such requests.

F. Impugned persons. Any person whose name is mentioned or is specifically identified, and who believes that evidence presented, or comment made by a member of the Committee or staff officer, at a public hearing or at a closed hearing concerning which there have been public reports, tends to impugn his or her character or adversely affect his or her reputation may:

(a) file a sworn statement of facts relevant to the evidence or comment, which statement shall be considered for placement in the hearing record by the Committee;

(b) request the opportunity to appear personally before the Committee to testify in his or her own behalf, which request shall be considered by the Committee; and

(c) submit questions in writing which he or she requests be used for the cross-examination of other witnesses called by the Committee, which questions shall be considered for use by the Committee.

G. Radio, television, and photography. The Committee, or any Subcommittee thereof, may permit the proceedings of hearings which are open to the public to be photographed and broadcast by radio, television or both, subject to such conditions as the Committee, or Subcommittee, may impose. (Rule XXVI, Sec.5(c), Standing Rules of the Senate.)

H. Advance statements of witnesses. A witness appearing before the Committee, or any Subcommittee thereof, shall provide 100 copies of a written statement and an executive summary or synopsis of his proposed testimony at least 48 hours prior to his appearance. This requirement may be waived by the chairman and the ranking minority member following their determination that there is good cause for failure of compliance. (Rule XXVI, Sec.4(b), Standing Rules of the Senate.)

I. Minority witnesses. In any hearings conducted by the Committee, or any Subcommittee thereof, the minority members of the Committee or Subcommittee shall be entitled, upon request to the chairman by a majority of the minority members, to call witnesses of their selection during at least one day of such hearings. (Rule XXVI, Sec.4(d), Standing Rules of the Senate.)

J. Full Committee depositions. Depositions may be taken prior to or after a hearing as provided in this subsection.

(1) Notices for the taking of depositions shall be authorized and issued by the chairman, with the approval of the ranking minority member of the Committee, provided that the chairman may initiate depositions without the approval of the ranking minority member where the chairman or a staff officer designated by him has not received notification from the ranking minority member or a staff officer designated by him of disapproval of the deposition within 72 hours, excluding Saturdays and Sundays, of being notified of the deposition notice. If a deposition notice is disapproved by the ranking minority member as provided in this subsection, the deposition notice may be authorized by a vote of the members of the Committee. Committee deposition notices shall specify a time and place for examination, and the name of the Committee member or members or staff officer or officers who will take the deposition. Unless otherwise specified, the deposition shall be in private. The Committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness' failure to appear or produce unless the deposition notice was accompanied by a Committee subpoena.

(2) Witnesses may be accompanied at a deposition by counsel to advise them of their legal rights, subject to the provisions of Rule 5D.

(3) Oaths at depositions may be administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by Committee member or members or staff. If a witness objects to a question and refuses to testify, the objection shall be noted for the record and the Committee member or members or staff may proceed with the remainder of the deposition.

(4) The Committee shall see that the testimony is transcribed or electronically recorded (which may include audio or audio/video recordings). If it is transcribed, the transcript shall be made available for inspection by the witness or his or her counsel under Committee supervision. The witness shall sign a copy of the transcript and may request changes to it, which shall be handled in accordance with the procedure set forth in subsection (E). If the witness fails to sign a copy, the staff shall note that fact on the transcript. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall then be filed with the chief clerk of the Committee. The chairman or a staff officer designated by him may stipulate with the witness to changes in the procedure; deviations from this procedure which do not substantially impair the reliability of the record shall not relieve the witness from his or her obligation to testify truthfully.

RULE 6. COMMITTEE REPORTING PROCEDURES

A. Timely filing. When the Committee has ordered a measure or matter reported, following final action the report thereon shall be filed in the Senate at the earliest practicable time. (Rule XXVI, Sec.10(b), Standing Rules of the Senate.)

B. Supplemental, minority, and additional views. A member of the Committee who gives notice of his intention to file supplemental, minority or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the chief clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views. (Rule XXVI, Sec. 10(c), Standing Rules of the Senate.)

C. Notice by Subcommittee chairmen. The chairman of each Subcommittee shall notify the chairman in writing whenever any measure has been ordered reported by such Subcommittee and is ready for consideration by the full Committee.

D. Draft reports of Subcommittees. All draft reports prepared by Subcommittees of this Committee on any measure or matter referred to it by the chairman, shall be in the form, style, and arrangement required to conform to the applicable provisions of the Standing Rules of the Senate, and shall be in accordance with the established practices followed by the Committee. Upon completion of such draft reports, copies thereof shall be filed with the chief clerk of the Committee at the earliest practicable time.

E. Impact statements in reports. All Committee reports, accompanying a bill or joint resolution of a public character reported by the Committee, shall contain (1) an estimate, made by the Committee, of the costs which would be incurred in carrying out the legislation for the then current fiscal year and for each of the next five years thereafter (or for the authorized duration of the proposed legislation, if less than five years); and (2) a comparison of such cost estimates with any made by a Federal agency; or (3) in lieu of such estimate or comparison, or both, a statement of the reasons for failure by the Committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Rule XXVI, Sec.11(a), Standing Rules of the Senate.)

Each such report shall also contain an evaluation, made by the Committee, of the regulatory impact which would be incurred in carrying out the bill or joint resolution. The evaluation shall include (a) an estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses, (b) a determination of the economic impact of such regulation on the individuals, consumers, and businesses affected, (c) a determination of the impact on the personal privacy of the individuals affected, and (d) a determination of the amount of paperwork that will result from the regulations to be promulgated pursuant to the bill or joint resolution, which determination may include, but need not be limited to, estimates of the amount of time and financial costs required of affected parties, showing whether the effects of the bill or joint resolution could be substantial, as well as reasonable estimates of the recordkeeping requirements that may be associated with the bill or joint resolution. Or, in lieu of the forgoing evaluation, the report shall include a statement of the reasons for failure by the Committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Rule XXVI, Sec.11(b), Standing Rules of the Senate.)

RULE 7. SUBCOMMITTEES AND SUBCOMMITTEE PROCEDURES

A. Regularly established Subcommittees. The Committee shall have three regularly established Subcommittees. The Subcommittees are as follows:

Permanent Subcommittee on Investigations.

Oversight of Government Management, Restructuring and the District of Columbia.

International Security, Proliferation and Federal Services.

B. Ad hoc Subcommittees. Following consultation with the ranking minority member, the chairman shall, from time to time, establish such ad hoc Subcommittees as he deems necessary to expedite Committee business.

C. Subcommittee membership. Following consultation with the majority members, and the ranking minority member of the Committee, the chairman shall announce selections for membership on the Subcommittees referred to in paragraphs A and B, above.

D. Subcommittee meetings and hearings. Each Subcommittee of this Committee is authorized to establish meeting dates and adopt rules not inconsistent with the rules of the Committee except as provided in Rules 2(D) and 7(E).

E. Subcommittee subpoenas. Each Subcommittee is authorized to adopt rules concerning subpoenas which need not be consistent with the rules of the Committee; provided, however, that in the event the Subcommittee authorizes the issuance of a subpoena pursuant to its own rules, a written notice of intent to issue the subpoena shall be provided to the chairman and ranking minority member of the Committee, or staff officers designated by them, by the Subcommittee chairman or a staff officer designated by him immediately upon such authorization, and no subpoena shall issue for at least 48 hours, excluding Saturdays and Sundays, from delivery to the appropriate offices, unless the chairman and ranking minority member waive the 48 hour waiting period or unless the Subcommittee chairman certifies in writing to the chairman and ranking minority member that, in his opinion, it is necessary to issue a subpoena immediately.

F. Subcommittee budgets. Each Subcommittee of this Committee, which requires authorization for the expenditure of funds for the conduct of inquiries and investigations, shall file with the chief clerk of the Committee, not later than January 10 of the first year of each new Congress, its request for funds for the two (2) 12-month periods beginning on March 1 and extending through and including the last day of February of the two following years, which years comprise that Congress. Each such request shall be submitted on the budget form prescribed by the Committee on Rules and Administration, and shall be accompanied by a written justification addressed to the chairman of the Committee, which shall include (1) a statement of the Subcommittee's area of activities, (2) its accomplishments during the preceding Congress detailed year by year, and (3) a table showing a comparison between (a) the funds authorized for expenditure during the preceding Congress detailed year by year, (b) the funds actually expended during that Congress detailed year by year, (c) the amount requested for each year of the Congress, and (d) the number of professional and clerical staff members and consultants employed by the Subcommittee during the preceding Congress detailed year by year and the number of such personnel requested for each year of the Congress. The chairman may request additional reports from the Subcommittees regarding their activities and budgets at any time during a Congress. (Rule XXVI, Sec. 9, Standing Rules of the Senate.)

RULE 8. CONFIRMATION STANDARDS AND PROCEDURES

A. *Standards.* In considering a nomination, the Committee shall inquire into the nominee's experience, qualifications, suitability, and integrity to serve in the position to which he or she has been nominated. The Committee shall recommend confirmation, upon finding that the nominee has the necessary integrity and is affirmatively qualified by reason of training, education, or experience to carry out the functions of the office to which he or she was nominated.

B. *Information Concerning the Nominee.* Each nominee shall submit the following information to the Committee:

(1) A detailed biographical resume which contains information relating to education, employment and achievements;

(2) Financial information, including a financial statement which lists assets and liabilities of the nominee and tax returns for the 3 years preceding the time of his or her nomination, and copies of other relevant documents requested by the Committee, such as a proposed blind trust agreement, necessary for the Committee's consideration; and,

(3) Copies of other relevant documents the Committee may request, such as responses to questions concerning the policies and programs the nominee intends to pursue upon taking office.

At the request of the chairman or the ranking minority member, a nominee shall be required to submit a certified financial statement compiled by an independent auditor.

Information received pursuant to this subsection shall be made available for public inspection; *provided, however,* that tax returns shall, after review by persons designated in subsection (C) of this rule, be placed under seal to ensure confidentiality.

C. *Procedures for Committee inquiry.* The Committee shall conduct an inquiry into the experience, qualifications, suitability, and integrity of nominees, and shall give particular attention to the following matters:

(1) A review of the biographical information provided by the nominee, including, but not limited to, any professional activities related to the duties of the office to which he or she is nominated;

(2) A review of the financial information provided by the nominee, including tax returns for the three years preceding the time of his or her nomination;

(3) A review of any actions, taken or proposed by the nominee, to remedy conflicts of interest; and

(4) A review of any personal or legal matter which may bear upon the nominee's qualifications for the office to which he or she is nominated.

For the purpose of assisting the Committee in the conduct of this inquiry, a majority investigator or investigators shall be designated by the chairman and a minority investigator or investigators shall be designated by the ranking minority member. The chairman, ranking minority member, other members of the Committee and designated investigators shall have access to all investigative reports on nominees prepared by any Federal agency, except that only the chairman, the ranking minority member, or other members of the Committee, upon request, shall have access to the report of the Federal Bureau of Investigation. The Committee may request the assistance of the General Accounting Office and any other such expert opinion as may be necessary in conducting its review of information provided by nominees.

D. *Report on the Nominee.* After a review of all information pertinent to the nomination, a confidential report on the nominee shall be made by the designated investigators to the chairman and the ranking minority member and, upon request, to any other member of the Committee. The report shall summarize the steps taken by the Committee during its investigation of the nominee and identify any unresolved or questionable matters that have been raised during the course of the inquiry.

E. *Hearings.* The Committee shall conduct a public hearing during which the nominee shall be called to testify under oath on all matters relating to his or her suitability for office, including the policies and programs which he or she will pursue while in that position. No hearing shall be held until at least 72 hours after the following events have occurred: the nominee has responded to prehearing questions submitted by the Committee; and the report required by subsection (D) has been made to the chairman and ranking minority member, and is available to other members of the Committee, upon request.

F. *Action on confirmation.* A mark-up on a nomination shall not occur on the same day that the hearing on the nominee is held. In order to assist the Committee in reaching a recommendation on confirmation, the staff may make an oral presentation to the Committee at the mark-up, factually summarizing the nominee's background and the steps taken during the pre-hearing inquiry.

G. *Application.* The procedures contained in subsections (C), (D), (E), and (F) of this rule shall apply to persons nominated by the President to positions requiring their full-time service. At the discretion of the chairman and ranking minority member, those procedures may apply to persons nominated by the President to serve on a part-time basis.

RULE 9. PERSONNEL ACTIONS AFFECTING COMMITTEE STAFF

In accordance with Rule XLII of the Standing Rules of the Senate and the Congressional Accountability Act of 1995 (P.L. 104–1), all personnel actions affecting the staff of the Committee shall be made free from any discrimination based on race, color, religion, sex, national origin, age, state of physical handicap, or disability.•

BERNICE SCOTT: CHAMPION OF THE PEOPLE

• Mr. HOLLINGS. Mr. President, Bernice Scott, of the Richland County Council, is a philanthropist in the truest sense of the word.

Bernice is generous with heart, time, talent, and money and employs these resources on behalf of the community and in particular for those less fortunate. Her largess is well known and more than one child remembers her for the gift of shoes or school supplies that made it possible to attend school. Each winter she hosts a dinner for senior citizens in need and every spring, in her mother's memory, she throws a banquet for the entire community.

Bernice's efforts on behalf of individuals and the community at large is legendary. Always one to go the extra mile, Bernice has driven to Washington and slept in her car in the battle for a

sewer for a small community. She has led countless countywide efforts to improve roads, storm water drainage, sewer, and water conditions. Her constituents have full faith in her ability to make things happen. Whether saving the Lower Richland Rural Health Center, improving recreation facilities for children, or turning out the vote with her "Wrecking Crew", Bernice Scott is always sure to be in the thick of things.

Bernice grew up the 7th of 11 children on a family farm. She is married to Deacon Thomas Gilmore and is the mother of two children and three grandchildren. First elected to county council in September 1988, Bernice Scott is the first African-American to chair Richland County Council. In addition to her duties on county council, she has held the positions of assistant to the court administrator, county ombudsman, records clerk in the county treasurer's office, tax collector and assistant to the clerk of council for Richland County. She is a member and a deaconess of Mount Nebo Baptist Church in Gasden, SC.

A short list of her civic activities include: member of the Central Midlands Regional Planning Council, the HOME Committee, vice-chair of the Transportation Committee, member of the Richland County Administration and Finance Committee, member of the Soil and Water Conservation Board, and chairperson of the board of directors for Richland Community Health Care Association.

Bernice Scott is the embodiment of public service at its very best.•

BEAR PROTECTION ACT

• Mr. McCONNELL. Mr. President, on February 5, I introduced the Bear Protection Act, S. 263. This measure is aimed at controlling poaching of bears such as the American black bear which is found in Kentucky. It addresses several enforcement and jurisdictional loopholes that are caused by a patchwork of State laws. The current inconsistencies enable a wildly profitable underground black market for bear parts to flourish in the United States.

Mr. President, my bill would in no way affect legal hunting of bears. Hunters would still be allowed to keep trophies and furs of bears killed during legal hunts. This measure would only prohibit the sale or barter of the internal organs of the bear which are referred to as bear viscera.

This bill is made necessary because of the booming illegal trade in bear viscera. At least 18 Asian countries are known to participate in the illegal trade in bear parts. Bear viscera are also illegally sold and traded in large urban areas in the United States such as San Francisco, Seattle, Portland, and New York City. These cities serve as primary ports for export shipments of these goods.

Bear parts, such as gall bladders, are used in traditional Asian medicine to treat everything from diabetes to heart disease. Due to the increasing demand for bear viscera, the population of Asian black bears has been totally annihilated over the last few years. This has led poachers to turn to American bears to fill the increasing demand. I, for one, will not stand by and allow our own bear populations to be decimated by poachers.

Mr. President, it is estimated that Kentucky has only 50 to 100 black bears remaining in the wild. Black bears once roamed free across the Appalachian Mountains, through the rolling hills of the bluegrass, all the way to the Mississippi River. Although we cannot restore the numbers we once had, we can ensure that the remaining bears are not sold for profit to the highest bidder.

Poaching has become an astoundingly profitable enterprise. It is estimated that over 40,000 bears are poached in the United States every year. That equals the number that are taken by legal hunting.

Mr. President, the main reason behind these astounding numbers is greed. In South Korea, bear gall bladders are worth their weight in gold, and an average bear gall bladder can bring as high as $10,000 on the black market.

Currently, U.S. law enforcement officials have little power to address the poaching of bears and the sale of their parts in an effective manner. The United States Fish and Wildlife Service has neither the manpower nor the budget to test all bear parts sold legally in the United States. Without extensive testing, law enforcement officials cannot determine if gall bladders or other parts have come from threatened or endangered species. This problem perpetuates the poaching of endangered or threatened bears.

The Lacey Act currently regulates the interstate commerce of wildlife possessed or transported in violation of State law. Inconsistencies in State law, however, make convictions under this statute difficult. Under the current legal situation, it is impossible to determine whether a gall bladder being sold in Idaho comes from a legally taken local bear or an endangered Louisiana black bear without expensive testing. U.S. Fish and Wildlife Special Agent Corky Roberts illustrates this point in a recent Humane Society publication,

> If somebody kills a bear in the state of Washington all they have to do is get it to Idaho. Technically * * *, it's against the law but all it does is make it more difficult to prove that the bear was taken in Washington and traded illegally in interstate commerce. That's where the Lacey Act has problems.

The Bear Protection Act will establish national guidelines for trade in bear parts, but it will not weaken any existing State laws that have been instituted to deal with this issue. My bill will also instruct the Secretary of the Interior and the U.S. Trade Representative to establish a dialog with the appropriate countries to coordinate efforts aimed at curtailing the international bear trade.

Mr. President, this measure is crafted narrowly enough to deal with the poaching of the American black bear for profit, while still ensuring the rights of American sportsmen. I urge my colleagues to join me in support of this much-needed legislation. Mr. President, I ask that the full text of the bill be printed in the CONGRESSIONAL RECORD.

The text of the bill follows:

S. 263

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 "Bear Protection Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) there are 8 extant species of bear: Asian black bear, brown bear, polar bear, American black bear, spectacled bear, giant panda, sun bear, and sloth bear;

(2) the Asian black bear populations have been decimated in recent years by illegal trade to supply the growing demand for medicines and cosmetics containing valuable bear viscera;

(3) without immediate action to end United States involvement in the lucrative black market trade in bear viscera, American bear populations may suffer the same devastating losses as Asian bear populations;

(4) increasingly, undercover operations have discovered that poachers are establishing extensive smuggling networks to illegally commercialize American bears;

(5) because it is practically impossible to distinguish the viscera of CITES Appendix I bears from the viscera of other bear species, there is an urgent need to eliminate the trade in the viscera of all bear species;

(6) as a party to CITES, a world leader in wildlife conservation, and a larger market for and supplier of bear viscera and products, the United States shares responsibility for supporting and implementing measures to stop the illegal trade in CITES Appendix I Asian black bears and CITES Appendix II American black bears;

(7) inconsistency in State prohibition of commercialization of bear gall and inadequate Federal regulation of such commercialization make law enforcement difficult; and

(8) individual States, which have the right to set, maintain, and enforce quotas for the legal hunting of black bears, will be assisted in their management efforts by the enactment of a Federal law banning the import of, export of, and interstate commerce in bear viscera.

SEC. 3. PURPOSE.

The purpose of this Act is to ensure the long-term viability of the world's 8 bear species and specifically to perpetuate healthy populations of American bears.

SEC. 4. STATEMENT OF POLICY.

It is the policy of the United States that effective long-term conservation of the world's bear species, including North American bears, depends in part on the prohibition of the lucrative trade in bear viscera.

SEC. 5. DEFINITIONS.

In this Act:

(1) BEAR VISCERA.—The term "bear viscera" means the body fluids or internal organs (including the gallbladder) of a species of bear.

(2) CITES.—The term "CITES" means the Convention on International Trade in Endangered Species of Wild Fauna and Flora, done at Washington on March 3, 1973 (27 UST 1087; TIAS 8249).

(3) OTHER TERMS.—The terms "import", "person", "State", and "transport" have the meanings provided in section 2 of the Lacey Act Amendments of 1981 (16 U.S.C. 3371).

SEC. 6. PROHIBITED ACTS.

A person who—

(1) imports into the United States, or exports from the United States, bear viscera or products that contain or claim to contain bear viscera; or

(2) sells, barters, offers to sell or barter, purchases, possesses with intent to sell or barter, transports, acquires, or receives in interstate or foreign commerce, bear viscera or products that contain or claim to contain bear viscera;

shall be subject to section 7(a).

SEC. 7. PENALTIES AND ENFORCEMENT.

(a) IN GENERAL.—A person who engages in conduct described in section 6 shall be subject to the penalties and sanctions provided in sections 4 and 5 of the Lacey Act Amendments of 1981 (16 U.S.C. 3373 and 3374).

(b) ENFORCEMENT.—

(1) IN GENERAL.—This Act shall be enforced in the manner provided in subsections (a), (b), and (c) of section 6 of the Lacey Act Amendments of 1981 (16 U.S.C. 3375).

(2) USE OF PENALTY AMOUNTS FOR REWARDS AND INCIDENTAL EXPENSES.—Amounts received as penalties, fines, or forfeiture of property under subsection (a) shall be used in accordance with section 6(d) of the Lacey Act Amendments of 1981 (16 U.S.C. 3375(d)).

SEC. 8. DISCUSSIONS CONCERNING TRADE PRACTICES.

(a) IN GENERAL.—The Secretary of the Interior and the United States Trade Representative shall—

(1) discuss issues involving trade in bear viscera with the appropriate representatives of such countries trading with the United States as are determined jointly by the Secretary of the Interior and the Secretary of Commerce to be the leading importers, exporters, or consumers of bear viscera; and

(2) attempt to establish coordinated efforts with the countries to protect bears.

(b) REPORT.—Not later than 5 years after the date of enactment of this Act, the Secretary of the Interior shall submit to Congress a report describing the progress of efforts to end illegal trade in bear viscera.•

IN APPRECIATION OF PROCTOR JONES

• Mrs. MURRAY. Mr. President, on January 31 Proctor Jones spent his last day of service in the U.S. Senate. I join many of my colleagues in thanking him publicly for his work.

Proctor Jones has been an incredible asset to the Senate and to me. When I became a member of the Appropriations Subcommittee on Energy and Water Development in January, 1992, Proctor became my and my staff's mentor on the workings of this important subcommittee. He led us through the complex and confusing maze of numbers, agencies, and appropriations politics. Proctor was invaluable.

My State of Washington is a major beneficiary of public investments coordinated under the jurisdiction of the Energy and Water Development Subcommittee, such as the Hanford Reservation, the Bonneville Power Administration, and numerous ports and waterways. These entities and projects are sometimes controversial, often complex, and usually expensive. Proctor knew what could be accomplished and what was doomed to failure. He had an answer to every question.

Of course, that ability to divine the realm of the possible was both a source of joy and frustration. When the answer to a request was "yes," I knew my request was a done deal and I could count on the funding or report language. When the answer was "no," convincing Proctor about the error of his views was, shall we say, a daunting task. But he never let me down. If something could not be done the way I had originally envisioned it, he would explain why it would not, and suggest alternative ways to arrive at a similar outcome.

Mr. President, I wish Proctor the best as he starts a new career as a partner with his former boss and one of the most effective Senators I have had the pleasure to serve with, former Senator J. Bennett Johnston. I will sorely miss Proctor's guidance and expertise, but know he is ready for a change and new challenges.

Congratulations, Proctor, on your more than three decades of service to the greatest deliberative body on Earth. And thank you for your guidance to first term Senators like me.•

CONGRESSIONAL PENSION DISCLOSURE ACT

• Mr. HAGEL. Mr. President, today I join as a cosponsor of the Congressional Pension Disclosure Act of 1997. I commend Senator ABRAHAM for his leadership in drafting this important legislation.

This bill will require that detailed information about the pension of every Member of Congress be published twice a year as a part of a report on Congress that already is required by law. Under our proposal, each report would show how much a Member has contributed to his pension, how much he would receive if he retired, and any other information needed to enable the public to compute the Federal retirement benefits of each Member of Congress.

I strongly support this step because the people have a right to know fully and completely how their Congress works and how the congressional pension system works. There should be nothing hidden here. Nothing should be difficult for the people to determine. No calculations of congressional pensions or other benefits should be murky or confusing.

This bill will shine some sunlight on the congressional pension system. It will be another step toward restoring the confidence and trust of the American people in our National Legislature and in our system of self-government.•

TRIBUTE TO GABRIEL LEWIS GALINDO

• Mr. DODD. Mr. President, I rise today to pay tribute to a true Panamanian statesman, a renowned diplomat, and a good friend of the United States—Gabriel Lewis Galindo.

Gabriel Lewis was considered his nation's leading expert on foreign affairs. And, over the past 20 years he was an influential figure in nearly all the major issues that dominated United States-Panamanian relations.

As Panama's Ambassador to the United States in the late 1970's, he played an integral role in helping to negotiate the Panama Canal treaties, which will transfer control of the waterway to Panama in the year 2000. In the end, Gabriel Lewis's abundant personal charm and charisma were a guiding force behind not only the resolution of those negotiations, but Senate approval of the treaties.

Gabriel Lewis was also a persistent and powerful voice for democracy in Panama. He became an outspoken and forceful opponent of the regime of Gen. Manuel Noriega seeking exile in the United States after being charged with treason in his native country.

Here in the United States, he continued his tireless struggles on behalf of Panamanian democracy, mobilizing support against the Noriega regime and leading efforts to increase United States economic pressure on Panama.

After the overthrow of Noriega, Gabriel Lewis continued his commitment to public service and the Panamanian people by becoming Panama's Foreign Minister in 1994. Almost immediately, he was working to improve United States-Panamanian relations. Soon after taking office, he recommended that the newly elected President of Panama, Ernesto Balladares, take in up to 10,000 Cuban refugees helping to defuse a growing crisis in the Caribbean.

Often in this body we honor great Americans who are a tribute to their community and their Nation. But we must also take the time to pay homage to those, who from abroad, are the embodiment of the values and precepts we hold dear as Americans. Gabriel Lewis Galindo was just such a man and he will be sorely missed both in his native Panama and by those who knew and respected him here in the United States.

My thoughts and prayers go out to his wife Nita, his 6 children, and his 21 grandchildren.•

ESTATE TAX REFORM

• Mr. ABRAHAM. Mr. President, earlier this year, I joined Senator KYL and others in introducing legislation which would eliminate the Federal estate tax. In terms of helping families, encouraging economic growth, and simple tax fairness, eliminating the estate tax is one of the most meaningful steps Congress can take, and I intend to work with Members from both parties to move this legislation through Congress and on to the President's desk.

Mr. President, the estate tax was first instituted in 1916 as a means of raising revenue and redistributing wealth. It has largely failed on both accounts. On the other hand, it has had a severe and adverse impact upon millions of families, it has destroyed innumerable family owned businesses, and it has created perverse incentives that encourage parents to spend their savings now, rather than pass them on to their children later. As the National Commission on Economic Growth noted in its report:

> It makes little sense and is patently unfair to impose extra taxes on people who choose to pass their assets on to their children and grandchildren instead of spending them lavishly on themselves. Families faced with these confiscatory taxes often find themselves forced to sell off farms or businesses, destroying jobs in the process.

I believe the Kemp Commission was exactly right. The estate tax is simply devastating to entrepreneurs and farmers. By forcing the sale of many businesses, the tax causes untold hardship and turmoil in families already dealing with the loss of a loved one. It has been estimated that 70 percent of all businesses never make it past the first generation, while 90 percent do not make it past the second generation. I believe the estate tax is responsible for much of this failure.

Worse, this destruction of businesses and loss of jobs cannot be justified for budget reasons. The estate tax raises little money for the Federal Government. Historically, the estate tax raises less than 2 percent of total Federal revenues. According to many observers, this amount is less than the cost the estate tax imposes to both government and the economy.

In conclusion, Mr. President, let me say that the estate tax is simply unfair. It tells every American that no matter how hard you work or how wisely you manage your affairs, in the end the Federal Government is going to step in and take it away. The estate tax is double and, in some cases triple taxation, it punishes hard work and wealth creation, and it fails to raise the kind of revenue that could possibly justify the damage it causes. It has been destroying businesses and ruining lives for four generations now, and it is my hope we can act in this Congress so it will not afflict yet another generation of Americans.•

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, and upon the recommendation of the majority leader, pursuant to Public Law 102–138, appoints the Senator from Alaska [Mr. STEVENS] as chairman of the Senate delegation to the British-American Interparliamentary Group during the 105th Congress.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928d, as amended, appoints the Senator from Delaware [Mr. ROTH] as chairman of the Senate delegation to the North Atlantic Assembly during the 105th Congress.

The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276d–276g, as amended, appoints the Senator from Alaska [Mr. MURKOWSKI] as chairman of the Senate delegation to the Canada-United States Interparliamentary Group during the 105th Congress.

The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276h–276k, as amended, appoints the Senator from Texas [Mrs. HUTCHISON] as chairman of the Senate delegation to the Mexico-United States Interparliamentary Group during the 105th Congress.

AMENDMENT OF THE JOURNAL—INDEFINITE POSTPONEMENT OF H.R. 4278

Mr. NICKLES. Mr. President, I ask unanimous consent that the Journal of the Senate of September 30, 1996 be amended to reflect the indefinite postponement of H.R. 4278.

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

ORDER FOR STAR PRINT—S. 24

Mr. NICKLES. I ask unanimous consent that Senate bill 24 be star printed with the changes that are at the desk.

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

READING OF WASHINGTON'S FAREWELL ADDRESS

Mr. NICKLES. Mr. President, I ask unanimous consent, notwithstanding the order of the Senate of January 24, 1901, that on Monday, February 24, 1997, immediately following the prayer and the disposition of the Journal, the traditional reading of Washington's Farewell Address take place and that the Chair be authorized to appoint a Senator to perform that task.

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

ORDERS FOR TUESDAY, FEBRUARY 11, 1997

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 2:15 p.m. on Tuesday, February 11. I further ask that immediately following the prayer the routine requests through the morning hour be granted and the Senate then proceed to the consideration of Senate Joint Resolution 1, and under a previous consent there will be 1 hour for debate prior to a vote in relation to the Wellstone amendment regarding underprivileged children.

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

PROGRAM

Mr. NICKLES. For the information of all Senators, the Senate will continue the debate on the balanced budget amendment on Tuesday. Under the previous order, the Senate will resume debate on the Wellstone amendment at 2:15 p.m. with a vote occurring on or in relation to that amendment at approximately 3:15 p.m. on Tuesday. Senators, therefore, can expect the next rollcall vote on Tuesday, February 11, at approximately 3:15 p.m.

Also it is my hope we will be able to confirm the nomination of Congressman Richardson to be U.N. Ambassador shortly after the nomination is reported out of the Foreign Relations Committee.

ADJOURNMENT UNTIL 2:15 P.M. TOMORROW

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:19 p.m., adjourned until Tuesday, February 11, 1997, at 2:15 p.m.

EXTENSIONS OF REMARKS

IN SUPPORT OF THE BALANCED BUDGET AMENDMENT

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. RILEY. Mr. Speaker, I rise today in support of the Balanced Budget Amendment.

For too many years Congress has made broken promises and halfhearted attempts to balance the Federal budget. With a national debt in excess of $5 trillion, we cannot wait another day.

I am committed to enacting a Balanced Budget Amendment for the sake of our children and their future.

My message is simple, the Federal Government must learn to exercise the same fiscal restraints that families and businesses operate under each and every day.

Mr. Speaker, the Balanced Budget Amendment is the only way to guarantee that the Federal deficit will continue on a downward path to zero.

The real victor in the balanced budget debate is the American family. A balanced budget would result in an enormous savings for working Americans.

A balanced budget is not about numbers, its about people and families. Most importantly, its about our moral obligation to stop robbing future generations of the opportunities and prosperity they deserve.

It is irresponsible for us to keep passing our burdens onto our children. The time has come for Congress to represent the will of the people and take responsibility for balancing our Federal budget.

I urge my colleagues to support enactment of the Balanced Budget Amendment.

THE PRESIDENT IS CORRECT—NOW IS THE TIME TO APPROVE THE CHEMICAL WEAPONS CONVENTION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. LANTOS. Mr. Speaker, for at least two decades, Republican and Democratic administrations have worked to develop an international convention that will ban the production of chemical weapons and establish an international control regime to make it more difficult to produce these horrible weapons of mass destruction.

Shortly after I became the chairman of the Subcommittee on International security, International Organizations and Human Rights of the House Committee on Foreign Affairs in early 1993, President Clinton and Secretary of State Christopher submitted the Chemical Weapons Convention to the Senate for ratification. Since legislation to implement the convention requires the approval of both House of Congress, officials of the administration briefed me and members of my subcommittee on its provisions and the legislation necessary to implement that agreement.

This is truly an agreement with broad bipartisan consensus. International negotiations were begun on this agreement during the Reagan administration. The complex negotiations were continued and then completed during the Bush administration. It was the Clinton administration which conducted the final review of the agreement and then submitted the completed agreement to the Senate for ratification, and completed final drafting of the implementing legislation which it then submitted to the House and Senate for adoption.

Mr. Speaker, the convention and the implementing legislation have been before the Congress now for almost 4 years. The time has come for ratification of the agreement and the adoption of legislation to implement it. It is important, Mr. Speaker, that we move to complete this important international convention. The international agreement and the implementing legislation were worked out with the strong support and in close consultation with chemical manufacturers in the United States. The industry understands that it has a very strong interest in the adoption of the convention and the implementing legislation.

Mr. Speaker, I urge our colleagues in the other body to act responsibly, to move quickly and decisively to ratify this important agreement, and I urge my colleagues in this House to move quickly to adopt the implementing legislation. The requisite number of countries have already ratified the Chemical Weapons Convention—it will go into effect with or without the participation of the United States in April of this years. As President Clinton said in his excellent State of the Union Address earlier this week, it is essential that the United States ratify this agreement before it goes into effect so that we will be full and active participants in establishing the international system that will be responsible for enforcing the convention.

It is unfortunate when politics gets in the way of good policy, and I fear that this may be happening in the other body. There is broad bipartisan support and broad expert agreement upon the merits of this agreement. In this regard, I call to the attention of my colleagues an opinion article on the Chemical Weapons Convention that appeared in the Washington Post, January 6, 1997 by retired Adm. Elmo Zumwalt, Jr., the former Chief of Naval Operations, 1970–74. Mr. Speaker I ask that Admiral Zumwalt's article be placed in the RECORD, and I urge my colleagues to give it careful and thoughtful attention. Admiral Zumwalt, who has always had the security interests of the United States as the highest priority, makes an exceptionally strong case for quick approval of the convention.

[From the Washington Post, Jan. 6, 1997]

A NEEDLESS RISK FOR U.S. TROOPS

(By E.R. Zumwalt, Jr.)

It has been more than 80 years since poison gas was first used in modern warfare—in April 1915 during the first year of World War I. It is long past time to do something about such weapons.

I am not a dove. As a young naval officer in 1945, I supported the use of nuclear weapons against Japan. As chief of naval operations two decades ago, I pressed for substantially higher military spending than the nation's political leadership was willing to grant. After retiring from the Navy, I helped lead the opposition to the SALT II treaty because I was convinced it would give the Soviet Union a strategic advantage.

Now the Senate is considering whether to approve the Chemical Weapons Convention. This is a worldwide treaty, negotiated by the Reagan administration and signed by the Bush administration. It bans the development, production, possession, transfer and use of chemical weapons. Senate opposition to ratification is led by some with whom I often agree. But in this case, I believe they do a grave disservice to America's men and women in uniform.

To a Third World leader indifferent to the health of his own troops and seeking to cause large-scale pain and death for its own sake, chemical weapons have a certain attraction. They don't require the advanced technology needed to build nuclear weapons. Nor do they require the educated populace needed to create a modern conventional military. But they cannot give an inferior force a war-winning capability. In the Persian Gulf war, the threat of our uncompromising retaliation with conventional weapons deterred Saddam Hussein from using his chemical arsenal against us.

Next time, our adversary may be more berserk than Saddam, and deterrence may fail. If that happens, our retaliation will be decisive, devastating—and no help to the young American men and women coming home dead or bearing grievous chemical injuries. What will help is a treaty removing huge quantities of chemical weapons that could otherwise be used against us.

Militarily, this treaty will make us stronger. During the Bush administration, our nation's military and political leadership decided to retire our chemical weapons. This wise move was not made because of treaties. Rather, it was based on the fact that chemical weapons are not useful for us.

Politically and diplomatically, the barriers against their use by a First World country are massive. Militarily, they are risky and unpredictable to use, difficult and dangerous to store. They serve no purpose that can't be met by our overwhelming conventional forces.

So the United States has no deployed chemical weapons today and will have none in the future. But the same is not true of our potential adversaries. More than a score of nations now seeks or possesses chemical weapons. Some are rogue states with which we may some day clash.

This treaty is entirely about eliminating other people's weapons—weapons that may some day be used against Americans. For the American military, U.S. ratification of the Chemical Weapons Convention is high gain and low or no pain. In that light, I find it astonishing that any American opposes ratification.

Opponents argue that the treaty isn't perfect: Verification isn't absolute, forms must be filled out, not every nation will join at first and so forth. This is unpersuasive. Nothing in the real world is perfect. If the U.S. Navy had refused to buy any weapon unless it worked perfectly every time, we would have bought nothing and now would be disarmed. The question is not how this treaty compares with perfection. The question is not how this treaty compares with perfection. The question is how U.S. ratification compares with its absence.

If we refuse to ratify, some governments will use our refusal as an excuse to keep their chemical weapons. Worldwide availability of chemical weapons will be higher, and we will know less about other countries' chemical activities. The diplomatic credibility of our threat of retaliation against anyone who uses chemical weapons on our troops will be undermined by our lack of "clean hands." At the bottom line, our failure to ratify will substantially increase the risk of a chemical attack against American service personnel.

If such attack occurs, the news reports of its victims in our military hospitals will of course produce rapid ratification of the treaty and rapid replacement of senators who enabled the horror by opposing ratification. But for the victims, it will be too late.

Every man and woman who puts on a U.S. military uniform faces possible injury or death in the national interest. They don't complain; risk is part of their job description. But it is also part of the job description of every U.S. senator to see that this risk not be increased unnecessarily.

MAKING PROGRESS ON THE WAR ON DRUGS ABROAD

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. GILMAN. Mr. Speaker, late last month, the dedicated and courageous Colombian National Police elite antidrug unit DANTI raided a major cocaine processing laboratory in southeast Colombia. They made a startling find on that raid by uncovering a cocaine processing laboratory capable of producing more than 1 ton a day of deadly cocaine. Not many years ago, we used to talk in terms of kilos of cocaine seized, now we are talking in terms of tons per day. The drug threat grows more serious and challenging for all of us, both here and abroad.

Nearly 8 tons of cocaine already processed and ready to be shipped to our streets and communities was also seized that day. The destruction of the lab was a major blow to the drug cartels and their narco guerrilla allies in Colombia. Now, fewer American kids will be exposed to these drugs, due to high prices and less available cocaine from this police action in southeast Colombia last month. We all owe them a debt of gratitude.

On January 31, 1997, the Miami Herald reported the commanding Colombian National Police General's account of this impressive and historymaking major counternarcotics raid that, "Police swooping into the complex aboard six helicopters and an aircraft overheard drug traffickers frantically calling via two-way radios for leftist guerrillas to shoot down the mosquitos."

Those mosquitos the guerrillas wanted shot down were excess U.S. Army Huey helicopters, several of which had recently been delivered by the United States Government to Colombia. The helicopters were provided to the police only after endless prodding and requests by myself and Representative DAN BURTON. We have long been concerned that the administration was neglecting our allies like the DANTI in the war on drugs in Colombia.

I was extremely proud to have one of these helicopters named *Big Ben* by the Colombian police. I am sure Mr. BURTON is also equally as proud of the chopper named *Dangerous Dan* by the Colombian National Police for his efforts in helping the DANTI take the law enforcement fight to the drug traffickers at its very source, before this scourge hits our streets and helps destroy our youth and communities.

These courageous police officers who dealt a severe blow to the drug trade in that raid not long ago in southeast Colombia, and their many other operations and eradication efforts, are constantly under fire from better armed traffickers on these missions. They have lost 3,500 police officers in the last 10 years in our common struggle against drugs and the drug trade.

We must continue our efforts to support these dedicated, courageous police officers with our helicopters, miniguns, spare parts and other necessary equipment to do the job. Together, we must rid both of our nations of those who would traffick in illicit drugs, which poison not only our youth, but our democratic institutions and very way of life.

GUATEMALA PEACE

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. GALLEGLY. Mr. Speaker, today I am introducing legislation which congratulates the government and people of Guatemala for the extraordinary peace accords signed recently between the Government and the Unidad Revolucionaria National Guatemala [URNG].

With the signing of the accords on December 29, 1996, 36 years of civil strife ended and Guatemala embarked on a new era of reconciliation, reconstruction, democratization, and economic development.

The peace process, which culminated in the accords, was a comprehensive effort involving all sectors of the country. The development of the actual agreements took 11 years of tough negotiation and include some far reaching reforms of the political, economic, social, and judicial system in Guatemala.

Lasting peace in Guatemala is not only beneficial to the people of that nation, but it is in the best interest of all of the nations of the hemisphere, including the United States.

My resolution congratulates the government of President Alvaro Arzu for his efforts in negotiating a final end to the hostilities. It recognizes the commitment of the UNRG to end the warfare and to resolve their differences within the political arena. And, it commends all of the people of Guatemala for their strong commitment to democratic principles and social justice for all.

RECOGNIZING HOLMES REGIONAL MEDICAL CENTER AS RECIPIENT OF 1997 NOVA AWARD

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. WELDON of Florida. Mr. Speaker, I rise today to recognize Holmes Regional Medical Center which recently received the American Hospital Association's prestigious NOVA award on January 27, 1997. Holmes Regional Medical Center is very deserving of this great honor for its strong commitment to providing quality health care to needy residents in Brevard County, FL. Through its HOPE program, Holmes serves the needy in our community whose medical needs might otherwise go untreated. HOPE serves as a model program for hospitals across the United States.

Holmes is one of only five recipients across the United States and the only recipient from the State of Florida that received this year's NOVA award. Those who have dedicated themselves to ensuring HOPE's success deserve this honor for their commitment to increasing community health, expanding services, managing limited resources, and building community trust among the residents of Brevard County, FL.

HOPE's medical expertise and compassionate care are commendable. Their concern for and commitment to the welfare of the most needy in our community is apparent in their focus on health, outreach, prevention, and education. This is especially evident in HOPE's practice of providing free medical treatment to those without health insurance, Medicare, or other health care coverage. In addition to serving more than 5,000 adults a year, HOPE meets the needs of over 500 children on a daily basis. This is highly commendable and should be an example to all.

As a physician who has treated some of these same patient needs in our community, I know HOPE's unique approach in bringing various community agencies together to establish a multi-agency program for children with disabilities has had a powerful impact on our community. The program teaches and encourages intervention, and provides support to parents with children with disabilities by providing them with expert knowledge and services from community specialists. This is just one example of how HOPE is serving our community.

HOPE's commitment to serving and providing quality, low-cost, compassionate care to the needy is inspiring. We, in Brevard County, are grateful for the way in which Holmes Regional Medical Center's HOPE program has

served the people of our county. HOPE has brought true hope to many of our friends and neighbors.

COMMEMORATING THE 50TH WEDDING ANNIVERSARY OF MR. AND MRS. ROBERT KELLY

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. POSHARD. Mr. Speaker, I rise today to honor a truly remarkable accomplishment. On January 29 Robert and Mildred Kelly celebrated their golden wedding anniversary. It is with great respect and admiration that I offer them my congratulations on reaching this glorious milestone.

It seems that Robert and Mildred understand devotion to one another, as well as, to family, friends and community. They are a shining example of all that is good in life. For 55 years, Robert worked as a union carpenter and is highly respected in his field. Mildred, Mimi to those close to her, is truly an angel. One is always delighted to see the two of them on one's doorstep, know that Mimi is delivering one of her special homemade angelfood cakes with her buttercream frosting and other homemade goodies. Their thoughtful acts of kindness are unlimited and they are always at the side of a family member, friend or neighbor in need of assistance.

I recall the day I met these fine folks. I was at a local shopping center where I had just purchased a large item. I was in the parking lot struggling with the item as I was trying to fit it into the trunk of my car. Robert and Mildred noticed my situation and offered to help. Robert and Mildred graciously loaded the item into their trunk and followed me to my home, some 15 miles out of their way. With smiles on their faces they said they were glad to be able to help me out. This gesture of kindness is just one example of what makes this couple so very special.

Mr. Speaker, Robert and Mildred Kelly's dedicated service to each other, to their family, and to their fellow citizens has set a tremendous example for the Nation. I wish them many more happy years of marriage and it is my great pleasure to represent them in the U.S. Congress.

BREAST IMPLANT ACCOUNTABILITY ACT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. TRAFICANT. Mr. Speaker, in April 1994, an immense multibillion dollar class action suit was filed against the silicone breast implant manufacturers, possibly the largest in American history. Since the 1980s, about 400,000 cases have been filed in Federal court against 40 makers of breast implants and their components. Thousands of cases have been filed in State courts as well.

A $4.2 billion compensation fund was established by Dow Corning, Baxter Healthcare Corp., Bristol Myers, and several other corporations. The settlement distributes compensation money to several designated funds: A general compensation program, a medical diagnostic fund to pay unreimbursed costs of exams for women with implants, and an explanation fund to cover unreimbursed costs associated with removal of implants. There is also a rupture fund to compensate women whose implants have broken as well as a fund to cover administration and attorney's fees.

At the time the settlement was negotiated, Dow Corning denied rumors of a bankruptcy filing. The women coplaintiffs agreed to bypass the court system and entered into the settlement in good faith, under the impression that Dow Corning would fully honor the agreement. In May 1995, Dow Corning reversed its position and filed bankruptcy under chapter 11 of the U.S. Bankruptcy Code.

Dow Chemical, the parent company of Dow Corning, may be held directly liable for breast implant claims under a recent ruling by a Federal district court. In May 1995, Dow Chemical filed a cross-claim against Dow Corning. One week later Dow Corning—which is 50 percent owned by Dow Chemical and has interlocking boards of directors with Dow Chemical—filed for bankruptcy. Dow Chemical then claimed that, under an April 19, 1995 Supreme Court ruling, all litigation against them should be put on hold because of their cross-claim. I find it hard to believe that Dow Chemical, as the parent company of Dow Corning, was not aware of Dow Corning's pending bankruptcy filing when they filed their cross-claim.

I believe that there is strong evidence that Dow Chemical and Dow Corning colluded to manipulate the legal system to avoid the bulk of their liability in the $4.2 billion settlement. In addition, there is documented evidence that Dow Chemical suppressed information they had in their possession from as early as the 1940's that silicone posed significant health hazards to humans. Despite knowledge of this information, Dow Chemical and its subsidiary, Dow Corning, sold hundreds of thousands of silicone breast implants to women.

On October 10, 1995, the $4.23 billion global breast implant settlement collapsed, closing the door on 440,000 women who desperately need medical treatment. Of those 440,000 women who qualified for funding under the settlement, an estimated 75 percent of the women still have ruptured or leaking implants in their bodies with no financial means to pay for surgical explanation. While a few women will be fortunate enough to win exorbitant law suits, as evidenced by the recent $10 billion Nevada case, this practice will eventually bankrupt the manufacturers, leaving hundreds of thousands of women with no recourse.

As a result, I have introduced H.R. 366, the Breast Implant Accountability Act, to provide a fair solution for all parties involved, and I invite you to join me by cosponsoring the legislation. The Breast Implant Accountability Act does the following:

First, requires silicone breast implant manufacturers to notify breast implant recipients that funds will be provided for the surgical removal of breast implants which were implanted before January 1, 1994. Patient participation is completely voluntary; explanation will be performed only at the request of the individual.

Second, allows the notice recipient to select the physician and hospital or surgery center for the explanation procedure. The provision would prevent manufacturers from forcing women to travel great distances or to one central location for the explanation.

Third, ensures that the explanted breast implants become the property of the individual from which it was removed. The implant shall be given to the individual in an appropriate condition.

Fourth, requires further research on the physiological, neurological, and immunological effects of silicone on the human body. Individuals in the class action suit shall be included in the research, should they volunteer.

Fifth, requires all future implant candidates to be informed of the health risks of implants and to sign a consent form stating that she has read and understands the risks involved.

Sixth, prohibits the donation of blood and organs by individuals with breast implants.

As with any faulty product that threatens the health or safety of consumers, the manufacturer should issue a recall of the product. The fact is, per woman, the cost of explanation provided for under H.R. 366 is generally far less than the settlement award. If you support a fair and equitable solution for your constituents, without bankrupting the manufacturers, I urge you to cosponsor H.R. 366.

MUSIC TO LIVE BY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 6, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor Frankie Yankovic, America's Polka King, the Elvis of ethnic musical expression, ambassador of the great American melting pot, prolific composer, band leader, performer, and Clevelander.

Frankie Yankovic was born to Slovene immigrants in 1915. In their hardscrabble working lives, music expressed their hope and joy. Frankie began by playing accompaniment to the boarders in his family home.

He was an obvious talent and was instantly loved by all who heard his music. At age 23, Frankie had his first band and his first hit album. He began a lifetime of touring. Frequently, he made 300 appearances per year. Over the years, his bands have played in every major concert hall in America.

Frankie Yankovic heralded many polka tunes known widely to American listeners. In 1948, Frankie recorded "Just Because" with Columbia records. The tune was a breakthrough release, attracting both a polka and popular music audience. "Just Because" sold 1 million copies. In 1949, Frankie released the "Blue Skirt Waltz," which attained the coveted gold status even more quickly.

Frankie was also a great mentor. He discovered and cultivated the talent of the famous virtuoso, Joey Miskulin.

Frankie received many honors in his lifetime. He was inducted into the International

Polka Association Polka Hall of Fame as well as the Cleveland Style Polka Hall of Fame. In 1986, Frankie received the first Grammy awarded for polka music.

Beyond being the consummate performer, Frankie was also a lifetime union member of Local 4, American Federation of Musicians, and a patriot. Married and the father of two, he nevertheless voluntarily enlisted in the U.S. infantry in World War II and fought at the Battle of the Bulge. There, under extreme weather conditions, Frankie contracted gangrene in his limbs. Against the advice of doctors, Frankie resisted amputation. With a great deal of courage and persistence, Frankie brought his fingers and hands back to life. How fortunate we all are.

I commend Frankie Yankovic for his skill, his energy, and his ability to make people happy through the sounds and rhythms of polka.

A SALUTE TO JAMES W. GALLAGHER

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to pay tribute to an outstanding American, James W. Gallagher. A resident of Newtown Square, PA, I am proud to call this fine man a resident of the Seventh Congressional District.

A tireless servant of his local community and the entire Nation, Jim served his country as a U.S. marine in World War II. Beyond his military service, Jim continued his service to the public. He has been an active member of the American Legion for over two decades, serving in numerous local and State leadership posts.

And each Christmas, Jim led a local Toys for Tots effort for the Marine Corps. This important program provides both the toys and the means for the area's poor to give their children a more joyous holiday season. For these and other charitable works, Jim is well-known and respected throughout the community.

I rise today to mark a special moment in Jim's life, a passing of the torch, if you will. This past Christmas Day, on the 220th Anniversary of George Washington's crossing of the Delaware River during the American Revolution, Jim portrayed General Washington his 12th and final year in Pennsylvania's annual reenactment of the famous crossing.

More than 9,000 individuals were on hand as Jim surveyed his troops for his final time, reciting "These are the times that try men's souls" from Thomas Paine's "The Crisis," a work credited with boosting the morale and courage of General Washington's small army. And, quite fittingly, Jim delivered Washington's farewell address upon his retirement from the Army, saying to his troops "I now take my leave of you."

Jim will be remembered for years to come for his memorable portrayal of George Washington, not just in the annual reenactment of the Delaware River crossing, but also in parades and even in our Nation's Capitol Building.

But even more importantly, Jim will be remembered for embodying the ideals of George Washington through his dedication and service to the country and the entire community. His work and effort will not be forgotten.

Mr. Speaker, I ask my colleagues to join me in honoring James Gallagher, a true American.

NEW ENGLAND JOURNAL OF MEDICINE SUPPORTS MEDICINAL USE OF MARIJUANA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. FRANK of Massachusetts. Mr. Speaker, when I came to Congress in the early 1980's, our late colleague Stewart McKinney of Connecticut was the sponsor of a bill to allow doctors to prescribe marijuana for medical purposes when they found this to be in the interest of their patients. When Mr. McKinney tragically died in 1987, depriving this Congress of one of its most valuable Members, the bill lapsed. A few years ago, at the urging of some people interested in this subject, I reintroduced the bill, essentially the legislation which Mr. McKinney had initiated. While no action was taken on that bill in the previous Congress, and while some of the prior cosponsors had in the interim changed their mind on the bill—for example, Mr. GINGRICH of Georgia—I will be reintroducing the bill this year. In the interim, voters in the States of Arizona and California have given their endorsement by solid majorities to this principle. I hope we will in this Congress seriously debate this issue. I have been disappointed by the failure of the Clinton administration to be more forthcoming, but I have been encouraged by the increasing interest in debating this subject seriously among many members in the medical profession.

Recently, one of the leading outlets for informed opinion about medicine, the New England Journal of Medicine, carried an editorial by Dr. Jerome P. Kassirer, editor of the Journal, on this subject. His title—Federal Foolishness and Marijuana—accurately sums up his point of view.

Dr. Kassirer says in this editorial that he believes "that a federal policy that prohibits physicians from alleviating suffering by prescribing marijuana for seriously ill patients is misguided, heavy handed and inhumane." I should note that it is now in direct conflict with the wishes of the people of Arizona and California as expressed in referenda. Indeed, I await the support for my bill that I assume will be forthcoming from my conservative colleagues who are great supporters of States rights, and who in particular believe that when the public has expressed its view in referenda, Federal officials should acknowledge the validity of that point of view.

Mr. Speaker, in the hope that we may again be able to change your mind so that you go back to your position of the 1980's in support of this proposition, and in the interest of furthering debate on this matter, I ask that the thoughtful editorial by Dr. Kassirer be printed here.

[From the New England Journal of Medicine Jan. 30, 1997]

FEDERAL FOOLISHNESS AND MARIJUANA

(By Jerome P. Kassirer, M.D.)

The advanced stages of many illnesses and their treatments are often accompanied by intractable nausea, vomiting, or pain. Thousands of patients with cancer, AIDS, and other diseases report they have obtained striking relief from these devastating symptoms by smoking marijuana. (1) The alleviation of distress can be striking that some patients and their families have been willing to risk a jail term to obtain or grow the marijuana.

Despite the desperation of these patients, within weeks after voters in Arizona and California approved propositions allowing physicians in their states to prescribe marijuana for medical indications, federal officials, including the President, the secretary of Health and Human Services, and the attorney general sprang into action. At a news conference, Secretary Donna E. Shalala gave an organ recital of the parts of the body that she asserted could be harmed by marijuana and warned of the evils of its spreading use. Attorney General Janet Reno announced that physicians in any state who prescribed the drug could lose the privilege of writing prescriptions, be excluded from Medicare and Medicaid reimbursement, and even be prosecuted for a federal crime. General Barry R. McCaffrey, director of the Office of National Drug Control Policy, reiterated his agency's position that marijuana is a dangerous drug and implied that voters in Arizona and California had been duped into voting for these propositions. He indicated that it is always possible to study the effects of any drug, including marijuana, but that the use of marijuana by seriously ill patients would require, at the least, scientifically valid research.

I believe that a federal policy that prohibits physicians from alleviating suffering by prescribing marijuana for seriously ill patients is misguided, heavy-handed, and inhumane. Marijuana may have long-term adverse effects and its use may presage serious addictions, but neither long-term side effects nor addiction is a relevant issue in such patients. It is also hypocritical to forbid physicians to prescribe marijuana while permitting them to use morphine and meperidine to relieve extreme dyspnea and pain. With both these drugs the difference between the dose that relieves symptoms and the dose that hastens death is very narrow; by contrast, there is no risk of death from smoking marijuana. To demand evidence of therapeutic efficacy is equally hypocritical. The noxious sensations that patients experience are extremely difficult to quantity in controlled experiments. What really counts for a therapy with this kind of safety margin is whether a seriously ill patient feels relief as a result of the intervention, not whether a controlled trail "proves" its efficacy.

Paradoxically, dronabinol, a drug that contains one of the active ingredients in marijuana (tetra-hydrocannabinol), has been available by prescription for more than a decade. But it is difficult to titrate the therapeutic dose of this drug, and it is not widely prescribed. By contrast, smoking marijuana produces a rapid increase in the blood level of the active ingredients and is thus more likely to be therapeutic. Needless to say, new drugs such as those that inhibit the nausea associated with chemotherapy may well be more beneficial than smoking

marijuana, but their comparative efficacy has never been studied.

Whatever their reasons, federal officials are out of step with the public. Dozens of states have passed laws that ease restrictions on the prescribing of marijuana by physicians, and polls consistently show that the public favors the use of marijuana for such purposes. [1] Federal authorities should rescind their prohibition of the medicinal use of marijuana for seriously ill patients and allow physicians to decide which patients to treat. The government should change marijuana's status from that of a Schedule 1 drug (considered to be potentially addictive and with no current medical use) to that of a Schedule 2 drug (potentially addictive but with some accepted medical use) and regulate it accordingly. To ensure its proper distribution and use, the government could declare itself the only agency sanctioned to provide the marijuana. I believe that such a change in policy would have no adverse effects. The argument that it would be a signal to the young that "marijuana is OK" is, I believe, specious.

This proposal is not new. In 1986, after years of legal wrangling, the Drug Enforcement Administration (DEA) held extensive hearings on the transfer of marijuana to Schedule 2. In 1988, the DEA's own administrative-law judge concluded, "It would be unreasonable, arbitrary, and capricious for DEA to continue to stand between those sufferers and the benefits of this substance in light of the evidence in this record."[1] Nonetheless, the DEA overruled the judge's order to transfer marijuana to Schedule 2, and in 1992 it issued a final rejection of all requests for reclassification.[2]

Some physicians will have the courage to challenge the continued proscription of marijuana for the sick. Eventually, their actions will force the courts to adjudicate between the rights of those at death's door and the absolute power of bureaucrats whose decisions are based more on reflexive ideology and political correctness than on compassion.

REFERENCES

1. Young FL. Opinion and recommended ruling, marijuana rescheduling petition. Department of Justice, Drug Enforcement Administration, Docket 86-22. Washington, D.C.: Drug Enforcement Administration, September 6, 1988.

2. Department of Justice, Drug Enforcement Administration, Marijuana scheduling petition: denial of petition: remand. (Docket No. 86-22.) Fed Regist 1992;5759:10489-508.

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TRIBUTE TO REV. RONALD PACKNETT

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. CLAY. Mr. Speaker, I stand today to pay tribute to my constituent and friend, Reverend Ronald Packnett, who died on December 17, 1996.

Rev. Packnett was an extraordinary community leader. He was a vital pillar of the St. Louis community. He pastored a prominent spiritual institution, Central Baptist Church in St. Louis, that has a progressive and active congregation. Under Rev. Packnett's leadership they became important activists in causes that affected the broader community.

I want to share with our colleagues an editorial that tells of the many lives Rev. Ronald Packnett touched both as a spiritual leader and friend of the community. This enlightening story entitled, "Packnett Touched Many Lives, Stood Up For Important Causes" was written by Gregory Freeman and appeared in the St. Louis Post-Dispatch on December 20, 1996.

[From the St. Louis (MO) Post Dispatch, Dec. 20, 1996]

PACKNETT TOUCHED MANY LIVES, STOOD UP FOR IMPORTANT CAUSES

(By Gregory Freeman)

There's A void today at Del Monico's Diner. The Rev. Ronald Packnett, pastor of Central Baptist Church, was a fixture at the restaurant. He could be found at the restaurant at Delmar Boulevard and Euclid Avenue almost every morning, chowing down on one of their hearty pancakes-and-sausage breakfasts. And he had a passion for Del Monico's fried chicken legs.

Packnett, who died Tuesday at 45 after a long illness, called restaurant matriarch Eva Bodo his mother away from home. His mother lives in Chicago.

The Rev. Gary Tyler was busy working at Del Monico's on Tuesday when he learned of Packnett's death. He said Packnett was his mentor. "I was an associate pastor at Greater Paradise." Tyler said, "Rev. Packnett heard me preach and invited me to his church to speak. Before I knew it, I was speaking there all the time."

Packnett got Tyler, 31, the training he needed, and installed him at Central Baptist.

Other employees and customers overheard our conversation and joined in. "Rev. Packnett? He married me," one man called out.

"He baptized me," yelled another.

Bobo couldn't say enough about him."He helped my granddaughter," she said. "He carried her to church every Sunday, and he had her involved in everything."

Packnett loved young people. "He'd always make sure the youth could take part in the National Baptist Convention every year," Tyler said.

"That's right," added Bobo, "my granddaughter got to go places she never could have gone."

"San Francisco, Washington, D.C., Atlanta, wherever the convention was held, he always made sure that young people could go," Tyler said. "And then he made sure that they weren't just running around when they got to those cities. They always had some kind of class; and they went to places like churches and historical sites."

Some spoke of programs he had set up through the church, including one that provided clothes and lunch for the homeless every Tuesday, and a "Rites of Passage" African heritage program. Others talked about the hours he spent visiting sick church members at hospitals and in their homes.

In there's one thing a journalist learns early, it's that there are phonies and there are real articles.

Packnett was the real article.

While he often rubbed shoulders with mayors and congressmen and powerful people, he was clearly as much at ease with average people and willing to help anyone. Like the day the restaurant was shorthanded. Packnett took off his coat, went to the kitchen and cheerfully pitched in to wash dishes.

At 5 feet, 6 inches, Packnett wasn't tall in stature. But he was tall in the minds of those whose lives he touched. And he wasn't afraid to speak out, even when he knew he'd be sharply criticized.

Packnett took a great deal of heat last year from some blacks when he endorsed Francis Slay, who is white for president of the city's Board of Aldermen over his black opponent, Alderman Velma Jean Bailey. The criticism didn't bother him. "What's right is right," he said then.

Others didn't care for him four years ago when he made a stink after taking his two children to Union Station to see Santa and discovering that they had no black Santas. He called the company that supplies Santa to malls nationwide and learned the company had supplied no black Santas here.

He faxed letters to marketing directors at seven malls and a department store on behalf of the St. Louis Clergy Coalition, a group of black ministers that represents various denominations. The letter said, in effect, we spend money in your stores and we want a black Santa. Two of the malls told him they would hire a black Santa right away.

Last year, a day before the Million Man March, Packnett led more than 100 people in prayer at Central Baptist Church before they headed off to the event in Washington. After praying, he led the audience in song, delighting the crowd when he changed the words to a spiritual from "Ain't gonna let nobody turn me 'round" to "Ain't gonna let Newt Gingrich turn us 'round".

The members of his church remember him best for his work at Central Baptist. "He was always helping people, doing for people, teaching people right from wrong," Bobo said.

"We'll not get any more pastors like that," Bobo said adding, "If they do, it'll probably be long after I'm not around anymore."

THE RETIREMENT OF REAR ADM. LUTHER F. SCHRIEFER, USN

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. PETRI. Mr. Speaker, it has come to my attention that Rear Adm. Luther F. Schriefer, U.S. Navy, retired on February 1, 1997, after nearly 37 years of honorable and distinguished service.

Rear Admiral Schriefer served as the Division Director for the Navy's Environmental Protection, Safety and Occupational Health Division since November 1994. As the Navy's senior environmentalist, he was responsible for several key initiatives that have enabled the Navy to operate in harmony with the natural environment by achieving safe and environmentally sound ships, aircraft, and installations. He has testified before congressional committees to ensure that members and their staffs understand the Navy's impact on the environment, as well as the effects of environmental laws and regulations on the operations of our Nation's Navy.

Prior to his assignment as the senior environmentalist, he was the Director, Inter-American Region, International Security Affairs, Office of the Secretary of Defense. He was the director of the Caribbean task force during the 1994 Haitian and Cuban crises. Prior to his

assignment for the Secretary of Defense, he was the Commander at the Naval Base in San Diego.

Rear Admiral Schriefer was assigned to numerous other commands over the course of his distinguished career, including Commander, Anti-Submarine Warfare Wing, U.S. Pacific Fleet at Naval Air Station North Island and Director Tactical Air, Surface, Electronic Warfare Research and Development (OP–982). He was selected for two commands at sea: the amphibious assault ship USS *Belleau Wood* (LHA 3) and the amphibious cargo ship USS *Mobile* (LKA 115). He also held three air commands: the Air Anti-Submarine Wing 1 at Cecil Field, FL, Carrier Wing 3 onboard the USS *Saratoga* (CV–60) and Air Squadron VS–22 aboard the aircraft carrier USS *Intrepid* (CV 11). He served his country as an officer at the VRC–50 Detachment at Danang Air Base, Republic of South Vietnam, and VS–28 on board the USS *Independence* (CV–61).

Rear Admiral Schriefer has enjoyed several proud moments in his service to our country, including several exhilarating moments as a junior officer flying for our Navy resolving technical challenges associated with his aircraft's performance. He retires as the Navy's "Gray Eagle," a term reserved for the senior aviator in the Navy.

Rear Admiral Schriefer is a native of Oshkosh, WI. He graduated from the U.S. Naval Academy in 1960 and was designated a naval aviator in October 1961. He studied naval communications management at the U.S. Naval Postgraduate School in Monterey, CA. He also attended the Naval War College in Newport, RI, and graduated in June 1971. He was awarded a master of science degree in international affairs from George Washington University. He is married to the former Sandra N. Swanson of Detroit, MI. The Schriefers have four children: Kim, Scott, Michael, and Kelly.

Mr. Speaker, I take this opportunity to pay tribute to a superb naval officer, an outstanding gentleman, and a real leader, Rear Adm. Lou Schriefer.

H.R. 630—CLEANER-BURNING FUEL MEANS CLEANER AIR FOR CALIFORNIA

HON. BRIAN P. BILBRAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. BILBRAY. Mr. Speaker, the quality of the air we breathe is of great concern to all of us. Young and old, rich and poor, liberal or conservative, we are all vulnerable to poor air quality. While we have seen great strides in the last decade in terms of improved air quality, it is incumbent upon us to work to ensure that sound science lies at the foundation of any modifications or improvements to existing law. By the same token, when opportunities exist to actually improve the service provided by our environmental and public health strategies, we have not only the right, but also the responsibility to implement them, based on that same common denominator of sound science.

Such an opportunity now exists in California, which has long been at the forefront of our national efforts to improve air quality and reduce ambient pollution levels. As a former member of the California Air Resources Board [ARB], I am very proud of California's historic role in this regard. I am pleased to be able to introduce bipartisan legislation, H.R. 630, which will further enhance the air quality of my State by building upon the progressive work already done by the State of California, under the direction of the Clean Air Act.

The Clean Air Act Amendments of 1990 directed the Environmental Protection Agency [EPA] to adopt a Federal reformulated gasoline program for urban areas with the most serious smog problems. The 1990 amendments required that Federal reformulated gasoline contain various specified properties, and established limitations on the level of flexibility that EPA could build into the program. Federal reformulated gasoline regulations were promulgated in early 1994, and became applicable in December of that year. In California, the Federal regulations now apply in the greater Los Angeles, San Diego, and Sacramento regions.

At the same time, the California Air Resources Board [CARB] was developing a comprehensive clean fuels program. These regulations, which were adopted in 1991 and became applicable in the spring of 1996, established the most stringent and comprehensive gasoline standards in the world. It includes specifications for eight different properties which affect emissions of toxic air pollutants and ozone forming compounds. The State regulations also contain a predictive model which is based on analysis of a large number of vehicle emission test studies. Refiners have the option of using this predictive model to produce reformulated gasoline, subject to an alternative set of specifications, that has been shown by the model to achieve equivalent or greater reductions in emissions than result from use of the Federal RFG. This model is being utilized in California to produce much of the reformulated gasoline now consumed in the State. Recent studies have shown that the expanded use of reformulated gasoline in California has resulted in measurable and continuing decreases in emissions and air pollution in that region. I would like to include with this statement a recent article from the January 16, 1997 San Diego Union Tribune which elaborates further on these air quality improvements.

However, the overlapping applicability of the Federal and State reformulated gasoline regulations has reduced the ability to take advantage of the flexibility and public health benefits provided by the more stringent California program. Compliance with the Federal standard is still required, despite the fact that the California standard has been demonstrated to achieve equal or superior air quality benefits. H.R. 630 will streamline this unwieldy process, and build upon the existing Clean Air Act to permit the more stringent California regulations to apply in lieu of the Federal standards, only if they will achieve equivalent or greater emission reductions. The EPA has already provided this determination in the form of a final rulemaking for California reformulated gasoline, which was published in the Federal Register on February 16, 1994. In that rule, EPA drew the following conclusions: First, that VOC and toxic emission reductions resulting from the California Phase II standards would be equal to or more stringent than the Federal reformulated gasoline standards; second, that the content standards for oxygen and benzene under the California Phase II standards would in practice be equivalent to the Federal content standards; and third, that the California Air Resources Board's compliance and enforcement program is sufficiently rigorous.

Additionally, the California standards have been approved by the EPA as part of California's State Implementation Plan [SIP], and thus are federally enforceable.

H.R. 630 has been carefully written to apply exclusively to the State of California. As prescribed by section 211(c)(4)(6) of the Clean Air Act, a State which has received a waiver under section 209(b)(1) may "at any time prescribe and enforce, for the purpose of motor vehicle emission control, a control or prohibition respecting any fuel or fuel additive." In order to receive a 209(b)(1) waiver, a State must have adopted emissions standards for new motor vehicles prior to March 30, 1996. Because California is the only State which has qualified for a waiver under section 209(b)(1), H.R. 630 is therefore applicable only to California—no other State is eligible.

This bipartisan bill is supported by the California Air Resources Board, and I am grateful for the continued dialog and input I have received from colleagues, the State, industry, and several public health organizations, which has helped to further focus and clarify the intent of the legislation. I believe that H.R. 630, while narrowly targeted, will help to further accomplish the broader goals of the Clean Air Act that we all share, which are to provide the cleanest and healthiest air possible for the American people. I further believe that this bill can provide an example of how we ought to interpret and manage our environmental and public health laws, so that they can be made more effective in terms of product, by being kept as dynamic and flexible as possible in terms of process. Just as the vehicles which we all drive need to be fine-tuned from time to time in order to keep them running efficiently, so too do our environmental strategies.

[From the San Diego Union-Tribune, Jan. 16, 1997]

NEW GASOLINE FORMULA IS FUELING AIR-POLLUTION DECLINE—IT DRAMATICALLY CUTS SMOGGY DAY NUMBERS

(By Steve La Rue)

San Diego County had fewer smoggy days in 1996 than in any year since health standards were set and air-pollution measurement began. Most of the credit is being given to a new blend of gasoline.

The air was unhealthy to breathe by state standards on 51 days last year at one or more of the county's nine monitoring stations—a sharp drop from the 96 smoggy days in 1995, 139 days in 1990, and the 151 smoggy days in 1978, the year the California Clean Air Act applied the state standards.

The pollutant involved is ozone, a colorless, odorless gas that can sting the throat and eyes. It also can reduce lung capacity temporarily or permanently, depending on the exposure.

"We have had a dramatic reduction in the number of days over (health) standards, and

there was no dramatic meteorological difference in the two years," said Richard Sommerville, county air pollution control officer.

"That implies that the big change that did occur was due to the introduction of reformulated gasoline."

County air quality violated federal health standards, which are about 25 percent less stringent than the state's, only twice last year. That is the fewest federal violations since air quality monitoring began here in 1955, county officials said.

By comparison, smog made the air unhealthy to breathe on 12 days in 1995 under the federal standard, 39 days in 1990 and 90 days in 1978. It was also the first year on record that all of the county's federal violations were caused by smog migrating south from Los Angeles and Orange counties.

The state's refiners and service stations started selling the cleaner-burning fuel early last spring to meet state specifications for a fuel that produced fewer hydrocarbon and nitrogen emissions. Southern California's sunny summer and fall skies cook those emissions into a stew of pollutants, mostly ozone.

Scientists say this lower-level ozone pollution never rises 18 miles or higher to merge with the ragged atmospheric ozone layer that shields the earth from ultra-violet radiation.

Air quality also made dramatic gains last year in the South Coast Air Quality Management District, which includes Los Angeles and Orange counties and parts of Riverside and San Bernardino counties.

As of the end of October, the end of the smog season, there had been seven Stage 1 smog alerts in the district, compared with 14 in 1995, 23 in 1994, and 40 in 1992.

Such alerts are called when ozone levels are twice the federal health maximum. During the alerts, the public is advised to reduce strenuous activity. The last Stage 1 alert in San Diego County occurred in 1991.

Peak ozone levels during smog sieges in 1996 were calculated to be 10 to 11 percent less severe than expected in the San Francisco Bay Area and the Sacramento area, said state Air Resources Board spokesman Allan Hirsch.

"Much of the state showed improvements in air quality in 1996, and cleaner burning gasoline was the main clean air measure that was introduced last year, so we think it had a significant effect," he said.

"We are very confident that the same thing occurred in San Diego County, too."

Jan Cortez, program director for the San Diego-Imperial County branch of the American Lung Association, voiced concern that the drop in ozone pollution may cause people to overlook the danger of ultra-fine particulate matter—from diesel exhaust and various types of combustion—that the federal Environmental Protection Agency is seeking to regulate.

"The report doesn't even mention particulate air pollution, so it is giving the public only part of the picture," she said. The public is still breathing particulate pollution, she said, and it contributes to asthma attacks and increased visits to the hospital."

The smog decline has not come without a price. The estimated $4 billion cost to retool refineries was considered an important factor in the steep rise in gasoline prices last spring and early summer.

Many motorists still wonder how much the less-volatile fuel has reduced their gas mileage, although state spokesmen estimate the penalty at 1 to 3 percent. Averaging three-year periods, which minimizes the influence of weather, the number of days of ozone pollution in San Diego County under the state standard declined 55 percent between 1979–1981 and 1994–1996.

LEGISLATION TO MOVE THE 4.3-CENT GAS TAX INTO THE HIGHWAY TRUST FUND

HON. STEVE C. LaTOURETTE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 10, 1997

Mr. LaTOURETTE. Mr. Speaker, today I am reintroducing legislation to move the 4.3-cent gas tax from the general fund to the highway trust fund.

The 4.3-cent gas tax, which was enacted in 1993, currently pumps an estimated $6 billion annually into the general fund. This is wrong, plain and simple. Motorists should benefit from a fee which they alone must pay.

While no none enjoys paying gas taxes, many studies have shown that Americans are much more willing to pay gas taxes if they are used only to make our country's roads and bridges safer. This, unfortunately, has not been the case with the most recent 4.3-cent increase. Last Congress, when many had talked about repealing the 4.3, I studied the various ways to use the funds generated by the gas tax, trying to come up with a commonsense, useful proposal.

My legislation will not add one dime to the deficit, and instead will force the Federal Government to be honest with taxpayers and use the gas tax for needed infrastructure improvements.

For example, a recent study found that bridges throughout the State are badly deteriorating and in need of repair. At the local level, last year we experienced a frustrating and costly detour on Interstate 90 after the bridge over the Grand River shifted about 2 inches. Fortunately, workers from the Ohio Department of Transportation worked tirelessly to repair what could have been a perilous situation, and tried to minimize the inconvenience to motorists.

It seems to me that If Government has a function it should be to make sure our Nation's roads and bridges are as safe as humanly possible. When you put your children in your car, you need to be assured that the bridge you travel over won't crumble, drop a few inches or collapse.

Under my new bill, the 4.3-cent gas tax would be transferred from the general fund to the highway trust fund. As a result, $6 billion a year would be freed up for infrastructure improvements, and 20 percent of those funds would be earmarked for mass transit projects. This will come as welcome news for our cities that are struggling to meet the increasing demand for mass transit. Also, under this proposal we will not have to search for a way to offset the $6 billion a year in lost revenues. We will simply be transferring funds from one account to another, meaning it will be budget neutral.

Ohio is not alone when it comes to needing road, bridge and infrastructure improvements. Studies show that we should be spending $60 billion per year on our highways but are only spending $6 billion. This is a national problem, and one that could be greatly eased if we simply leveled with the taxpayers and used the gas tax for the purpose it was intended.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, February 11, 1997, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 12

9:30 a.m.

Energy and Natural Resources

Business meeting, to mark up S. 104, to amend the Nuclear WastePolicy Act of 1982, and to consider the nomination of Federico Pena, of Colorado, to be Secretary of Energy, and to consider other pending calendar business.

SD–366

Environment and Public Works

To hold hearings on the ozone and particulate matter standards proposed by the Environmental Protection Agency.

SD–406

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings on the future of nuclear deterrence.

SD–342

Labor and Human Resources

To hold hearings on the implementation of the Teamwork for Employees and Managers Act (TEAM).

SD–430

Rules and Administration

Business meeting, to mark up proposed legislation authorizing biennial expenditures by standing, select, and special committees of the Senate, and to consider other pending legislative and administrative business.

SR–301

Small Business

To hold hearings on the nomination of Aida Alvarez, of New York, to be Administrator of the Small Business Administration.

SR–428A

10:00 a.m.

Budget

To hold hearings on issues relating to public investment.

SD–608

Finance
To hold hearings on the Administration's budget and revenue proposals for fiscal year 1998.
SD–215

2:45 p.m.
Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal year 1998 for the Department of Defense and the future years defense program.
SH–216

FEBRUARY 13

8:00 a.m.
Foreign Relations
To hold hearings on the nomination of Pete Peterson, of Florida, to be Ambassador to the Socialist Republic of Vietnam.
SD–419

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposals to reform the Commodity Exchange Act.
SR–332

10:00 a.m.
Budget
To hold hearings on biennial budgeting and appropriations.
SD–608

Finance
To hold hearings on the Administration's budget for fiscal year 1998, focusing on Medicare, Medicaid and welfare proposals.
SD–215

1:45 p.m.
Governmental Affairs
Business meeting, to consider pending calendar business.
SD–342

2:00 p.m.
Environment and Public Works
Transportation and Infrastructure Subcommittee
To hold hearings on the implementation of the Intermodal Surface Transportation Efficiency Act and transportation trends, infrastructure funding requirements, and transportation's impact on the economy.
SD–406

Governmental Affairs
To hold hearings on S. 207, to review, reform, and terminate unnecessary and inequitable Federal subsidies.
SD–342

Labor and Human Resources
Employment and Training Subcommittee
To resume hearings to examine proposals to reform the Fair Labor Standards Act, focusing on S. 4, to provide to private sector employees the same opportunities for time-and-a-half compensatory time off, biweekly work programs, and flexible credit hour programs as Federal employees currently enjoy to help balance the demands and needs of work and family, to clarify the provisions relating to exemptions of certain professionals from the minimum wage and overtime requirements of the Fair Labor Standards Act of 1938.
SD–430

FEBRUARY 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine the impact of estate taxes on farmers.
SR–332

FEBRUARY 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine the impact of capital gains taxes on farmers.
SR–332

9:30 a.m.
Environment and Public Works
Transportation and Infrastructure Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Intermodal Surface Transportation Efficiency Act.
SD–406

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD–430

Small Business
To hold hearings on the President's budget request for fiscal year 1998 for the Small Business Administration.
SR–428A

FEBRUARY 27

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD–430

10:00 a.m.
Armed Services
To hold hearings concerning the Department of Defense actions pertaining to Persian Gulf illnesses.
SD–106

Commerce, Science, and Transportation
To hold hearings to examine violence in television programming.
SR–253

MARCH 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine the Department of Agriculture's business plan and reorganization management proposals.
SR–332

MARCH 6

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the legislative recommendations of the Paralyzed Veterans of America, the Jewish War Veterans, the Retired Officers Association, the Association of the U.S. Army, the Non-Commissioned Officers Association, the Military Order of the Purple Heart, and the Blinded Veterans Association.
345 Cannon Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on proposed legislation authorizing funds for agricultural research.
SR–332

MARCH 12

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to examine universal telephone service.
SR–253

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed legislation authorizing funds for agricultural research.
SR–332

MARCH 18

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed legislation authorizing funds for agricultural research.
SR–332

MARCH 19

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the legislative recommendations of the Disabled American Veterans.
345 Cannon Building

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed legislation authorizing funds for agricultural research.
SR–332

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the legislative recommendations of AMVETS, the American Ex-Prisoners of War, the Veterans of World War I, and the Vietnam Veterans of America.
345 Cannon Building

CANCELLATIONS

FEBRUARY 12

10:00 a.m.
Commerce, Science, and Transportation
Consumer Affairs, Foreign Commerce, and Tourism Subcommittee
To hold hearings on product liability reform issues, focusing on the success of the General Aviation Revitalization Act of 1994 (P.L. 103-298).
SR–253