

Grassley amendment No. 208, to require an affirmative vote of three-fifths of the Members to waive the requirement of a published statement on the direct costs of Federal mandates.

Kemphorne amendment No. 209, to provide an exemption for legislation that reauthorizes appropriations and does not cause a net increase in direct costs of mandates to States, local, and tribal governments.

Kemphorne amendment No. 210, to make technical corrections.

Kemphorne (for Dole) amendment No. 211, to make technical corrections.

Glenn amendment 212, clarify the baseline for determining the direct costs of reauthorized or revised mandates, and to clarify that laws and regulations that establish an enforceable duty may be considered mandates.

Byrd modified amendment No. 213, to provide a reporting and review procedure for agencies that receive insufficient funding to carry out a Federal mandate.

Gramm amendment No. 215, to require that each conference report that includes any Federal mandate, be accompanied by a report by the Director of the Congressional Budget Office on the cost of the Federal mandate.

Gramm amendment No. 216, to require an affirmative vote of three-fifths of the Members to waive the requirement of a published statement on the direct costs of Federal mandates.

Byrd amendment No. 217, to exclude the application of a Federal intergovernmental mandate point of order employer-related legislation.

Levin amendment No. 218, in the nature of a substitute.

Levin amendment No. 219, to establish that estimates required on Federal intergovernmental mandates shall be for no more than ten years beyond the effective date of the mandate.

Brown amendment No. 220, to express the sense of the Senate that the appropriate committees should review the implementation of the Act.

Brown-Hatch amendment No. 221, to limit the restriction on judicial review.

Roth amendment No. 222, to establish the effective date of January 1, 1996, of title I, and make it apply to measures reported, amendments and motions offered, and conference reports.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I notice that the managers are not present. I know the Senator from Minnesota is present to offer an amendment. But since the managers are not present, I ask unanimous consent to speak as if in morning business for 20 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

BALANCED BUDGET AMENDMENT

Mr. DORGAN. Mr. President, I recognize that the Senator from Minnesota would like to offer an amendment that I think is actually related to the discussion just held on the floor of the Senate, as soon as the floor managers are here.

The Senator from Idaho, a friend of mine, has, along with his colleagues, been discussing an issue for the past hour that is very important for this

country, the issue of a constitutional amendment to balance the budget. He knows and understands that there is not necessarily a partisan difference on that subject in the Senate. Many of us, myself included, have voted in the past for a constitutional amendment to balance the budget and are prepared to do so again.

I think most people believe that it would be desirable to move this country toward a point when we are spending only the resources we have. There may need to be some exceptions to that. If you run into a depression, you might want to have a stimulative kind of fiscal policy. But generally speaking, we ought to balance what we spend with what we raise. We are nearing \$5 trillion in debt. I have a couple of children who will inherit that debt, as will all of America's children. We have a responsibility, it seems to me, to address this question and address it in the right way.

I do want to talk a little about the nuance of the discussion. Some have been suggesting that Federal spending is out of control because there are folks who swagger over to the Chambers of the House and the Senate and propose wildly irresponsible spending schemes and programs for which they have no idea where the resources will come. The Senator from Idaho and others know, of course, that this is not the case. And I am not saying that the Senator suggested that. I am saying that people who understand the system know that what is causing these substantial run-ups in the deficit are—

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

Mr. DORGAN. Retirement programs and health care programs, Medicare and Medicaid. Each year more people become eligible for Medicare because they have reached the age of 65. Each year, Medicare becomes more expensive and so does Medicaid. So each year these programs grow in cost without anyone having done anything to increase their costs. I am happy to yield at this point.

Mr. CRAIG. Very briefly. I thank my colleague for engaging in this issue this morning. I will say that clearly the balanced budget amendment is a bipartisan issue. I have always appreciated the support of my colleague in this issue. It must be bipartisan. This is a national debate that involves all partisan interests. I thank my colleague for coming to the floor this morning and making that very important point.

Mr. DORGAN. I appreciate the Senator's comments. I want to make this point again and again. It is not a basket full of new and irresponsible Federal programs, being offered by Members of either side of the political aisle, that are causing this problem. The cause is entitlement programs, whose costs increase very substantially year after year and therefore claim an increasing amount of money out of the

Federal budget and run-up the Federal deficit.

The question for those who want to address this, whether in the Constitution or through a statute, is: Exactly how do you do it? What do you choose to cut? What do you keep and what do you get rid of? We could change the Constitution 2 minutes from now, if procedures would allow it, and it would not make a one-penny change in the Federal deficit. Two minutes from now, we could change the Constitution to read that, from this moment forward, there would not be a one-cent increase in the Federal deficit, and yet this would not reduce the deficit by one penny. Why? Because changing the Constitution does not solve the problem. Changing the Federal budget is what solves the problem.

I have seen the sunny side of this little thing called the budget fracas. It came to us from Art Laffer and a bunch of folks in the early eighties. These folks believe that you can double defense spending and cut the revenue base and there would be nirvana around the corner, and the budget would be balanced. We have heard that. That was about \$3.5 trillion ago. Of course, it was preposterous when it was proposed and when it was implemented. They saddled this country with an enormous debt. Supply side economics they called it. Some have said that is where the other side gets all the supplies. But it is a little more complicated than that. Now we have some who are saying again let us increase defense spending, cut taxes again, and let us change the U.S. Constitution to require a balanced budget.

Well, I happen to support a constitutional provision requiring a balanced budget. I did not come to Congress thinking I would support this, but that was about \$3.5 trillion ago. I would support virtually anything requiring that there be a sober and serious solution to this problem because, frankly, I think this fiscal policy very much limits our country's opportunities in the future.

Two years ago, we had a vote here in Congress on a budget bill. It was a terrible vote. People talk about politicians not caring and not being connected, not having any courage. The vote was "shall we increase some taxes?" That was unpopular. And the vote was "Shall we cut some spending?" That was unpopular. "Shall we do that in a significant combination to reduce the Federal deficit?" Enough people in this Chamber—by one—voted yes to pass the deficit reduction bill. There was a one-vote margin here and a one-vote margin in the other body. I regret to say that not one Member of the Republican side voted with us on that bill. It was not an easy vote. It was an awful vote. If one were just going to be a politician, one would say, "Count me out, I am not going to cast a tough vote. This increases taxes and cuts spending. Count me out. I am not involved in this." But enough people voted yes to say we are willing to do

this. It might not be popular or the political thing, but we are willing to do it for the benefit of this country.

When we pass—and I think we will—a constitutional amendment to balance the budget, the question becomes even more intense. How do you, with a specific series of changes in taxes and in spending, reach a balanced budget by the year 2002? I voted for, and intend to vote for again, a constitutional amendment to balance the budget. But I would say this: When we have people who propose a constitutional amendment to balance the budget and at the same time say increase defense spending and cut the revenue base, I say they need to spell it out. We understand that this is the point on the map you want to get to. I want to find out the route, especially if you are going to stop near the bridge of "increased defense spending" and go down the hollow called "a cut in taxes." How do you reach that destination in the year 2002? I think the American people want to know that, as well.

Are you going to cut Social Security? Not with my support. Why? Social Security is paid for by every single person in this country who works and by everyone who employs the people who work. This money is taken from paychecks and put into a very specific account, a trust fund. We have said that we are going to take this amount from your paycheck and put it into a trust fund so that it will be safe for the future. This problem is a solemn one, a compact among those who work and those who retire and the system that funds it.

Are we going to raid the trust funds to balance this budget? Not with my vote. Not one cent of this deficit is caused by Social Security. This year, a \$70 billion surplus will occur in the Social Security trust fund. We will have collected, in other words, \$70 billion more in the Social Security System than we will have paid out. Can anybody reasonably claim that Social Security has caused this problem? So when the constitutional amendment to balance the budget comes up, we will have an amendment that says you will not balance the budget by raiding the Social Security trust funds. This program has not caused one cent of the deficit, and we will not allow a raid of the trust funds to accomplish the goal of this amendment.

Second, we say we have a right to know what route you will take to reach a balanced budget. There is a special right to know, and it seems to me an obligation on the part of those saying we want to increase one of the largest areas of public spending and cut the revenue base to tell us how they plan to get there. Show us a 7-year budget and tell us the result. Then we and the American people and the States and local governments know what the plan is. Share with us the plan. That is the issue.

I have mentioned Social Security. Does one get to a balanced budget by

cutting Social Security? Not with my support. It does not cause this problem.

Does one get there by cutting defense? No. A large number in this Chamber now say they want to increase defense spending. That is one of the largest areas of spending in the Federal Government.

Well, if not defense, then what? Interest on the debt? No, we pay interest on the debt. There is no way of avoiding it. And the folks on the Federal Reserve Board, meeting in secret, have increased the interest rate six times and are set to do so again. There is not much we can do about that. Interest on the debt is another of the largest areas of public spending.

How about Medicaid and Medicare? There is considerable support for Medicaid and Medicare.

And for health care, are the requirements for these programs any less this year than last year? Hardly. Health care costs are going up, not down. So are we going to cut health care spending? If so, how? How do you do that when health care costs are rising, more people are becoming eligible for Federal health programs, more people are growing older, America is graying?

Or, I guess, if that is the plan, then tell us who is not going to get the health care that was promised? If that is part of the plan, let us hear it.

Medicaid. Forty million people live in poverty in this country. Which poor people are going to be denied access to health care?

Interestingly enough, health care costs are increasing. Yet we do not address the causes for the increases in health care costs. If we do not do this, in my judgment we do not have a chance to deal with this budget deficit problem.

What about veterans issues. Do you propose that we cut veterans' compensation, veterans' hospitals? I do not think so. I do not think somebody is going to say that those soldiers who put their lives on the line for this country will now have to discover that the promises this country made to them will not be kept. I do not think that is going to be the case.

So I guess the question is not with respect to intent; the intent around here is wonderful. And I am going to join those who intend to do this, and I will vote for a constitutional amendment to balance the budget, but with two caveats.

One, I am not going to let anybody under any circumstance raid the Social Security trust fund to do it because the Social Security trust fund is a solemn compact between generations and has not caused one penny of this deficit. If that is the fight we have to have, that is the fight we are going to have.

Two, it seems to me—and I think the Senator from Minnesota has an amendment on this issue coming up next on this floor—that there is an obligation—especially given the circumstances these days of saying we want to increase spending on one hand and cut

the revenue base on the other, while saying we want a constitutional amendment to balance the budget—to tell us how that is achieved. The American people and State and local governments should be able to make judgments: Does this make sense? What will this do to us? What does it mean to our revenue base out in the States? What programs will we have to assume? What programs will people do without?

Having said all that, a lot of strange things go on. All of us know that. This is reform time, and when you deal with reform, there are a lot of nutty ideas bouncing all over the walls. There are also some timeless truths in this country. One of the timeless truths for me as a public servant is that we want to help people who need help in this country, to provide opportunity and hope. In this country, a lot of people who do well and who will do better next year have opportunities, wonderful opportunities. But we have a lot of people who, through no fault of their own, find themselves in circumstances where we need to reach out a hand and help them up.

There ought not to be a board of values in this country as we discuss what we do about all these issues. We ought to understand that one reason for our country's success has been the largess in helping all of our people achieve the opportunities they can achieve with their God-given talents.

I mentioned some of the ideas floating around here. You know, several people say, "Well, we do not want to ever talk about taxes when we talk about fiscal policy, so let us talk about charging admission fees to the U.S. Capitol." That was a nutty idea from last week. Conservative think tanks up here say, "Let's charge the people of America," who own the U.S. Capitol, "an admission price to see the U.S. Capitol."

I might be old fashioned, I suppose, coming from a town of 400 people, to think you ought not to charge citizens an admission fee to enter a building they own.

We need to separate the nutty ideas from the decent ideas. And there are some good reform ideas, some good ideas, but there are a lot of strange ones bouncing around here as well.

It seems to me that, as we try to separate the good ideas from the bad, we ought to try to figure out where we are and follow it down the line. Let us try to understand what it is that is necessary for our future, what we need to invest in order to achieve the kind of growth and opportunity we want.

But it seems to me that we should not, as we begin talking about the constitutional amendment to balance the budget, leave an impression that the Federal budget deficit has been caused by a bunch of folks trooping in that door and concocting a new program last March. That is not what has caused this. That is not what has caused this at all.

We have massive entitlement programs whose costs are linked to the Consumer Price Index and whose costs go up every year. We have a revenue base linked to changes in the Consumer Price Index so that revenues are kept down by that same indexation. So you have one indexing approach that moves costs up and another indexing approach that keeps revenues down. And the result is a mismatch that anybody taking arithmetic can understand very quickly.

The Senator from Idaho and others are absolutely correct that we share a goal. That goal is that this country ought to put its budget in order and it ought to do it soon.

I suppose one area of disagreement occurs when some say let us increase spending in one of the biggest budget items and then cut our revenue, but they do not believe they have an obligation to tell people how they will then get to a balanced budget 7 years from now. We disagree on that. There is, in my judgment, an obligation to tell the American people how they are going to achieve that.

So, Mr. President, I appreciate the opportunity to say a few words about this subject. I know some have spoken about it for an hour or so. We will have hour after hour after hour of debates, probably weeks of debate on this subject. It is very important. The American people want us to control our fiscal policy in a reasonable and responsible way. I intend to join in that effort. But I intend also to see that we do it in the right way.

Some say, "Well, you know, let us keep building Star Wars and let us cut out some critically needed investments" like education and training that I think are vital for achieving the full human potential in this country. I say, "I'm sorry. I don't share your goals. I do not share your priorities."

So those are the kinds of debates I think we will be having in the coming weeks. This will allow the American people to not only understand that we share a common goal of where we want to go, but also to recognize that we have some disagreements about how to get there. And that is politics. Someone once said, "When everyone in the room is thinking the same thing, no one is thinking very much."

There is going to be a lot of diversity of thought about how we reach the destination of a better fiscal policy so that we unsaddle the American children of the heavy burden of deficits they now have to assume.

I know that, as I said before, the Senator from Minnesota is now waiting and has an amendment that I think will follow this discussion in an appropriate way. So, with that, Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

UNFUNDED MANDATE REFORM ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 185

Mr. WELLSTONE. Mr. President, I assume we are no longer in morning business.

I ask unanimous consent that the pending amendment be set aside and that the Senate resume consideration of amendment 185.

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

Mr. WELLSTONE. Thank you, Mr. President.

I thank the Senator from North Dakota.

Mr. KEMPTHORNE. Will the Senator yield?

Mr. WELLSTONE. I am pleased to yield.

Mr. KEMPTHORNE. I appreciate the Senator's courtesy.

What I would like to do is offer a unanimous-consent agreement so we can then proceed with his amendment.

Mr. President, I ask unanimous consent that the Senate now resume consideration of amendment No. 185 and that there be 1 hour, equally divided, on the amendment, and following the conclusion or yielding back of time, the majority manager or his designee be recognized to make a motion to table.

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

Mr. KEMPTHORNE. I thank the Senator from Minnesota very much.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, today we are considering S. 1, the unfunded mandates bill, a bill designed, as my good friend from Idaho, the main sponsor of this bill, has said repeatedly, to ensure that information is available to Members of Congress before they vote to impose a mandate on a State or local government.

As I understand the basic premise of this piece of legislation, which I will say to my colleague from Idaho I am very much in agreement with, it is really twofold. No. 1, we ought to be very clear about the kinds of mandates we are imposing on State and local governments and we ought to be accountable for our votes; No. 2, I think this piece of legislation is about the right to know. It is about the right to know both for Senators and Representatives and State and local government officials about a proposal's economic impact before we pass it.

Mr. President, I think that is good government reform. I have said that to my colleague from Idaho several times. I think it is good instinct. I think this instinct by the Senator from Idaho is on the mark, but I think it might be missing for some of our colleagues. In particular, I want to talk a little bit

about this balanced budget amendment, and in particular I want to give some context by talking about some of the comments of the House Republican Leader ARMEY.

Mr. President, let me first of all be clear about the amendment that I have already sent to the desk that we are now considering. This is a sense of the Congress that the Congress should continue its progress at reducing the annual Federal deficit, and if the Congress proposes to the States a balanced budget amendment, it should accompany it with financial information on its impact on the budget of each of the States, so that States know what exactly the impact of this piece of legislation will be on them.

Let me begin at the beginning. This unfunded mandates bill operates on the premise that information should be available to Senators and Representatives and to State and local government officials about the financial impact of legislation we are proposing and attempting to pass.

Mr. President, I think that that is a very important standard for any piece of legislation. Mr. President, it is also true, operating on that premise, and that is what this amendment speaks to, that if we pass a balanced budget amendment we ought to be clear with States, and I want to talk about this really because it comes from Minnesota.

In that sense, I have a mandate from Minnesota today regarding what the impact of a balanced budget amendment would be on Minnesota or any other State. If we are not clear about where these cuts are going to take place and what the impact is going to be on our States, then what has been called the Contract With America becomes not a contract but a con. I mean, if there is a mood piece in the country, it is that we should be honest, straightforward and direct with people, and not try to finesse people; tell them what we are doing and tell them what the impact of what we are doing will be on their lives.

Now, in the House, House Republican Leader ARMEY has said about the balanced budget amendment, "I am profoundly convinced that putting out the details would make passage virtually impossible. The details will not come out before passage. It's not possible." The Washington Post, January 7, 1995. Another quote: "Because the fact of the matter is once Members of Congress know exactly, chapter and verse, the pain that the Government must live with in order to get a balanced budget, their knees will buckle," January 9, 1995, the Washington Post.

Mr. President, people in Minnesota and people in Vermont and people around the country did not send us here to sign on to any piece of legislation without being clear with them as to what the impact of that legislation will be on their lives. Let me repeat that one more time, because that is the