Center's fifth chairman, there is no danger of that vision being distorted as we look to the future.

This fall we conclude the first twenty-five years of the Wilson Center's existence. It has been my privilege to serve as the fourth chairman for almost half of the Center's existence. I have had the good fortune personally of observing and delighting in the increasing prominence and impact of the Center throughout the world. The essence of the Woodrow Wilson Center of course is its Fellows who come here from all over the world to pursue their scholarly studies and participate in the life of the Center. More than 1300 Fellows and guest scholars have been in residence since its creation and the fellowship selection process has become increasingly competitive each year, compelling evidence of the Center's expanding international reputation.

Over the past quarter century the Wilson Center has retained its unique status in our nation's capital as a high quality international nonpartisan center. The great public value of a scholarly center like the Wilson Center cannot be overstated. Everyone associated with it should not only take pride in its accomplishments but also in the high reputation and standards it maintains, and to that end I would be remiss if I did not single out the two directors of the Wilson Center who have occupied that position during my tenure.

Jim Billington whose vision and skill were largely responsible for building the Center into a world-class institution and Charles Blitzer who was there at the creation and in its formative years as Dillon Ripley's able agent and in the last several years as we have been consolidating and rethinking our mission in preparation for the second twenty-five years of this great institution. The Wilson Center and the country have been well served by the stewardship of these two extraordinarily able leaders and their very able staffs.

I want to thank each of my fellow board members and friends who spoke tonight. I want to thank all of you for coming and I would like to conclude by raising my glass in a toast to the extraordinary men and women who have served on the staff of the Woodrow Wilson International Center for Scholars throughout its first twenty-five years. Its future is assured if it can maintain that caliber for the future.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

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

The assistant legislative clerk read as follows:

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

The Senate resumed consideration of the bill.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I really appreciate the remarks of the distinguished Senator from Texas. She is a great leader and is undaunted in this balanced budget amendment fight like so many other Republicans and some Democrats willing to stand up and do what is necessary in this battle. I for one appreciate very much her leadership. She has been a leader ever since she has gotten to the U.S. Senate. She is right up there, up front, doing what she believes is correct and proper. I might add she is right. This is the most important vote any of us are going to cast in our whole time in the U.S. Senate. I have cast a lot of very important votes. But this one is in my opinion a save-the-country vote. We have to do everything we can to save this country.

Right now it is going to take the help of a lot of people out there in our country to work with our colleagues to let them know that they want this balanced budget amendment. Because, if you want to protect Social Security, if you want to protect some of these other important social spending programs, then we had better protect the dollar, our economy, and the things that will keep our Government and our Nation strong. Frankly, if we do not adopt this balanced budget amendment, I fear we might attempt a monetization of the debt which would wreck this country, and we really cannot allow that to happen.

Mr. President, I would now like to respond to some of the comments of some of the opponents of the balanced budget amendment.

Some of my colleagues contend that section 6 of House Joint Resolution 1, the section that mandates that Congress enforce the amendment through implementing legislation, is similar to section 5 of the 14th amendment, which permits Congress to enforce that amendment. Because they are similar, the argument goes, and because courts enforce the 14th amendment, courts will also be able to enforce the balanced budget amendment to the extent courts enforce the 14th amendment.

This analogy is misleading. First, courts may only enforce an amendment when legislation or executive actions violate the amendment or when Congress create a cause of action to enforce the amendment. An example of the latter is 42 U.S.C. section 1983, the 1871 Civil Rights Act that implements section 1 of the 14th amendment.

Of course, Congress has not created, and need not create, an analogous cause of action under section 6 of the balanced budget amendment. So there is no direct judicial enforcement in existence similar to section 1983, and I cannot imagine Congress giving that authority.

Second, as to the judicial nullification of legislation or executive action that is inconsistent with a constitutional amendment, the ''case or controversy'' requirement of article III requires that a litigant demonstrate standing. As I have stated at great length already during this debate, it is very improbable that a litigant can demonstrate standing—that the litigant could demonstrate a particularized injury, which is what is required for standing—different from the generalized harm facing any citizen or taxpayer. Contrast this with cases under the 14th amendment, where standing was found because a litigant could demonstrate a particular, individualized, and concrete harm. The perfect illustration could be the case of Reynolds versus Sims, a 1962 case, the one man/one vote decision.

Third, in this circumstance, the separation of powers doctrine prevents courts from redressing a litigant's alleged harm. That is, courts will not entertain a suit where they cannot bring supply relief to the litigant. The most important case here is a recent case, Lujan versus Defenders of Wildlife, decided in 1992. The Constitution, under Article I, delegates to Congress taxing, spending, and borrowing powers. These are plenary powers that exclusively and historically have been recognized as belonging only to Congress. The balanced budget amendment does not alter this. Courts, consequently, will be loathe to interfere with Congress' budgetary powers. It is simply an exaggeration to contend that courts will place the budgetary process under receivership or that the courts will cut spending programs.

Fourth, the political question doctrine will deter courts from enforcing the balanced budget amendment. Budgetary matters, such as where to cut programs or how to raise revenues, are prototypically a political matter best left to the political branches of Government to resolve. Courts, under the political question doctrine, will naturally leave these matters to Congress.

Finally, it is ludicrous to assume that Congress would just sit by in the unlikely event that a court would commit some crazy act. Believe me, Congress knows how to defend itself. I would be at the forefront of that defense. Congress knows how to strip the courts of jurisdiction or limit the scope of judicial remedies. We do not like to do it, but in the case of outrageous judicial interference, and ignorance of the law, including prior case law, and of the Constitution, we would do that.

I might say that I do not think that it is necessary. Lower courts follow precedent, and the precepts of standing, separation of powers, and the political question doctrine effectively limit the ability of courts to interfere in the budgetary process.

Let me just give some examples of judicially unenforceable political questions. The guaranty clause of the Constitution, at issue in Luther versus Borden, back in 1849, was found to be outside the range of certain separated powers.

Treaty termination by the President, decided by Goldwater versus Carter. The conduct of foreign policy by the President is almost always found to be a political question.

The conduct of foreign policy by the President almost always found to be political question. See Tiger, ''Judicial Power, The 'Political Question' and Foreign Relations,'' 17 U.C.L.A. L. Rev. 1135 (1970) (and cases cited within).

The legality and conduct of wars and military actions. E.g., *Crockett* v. *Reagan*, 720 F.2d 1355 (D.C. Cir. 1983) (per curiam), cert. denied, 467 U.S. 1251 (1984) (legality of President Reagan's activities in Nicaragua); *Atlee* v. *Laird*, 347 F. Supp. 689 (E.D. Pa. 1972) (three judge panel) (legality of Vietnam war).

The legality and conduct of wars and military actions. Again, there are so many things that are clear here.

I do not think anybody can legitimately argue that the courts are going to interfere in enforcing the balanced budget amendment by increasing taxes or cutting spending. I just do not think anybody can legitimately argue that from a constitutional standpoint.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska [Mr. MURKOWSKI] is recognized.

Mr. MURKOWSKI. Mr. President, as we continue in this historic debate, I would like to take a few minutes of the Senate's time to share a perspective on the extraordinary burden that our accumulated deficits—34 years of deficits in the last 35 years—have placed on the capacity of our Government to operate.

I will have more to say at another time, but for now I want to focus specifically on the $4.8 trillion accumulated national debt.

You have heard a lot lately of the fact that the deficit has declined for 3 consecutive years. A big part of that decline is a direct result of the growth of the economy that began in the late stages of the Bush Presidency when the country began to emerge from recession. The remaining deficit decline, in my opinion, can be attributed, to a large degree, to President Clinton's record tax increase, which has temporarily increased Federal tax revenues. Further, we have had substantial cuts in spending. But it is interesting to reflect on just where those cuts came from, primarily: The military, a decline in the military budget and military personnel.

But the reality, Mr. President, is that the decline in the deficit is but a temporary phenomenon. I am going to show some charts here that will highlight that fact. According to the Congressional Budget Office [CBO] in every year, starting next year, 1996, and for the unending future, the annual deficit, unfortunately, is on the rise. In fact, CBO projects that the deficit will more than double in less than 10 years. It will more than double in less than 10 years, from $176 billion to more than $400 billion.

This unending string of deficits has caused us to accumulate a $4.8 trillion national debt that could easily exceed $7 trillion before the end of the century. So as we add to the deficit, each year as we create a deficit, we are adding to the accumulated debt, and today it is $4.8 trillion.

Mr. President, we simply cannot tolerate the continued business-as-usual in Washington that assumes that every year we can run deficits of $150 billion, $250 billion, $350 billion. We dictate under our laws, and our financial community demands, obviously, that we live within our means. Our checks will bounce and we will no longer have credit extended to us.

The exception to that, of course, is the Federal Government. The accumulation of this debt has today brought us to the point where, for the first time in our history, we are faced with borrowing from the credit markets of the world for the sole purpose of paying interest on the debt. When you think about that, Mr. President, we are borrowing to pay interest on the debt; we are not borrowing to pay down the principal. We are borrowing to pay interest on the debt.

It may surprise some people to know that over the next 10 years, we would be running a surplus in the Federal budget in every year if we did not have to pay a $200 to $400 billion annual interest bill that has resulted from our chronic inability to bring revenue and spending into balance.

Let me begin, Mr. President, by showing on the charts the devastating effect that our fiscal policies have shown in the past and suggest over the next 10 years.

This chart shows that in every year between 1995 and the year 2004, all American Government borrowing is for the single purpose of paying interest on the debt. We could finance Defense, Medicare, Social Security, and all other Government functions over this period and still accumulate a surplus of some $360 billion if we were not strangled by this extraordinary debt.

Now, as the chart shows, beginning in 1994, our deficit was $203 billion. That was precisely the amount of interest we had to pay on the accumulated debt. So here we have the situation where we had a deficit in that year—in other words we expended $203 billion more than we collected in revenues—and we had to pay the interest on the accumulated debt, which was about $4.8 trillion but the interest was more than the deficit that year. Think about that, Mr. President. Think about the implication of what that means.

In other words, our entire deficit in 1994 consisted of interest on the debt. Without that debt service burden, we would not have had to auction a single new Treasury note or bond in the market. In 1995, we would be running a surplus of $59 billion if we did not have to service that debt. Instead, as this chart shows, our $176 billion deficit results directly from the fact that our interest costs are $223 billion. The same holds true in every year through the year 2004.

In 1997, Mr. President, a $57 billion surplus disappears into a $207 billion deficit. Why? Because, again, we have to pay $260 billion in interest.

Some say, ''Well, why do we have to pay it? We are only paying it to ourselves.'' Well, clearly we are not paying it to ourselves. We are paying it to those who hold that debt, the Treasury bills that have to be paid. We have already seen, in the crisis in Mexico, what happens when a government cannot meet the demands of those who held the notes.

Now let us look at 1998. In 1998, our interest bill jumps to $270 billion, converting a $46 billion surplus into a $224 billion deficit. And in 1999 our interest bill jumps to $294 billion, converting a $26 billion surplus into a $284 billion deficit. And that is what happens every single year through the year 2004.

If we did not have the extraordinary debt overhanging, we would have been able to reduce the national debt by some $360 billion over the next 10 years. We would not have to go back to the credit markets to borrow more than $2.9 trillion—$2.9 trillion—to finance the debt and the deficit. In other words, if we did not have this accumulated $4.8 trillion debt, the United States would be able to retire $360 billion of our national debt and would not have to issue a single new Treasury note or bond over the next 10 years.

How did we get into this extraordinary set of circumstances? We did it to ourselves. We have had Republican Presidents, we have had Democratic-controlled Congresses. As a consequence, Mr. President, the simple reality is it has to be addressed, and it has to be addressed now. And the only way to address this debt is to adopt the proposal that is before us which amends the Constitution to require a balanced budget.

Mr. President, the projections that I have cited assume that interest rates stay within the projections that CBO assumes.

Now what would happen if, as in the past years, we would see a substantial rise in interest rates? In this past year alone, long-term interest rates on Federal borrowing was 1.3 percent higher than the CBO forecast of a year ago. So clearly, CBO makes a forecast and we rely on that forecast in making budgetary judgments.

But since the Federal Reserve raised interest rates sevens times in the past year, Government borrowing costs were higher than CBO assumed. As a result, over the next 5 years the Federal Government will have to spend $143 billion more than CBO assumed just a year ago. And that is all due to interest on the national debt.

I am going to show you the second chart, Mr. President, because I think it makes my point.

What we see here is a projection of our debt service cost if—if—interest rates continue to rise. We saw the Fed come up with the seventh increase on

Wednesday. Now, if we look at the bottom line, it shows the current CBO projection with interest rates on 10-year notes averaging between 6.7 to 7.7 percent. Under that, the lowest scenario, interest payments will increase from $235 billion in 1995 to $310 billion by the year 2000. However, if interest rates rise by merely 1 percent, just 1 percent through this period, we will have to pay $175 billion more in interest; by the year 2000 our interest bill would be $50 billion higher or a total of $360 billion.

The next line, Mr. President, shows what would happen if interest rates are 3 percent higher than projected. Now mind you, the first one was 1 percent, now we go to 3 percent. Under this scenario, by the year 2000 our interest bill annually would be $460 billion if interest rates are in the 9.7 to 10.7 percent range. That is not unheard of by any means.

Now, if that happened, interest on the debt would be the single—the single—largest expenditure in the Federal budget.

I was a commercial banker, Mr. President, for 25 years. Interest is like having a horse that eats while you sleep. It goes on and on and on.

If interest rates turn out to be 3 percent higher than projected, in the year 2000 interest costs would exceed Social Security payments by $27 billion. Interest costs would exceed combined Medicare-Medicaid spending by $25 billion. And interest costs would exceed our national defense expenditure, all of it, in that year by an astounding $156 billion.

(Mr. ASHCROFT assumed the chair.)

Mr. SIMON. Will my colleague yield?

Mr. MURKOWSKI. I am happy to yield briefly, without losing the floor, because I am wandering through this chart.

Mr. SIMON. I want to point out that the Senator's figures are conservative figures. For my friends who are new, they may not know that our colleague from Alaska is a banker by background.

But the Senator starts off with net interest. For example, he starts off with a $225 billion expenditure here. The net interest is something that administrations like to use rather than the gross interest because it makes it look better. In no other field—in the Justice Department; for example, we do not say, ''Well, they took in so many dollars in fines and, therefore, we should subtract that from the total of the Justice Department expenditures.''

The gross interest expenditure—and I have to give credit to my colleague, FRITZ HOLLINGS, for educating me on this—the gross interest expenditure this fiscal year is $339 billion. So the figures that my colleague from Alaska is using, those are conservative figures and I thank him for his contribution.

Mr. MURKOWSKI. I thank my friend from Illinois for his comments. He has been the leader in the balanced budget amendment for a long time, and I commend him for his commitment and dedication because I know, to some extent, the issue has been somewhat like rowing uphill until this year and truly the public has said, ''Wait a minute. This simply cannot go on.'' We have an obligation to address it, and I am pleased to join with him in that debate.

Let me conclude my remarks, Mr. President, by referring to the top line. The top line is rather interesting, because, as we know around here, many of our agencies have a worst-case scenario. The EPA has a worst-case scenario, the Corps of Engineers has a worst-case scenario. This is the worst-case scenario on the chart simply because we did not want to make another worst-case scenario. We could have.

But the top line shows our interest bill if interest costs were 5 percent higher than the CBO projects, only 5 percent higher. That would assume interest rates would be 12.7 percent. We can all remember interest rates at 12.7 percent. As many of my colleagues know, it is not without precedent for interest rates to go that high.

When I came to the Senate in 1981, the prime rate in this country, in case we have forgotten, Mr. President, was 20½ percent; 20½ percent was the prime rate. So when we talk about potentially a 5-percent interest rate increase, higher than CBO projections, for an effective rate of 12.7 percent, we are not being unreasonable in our projection.

Now, I do not expect interest rates to take such a rapid jump. However, if they did rise that high, our interest bill over the next 5 years would be $885 billion higher than projected, and the single-year cost of interest in the year 2000 would be $560 billion.

Now, to imagine how large that amount would be, I would note that all discretionary spending, all discretionary spending—defense, education, highways, criminal justice, on and on and on—is projected to cost $585 billion, barely $25 billion more than the projected interest bill in the year 2000, if interest rates spike upward.

If I were looking at the balance sheet, Mr. President, I would say we are broke. We are broke now. We do not admit we are broke. But the balance sheet simply shows if we are borrowing to pay interest on our accumulated debt, we are broke. We cannot meet our obligations. We are subject to the shifting wind of international investment, because international investment is what funds our debt. They are buying our notes, our bonds, our obligations.

A minor change of economic policy in Bonn or London, or even an earthquake in Japan has a direct effect on what the United States Government has to pay to service this unending sea of debt. Can anyone imagine what would happen if the owners of our debt—the owners of our debt are the people out there, firms, mutual funds, that hold this debt, and 18 percent of the debt is held by foreigners—what if they called the debt in and said, ''Hey, we do not want to renew it. We do not want to rewrite it. We want you to pay up. We will not buy any more of your debt.'' They called in 18 percent, just $300 billion or maybe a little more, $500 billion of our debt. How would we pay the owners off? How would we pay the principle when we are borrowing to pay interest?

We could not, unless we inflated our dollar to the point that what a dollar buys today would be actually worth 50 cents or less tomorrow. And that is inflation. We have seen it. After the First World War in Germany, the citizens ran around with a wheelbarrow full of nearly worthless marks to buy a cup of coffee.

We have already seen what happened the other day in Mexico where we had a collapse of the monetary system. We saw fit to use a monetary stabling fund that we had since we came off the gold standard in 1934, to commit some $20 billion to a $46 billion loan guarantee.

Well, Mr. President, there was a warning signal of what can happen when debt gets out of hand. I have mentioned Mexico several times, but I would not attempt to even compare our two economies, for ours is far healthier, far stronger than Mexico. There is no comparison between the importance of the dollar and that of the peso in world currency markets.

I note that Mexico's crisis is a crisis of too much debt, and lack of investor confidence. It is simply that simple. The result of that crisis is that Mexico last week had to pay 25 percent interest to roll over a small portion of its international debt—25 percent interest. Well, 25 percent, in 4 years, 100 percent. The only way to get out from under this sea of red ink is to adopt—in my opinion and that of many on this floor—the balanced budget amendment.

The public knows, they understand that no family or business can survive very long when year in and year out the principle of the debt grows and all of its borrowing is dedicated to pay off the interest that the debt holders hold.

As we begin this debate, we should not forget that a point or two or three change in the interest rates can absolutely devastate our projections and, as a consequence, our capacity to effectively govern and spin our Nation's economy into a spiral of bankruptcy.

So, Mr. President, I urge my colleagues to break with the past and begin moving this Government away from the verge of bankruptcy. And those who have doubts about the appropriateness of this balanced budget amendment, please reflect on what these figures mean. Some say we learn by history and others say not much. Let Members recognize the reality. We did not have the self-discipline to address this. It has been proven by our inability each year to bring our revenues in line with our expenditures.

Others have said that we cannot do this until we spell out what the cuts are going to be. We saw the same extended debate year after year on what to do with the military bases. And we finally concluded that the only way to address base closings was to put together a commission. The commission would evaluate the priorities, and we in this body would vote up or down on the Commission's recommendations.

With the balanced budget amendment, it is the same set of circumstances, Mr. President. To try and spell out first what the cuts will be is simply a copout. We do not have the self-discipline. If those who say, well, this is a very dangerous proposal to mandate a balanced budget because it may affect some of our social programs, I would ask them to reflect on the reality if we do not maintain a healthy economy, a monetary system that is stable, that provides confidence, how in the world are we going to meet those obligations if there is a breakdown in investor confidence, a collapse of our monetary system, because of one single thing—too much debt.

It has happened in South America, time and time again. It has happened in Mexico. Canada is paying over 20 percent of their total budget in interest on their debt. They have a government health care system that is costing them more than their initial projection. They are among the most heavily taxed population in North America. They are facing a monetary crisis because they have nowhere to go. They cannot generate more revenue in order to float more debt. They have to pay more interest, and the consequences, Mr. President, are extremely significant and extremely severe.

So, I would ask my colleagues to reflect on this reality as we consider this issue. The previous posture that we have had of increased debt has been fraught with inability to bring together the reality associated with any fiscal matter, and that is revenue balancing expenditures. We have that set of facts today. We are not living up to it and we have little opportunity other than to take this measure which may seem extreme to some.

Mr. President, I have no further remarks. I know others are anxious to speak. But I wonder if I may be granted 30 seconds under morning business to simply introduce a technical amendment.

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

Mr. MURKOWSKI. I thank the Chair.

AMENDMENT SUBMITTED TO S. 333

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to speak for the purpose of submitting an amendment to legislation within the jurisdiction of the Senate Committee on Energy and Natural Resources.

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

Mr. MURKOWSKI. Mr. President, I send to the desk an amendment to S. 333, the Department of Energy Risk Management Act of 1995, and ask unanimous consent that it be printed as a Senate document.

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

Mr. MURKOWSKI. I yield my remaining time, and I thank my colleague for the courtesy he extended to me.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

Mr. HATCH. Mr. President, I will not be long. I just wanted to make a couple of points on the balanced budget amendment debate.

I want to mention today's New York Times, February 3, an article entitled "Clinton's Budget Falls Well Short of G.O.P. Demands;" subtitle "No Balance by Year 2002," another subtitle, "His Message Foresees Deficit of About $190 Billion Each Year for Next Decade." It is by Robert Pear. It is a very interesting article:

WASHINGTON, Feb. 2.—President Clinton will propose $1.6 trillion of spending in his 1996 budget, and he would more than offset the cost of a middle-class tax cut with savings in other areas of the budget. But he still falls far short of Republican demands for a balanced budget in the year 2002.

Mr. Clinton's budget request, to be submitted to Congress on Monday, shows a deficit of $196.7 billion for the 1996 fiscal year, up slightly from the $192.5 billion that he projects for this year. Although his Budget Message boasts that his economic policies have sharply reduced the deficit from record levels, he says the deficit will probably stay in the range of $190 billion through 2005.

Mr. President, I ask unanimous consent the full article be printed in the RECORD.

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

CLINTON'S BUDGET FALLS WELL SHORT OF G.O.P. DEMANDS—NO BALANCE BY YEAR 2002

HIS MESSAGE FORESEES DEFICIT OF ABOUT $190 BILLION EACH YEAR FOR NEXT DECADE

(By Robert Pear)

WASHINGTON, Feb. 2.—President Clinton will proposes $1.6 trillion of spending in his 1996 budget, and he would more than offset the cost of a middle-class tax cut with savings in other areas of the budget. But he still falls far short of Republican demands for a balanced budget in the year 2002.

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The budget is always a political document, and a theme of Mr. Clinton's 1996 budget is that he wants to "work with Congress," now controlled by Republicans. Indeed, he appears to be in a race with them as he tries to eliminate or consolidate programs or transfer them to the states or to private industry.

Parts of the Clinton budget echo Speaker Newt Gingrich, "The American people remain deeply dissatisfied with how their Government works," the budget says. "Many programs, perhaps even whole agencies, have outlived their usefulness."

In confidential galley proofs of the budget, Mr. Clinton says he can "save $2 billion by ending more than 130 programs" and "provide better service to Americans by consolidating more than 270 other programs."

For example, he asks Congress to abolish the Interstate Commerce Commission and to eliminate the role of the Army Corps of Engineers in smaller projects like the control of beach erosion, "local flood protection" and the construction of recreational harbors.

He says private meteorologists should take over some functions of the National Weather Service. He would rely on private businesses to track and communicate with spacecraft like the space shuttle. And he asks Congress to terminate 37 small "low-priority" education programs.

But budget documents show that Mr. Clinton will propose a major increase in his national service program, Americorps, which has been denounced by Mr. Gingrich as a form of "coerced volunteerism."

The number of participants, now 20,000, would rise to 33,000 at the end of this year and 47,000 next year under Mr. Clinton's proposal. For the corps' parent agency, which operates several volunteer programs, he requests $1 billion in 1996, an increase of $290 million over this year's appropriation.

Mr. Clinton says his economic policies have slashed the deficit from the record $290 billion in 1992. Still, his proposals would require additional Federal borrowing of nearly $1 trillion over five years, and the Federal Government would spend $194 billion more than it collects in revenue in the year 2000. Mr. Gingrich's Contract With America calls for eliminating the deficit by 2002, but the Republicans have not specified the cuts needed to achieve that goal.

The President's $1.6 trillion budget for 1996 breaks down this way: $262 billion, or 16 percent of the total, for the military; $351 billion, or 22 percent, for Social Security; $271 billion, or 17 percent, for Medicare and Medicaid, and $257 billion, or 16 percent, for interest on the Federal debt, the accumulated total of Federal borrowing.

Only $21 billion, or 1.3 percent of the total, is for foreign aid and other international activities.

The President and the Republicans have agreed that Social Security is off limits in their quest for savings, and Mr. Clinton has said that he will not tamper with Medicare, the Federal health insurance program for people who are elderly or disabled.

That means that a large share of the cuts must come from domestic programs subject to annual appropriations: activities like law enforcement, scientific research, highway construction and environmental protection. These account for $266 billion, or 17 percent of the budget.

The remainder—$184 billion, or 11 percent of the total—is for benefit programs like welfare, food stamps, Civil Service pensions and veterans' benefits, which are automatically available to people who meet certain eligibility criteria.

In his Budget Message, Mr. Clinton says: "Now that we have brought the deficit down, we have no intention of turning back. My budget keeps us on the course of fiscal discipline by proposing $81 billion in additional deficit reduction through the year 2000."

Mr. Clinton estimates that his tax cut, including a new tax credit for children and a new deduction for college expenses, will cost the Treasury $63 billion over five years. But he says, "I am proposing enough spending