

the surplus in the Social Security trust fund. I think that is evident, and it is evident by the fact that it came up in discussion but has not been, I think, fully understood.

Having said that, I do not agree. I did not agree and I disagree with those on this side of the aisle who, I think, made some very good political points by talking about the looting and the raiding of Social Security. Certainly, I think that was not the intent of all but one of the Members on that side of the aisle who voted for the amendment. It certainly was not the intent of this Senator. But I recognize that it was a good political argument to make.

I do not believe that any of us who were supporting a constitutional amendment—I can only speak for myself, but I have some knowledge of the thinking that went on of others who were supporting this—that we were simply saying we were not raiding anything. We were simply recognizing the fact that some people do not understand; and that is that the Social Security trust fund is presently invested in T bills, securities of the United States of America fully backed with the faith and credit of the United States of America, and there is no way that we could or should raid those funds to balance a budget.

Another way of saying that is a book-keeping procedure, because clearly the law says that we cannot invest trust funds, especially Social Security trust funds, but all trust funds, we cannot invest them in the stock market or other speculative propositions, only in Government securities, basically T bills. So there was no raid on Social Security in the actual sense of the word.

Let me simply ask, where do we go from here? It seems to me, although the balanced budget amendment would have given us the discipline that I think is necessary—it is not there for many and varied reasons—therefore, that we should press on very aggressively to begin to balance a budget now without the constitutional amendment, as most of us said we hope we could do.

I probably think the best way out of this is simply pass a resolution that the Budget Committee should report out, according to present law, by April 1, a budget that will balance the budget by the year 2002, or whenever. I will simply point out that the present law clearly states that you cannot use the Social Security trust fund to balance a budget. So I hope that possibly we could pass a resolution directing the Budget Committee to come out with a balanced budget amendment, notwithstanding the fact at least of now we are not going to put it in the Constitution, there is no reason why we should not press forward.

I simply say I think people of good will should put politics aside now and try to work toward balancing the budget the only way we have available to us at the present time, and that is the will, the good fellowship and support of the men and women who serve on the

Budget Committee; direct them to come forth with a balanced budget amendment by some period of year, hopefully 2002, that could balance a budget the way we have to balance a budget in the absence of a constitutional amendment to do so.

I thank the Chair, and I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Alaska.

EXTENSION OF MORNING BUSINESS

Mr. MURKOWSKI. Mr. President, I believe morning business was to expire at 1. I ask unanimous consent that morning business be extended until 2 p.m., under the same arrangement that was initiated for the previous morning business schedule.

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

MANDATE OF SELF-DISCIPLINE

Mr. MURKOWSKI. Mr. President, I would like to reflect on what I consider a reality. It seems to me that we have managed to do it again. We have put off taking the medicine necessary to correct the accumulated deficits that we have been running because we have again refused to impose a balanced budget mandate in our Constitution. Let me just reflect a little bit on how this body seems to work with unsolvable problems.

We all remember the extended debate on base closures, the fact that we could never agree whose base would be closed. So we finally consented to bring about the creation of a commission staffed by knowledgeable people who would independently evaluate priorities of base closures. The Commission would examine all relevant evidence presented by the individual military services and then make specific recommendations on a package. Congress would then be given the opportunity to vote up or down on that package.

We saw what happened to that Commission yesterday. We voted unanimously to extend the Commission because it has worked. It worked simply because the other alternatives did not work.

I am kind of a bottom-line person, Mr. President. It seems to me that we have attempted to address our deficits by statute in the past. You remember back in 1985, we had Gramm-Rudman I. And it was our conviction that this would bring about control of runaway spending and it would bring about an end to the continued deficits.

Under Gramm-Rudman I, we were going to have a zero deficit by 1991, at least we were supposed to. Then we had Gramm-Rudman II in 1987. That was supposed to bring about a zero deficit by 1993. It did not work. Then we had the 1990 budget agreement and that was supposed to bring about the de-

cline of the deficits. Under that agreement, the deficit was supposed to be \$83 billion. In reality, the deficit for 1995 is more than 100 percent higher—\$205 billion.

If we look at our short history relative to trying to correct this matter since 1985, one has to come to the conclusion that statutes do not worked.

I was somewhat amused by the editorial in the Washington Post this morning which suggested that amending the Constitution was the wrong way to do it; we have the capability to do it and, therefore, we should do it. But the fact remains, Mr. President, we did not do it then and we have not done it now. It simply is not going to be addressed. I think the attitude of the American people is that we simply do not have the self-discipline to reduce spending, we do not have the self-discipline to reduce the rate of growth of entitlements, we have simply left the entitlements on automatic pilot.

I reached the conclusion some time ago—and this is the basis for my support of the balanced budget amendment—that since nothing else has worked, this obviously would bring about a mandate to the Congress, and that mandate would be self-discipline.

There is one other factor that I think is important, and that is how the American people are going to view this. Social Security has been mentioned, but it would seem to me that the people of retirement age that are dependent on Social Security, and those who are about to be, have a conscious awareness of the realities associated with the monetary system of this country. We can look at Mexico and see what happened—too much debt.

I do not know, Mr. President, if you have observed what is happening in Canada, but 29.6 percent—29.6 percent—of the Canadian budget is interest on their debt. That is nearly one-third.

We are running deficits each year, Mr. President, but the difficulty with it is that the interest on the accumulated debt now is more than the deficit. So the reality of this action, or lack of action taken by this body is really one that has to be addressed.

Mr. President, I think we have a situation where we have to recognize we do not have the self-discipline to eliminate the deficit. Our monetary system, as we know it, is very much at stake. We should have given the American people, through their State legislatures, the opportunity to decide whether the Constitution should be amended. It takes 38 States to amend the Constitution. There would have been a great debate.

I think by not giving the American people the opportunity to be heard on this matter, we have done a great disservice to them and to ourselves, and we have not corrected the problem that has been addressed in this body over the last several weeks. I think that is, indeed, unfortunate.

I thank the Chair.

(The remarks of Mr. WARNER pertaining to the introduction of S. 496 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE MEXICAN PESO

Mr. BENNETT. Mr. President, I rise to discuss a situation that has been before us in the Chamber previously.

We were all caught with some surprise earlier this year when the Secretary of the Treasury and the Chairman of the Federal Reserve Board came before a group of Members of Congress, House and Senate combined, to tell us of the crisis in Mexico and to ask for our support for a proposal to extend \$40 billion in loan guarantees to the Mexicans.

My initial reaction to that proposal was one of support, as were the reactions of the leadership of both parties in both Houses. Mexico is enormously important to the United States, economically and culturally. In addition, if we want to become crass about it, there are some 750,000 American jobs that are in jeopardy if the Mexican economy should collapse. It made sense for the United States to do what it could to reach out to the Mexicans and try to support their economy, and I supported the administration's request.

As we got into the details of the deal, however, it became clear to me, as it did to a number of other Members of Congress, that the \$40 billion loan guarantee was not a good deal, and we advised the Treasury of that. We urged them to come up with some alternative proposals, and they did. To their credit, they listened to the Congress and they proposed the second deal which I stood on this floor and endorsed in principle. It involved \$15 billion from the Exchange Stabilization Fund and \$5 billion under control of the Federal Reserve for a total of \$20 billion in American money and the rest from international sources.

I praised that deal because it increased the participation to include other governments besides our own, and it injected the expertise of the Federal Reserve Board into this circumstance which was not directly the situation previously.

I was forced to come to the floor to express some reservations in a later speech about how this deal was being put together. When it was finally announced and the specifics were signed in the White House, I was shocked, and quoted as being shocked in the national press, by the statement by the Mexican Minister of Finance, Mr. Ortiz, who said we will use this money to shore up our banks, to put more capital into the Mexican banks. That was not what I had understood the deal was going to be. I said I hope it works, but I still think the thing we should do is to get the Federal Reserve Board involved in extinguishing pesos.

Well, Mr. President, Mexico is back in the headlines with the news of the

arrest of President Salinas' brother, the accusation being that he profited improperly and enormously from the privatization program that went on under President Salinas, and then the occasion of his arrest on the accusation that he had a hand in the political assassinations that took place in Mexico that helped upset the stability of that nation.

I had dinner just the other evening of this week with people who are doing business in Mexico who say that the economic conditions there are worse than they were in 1981. For those who may not remember the 1981 devaluation, the peso prior to that devaluation was trading at 3 to the dollar. By the time they finally eliminated that peso and replaced it with the new pesos, it was 3,000 to the dollar. And again I say, people doing business in Mexico now are saying it is worse than it was in 1981.

The Mexican Government is still printing pesos as if they had not learned the lessons of 1981 and the lessons of the recent devaluation. I see no action on our part by the Federal Reserve Board to try to extinguish pesos. Perhaps that is logical. If the Mexicans are going to continue to print them, the Federal Reserve Board obviously should not be involved in trying to soak them up.

More in sorrow than anger, I come to the floor now to say it is my opinion that this attempt, well meaning and one which I supported, to aid the Mexicans in their hour of great distress is failing. I stand ready, if the Treasury is interested, to make continued recommendations as to what might be done. But I hear these stories about the assassinations, the breakdown of Mexican political institutions, and the information that the central bank and the Mexican Government are continuing to print pesos, and I find myself distressed and discouraged at the prospect. It is not a pleasant one. If our neighbors immediately to the south go back into the abyss of the economic disasters that they went through in 1981, it is not just they who will suffer; we in this country will suffer, and I am filled, as I say, with distress and anguish that the American attempt to help them for whatever reason has failed.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I ask that I be permitted 2 or 3 minutes to say to my distinguished colleague from Utah that I wish to associate myself with the remarks he has just completed. I have been counseling with him some several weeks now on this subject, and I would like the Senate to know how much time the distinguished Senator from Utah has devoted to independent analysis and research of this subject. I, too, from the very beginning was deeply concerned with the propriety and the manner in which the United States addressed this issue. To date,

I have not been able to ascertain enough facts to enable this Senator to reach a final conclusion. However, I am concerned that the actions that our Government has taken will benefit many people who were involved in this transaction from the beginning for purpose of making unusual profits as a consequence of the high interest rates involved.

I also regret that Congress did not become more involved, that time was not permitted to allow hearings so that we could have had a better understanding of the facts. I firmly believe that Congress should have participated in making the decision on this important matter.

I will continue to work with my distinguished colleague from Utah and others to assess this situation in hopes that someday we can provide for the American people and others a complete set of facts as to how this crisis occurred, how it was addressed, and who was to profit and who was to lose.

We have all expressed our compassion and concern about the people of Mexico. Indeed, there is no one who does not feel a desire to help them. That was expressed by the recent action of the Congress, and indeed the President, in certain trade agreements. However, this particular situation still has a large element of mystery that must be resolved in a manner that the American people fully understand.

I thank my colleague.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak out of order and that I may speak for not to exceed 30 minutes.

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

THE SENATE AND THE CONSTITUTION

Mr. BYRD. Mr. President, I have come to the floor and waited because other Senators wanted to speak, and they were conforming themselves to the order providing that Senators may be permitted to speak for not to exceed 5 minutes. I did not want to attempt to go ahead of anyone who had been waiting. I believe the time has come, now, when I will not be imposing on other Senators who have wished to speak.

I was also told that the distinguished majority leader wanted to come to the floor. I talked with the assistant majority leader and he indicated that he felt Senators would soon have completed speaking so that I would have more time.

Mr. President, Kipling was a great British poet. One of his great pieces of poetry is "The Heritage." If I may at this moment just recall a couple of verses of "The Heritage."

Our fathers in a wondrous age,
Ere yet the Earth was small,
Ensured to us an heritage,
And doubted not at all