



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142

WASHINGTON, MONDAY, JUNE 3, 1996

No. 79

House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, June 4, 1996, at 12:30 p.m.

Senate

MONDAY, JUNE 3, 1996

The Senate met at 1:30 p.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Almighty God, source of all that we have and are, forgive us for taking Your blessings for granted. We go to sleep at night fully confident that we will awake the next morning, but often we do not praise You for the wonder of being alive. We rush into the day on our high horse and then ride off in all directions without thanking You for each day brimming full and overflowing with Your goodness. We presumptuously assume that we are in control of our lives, others, and circumstances. So much of what we think we accomplish alone is really the result of what You plan for us out of sheer grace, and give us the strength to attempt. We are so quick to take the credit. Life soon becomes horizontal and flat with faithless familiarity. Then into the blandness of this drift into self-help humanism, we hear the challenge Sursum Corda: Lift up your hearts. Carpe diem: Seize the day. Life is a privilege to be lived to the fullest in serving with humble gratitude. Remind us that we could not breathe a breath, think a thought, or work creatively this day without Your permission and Your power. Now we are ready for a new week of opportunities and challenges. In the name of our Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

Mr. LOTT. Thank you very much, Mr. President.

PROGRAM

Mr. LOTT. The Senate will be in a period of morning business today until the hour of 3:30 p.m., with Senators permitted to speak for up to 5 minutes each. The first 90 minutes of morning business will be under the control of Senator COVERDELL of Georgia, or his designee, and the last 30 minutes will be under the control of Senator DASCHLE, or his designee.

At 3:30 today, the Senate will resume debate on a motion to proceed to S. 1635, the Defend America Act. No roll-call votes will occur during today's session but as a reminder there will be a cloture vote on the motion to proceed to S. 1635 at 2:15 p.m. tomorrow. If cloture is invoked on Tuesday, it is the hope that we may begin consideration of the defend America legislation and hopefully complete action on that important bill in a reasonable timeframe.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. DEWINE). Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a

period for the transaction of morning business not to extend beyond the hour of 3:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Under the previous order, the first 90 minutes shall be under the control of the Senator from Georgia [Mr. COVERDELL].

The Senator from Georgia is recognized.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. COVERDELL. Mr. President, we will soon once again cast a historic vote on a balanced budget amendment to the Constitution. It will be a historic vote. It will be a defining vote. Given the experience of the last 26 years, \$5 trillion in debt, interest on debt that will soon exceed Defense Department spending, it is certainly an appropriate matter for the Senate to consider.

I will not prolong my remarks right now, but, Mr. President, I will yield up to 10 minutes to the distinguished Senator from Mississippi, if I might.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the Senator from Georgia for having this time for us to discuss this very important issue.

For many years, I have supported the constitutional amendment for a balanced budget. The American people

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



Printed on recycled paper.

S5657

have overwhelmingly indicated repeatedly that they support a constitutional amendment for a balanced budget. I guess it would be just as well, maybe better, if we had in fact been balancing the budget every year over all these many years going all the way back, I guess, to 1969 when we had a last annual balanced budget.

There have been some very serious, some very credible efforts to come up with a balanced budget over a period of a number of years. Last year, the Congress passed a balanced budget resolution that would have balanced the budget in a 7-year period of time, with the plan to get that job done. Of course, that one was vetoed by the President. There have been other instances where we started toward controlling Federal spending. We had that effort in the early 1980's when President Reagan was in the White House. We had the Gramm-Latta bill that reduced spending by several billions of dollars and then after about 1982-83 the numbers, the spending by Congress started going back the other way.

And, of course, we had the Gramm-Rudman procedure whereby if we did not actually balance the budget each year, there would be an across-the-board cut known as a sequester. This had an impact for a year or two, and then every time Congress would get up to the point where they were going to have to make decisions or allow sequester or cuts to go into effect, Congress backed away from it, just moved the dates until finally it was rendered useless.

So there have been some good efforts, but the fact is it has not been accomplished. But yet almost every State in the Nation balances its budget every year. Even a poor State like my home State of Mississippi every year balances its budget.

Why is it? It is because the constitutions at the State level require it. You cannot have deficit spending in so many States. A few of them that do not have it in their constitution do it anyway. Some of them I guess have it in their constitution and may violate what is required. But for the most part I believe that is the fundamental difference.

It is time the Federal Government lived within its means. I think the simple solution is if you do not have *x* amount of revenue coming in to get the job done, you just make changes. You change priorities. If you do not have it, you do not spend it. It is real simple.

I believe that putting this balanced budget requirement in the Constitution is the responsible thing to do, and it is the mechanism that will guarantee that Congress, working with the President, would have to do the responsible thing, and that is balance the budget each year.

A week ago, Mr. President, I joined Senator DOMENICI and others in writing President Clinton one last plea that he support the balanced budget amendment to the Constitution. That is what

we need. Last time we had this vote, we were one vote short in the Senate—just one vote. And there were at least six or seven Senators who had voted for a constitutional amendment for a balanced budget in the past but switched and voted against it last year. So there is a pool of Democrats that could be convinced, and I thought that a plea from the President would make the difference.

So far his reply has been silence, and that is disappointing, but it is not entirely surprising. But if he really agrees that we should have a balanced budget, which he has said that he does, then we need his help. Both as a candidate and as Chief Executive, President Clinton has talked a good fight about balancing the Federal budget. But when it comes to the one legislative veto that can get the job done, he has not been very helpful.

It is often said that the Federal Government and the taxpayers, more important, are drowning in red ink. That is a good metaphor, but it needs one addition. That addition is President Clinton standing at the edge of the red ink ocean, feeling the pain of those who are drowning while holding behind his back the only available life preserver. This is that available life preserver. That is the balanced budget amendment. It is the only way that we have, that I have seen, to pull our children and our grandchildren out of the sea of Government debt. It is the only means we have to force Government to live within its means.

An old song reminds us that "It don't mean a thing if it ain't got that swing." By the same token, no amount of Presidential rhetoric about a balanced budget means a thing if we do not pass a balanced budget amendment. Opponents of the amendment know that and have known it all along. That is why they have been willing over the years to give lipservice to the goal of budgetary balance and even to endorse the balanced budget amendment itself as long as there was no immediate prospect of its passage.

Now, I think a lot of credit goes to the Senator from Illinois; he has worked hard in actually trying to get this done. There are many who have said they would vote for it, but when it got to the time actually to vote for it, decided they better change their mind, especially last year when they saw it was about to pass.

Then came the elections of 1994. The old order sort of shattered and the political landscape was transformed with the new majorities of both the House and Senate.

Almost overnight, a balanced budget amendment was not just talk anymore. Clear majorities in both Chambers of Congress had pledged to vote for it. So the angry and aroused, energized electorate was finally going to get some action, action it had been seeking for a long time. That is what the American public thought was happening.

But we were entering a period of second thoughts, a time when many Mem-

bers of Congress revised their official positions on the balanced budget amendment. I already pointed out that six Senators who had voted for it in the past switched last year and voted against it. That was the key in its defeat.

That is why I, along with others, are now publicly calling on the President, appealing to the President, to step forward and help us with this vote this week.

I hope that we will have another vote on the constitutional amendment requiring a balanced budget this week, probably on Wednesday. If we could pick up just another couple of votes, the job would be done. The President can help us by making those contacts.

I give the President his due. Whatever his problems with the American public may be, it is clear he wields tremendous clout with congressional Democrats, especially here in the Senate. Time and again his allies in this Chamber have come to his rescue, blocking bills that the White House did not want to have to deal with. Actually, it has been a remarkably synchronized operation—a real tribute.

But, if you look at what is happening right now in the Senate, bill after bill after bill is being hung up by filibusters or failure to agree to procedures to allow those bills to be voted on. The White House Travel Office legislation is still, in effect, pending before the Senate. A taxpayers bill of rights No. 2 is pending and awaiting action. Repeal of the 4.3-cents-a-gallon gas tax is waiting for action. Many bills that the American people support overwhelmingly and deserve to have passed are in limbo here, and that has been the case with the balanced budget amendment.

The letter we sent to the President last week asked him to address this issue in his Saturday radio address, to rally support for the amendment. In candor, we felt obliged to warn that, "[f]ailure to do everything in your power to win this vote would send a clear signal to the American people * * *" that he really did not want this balanced budget amendment to pass, even though he has said nice things about it in the past. Thus far, we have not heard from the President. He did not endorse the amendment in his Saturday radio speech and he has not lifted a finger, the best I can tell, to help us pass the amendment through the Senate so the American people can decide.

Remember this, even if we passed it here in the Senate after it has already passed in the House, it still would have to go to the American people so the various State legislatures could vote on ratification in that amendment process. Should we not at least let the American people, through their State legislatures, have a chance to express themselves, to vote on this issue? So that is all we have been asking, is to allow us an opportunity to take up this amendment, debate it, vote on it, and hopefully pass it on to the States for them to pass judgment.

Opponents of the balanced budget amendment tend to ignore that part of the constitutional process. Instead, throughout the Senate's year-long debate on the amendment, they have come up with a number of red herrings. We have been told the amendment would imperil Social Security, it would devastate crucial domestic programs, that it would require tax hikes, and that it might hobble the Government in times of national or international emergency.

Do opponents of the amendment seriously believe that three-quarters of the State legislatures would ratify a constitutional amendment that was going to harm Social Security? Would the Senate? Would the U.S. Senate vote for that? I don't think so. I know I would not.

Do opponents of the amendment really think that 37 State legislatures would adopt an amendment that in any way cripples Government in times of crisis? Of course not. I think the opponents of the balanced budget amendment realize those arguments are, at best, irrelevant and, at worst, false. I guess we should be relieved they have not blamed the amendment for Britain's "mad cow" disease or global warming, but there is still time before the vote and we may hear that.

Since these are all false arguments blocking this amendment, I urge that we take them up, debate them seriously here in the next 2 days, and have a vote on this constitutional amendment.

Since those are all false reasons for blocking the amendment, why are its opponents so determined to kill it here in the Senate, before the States can even have a say in the process? I think the answer is obvious. The amendment is indeed a danger, a peril, and a threat.

It endangers the entrenched interests that have called the shots in official Washington for most of the last half-century. It imperils the network of lobbies whose reason for existence is bigger and fatter Government budgets. It threatens to derail the Federal gravy train and make its relaxed riders walk for a change.

They cannot survive under a balanced budget amendment, for it would take away their subsidized pulpits and make them earn their keep in the open marketplace of ideas. They cannot do that, and they know it. They do not have the support of the American people, so they cling to the support of the American Government.

It is why the balanced budget amendment, almost overnight, changed from a bipartisan sure thing to an endangered species. And it is why, when we vote again on the amendment within the next few days, we will probably be two or three votes short of passage. Unless, that is, unless President Clinton steps into the breach and convinces his Senate allies to vote the same way they campaigned: for the amendment and against business as usual in Washington.

The ball is in his court. If the amendment is defeated this time around, the whole country will know who bears the responsibility for its demise.

Mr. President, I ask unanimous consent that the text of my letter to President Clinton be printed in the RECORD.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, May 29, 1996.

DEAR MR. PRESIDENT: You have been telling the American people that you believe we need a balanced budget.

With a decisive vote on a constitutional balanced budget amendment scheduled for the Senate floor the week of June 3, we now have a unique opportunity to exhibit leadership over partisanship for the best interests of this nation and for our children's future.

If you are sincere in wanting a balanced budget, then please use the power of your office to persuade Democrat senators that this is best for our children and our nation. As you know, six Democrat senators campaigned on their support for a balanced budget amendment, but then helped defeat it last year.

Failure to do everything in your power to win this vote would send a clear signal to the American people that you place politics above country. Join us in passing this necessary and historic amendment. We propose that you use your Saturday radio address this week to rally support for the balanced budget amendment, and Republicans will use our response time to echo your message.

Sincerely,

SENATOR TRENT LOTT
SENATOR PETE DOMENICI
REPRESENTATIVE DICK
ARMEY
REPRESENTATIVE JOHN
KASICH

Mr. LOTT. Mr. President, I want to take this opportunity to convey to him something that was not in that letter.

I want to assure him that, even if he succeeds in blocking the balanced budget amendment, he is not going to block Congress' efforts to curb his tax-and-spend approach to Government.

That is the meaning of the budget resolution the House and Senate have already passed. And it will be the clear and frugal bottom line of the appropriation bills we will send down to the White House over the next 4 months.

One way or another, the taxpayers are going to win this fight. President Clinton and his Senate allies can delay that outcome, but they cannot prevent it forever.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Mississippi. I think he has hit on key features relating to the passage of the balanced budget amendment, the first being that this really is in the hands of the President of the United States. He was the reason that six members of his party changed their minds, and his rhetoric can now be the reason to support a balanced budget by speaking out and calling on his side to support it.

I am very pleased that Senator DOLE is fulfilling his promise to the American people and recalling it, even

though the odds against getting over that hill are great.

Now, Mr. President, I yield up to 15 minutes to the principal sponsor of the balanced budget amendment, its long-time and ardent supporter, the Senator from Utah.

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

Mr. HATCH. Mr. President, I rise today to call on the Senate to send the Dole-Hatch-Simon balanced budget amendment to the States for ratification. We will have the opportunity to vote for it again soon. I am hoping that the Senate will respond to the needs of the American people.

President Clinton has fought the balanced budget amendment every step of the way, and I would just like to ask, "Why?" The President says he is for a balanced budget. Yet, I suggest that the opponents of the balanced budget amendment are simply not ready to impose the kind of fiscal discipline on themselves that a constitutional amendment would require. It is tough to stop spending other peoples' money.

Last year he succeeded in blocking the balanced budget amendment. President Clinton won but the American people lost. The American people will lose again if President Clinton has his way this year, if we cannot talk him into helping here. Unless he changes his mind and makes clear his support for the balanced budget amendment we will probably fail one more time.

It is important for our country and our children. The subject matter goes to the heart of our Founding Fathers' hope for our constitutional system—a system that would protect individual freedom through limited government. In the latter half of this century, however, the intention of the Framers of the Constitution has been betrayed by Congress' inability to control its own spending habits. The size of the Federal leviathan has grown to such an extent that the very liberties of the American people are threatened.

The other body has already given its approval to the amendment, so it is up to the Senate to follow and meet the needs of the American people, 85 percent of whom favor a balanced budget amendment. We need to relegate the spendthrift and tax-happy policies of the past to the dustbin of history. This amendment has broad support in the country and among Democrats and Republicans who believe that we need to get the Nation's fiscal house in order so that we can 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 worsening problem of rising national debt and deficits and the increased Government use of capital that would otherwise be available to the private sector to create jobs to invest in our future. 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 their future.

The total national debt now stands at more than \$5.1 trillion. That means that every man, woman, and child in Utah and all of our States has an individual debt burden of \$19,600. While it took us more than 200 years to acquire our first trillion dollars of debt, we have recently been adding another trillion dollars to our debt about every 5 years, and that is shortening as we keep going.

Yet, Mr. President, opponents of the balanced budget amendment claim that there is no problem. They point to the marginal slowdown in the growth of the debt in the last year or so as if it suggested that all our problems are solved. Only inside the Washington, DC, beltway can people claim that we are on the right track while we add to a debt of more than \$5.1 trillion. The President's own 1997 budget predicts that in the year 2000, total Federal debt will be more than \$6 trillion. That means a Federal debt of about \$23,700 per person. Every one of us will owe that much when we get to that point. That is, if the President has his way. This would be nearly a tenfold increase in the per capita debt since 1975.

When we last debated the balanced budget amendment, I gave a daily update of the debt increase as we debated. By the end of the debate, my "debt tracker" was becoming unwieldy, so I have brought down a sort of summary debt tracker to bring us up to date since we began debate on this amendment in January of last year.

As my chart shows, when we began debate on the balanced budget amendment, the debt was \$4.8 trillion. As of this week, it stands at more than \$5.1 trillion. That is an increase of \$320 billion in a little over a year. It is absolutely incredible. Translated into more understandable terms, that means that the cost of the delay in passing this important amendment has been more than \$1,200 for every man, woman and child in America.

Put another way, over the 15 months that have elapsed since President Clinton helped defeat the balanced budget amendment, the debt has increased on average over \$650 million of debt, over \$27 million an hour, over \$450,000 a minute and over \$7,500 every second. This is the price of the delay caused by President Clinton and his allies.

That increasing debt is not just numbers on a chart. 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; diminished productivity enhancement; diminished real wage growth in the private economy; higher interest rates; higher in-

flation; increased indebtedness to and economic dependence on foreign creditors; and an increased risk of default on the Federal debt.

This is fiscal child abuse, and it simply must end.

Mr. President, if one thing became clear during our recent experience in trying to enact the Balanced Budget Act of 1995, it is that we need a constitutional mandate. Some Senators argued during our debate last year on Senate Joint Resolution 1 that we did not need a constitutional amendment to balance the budget. "We know what needs to be done," they said. "We should just do it."

The trouble is that Congress did it and the President did not. But under a constitutional amendment to balance the budget, the words "just do it" would have authority for both elected branches of the Government, both the executive and the legislative branches.

In the year that has gone by since President Clinton helped defeat the balanced budget amendment, the country has witnessed one of the most contentious budget battles in the history of our Nation. President Clinton was willing to let the Government shut down twice before he finally agreed to work seriously toward balancing the budget.

But what guarantee is there that the Federal Government will ever achieve a balanced budget? When the other side of the aisle controlled the Congress, we never had serious consideration of a balanced budget plan. President Clinton never proposed a balanced budget until he was forced to. The budget he first submitted when we debated this amendment last year had \$200 billion deficits as far as the eye could see. Even our colleagues on the other side of the aisle recognized this as an entirely inadequate approach and rejected it. In fact, the President submitted no fewer than 10 budgets in 1 year and a series of attempts to avoid the tough, but responsible, decision to balance the budget.

Nothing shows more clearly how difficult it is to move in the right direction than the last 9 months. Mr. President, we need the balanced budget amendment to lock in the balanced budget rule now, or the future of our children will be bleaker and bleaker.

The proposed constitutional amendment will help us end Congress' dangerous deficit habit in the way that past efforts have not. It will do this by correcting a bias that exists in the system, in our present process, which favors ever-increasing levels of Federal Government spending. The balanced budget amendment reduces the spending bias in our present system by ensuring that, under normal circumstances, votes by Congress for increased spending will be accompanied by votes either to reduce other spending programs or to increase taxes to pay for such programs.

For the first time since the abandonment of our historical norm of bal-

anced budgets, Congress would be required to cast politically difficult votes—one politically difficult vote a year at least as a precondition to casting a politically attractive vote to increasing spending.

Mr. President, the Senate should approve the balanced budget amendment. It is the right thing to do for ourselves and our children and grandchildren, and it will give us back responsible and accountable constitutional Government. If we continue to play around like we have over the last number of years during this administration, with all the mouthing in the world about balancing the budget and all the action in the world not doing so, we are bartering away our future.

Look at this growth of a little over a year—\$320 billion more in deficits. Yet, they sit down there at the White House and act like everything is going just perfectly, like they are making real headway on the budgetary deficit. When this gets up much over \$5.13 trillion into \$6 trillion, the interest against the national debt is going to eat us alive. Then the pressure will be to monetize the debt—that is, print dollars like they did in Germany, where it took a wheelbarrow to buy a loaf of bread, so we can pay off our debt with cheap dollars and basically defraud all the people who rely on the valid well-being of the United States.

We have to face this. This is the time to do it. I hope our colleagues on the other side will get real on this. Everybody in Washington knows, and I think most people out in the country know, that this argument over Social Security is a false, fallacious and ridiculous argument. We have to do what is right now.

I thank my dear colleague from Georgia for leading this matter right now and having people here to speak to this issue.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Utah, not only for his remarks this afternoon, but for the extended effort over the years to produce a sound fiscal policy in the United States in the management of our financial affairs.

I now recognize the junior Senator from Utah for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for up to 10 minutes.

Mr. BENNETT. Thank you, Mr. President. This problem, like the poor, seems to always be with us. I can remember debates about balancing the budget and dealing with the budget deficit that go back 30 and 40 years. In the 1992 election, when President Clinton ran, this was a major issue, primarily because of Ross Perot. Ross Perot raised it, Ross Perot made an issue out of it and Ross Perot, I think, got his finest reaction on the television, when

he was being attacked for his lack of experience, when he responded by saying, "You're right; I don't have experience. I have never run up a \$4 trillion deficit in any of the businesses I have run. I don't know how to do that."

I am not a supporter of Ross Perot. I voted for George Bush and campaigned for George Bush and think the country would be better off if George Bush had won. But I do give Mr. Perot his due for having focused our attention on this issue.

I ran in 1992 as well, so was heavily involved in it. At the time, the deficit was around \$300 billion a year. I remember saying to those people who came to my town meetings and heard me as I was campaigning, "Let me make a prediction. I predict that no matter who wins the election, the deficit will go down, and it will go down fairly significantly, and every politician in Washington will take credit for having made it go down, and none of them will have had anything to do with it at all."

I think I predicted correctly. The deficit has gone down. It is roughly half what it used to be.

Let me remind everybody, lest they fall into the trap of misunderstanding what I am saying, the deficit is not the debt. To say the deficit is half what it was in 1992 is like saying to your teen-aged child, "You're overspending by \$200 a month your allowance, but that's all right because you used to overspend by \$400 a month, so your deficit has been cut in half." No. The debt keeps going up with every dollar of the deficit. But the deficit has indeed been cut in half.

Why was I able to predict that the deficit would be cut in half in 1992 with such accuracy? Two things. As I say, the politicians had nothing to do with either one of them.

No. 1, the cold war is over. President Clinton talks about the number of Government employees who have been severed from Government service since he has been President. He says, "We've eliminated some 270,000 civilian jobs." He is right. Over 200,000 of those are in the Defense Department.

This is the so-called peace dividend that we heard about for so long. We are now at peace. The cold war is over. We are not spending nearly as much on the Defense Department as we used to. We have eliminated some 200,000 jobs of civilians in the Defense Department. As a result of that, the deficit has come down. Did any politician here have anything to do with it? No. In my opinion, the politician who should be most credited with ending the cold war is named Ronald Reagan. And he left town some time ago.

The second reason the deficit has come down is because the savings and loan bailout has been taken care of. I am a businessman. Anybody who has been in business knows what an extraordinary expenditure is. An extraordinary expenditure is something you have to pay that is not part of your everyday activity.

We had to pay hundreds of billions of dollars to the depositors at savings and loan institutions whose money was insured by the Federal Government. These S&L's went under, and while we can prosecute the owners and the managers of the S&L's if they have committed fraud, we have an obligation to pay off the depositors. So the cost of paying those depositors was going through the budget process like a pig in a python—a big bulge. Once it was digested, the python went back to its normal size.

We paid off the last of the savings and loans obligations a year or so ago. Somewhat to our surprise, we found out the properties we were left with, those S&L assets we seized in order to pay off the obligations, are worth more than was anticipated. So we got more in selling those properties than we expected, and we did not have to pay as much as we had expected in the obligations.

Put those two facts together and what do you get? You get a reduction in the deficit short term, one time. That is what I want to emphasize. This reduction in the deficit that was so predictable is a short-term, one-time phenomenon.

Look at the future and you see what June O'Neill, the Director of the Congressional Budget Office, told us in the Appropriations Committee last week; by the time some of the young folks who are here in the galleries observing the Senate operate are into their careers, that is, in the year 2020, 2030, not that far away, if we do not do something about the structural deficit—not this extraordinary expenditure kind of deficit that we had—if we do not do something about the structural deficit, June O'Neill says, at that point the national debt will be 180 percent of gross domestic product.

In other words, we will owe 180 percent of everything we produce in a single year. That is the same as saying, "OK, if you have a \$100,000-a-year salary, you have \$180,000 in debt."

The highest point in our history in terms of our debt was at the height of the Second World War when our debt stood at 130 percent of our gross domestic product. That was when we were at war fighting for our survival. We were willing to risk the debt under those circumstances.

The regular structural debt—that has nothing to do with war, nothing to do with emergencies, nothing to do with drought—in the working careers of the young people who come on their spring breaks and vacations to see us in the gallery, in their working careers you will see the debt higher than it was at the height of the Second World War if we do not do something about it.

We do not seem to be able to do anything about it. We passed balanced budgets. The President has vetoed them. We have come up with ways of controlling the spending. The President has vetoed them. Again and again we have had a legislative fix, and the

answer has been, "We'll deal with that tomorrow." I have said on this floor before, I think the theme song of this administration should be from the musical "Annie" because Annie was always singing about "tomorrow, tomorrow," we will balance the budget tomorrow. It is always a day away.

When we say, let us start today, it is always, well, if you start today, it will start to hurt a little bit, so we will promise to hurt you tomorrow, but we will continue to spend today.

Apparently, the only way to get anybody's attention finally in this circumstance is to put it into our basic law. I have resisted this all my political career. I felt the Constitution should not be tampered with. I am a very reluctant and late-coming convert to the idea of a balanced budget amendment to the Constitution. I am there because I have come to the conclusion that there is, in fact, no other way.

So I join with my colleagues rising on the floor today to say, not tomorrow, today, and not through hopes and pledges and expressions of good intentions, but through writing it into our basic law and putting into our basic structure on which all other laws are built the requirement that we get our financial affairs in order, so that the young people who come to see us can send their children to come to see our children and have the debates over substantive ways to spend the taxpayers' money, instead of being in a circumstance where we have no choices because everything has to go to service the enormous national debt that we are looking at if we do not get this circumstance under control.

For that reason, Mr. President, I join with my colleagues in endorsing a balanced budget amendment and hope that we are successful this week in seeing it pass. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Utah for a very forceful presentation.

I want to reiterate a point, before I yield to the Senator from Idaho, that was made by the Senator from Mississippi when he opened this discussion. He pointed out that this vote is to allow the States to take up the issue of whether or not the Constitution should be amended. The other side does not even want the States to carry on and conduct the debate of this great national issue. They do not want to let it go to the States.

I find that uniquely Washingtonian. "No. We have to keep it all here. We don't dare let the States debate this great issue and make their voices heard." It takes three-fourths of them to ratify this before it would become an amendment to the Constitution.

With that, Mr. President, I yield up to 10 minutes to the Senator from Idaho who, I might add, has also been a

driving force behind the effort to secure a balanced budget amendment to the Constitution.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, let me thank my colleague from Georgia and the Senator from Utah who has just spoken on this fundamental American issue.

Mr. President, I had the privilege of beginning my service to the State of Idaho in 1981 in the U.S. House of Representatives. By 1982, it had become obvious to me that the collective bias, if you will, inside the Congress and elsewhere in the Federal Government, at that time and still today, was largely to spend money, to tax when you had to, but clearly to spend money on those programs that you felt most beneficial to your constituency. And when taxation was not popular, the bias was to go ahead and borrow the money because—that was certainly popular in the 1970's and 1980's and into the early 1990's—if you could bring home one Government program after another and deliver it to your constituency, especially if you did not have to pay for it in the form of taxes, you were just an extremely popular politician and you tended to get reelected year after year after year. Thank goodness the attitude has changed a bit in Congress.

It was in 1982 that I and a Democrat Congressman from Texas, Charlie Stenholm, first introduced, and joined forces in a bipartisan effort to pass, a balanced budget amendment to the Constitution on the floor of the U.S. House of Representatives. At that time, I and others traveled nationwide from State to State asking the State legislatures to petition the Congress for the very right that the Senator from Georgia has just spoken to—the right to speak to the Constitution, the right to amend the very basic document of our country.

From 1982 to 1995, this Congress has been struggling with the fact that they really did want to deny the American people the right to speak their will on their Constitution, to reshape their Constitution, in a very important way, in what it would do to direct, to simply limit, the Congress of the United States and its activities.

In 1982, if you looked at the polls, the public was somewhat concerned about a balanced budget amendment. It was not until the late 1980's when the deficits were soaring to nearly \$300 billion a year that this issue finally became an urgent issue with the American people. Even in a poll today, after 2 long years of struggling with liberal Democrats and fighting to try to balance a budget, the American people, now 83 percent strong, say, "Give us a constitutional amendment for us to speak on, to debate and ratify, that would force the Congress of the United States to balance its budget."

From 1982 to 1996, this issue has become, without question, the most important, single, driving issue in the

minds of the average person out there. That average American believes in a balanced budget, and recognizes the tremendous difficulties that the Congress itself has had in attempting to balance the budget, and therefore believes it will take the weight of the Constitution to balance the budget.

What does it mean in real terms? Mr. President, we talk about a constitutional amendment requiring the Congress to function in certain ways. All well and good. Everybody wants a balanced budget and wants our Government to keep their fiscal house in order. Even this President, who only pays simple lip service to a balanced budget and does not really mean it—we saw between 1992 to 1994 when he was big spender No. 1 and big taxpayer No. 1. Now, of course, because of 1994 and the elections, he has changed his tune a lot. In fact, it is awfully hard to tell who he is these days, but we do know he at least says he is now for a balanced budget. Not for a constitutional amendment. Oh, no, do not force the Government to be fiscally responsible. Just trust Bill. Just trust the President that he will be a responsible public servant, along with the Congress, that for now, 36 years, has been unable to balance its budget. As critical as I am of this President, his own people said in his budget for 1995 that, because of the way Government spends, that future generations are going to look at paying 82 percent of their income into taxation on an annual basis for all levels of Government service and to pay interest on the debt. I cannot imagine any one young person, let alone any adult, who would believe that to be acceptable. Yet the best minds from this Government supposedly say that is a fact, unless we change things.

The National Taxpayers Union estimates a child born today, in his or her lifetime, is going to pay an extra \$180,000 in taxes just to pay interest on the current accruing Federal debt. Those are the people reasons that we ought to do something. Clearly, the ability to keep our fiscal house in order, Mr. President, is of paramount importance to any one American's future and to the future and strength of this country.

The balanced budget bill that the President vetoed this last year would have begun the very important process to lead us to the balanced budget we speak of by the year 2002. What does it mean to the American family if we would have been able to accomplish what the President vetoed on one side and then said he was for on the other? About \$2,400 a year in mortgage payments for a \$75,000, 30-year mortgage. That is significant money. How about \$1,000 on the lifetime of a 4-year car loan? That is big money to an American family. How about \$1,900 on the life of a 10-year student loan? All we have heard from this administration when we tried to adjust the student loan program is that we were cutting the loan program, when we did not cut

loans or eligibility a dime. Yet, they will not balance their budget to give the student who has to pay the interest on the debt that he or she has accrued the benefit of a \$1,900 savings on a 10-year student loan. That is big money to real families, spread across millions and millions of students who need student loans to put themselves through their undergraduate years.

How about 6 million new jobs by the year 2002—just from balancing the budget. And there are other kinds of growth or multipliers in the economy that will occur if we are able to do this. Those are the good reasons. That is why we ought to be balancing the budget.

Now, can we get there without a constitutional amendment? Well, I think everyone watching today, and certainly the American people over the last 2 years, have watched us play the game. Some of us were deadly serious about a balanced budget. I am afraid the other side of the aisle was not at all that interested. We have heard one plan, two plans, four plans, six plans. Oh, there are all kinds of plans to balance the budget. But when that side of the aisle disagrees with this side of the aisle, and ultimately, in the end, with the President's veto standing there over us, balanced budgets simply do not occur because the Constitution does not require them. We have only our ability to work together to solve this, and that is not enough.

I have always been convinced from the very day that I fought for a balanced budget amendment on the floor of the U.S. House in 1982 that we needed the extraordinary power of the Constitution to force the Congress of the United States and those who serve it to be fiscally responsible. We had learned—not this particular Senator, but a good many before him—that there were all kinds of ways to game the system, and in the end you could ultimately tell the American people you were doing one thing when, in fact, you were doing something different.

It does not work that way when the Constitution requires you to respond in a certain manner. Oh, there are those who would say you can just ignore the Constitution. Mr. President, that is one thing that is not ignored around here. In the privileged time I have had to serve the State of Idaho in Congress, I have seen the Constitution is not intentionally ignored. There are times when what we do gets judged by the courts to be constitutionally lacking. When that occurs with a law we pass, we make the necessary decisions and adjustments to change it and bring it back into shape.

Since 1969 we have had 27 unbalanced budgets in a row. From 1960 on, 35 of 36 budgets have been unbalanced. A majority of the American people have seen the Federal Government balance its books only once or never. Yet, when our Founding Fathers created this great country, they did not require this as a constitutional requirement because they simply felt there would

never be a day when the budgets would not be balanced. If they did become unbalanced, certainly, the fiscally responsible Congress would move quickly to bring them back into balance.

Mr. President, let me conclude by saying we will have an opportunity once again to vote on a constitutional amendment to require Congress and the President to balance the Federal budget. I know of no single, stronger way to allow the American people to debate the issue of a balanced budget in every State capital of this Nation, than to allow the legislatures of all of the States to move in the constitutionally prescribed way, and that is to ratify or deny a constitutional amendment—the 28th—to our Constitution, which would require the Government of this country to balance its budget on an annual basis.

I yield the remainder of my time.

Mr. COVERDELL. Mr. President, it is my understanding that the distinguished Senator from Arizona would like to speak on this subject matter. If he is willing, I would be pleased to replace him as Presiding Officer and yield up to 10 minutes from the Senator from Arizona.

(Mr. COVERDELL assumed the chair).

Mr. KYL. Mr. President, I appreciate the Senator conducting this special order, and I appreciate his yielding time for me to speak on the matter of the balanced budget amendment.

I think the case for the balanced budget amendment is now stronger than ever. Many of the critics of the balanced budget amendment in the past have argued that it was unnecessary, that if Congress only had the courage and the will, it could balance the budget and do so without the explicit mandate to do so in the Constitution.

Well, Mr. President, the majority of Congress did finally muster the courage and the will on November 17 of last year when it passed the Balanced Budget Act. For the first time in 26 years, a majority in the Senate and the House approved a comprehensive plan to begin to limit Federal spending and to balance the Federal budget.

But courage and will—and the votes of the majority in the Congress—were not enough to overcome President Clinton's dogged determination to spend beyond the Nation's means. A President committed to big Government can always be counted on to use every tool at his disposal to thwart progress toward a balanced budget, to wear down the courage and the will of even the most steadfast of the deficit hawks.

On April 25, for example, a majority in Congress concluded that it was easier to yield to President Clinton's demand for more spending than to fight for maximum deficit reduction. The omnibus appropriations bill for fiscal year 1996—a bill that I opposed—spent about \$5 billion more than was originally intended. The Senate added another \$5 billion to the fiscal year 1997 budget resolution 2 weeks ago to ap-

pease the President. Granted, the additional spending is offset by savings achieved in other areas. But if Congress had applied those offsets to deficit reduction instead of accommodating the President's demands for more spending, it would be that much easier to achieve the goal of balancing the budget. As it stands, it will be billions of dollars harder to achieve the goal of a balanced budget by the year 2002.

The balanced budget amendment would correctly put the onus on the President in future situations like this. Instead of requiring Congress to muster a supermajority vote to limit Government spending—for example, to override President Clinton's veto of more frugal appropriations legislation—the balanced budget amendment would require the President to orchestrate a supermajority to vote for his proposals to add to the deficit.

Mr. President, this illustrates the problem. It is far easier to spend money than it is to save it. While it will take a supermajority to save taxpayer money and balance the budget over President Clinton's veto, it takes only a simple majority to spend hard-earned tax dollars. In fact, because so much of the Federal budget is on autopilot, the Government can spend more every year without taking any vote at all.

President Clinton uses this fact to his advantage. He claims to support a balanced budget, but resists every effort to accomplish that objective, knowing full well that inaction means that the Government will continue to grow and that Federal spending will continue to escalate.

The fact is, despite claims to the contrary, President Clinton has never proposed a budget that would actually achieve balance. Speaking about the latest budget proposed by the administration, the Director of the Congressional Budget Office, June O'Neill, said in testimony on April 17, "Under CBO's more cautious economic and technical assumptions, the basic policies outlined in the President's budget would bring down the deficit to about \$80 billion by the year 2002 instead of producing the budget surplus that the administration estimates."

In other words, the President's most frugal budget would still result in an \$80 billion budget deficit.

So for all of the President's proclamations that he is now a true believer in a balanced budget, the fact is that he has yet to offer an honest plan to achieve balance by any date certain.

By contrast, the budget that the Congress passed last year and the budget we just passed 2 weeks ago, do achieve balance and they do so while protecting the programs that are most important to the American people. We promised not to cut Medicare. We do not. Medicare spending would be allowed to grow at twice the rate of inflation. In fact, per beneficiary spending would grow from \$5,200 in 1996 to \$7,000 in 2002—a 35-percent increase. We allow it to grow, but at a sustainable level.

We provide a \$500-per-child tax credit for every child under 18 years of age. We protect Social Security. We reform Medicaid and continue progress toward more market-oriented farm policies.

Mr. President, there are good reasons to balance the budget. The Congressional Budget Office predicts that a balanced budget would facilitate a reduction in long-term real interest rates of between 1 and 2 percent. That means that more Americans will have the chance to live the American dream—to own their own homes. A 2-percent reduction on a typical 30-year mortgage in my State of Arizona would save homeowners over \$230 a month. That is \$2,655 each year. That same 2-percent reduction in interest rates on a typical \$15,000 car loan would save buyers \$676. The savings would also accrue on student loans, credit cards, and loans to businesses that want to expand and create new jobs. Reducing interest rates is probably one of the most important things we can do to help people across this country, and reductions in interest rates are the first result of a balanced budget.

With that in mind, I urge my colleagues to vote for the balanced budget amendment when it comes before the Senate later this week. It has been a long time in coming, and it is urgently needed.

Before closing, I want to make one final point. Ideally, the balanced budget amendment should include a tax or spending limitation, or both, because it matters how we balance the budget.

I have long advocated a spending limit as the best approach. The balanced budget spending limitation amendment, Senate Joint Resolution 3, which I introduced in January 1995, includes such a limitation. It would require a balanced budget and limit spending to 19 percent of the gross national product, which is roughly the level of revenue that the Federal Government has collected over the last 40 years.

Limit spending and there is no need to consider tax increases. Congress would not be allowed to spend the additional revenue raised. Link Federal spending to economic growth, as measured by GNP, and an incentive is created for Congress to promote pro-growth economic policies. The more the economy grows, the more the Congress is allowed to spend, but always proportionate to the size of the economy.

A tax limit is the next best approach, and that is why we have advocated a supermajority to raise taxes.

The tax limitation amendment that I introduced earlier this year—an initiative the House just voted on on April 15—would require a two-thirds vote of each House of Congress to approve tax increases. It would make an important addition to the Constitution, whether or not the balanced budget amendment

is approved, but it is particularly important if the balanced budget amendment does become part of our Constitution. I do not believe that the balanced budget amendment should become an excuse to raise taxes. That is why I believe it should be accompanied by either a spending limitation or a tax limitation.

Mr. President, the balanced budget amendment is no panacea. A constitutional spending or tax limitation must follow to ensure that the budget is balanced in the right way—by eliminating spending. But it is essential that we take this first important step and pass the balanced budget amendment when it comes before us this week.

So I urge my colleagues to support the amendment and hope that we can adopt it and change the Constitution, that the States will ratify it, and that we will in fact require a balanced budget amendment requiring the Congress to maintain a balanced budget for our Federal Government.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, I compliment you on your remarks. I did not have a chance to do so to the Senator from Idaho and all the others that have risen in support of the balanced budget amendment to the Constitution. If I could take just a minute to try to step back from this day-to-day routine and debate that we find ourselves in in the U.S. Senate in Washington, DC, not long ago—getting on to running on the second year—President Clinton's Bipartisan Commission on Entitlements issued its report. Mr. President, in that report it showed us—holding it right here in front of me—that in the year 2006, five Federal programs will consume 100 percent virtually of the U.S. Treasury. Though there is a little bit left—enough to run about one-third of the current Defense Department—that is it. That is within all of our watch. That is just within a decade. The five programs are Social Security, Medicare, Medicaid, Federal retirement, and the interest only on our debt—the interest only.

So we have in these Halls of Congress over the last 30 to 40 years put in place a potential catastrophe. We have talked about this for many, many years. Mr. President, the responsibility for addressing these problems can no longer be passed to someone in the future. We can no longer pass the baton. We are at the moment as we approach the new century of exercising prudent disciplines to bring into check the financial affairs of these United States of America of which the balanced bud-

et amendment is a critical component. We have been joined by the Senator from Illinois who has been a dogged advocate of a balanced budget amendment to the Constitution. I am going to yield to him in just a moment.

Let me just say, Mr. President, that when a generation of Americans consciously engages in consuming the resources of a future generation it is engaged in abrogating their freedom. This country was birthed in the pursuit of freedom, and thousands of its citizens lie under markers across the world in unending and exhaustive efforts to protect our freedom. What no country was ever able to do from the outside we are close to doing to ourselves. We have been engaged in a domestic abuse that could have the very effect that we fought for so long to protect.

We just heard a Senator on this floor say unchecked a child born yesterday will forfeit 84 percent of their living wages to pay for this. That cannot happen. American citizens already work from January 1 to May 7 before they get to keep their first paycheck. If we do not bring this into check they would only get to keep their paycheck in the month of December.

This is just not a business about numbers, Mr. President. We are discussing freedom of the Americans who follow us. No generation of Americans I can imagine would ever consciously be engaged in robbing the future of the very freedom we fought to enjoy ourselves.

Mr. President, I would like to yield up to 10 minutes to my distinguished colleague from Illinois, Senator SIMON.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, and my colleague from Georgia, I thank you.

I am pleased to rise in support of this. Let me comment first of all on the politics of this because there are those on my side who say this is political. And I do not think there is any question that its timing right now is in part political. That does not get to the merits of it, however.

I would have to say—and I say this as someone who is supporting Bill Clinton for reelection—that BOB DOLE has been consistent on this. This is not a phony position that he is taking in order to gain a few votes in an election.

Second, in terms of the politics, let me just add that if we should pass it we give BOB DOLE a small victory in terms of politics because whatever has happened in the past people do not worry about that in an election. They talk about what is going to happen in the future. If we defeat it—and it is Democrat votes that defeat it—then you hand BOB DOLE a much bigger issue. That is the political reality.

A second political reality is the public image—I say to my friends on the Republican side—of Republicans is they simply are too hard-hearted, are not considerate of those who struggle in our society, and too often candidly propose amendments and pass bills

that confirm that impression. On our side, the public image is they are good-hearted people. But they are fiscally reckless. And too often we seem to go out of our way to confirm that. And if it is Democratic votes that defeat this tomorrow, or whenever we vote on this, we will have played into what is the worst of our perceptions.

But aside from the politics—and the politics really should be extremely secondary—we are talking about something that is absolutely essential for the future of our country. This is not a new idea. Thomas Jefferson was the first person to suggest that we needed this kind of a constitutional amendment. He was not in the United States in 1787 when the Constitution was written. He was negotiating for us in Paris. When he got back, he said, "If I could just add one amendment to the Constitution it would be to prohibit the Federal Government from borrowing money." He wanted an absolute prohibition which this amendment does not do. It leaves room for emergencies to have deficits. But he said one generation should no more be willing to pay for the previous generation's debts than for the debts of another country. That was a very interesting observation from him.

I was reading the other day and came across where John Kennedy in 1963 complained about the huge amount of money that was being paid for interest for which we got nothing. Do you know what the gross interest expenditure was in 1963? Mr. President, \$9 billion. That is a terrible waste of money. But do you know what the latest Congressional Budget Office figure is for this fiscal year? Gross interest expenditure—\$344 billion. What if we had such a constitutional amendment in place in 1963, or what if we had it in place in 1980 when the total debt was less than \$1 trillion? And if we do not pass it tomorrow, 5 years from now or 10 years from now the situation will be much worse. And people will say, "Why didn't they act?" Why, indeed? Mr. President, \$344 billion—we will spend 11 times more on interest than on education, 22 times more on interest than foreign aid, and twice as much on interest as all of our poverty programs. What do we get for it? Nothing other than higher interest rates.

And I mentioned foreign aid. It is interesting. We now pay in interest to other countries somewhere in excess of \$45 billion a year—when I say other countries, I am including people who own the bonds; maybe individuals in other countries. In other words, we are spending roughly three times as much on interest for those who are more fortunate than we are spending on foreign aid for those who are less fortunate. And it is getting worse. One of the publications I receive—and I am sure it has a very small circulation—is called Grant's Interest Rate Observers, published in New York City.

The last edition has this very interesting statistic: May 17, 1995, foreign

central bank holdings of Treasuries, \$444 billion; May 15, 1996, 1 year later—it was \$444 billion—it is \$553 billion. And it is not going to go on indefinitely.

The distinguished economist Lester Thurow said that at some point other countries and people in other countries are going to say, "We are not going to buy those bonds anymore." The question is not if they are going to say that; the question is when they are going to say that. We are headed for serious, serious trouble.

If you read an Adam Smith quotation—I should have brought it over here—in his "Wealth of Nations," 1776, he said this is the history of nations: They pile up more and more debt, and then they find out the only politically satisfactory answer to solving the debt problem is to debase the currency.

That is where we are headed. Let no one make any mistake about it. Unless we have the discipline of a constitutional amendment, we will eventually do what the economists call monetize the debt. We are just going to start the printing presses rolling, because as you look at Social Security and other projections of entitlements in the long run, eventually some Congress—we may not be around at that point; I certainly will not be around—is going to face one of three very drastic choices. First, to dramatically increase taxes. And you know how popular that would be. Or to dramatically cut back on Social Security and other expenditures, and you know how popular that would be. And the third option, print more money, and that is where we are headed.

Now, the opponents will say we can do it without it. Both sides have agreed we are going to have a 7-year balanced budget. My friends, the Presiding Officer, the distinguished Senator from Arizona, will grow green hair before the budget is balanced in 7 years under this proposal. It just is not going to happen. Both parties put the really tough choices out to the end of 7 years. That is the politically easy thing to do. If it was politically easy, we would have balanced the budget a longtime ago. What we like to do is tell people we are for balancing the budget, but we are going to put off these really difficult decisions.

We need the discipline of a constitutional amendment to force us to do the right thing.

Now, some will argue, well, we ought to exclude Social Security. And we have since 1969 had a unified budget that has included Social Security. I have always favored excluding Social Security. Some of us who have been pushing this have tried to negotiate where we could over a period of years move in that direction to protect Social Security even more. But real candidly, we have been unable to pick up any additional votes by doing that. But let no one use the figleaf of Social Security to cover opposition to this. Bob

Myers, chief actuary for Social Security for 21 years, said it is absolutely essential for the future of Social Security that we have a balanced budget amendment, because if we do not have a balanced budget amendment, frankly, we are going to monetize the debt, and that means just printing the money and the trust funds will just really move down.

I see I am being signaled on time. Mr. COVERDELL. Mr. President, I yield 3 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. I thank my colleague. Let me just add two or three more points. We are spending an increasing percentage of our tax dollar on interest. I do not care whether you are Republican or Democrat, liberal or conservative. That just does not make sense. We ought to be spending our money on goods and services. And then let us differ on whether we have a national health program, which I strongly favor. Maybe my colleagues here differ with me on that. But we ought to have pay-as-you-go Government, and if we want to have a program, we have to pay for it. And if we do not have the courage to vote the revenue, we cannot have the program—just that basic. It is true for a family. It must be true for a nation.

This is also welfare in reverse. The biggest welfare program we have in the United States by far is interest, and it is welfare for the rich, and increasingly the rich beyond our borders. I know there are some who argue this trickle-down economic theory: Give to the wealthiest and it will help everybody. I have never bought that theory. I believe if you give money so people can buy General Motors cars, if you give to the people at the bottom, the president of General Motors is going to do all right, too. But it does not necessarily work in reverse. Even if you buy the trickle-down theory, who can argue that if you give money to wealthy people in Japan and Saudi Arabia and Great Britain and The Netherlands, that is helping people here in the United States of America?

We end up raising interest rates. We have seen Wharton and the other schools, the econometric studies that say if we pass this, when we achieve a balanced budget we will have interest rates—the largest projection—the prime rate dropping 3.5 percent. You have had the Concord Coalition study that says the deficit in the last 20 years is costing the average American family today \$15,500 a year in income, and yet we continue dissipating our funds, violating the future of our children and our grandchildren.

It just does not make sense. We ought to do the right thing, and the right thing is to have a balanced budget requirement in the Constitution unless there is an emergency. Then you can get 60 percent of the vote.

I thank my colleague from Georgia for his leadership. And let me just add

my thanks to Senator HATCH and Senator CRAIG and Senator THURMOND and others. Senator DeConcini, when he was here, was very helpful on this. Senator HEFLIN has been, and others. But this is one where I know politics rears its head at this point in our Nation. This is one where we have to say, what does the Nation need? And I think it is very clear what we need.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, before the Senator from Illinois leaves the Chamber, I wish to tell him that in his limited few minutes here I thought he made an absolutely eloquent presentation as to why our Nation, this generation, and particularly those yet to come, are so dependent on the type of discipline as represented by the proposal the Senator from Illinois suggests. The Senator referred to Thomas Jefferson and his desire to have had this in the original Constitution. The reason, if you read through his works, is over and over there was an abiding fear of government and its spending proliferation consuming the resources of the breadwinner, himself or herself. You see it over and over and over.

If he were here today on this floor, he would be a very disappointed gentleman, when he would know that the wages of a working family, currently almost half of them—it depends on who you are—are consumed by a growing and growing government. We just mentioned the data that, unchecked or unchanged, a child born yesterday will forfeit 84 percent of his or her working lifetime wages. That is not possible. There will be a revolution.

This is going to be solved. I will stop addressing this just to the Senator from Illinois so he can get on with his day—but this is going to be solved. We have two options. One, which is the proposal of the Senator from Illinois, that we as a people manage this problem, that we institute new disciplines, that we have a process that assures the people that their financial affairs will be managed. When we do that we very quickly, as everybody has alluded to, produce positive benefits. Or we can ignore it, wait until that last 2 years of a 7-year plan, talk about it tomorrow, wait until someone else is in office, and we will create an absolute destabilized, wounded America that will trip into the new century instead of march into it.

I admire the Senator from Illinois. As I said, those were eloquent remarks.

Mr. SIMON. If my colleague will yield, I thank him for his comments. The reality is, we have already wounded America. But the wounds will become much more severe if we do not pay attention to this.

Mr. COVERDELL. Mr. President, I yield the remainder of our time to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I compliment my colleague from Georgia for his leadership on this issue, and also for his statement earlier. In addition, I compliment the Senator from Illinois for his leadership, for his cosponsoring this resolution, not just today but last year, not just last year but the year before.

For several years Senator SIMON has been a leader in saying we should pass a constitutional amendment to balance the budget. He is right. He also makes it bipartisan, which is awfully important. I would support this amendment if it was offered by the Democrats. If you had a Democrat in the White House or a Republican in the White House or an Independent, this amendment should pass. It has passed in the Senate before. We actually passed this amendment in August 1982. It passed when Republicans gained control of the Senate for the first time. It passed with 69 votes, 69 to 31.

The House never passed it. The House tried that year but they failed. They came up short. Then, after we had Republican control of both Houses, the House passed it. And I compliment the House. They passed it on January 26, 1995. The Senate again considered it and, unfortunately, it failed by one vote. Actually the final vote was 65-35. Everyone knows it takes 67 votes, but Senator DOLE moved to reconsider it, which he has that right to do, so we can have another try at it. I compliment him for doing so. I believe this week we will have another chance to pass a constitutional amendment to balance the budget.

I remember when we had this debate some of our colleagues said, "I believe in a balanced budget, I just do not think we have to have a constitutional amendment." But I remember reading some remarks that were made by some people on the other side of the aisle that said we need a constitutional amendment. They voted for it. Actually, on March 1, 1994, I had a resolution that said we should pass a constitutional amendment to balance the budget. Several of our colleagues on the Democrat side at that time supported it. But in 1995, when it was for real, after it had already passed the House, they voted no. That is unfortunate.

You might say, why did they vote no? President Clinton was against it. I wish he was not against it. Everybody in America should know that President Clinton was against a constitutional amendment to balance the budget. If he were in favor of it, I am sure some of our colleagues who did not vote for it would vote to pass it and we could pass it this week. And we should pass it this week.

Maybe there will be an election conversion. I think we have noticed a great deal of flexibility on the part of President Clinton on a lot of issues. Maybe on this issue he would see the wisdom, supported by 80-some-odd percent of the American people who say

we should have a constitutional amendment to balance the budget. Most all States have something like this in their constitutions. That happens to work. And we need it in our Constitution.

I look at the words of one of our forefathers, Thomas Jefferson, who said, in 1798:

I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for reduction of the administration of our Government to the genuine principles of its Constitution. I mean an additional article taking from the Federal Government the power of borrowing.

Thomas Jefferson, 1798. He was exactly right.

I have seen Government spending grow a lot, even since I have been here. If you look at the total amount of Government spending: In 1960 we spent less than \$100 billion, in 1970 we spent less than \$200 billion, by 1980 we spent almost triple that and went to about \$600 billion so you see it growing rather substantially. By 1990 it grew to over \$1.2 trillion, and last year we spent over \$1.5 trillion. So we have seen spending grow, and grow dramatically.

The present occupant of the Chair, Senator KYL from Arizona, said: Wait a minute, we should have a limitation, a limitation on taxes. I figure maybe a limitation on spending. But we both see the growth of Government growing substantially. For every dollar that Government spends, we have to take it away from the American people, either in the form of taxes today, and/or in borrowing, both of which are taking money from the private sector and putting it in the hands of the public sector.

I happen to think that is part of the problem, because I think that the private sector can spend money a lot better. Families can spend the money a lot better than Government can, than bureaucrats can. I happen to think families care a lot more about education than the bureaucrats in the Department of Education. I think families are a lot more interested in the health of their families than some bureaucrat in the Department of Health and Human Services. I think families are a lot more concerned, families and local communities, about welfare than the massive bureaucracy that we now have, that has 334 federally controlled, Federal defined, federally determined benefits of welfare. I think States and local groups can do a lot better job in job training than when we have 156 different Federal job training programs. They are stacked on top of each other. That is the reason we see spending just going through the roof. So we need to reform it.

How can we do it? If we have the majority votes we do not need a constitutional amendment. Maybe not a simple majority, maybe we need 60 votes because in the Senate sometimes it takes 60 to pass legislation. That is unfortunate. We passed a balanced budget resolution earlier, last month. It was a

good resolution. It does lead us. It shows how we can get to a balanced budget in 6 years; not in 7 years, in 6 years. I support that. I think it is a giant step in the right direction.

Some people would say President Clinton offered a balanced budget, and is that not good? I would say it is a marked contrast to what he offered a year ago in January, which had \$200 billion deficits forever. So we are making progress. But if you look at the details you realize his budget is not really balanced. The Senator from Arizona quoted the Director of the Congressional Budget Office, who says, "No, it does not come into balance. Actually his budget, by the year 2002, has an \$81 billion deficit unless you have automatic tax increases."

So, if the economy does not perform as well as President Clinton had anticipated, instead of having automatic spending reductions he has automatic tax increases. I do not think that is a good idea. Then, if you look at some of the other things he has in his budget, they are purely smoke and mirrors. He plays games with Medicare, taking home health care and moving that away from Medicare part A, moving it out, \$55 billion.

That is surely a charade. He cannot be serious. But we do have a serious budget.

Some of our colleagues said, "I support a balanced budget, not the amendment, but I support a balanced budget." Well, we passed a balanced budget and we did show, yes, we would cut actually some discretionary spending—it is almost a freeze—but little more than a freeze in discretionary spending.

Take the total amount we spend on discretionary spending, about one-third of the budget. We spend \$1.5 trillion, a little over that, one-third of that is discretionary spending. We basically freeze that for 6 years. We cut a little bit more than that from a freeze. President Clinton spends more than a freeze, and he cuts a lot more in defense. But we make that.

Then we curb the growth of some entitlement programs. Some people are really playing scare tactics, trying to scare senior citizens saying, "Wait a minute, those policies the Republicans have, they're not fair, they're not realistic, they're cutting Medicare too much."

It is totally false. For example, in Medicare in 1996, we are spending \$186 billion. Under our budget in 2002, that figure increases to \$279 billion. That is an increase of 42 percent. That is not a cut. That is not a cut. If you look at per capita, last year it was \$4,800 per senior. By the year 2002, it is going to be over \$2,000 more. That is not a cut. If you go from less than \$5,000 and you are spending \$7,000, that is over a \$2,000 increase per capita in Medicare alone under our budget.

What do we do? We keep Medicare solvent for at least 10 years. President Clinton does not do that. Medicare is going to go broke. Those are just the

facts. He may want to put the facts off, but you cannot fool the people. Actually, Medicare in the first 6 months of this year paid out \$4.2 billion more than it took in. You cannot do that indefinitely. You cannot sit back and just let that happen. If that happens, then Medicare is going to be broke and the hospitals and doctors will not be paid.

To me, that is not responsible. Some people may want to play politics and they may think that is going to help them in elections, but I found seniors in my State of Oklahoma are very realistic. When you tell them the facts, they are very mature and very willing to do what is necessary to save the system. Certainly, when you tell them, "Wait a minute, Medicare is going to grow from \$4,800 to \$7,000," they do not think that is a cut.

What about welfare, Medicaid spending? Actually, in 1996, Medicaid spending was \$95.7 billion. Under our proposal, in the year 2002, it grows to \$139.5 billion. That is a 46 percent increase. That is not a cut. Medicaid goes up 46 percent in the next 6 years. That is not a cut.

So I just make those two points, Mr. President, because a lot of people say, "They are slashing the budget." Actually, we do not slash the budget. In 1996, we spent \$1.57 trillion. In this one year what is estimated to be spent is \$1.57 trillion. In the year 2002, we are going to be spending \$1.846 trillion. That is an increase of \$271 billion, or 2.7 percent per year.

So spending grows every single year. Entitlement spending grows every single year, and we are able to save and keep Medicare solvent for 10 years. And we are able to deliver a balanced budget. And we are able to give some tax relief to American families. We are able to tell families, almost all working families with incomes less than \$100,000 in America, if they have children, they will get a \$500 tax credit per child. That is in our budget. That is our statement that we really and truly believe American families can spend this money better than Washington, DC, and we can do that and balance the budget.

I have heard President Clinton say he supports a tax credit for children. He campaigned on it in 1992, but he did not deliver it in 1993, 1994, or 1995. As a matter of fact, in 1993, instead of giving a tax reduction, as he campaigned for, he gave the largest tax increase in history, and he hit American families right between the eyes.

He gave an increase in gasoline taxes, an increase for families that are on Social Security income, and a big hit on other families. That is not fair, that is not right, that is not what he campaigned on. Actually, he campaigned, and in his book said, "We're against increasing gasoline excise taxes." Lo and behold, if you look at his tax increase in 1993, there was an increase in gasoline taxes.

Now he says he would be willing to support reducing them temporarily. To

me that is not good enough. It shows very much a strong inconsistency on the part of the President. Maybe he was not telling the truth. Maybe he did not level with the American people, but he did exactly the opposite of what he said he was going to do. In his book, he said he was opposed to gasoline tax increases, and in his tax increase, it had a 4.3-cent gasoline tax increase.

The total net amount of tax reduction that we have under the budget proposal that has already passed is \$122 billion. President Clinton's net tax reduction in 6 years on his so-called budget is \$6 billion. There is no net tax cut for American families under President Clinton's proposal. I think that is unfortunate.

We do have a balanced budget proposal. We do have a road map on how we can get there. We should do it. Thomas Jefferson was exactly right—exactly right. I just hope that my colleagues on both sides of the aisle will look at this and ask, "What is in the best interest of the United States? Should we not pass a constitutional amendment to balance the budget?"

I think we should, and we should do it this week. Thomas Jefferson was right, Mr. President. I hope that our colleagues will reconsider. I am proud of the Senators on this side of the aisle. We had 98 percent of the Republicans, all but one, voted for a constitutional amendment to balance the budget. I hope that we will have that strong support on this side of the aisle, and I hope a few of our colleagues who supported a constitutional amendment to balance the budget in the past will likewise vote for it this time and give the American people what they really want. And that is a constitutional amendment to balance the budget.

Mr. President, I yield the floor.
The PRESIDING OFFICER (Mr. GRAMS). All time given to the Senator from Georgia has expired.

Under the previous order, there will now be 30 minutes for debate under the control of the Democratic leader, or his designee.

Mr. DORGAN addressed the Chair.
The PRESIDING OFFICER. The Senator from North Dakota.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. DORGAN. Mr. President, it is Monday, and we have had an hour and a half of morning business by the majority party. It is, "He said, she said, they said."

And it is, "President Clinton this" and "President Clinton that."

And it is, "We have a balanced budget and the other folks don't."

And it is, "They are the big spenders and we're the folks who want to put America back on track."

Let us review exactly where we are, because it is important for people to understand what the business of the Senate is today.

The business of the Senate is to discuss a proposal by the majority party

to change the Constitution to balance the budget and require a balanced budget in the Constitution, and the pending order of business in the Senate is a missile program, a national missile defense program, called the "Defend America Act," which will cost, according to the Congressional Budget Office, upward of \$60 billion of new spending just to construct—not to operate.

So the same folks who have been treating us to an hour and a half of discussion about the need to change the Constitution to balance the budget are also saying, "By the way, we want to balance the budget, but we want a new \$60 billion spending program, and we want to work on that immediately, and we demand that that money be spent right now."

Following that, also pending before the Senate, is we also want to cut the gasoline tax, and we also want a very substantial tax cut during the 7 years. All of this from the same folks. "We want a balanced budget, we want to increase spending," they say, "we want to cut taxes, gas tax and other taxes." I do not understand what school they went to. I do not understand what arithmetic book they have studied.

It seems to me to be consistent if one says, "Let's change the Constitution to require a balanced budget," and the very next act of business would not be to bring to the floor an enormously expensive new spending program called the Defend America Act, which is a nice way, a retitling, of saying we want to build star wars again.

Everybody has a right to develop their priorities and to advertise them, however inconsistent they may be. I am going to talk tomorrow about the Defend America Act, or the star wars program. We have had some experience with that. The only one that was ever built, the antiballistic missile program, was built in my State of North Dakota. There is a very large concrete monument to it, a large concrete pyramid that sits up in the hills of North Dakota. In today's dollars, \$25 billion was spent in order to construct it, and it was decommissioned the same month it was declared operational—\$25 billion. That is called shooting blanks.

But it is all right, I guess, according to some, because it was not their money, it was the taxpayers' money.

That is the attitude of some—anything that explodes, they want to build, any new weapons program they want to construct. Katie bar the door. The sky is the limit. The American taxpayers' credit card is at stake, so let's build it.

The same people who say let us change the Constitution to require a balanced budget, in the next order of business on the Senate floor will also say, let us spend \$60 billion on a program that will not really defend America but that they can advertise will defend America.

At another time I will discuss that in greater detail. But first the issue of the constitutional amendment to balance