

trust fund surpluses, and under this so-called balanced budget amendment to the Constitution, that flawed principle would be enshrined in the Constitution of the United States.

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

The second major problem with this balanced budget amendment is it makes inadequate provision for a national economic emergency. We know that the right policy today is to cut spending and balance the budget. That is precisely what we ought to do. That was precisely the wrong thing to do in the depths of the Great Depression, because raising taxes and cutting spending in the midst of the Depression simply would make the Depression longer and deeper. We have to pass an amendment here that can stand the test of time. The one before us now simply does not.

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

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

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

I thank the Chair and yield the floor.
The PRESIDING OFFICER. Who seeks recognition?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

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

The PRESIDING OFFICER. The Senator is correct.

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

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

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

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

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

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

It has been, I think, a most interesting discussion. Of course, the budget is, I think, the key to what we do here. Obviously, there are many other things

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

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

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

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

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

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

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

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

have wanted to spend more than we have been willing to pay in, and that's what it is about.

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

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

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

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

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

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

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

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

THE PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Thank you, Mr. President. I thank the Senator from

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

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

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

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

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

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

balanced budget amendment. I want to address those concerns.

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

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

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

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

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

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

Clearly, the balanced budget amendment does not provide any basis for the court to micromanage the budget process, as has been indicated by the opponents of this amendment. Without mentioning the issue of judicial review, the sponsors of the resolution have refused to give congressional sanction to the courts to involve themselves in the

budgetary decisions. I believe that explicitly putting language on the issue of judicial review in the balanced budget amendment implies that the Federal courts might have power that we do not intend them to have and that they should not have.

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

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

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

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

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

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

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

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

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

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

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

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

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

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

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

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

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

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

Senate Joint Resolution 1 has wide bipartisan support. That is the only

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

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

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

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

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

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

The administration likes playing the underdog, hoping to get sympathy votes against the amendment. They are insisting this could do severe damage to some important Government programs and the economy. This is shown by the proposed budget for fiscal years 1998 through fiscal year 2002.

The President's plan sets up Congress and future administrations to do the heavy lifting. If we are to balance the

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

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

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

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

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

et and budget reconciliation process causes shortsighted planning. A biennial budget would allow more time for Congress to prioritize the agencies' and departments' functions.

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

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

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

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

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

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

We must pass the balanced budget constitutional amendment. I urge all Americans to write or call your Representatives and Senators and tell

them to pass the balanced budget amendment now. No more excuses—the future of our children and grandchildren and parents and grandparents is at stake.

I yield the floor.

DAIRY FARMERS AND MILK PRICING

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

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

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

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

Now, some may wonder why the talk of a price for cheese on the discussion of a price of milk. The reason is that the price of cheese is a very key component in establishing the price of milk. For every 10 cents on an increase in the price of cheese, the price of milk goes up \$1 per hundredweight. There have been some indicators that the price of cheese is not accurate as it has been currently established. The Secretary responded in a dialog that a