

shuttered. Bankruptcy and foreclosures are rampant. Because a constitutional amendment is in force, Congress could not take the quick and responsive action that may be necessary, as we did during the Bush recession. The only legal course of action left to us would be yet another constitutional amendment to repeal this bad one and undo the damage.

But hang on a minute. The last time that happened was in 1933, over 60 years ago, when the 21st amendment was ratified repealing the 18th amendment to the Constitution. The 18th amendment was prohibition. It, too, was supposed to save us from ourselves and legislate backbone. It took 14 years to repeal it.

During a depression we could not wait that long. The American people, who depend on our sound judgment and rely on our fiscal stewardship, certainly cannot wait that long. And neither should we. We should vote against this amendment.

Mr. President, let me again emphasize that I agree with the need to be fiscally responsible, and I am committed to working toward a balanced budget. The President of the United States proposed a budget that balances in the year 2002. We have a challenge. Let us examine it. As the ranking Democratic Member of the Budget Committee, I believe we can reach a balanced budget agreement this year. But we can do it without this flawed constitutional amendment.

The former majority leader of the Senate, Mike Mansfield, said that he owed the people of his State more than an echo; he owed them his judgment. It is my best judgment, Mr. President, that this amendment is bad for the people of New Jersey, as it is bad for the people all across our Nation. I urge my colleagues to do the right thing and oppose this amendment.

I yield the floor and see my colleague, who is the right stuff, from Ohio about to take the floor. We will listen with interest.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. GLENN. Mr. President, I rise today to add my comments to the many others who have voiced their opposition to Senate Joint Resolution 1, the balanced budget constitutional amendment.

Mr. President, like the others before me, let me preface my comments by stating clearly that I support balancing the Federal budget. I have for a long time. I wanted to balance the Federal budget clear back when it was only \$1 trillion way back in the days when Jimmy Carter was still President. I note that the total Federal debt at that time was still under \$1 trillion, totaled up for every President between George Washington and the end of the Carter years.

So I do not come lately to this idea of balancing the Federal budget. I wholeheartedly agree we need to exercise discipline to both balance the budget and eliminate the deficit. But, Mr. President, I do not believe that changing our Constitution to require a balanced budget is in this country's best interests. For reasons I will outline, I believe that a constitutional amendment requiring a balanced budget is far more likely to cause more trouble, more harm, than good.

The amendment before the Senate would dramatically change the way our political process has worked for over 200 years. While there have been times when partisan fighting may have caused what many term gridlock, I do not believe it is necessary or desirable to turn the fundamental concept of our system of Government on its head.

Moreover, this amendment would ensure that gridlock is the rule rather than the exception. By requiring supermajorities in order to conduct the routine business of the Congress, this amendment overthrows the concept of majority rule and empowers minority factions to hold the Congress and the country hostage. I submit that this type of minority control of our Government is the exact evil the framers sought to eliminate in the drafting of our Constitution. For this reason alone I oppose the balanced budget constitutional amendment.

It is not hyperbole when I say it is dangerous to our form of Government. Compounding the problem, Mr. President, is the fact that the proponents of this amendment would topple one of the basic tenets of our Government, as I see it, for no reason at all.

First, from a historical perspective, the constitutional amendment is not needed. The only time in this country's history outside of times of war, the Great Depression, or recession that we have run up a significant deficit, one viewed as unmanageable, is in the preceding two decades through our time right now on the floor. We had the experiments in supply-side economics back during the last 12 years before President Clinton came in, which ran our debt from \$1 trillion up to nearly \$5 trillion.

But we are no longer debating how we got into this situation we find ourselves in, pointing fingers, or placing blame for a deficit so staggering that it is beyond our comprehension or imagination. Instead, a more productive political consensus does now exist to bring the budget into balance and eliminate our deficit. So I do not think we need a constitutional requirement to balance the budget. Congress and the President, working together, have the ability, and now, I believe, the will to bring our budget into balance.

Now, everybody describes this as being a political climate that is overly divisive. I agree. Congress in both Houses, on both sides of the aisle, and the President, all profess to want a balanced budget, and I do not doubt that.

I think everyone does, and they want to eliminate the huge deficit that is the legacy of the 1980s. Now we have different ways we are looking at this thing, but we have made substantial strides in at least getting unanimous consent or unanimous opinion that this is something that we do have to deal with and do have to deal with now. But there are still some very basic disagreements on how to achieve the balance and how to reduce the deficit.

The Democrats and Republicans alike have proposed balancing the budget by the year 2002, and the deficit has been reduced from 5.1 percent of our gross domestic product in fiscal year 1986 to only 1.4 percent in fiscal year 1996. Mr. President, 5.1 of GDP in 1986 down to 1.4 percent just 10 years later in 1996. Right here and right now we are working toward achieving the very goal of the balanced budget constitutional amendment without sacrificing our democratic form of Government to get there.

I might put those figures in a different term. When President Clinton came in, our national budget deficit was running at \$290 billion a year. We passed on this very floor one of the toughest votes that many of us have made since being in the Senate. We passed during the Reconciliation Act in August of 1993 the President's program, without having one single Republican vote—not a one in either the Senate or the House of Representatives; not a one—and there were all sorts of predictions about what horrible things were going to happen to the economy and the millions of unemployed that would be added to the rolls. What happened? Well, that did not happen and we have gone on with a very, very, strong economy, and we have gone from a budget deficit of \$290 billion down to \$107 billion for the latest estimate for what 1996 will turn out to be.

We are in the middle of doing something right here. We are doing it right now with action that we have taken in this Congress. This is not something we are waiting for and hoping for some magic wand like a balanced budget amendment. This is something that we are doing right now and we are headed toward a balanced budget. I grant anyone that wants to discuss this, we, in fact, are looking forward to some times out here where it will be tougher to do that, tougher to balance the budget. We know that. But that will require some equally tough votes on this floor.

I hope when we make those tough votes on this floor we have support from the other side of the aisle that we did not have when we made that vote the summer of 1993. Now, in Treasury Secretary Rubin's words, a balanced budget constitutional amendment "could turn slowdowns into recessions, and average recessions into more severe ones," and he added, "it would seriously increase the risk of default on our national debt."

Those are quotes taken from Secretary Rubin's February 2, op-ed in the

the Washington Post. I ask unanimous consent that his Washington Post op-ed piece be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.
(See exhibit 1.)

Mr. GLENN. It is a thoughtful piece that makes a very powerful argument against this amendment.

Economists consider a balanced budget requirement to be what they would call procyclical. In other words, adding to the cycle instead of correcting the cycle. It makes it worse. It is an economic autopilot. When revenues are slow coming into the Federal coffers because the economy is slow, deeper spending cuts have to be made to make up for the revenue shortfall in order to keep the budget in balance.

We have AFDC, food stamps, unemployment insurance, trade adjustments assistance, all of these things cut in during the beginning of a recessionary period, and the farther we get into that approach to a depression the more these programs sort of prime the pump or level things off. There is no way that can be shown better than the chart that has been on the floor here many, many times in the past. I will hold this up to illustrate, but we have seen this real economic growth, and you can see what happened on this chart. Way back in the 1880's and 1900's on the wide cyclical swings and what happened post World War II, and we got some of the countercyclical programs in place.

Look how the economy has just leveled out in that period of time. The economy has leveled out with no great huge swings down like we had during the Great Depression when I was a boy back home in New Concord, OH. These are things that would happen again, we would get back into the wild swings, if we, indeed, had the balanced budget amendment passed, because there is no other way to get the money to take care of the requirements of a balanced budget amendment unless you either cut many of those programs back or raise taxes. That is the other source of revenue. If you did that, either one of those things would be exactly the wrong thing to do and would add to the inclination, the trend, toward a cycle that we want to stamp out, not make worse.

It is sort of a perverse, Look, Ma, no hands approach to budget, the exact wrong thing for a slow economy. That is why Secretary Rubin says the balanced budget amendment "can take an economic slowdown and turn it into a recession and then take a recession and make it even worse."

I submit that is probably exactly an analysis that most economists would show happened back during the days of Herbert Hoover when he tried to raise taxes to make sure we were not going into more of a deficit position.

I cannot believe the proponents intend to force us into this kind of an economic straitjacket. I know the peo-

ple across the country want a balanced budget. So they say, "Balanced budget amendment, oh, that sounds great, that sounds magical after the last 12 or 14 years when we had budgets run sky-high and deficits running sky-high." So that sounds very attractive.

I think when the people of this country know what will be cut, they are informed about what will be cut, informed they will have difficulty within their communities with AFDC and food stamps and unemployment insurance and things like that that are administered by the States, but partly with Federal dollars, then I think they would realize this is more of a danger than anything they have come up against for some time.

Mr. President, I grew up during the Great Depression. I was about 10 or 12 years old in the depths of the Great Depression. During those 4 years we had 20 percent of the country unemployed and 1 year when almost 25 percent were unemployed. What happened? The country had hit a situation it had never been able to handle before.

We always were proud in this country of families taking care of families, of communities taking care of themselves. They didn't look for outside help. In those days of the Great Depression, in the town of New Concord, OH, my hometown, everybody planted big gardens. My dad rented an extra couple of acres, in addition to our big garden, and we grew our own food and took it down and gave it to neighbors. We shared in those days. That's how we got by.

But everybody wasn't that fortunate. In some of our cities, we had soup kitchens on the corner where people could get something to eat in order to keep them going. We used to see what we called the "bums" going by on Route 40, and that went right by our house, as a matter of fact. We called them the "bums" because they were people who were, quite often, walking or getting a ride in a railroad boxcar across country someplace. They would get off sometimes and come up to the house and knock on the back door and ask my mother if she could give them something to eat. She never turned anyone down that came to that back door, I can guarantee you that. They were good people, down on their luck. I'm sure some were deadbeats that weren't much to begin with. But they were Americans and they were hungry, and it was the Great Depression and it was tough.

The movie reels of those days show the Okies heading west out of the dust pit in Oklahoma with the mattress on top of the car, because communities had lost control. What happened? Programs were put in by Roosevelt—programs that we still argue about on the floor of the Senate to this day—and they primed the pump. That is the point I want to make. They primed the pump. They may have been very wasteful for 1 or 2 years, but they primed the pump and got our economy going

again. You can make a million jokes about those time periods, but they are not a joke, as far as I am concerned, because I remember them very well.

I remember one conversation between my dad and mother that I will never forget as long as I live. We had finished dinner and I went in the other room. I heard them quietly talking at the kitchen table, and they were discussing whether the mortgage was going to be foreclosed on our home. You talk about striking terror in the heart of a 10-year-old boy—that was me. I didn't know where we were going to go. That was a bad one. Do you know what happened? FHA was put in, and it was possible to negotiate a mortgage then with that kind of a Government guarantee that helped people like my dad and mom have a shot at keeping the home. Lots of mortgages were foreclosed and people could not keep their homes. Those are the days we were living in then.

The point I'm making is that the pump-priming efforts at that time worked. They largely put our economy back to work again and got it going again. It wasn't perfect and never had been completely healed until we got through World War II, I guess. That was the ultimate primer of pumps, World War II. Anyway, the program of having countercyclical funds that cut in when a recession starts or when a downturn really gets serious is something that works. It works just as well as it did back in those days of the Great Depression. It worked, obviously, from the time, since 1946, that we started the first of these programs, and we have built on similar programs since that time that really do work.

A balanced budget amendment would force us, in a time when we are in deficit, to dig into those things and cut down on those funds, or raise taxes, either of which would be exactly the wrong thing to do at that cycle of depression or near depression.

Another truly frightening consequence of the adoption of a balanced budget requirement is the fact that it puts the creditworthiness of the United States of America at risk. Mr. President, this is a concept that I admit I find to be almost unimaginable. By requiring a supermajority to raise the debt ceiling, this constitutional amendment would allow 41 Members of this body—not a majority, but a minority of the Senate—to trade the creditworthiness of this country for the passage of legislation that otherwise would not pass the Senate. In other words, it is what has been termed in the past as the "tyranny of the minority."

Try and imagine what default by the Government of the United States of America would do to the world's financial markets. I can't. I am not saying this will happen necessarily, Mr. President, but I cannot support an amendment to our Constitution that would allow a minority to dictate legislation to a majority of the Senate or place our creditworthiness at risk.

I want to take a minute to talk about what this amendment would do to our ability to make expenditures in order to respond to emergencies, natural disasters, or even military operations, like Desert Shield, where we were not technically engaged in a military conflict. I will only take a minute. This amendment prevents us from doing anything in these situations without the agreement of a supermajority, for all intents and purposes—even for military. The practical implications of this amendment are that Congress may be able to offer assistance to tornado or hurricane victims, or victims of any other natural disaster, if that disaster happens early in a fiscal year because only a majority vote would probably be necessary while we are still on budget, while things are looking well. But if a disaster happens in the third or fourth quarter of the fiscal year, those disaster victims are on their own, unless three-fifths of the Congress agrees to provide some sort of assistance.

These same accounting practicalities will not be lost on our potential adversaries, either. I don't think it is too big a leap of logic to say that Saddam Hussein would not have to be a financial genius to figure out that if he wants to make another run at Kuwait, it is better to move the republican guard units in the third or fourth quarter of a fiscal year, because it will take the action of three-fifths of both Houses of Congress to approve funding for any military operations, which would bring the budget out of balance.

Mr. President, that is a completely unacceptable way for the United States of America to act, I feel. That is the straitjacket that this balanced budget amendment would put us into if it were passed.

So, to me, these are some very serious flaws in the constitutional requirement. There are also separation of powers concerns raised by this amendment. Let us take the situation in which it is discovered during a fiscal year that the budget will not balance and that outlays will exceed expenditures. If the Congress fails to approve additional spending by the required three-fifths majority, the President might feel compelled to impound funds in order to bring the budget into balance. Now, the President would decide what to fund and what not to fund. Mr. President, let me state that again. The President, in that situation, would decide what to fund and what not to fund, because that is what he would be required to do by law. This represents a shift in power to the President that once rested with a simple majority in the Congress.

A similar troubling situation would be where the budget goes out of balance or never gets into balance, and the President does not correct the situation. Say the President doesn't want to do anything about this. He says, OK, we are not going to correct it. What do we do? In that circumstance, do you know what would happen? The courts

would step in and decide which programs would be funded and which programs would not be funded, again, taking away what has heretofore been a congressional prerogative.

Then there are equity issues that argue against passage of the balanced budget constitutional amendment. This amendment is a policy decision not just about how to keep the books, but also about who will benefit from Federal spending programs. It cannot be denied, and should not be overlooked, that the Tax Code's tax breaks to individuals and corporations are a type of Government spending. Not everyone realizes it, but when an individual's or corporation's tax burden is reduced by a tax break, that is Government spending, and we should not forget that. Eliminating these tax breaks is considered increasing revenues. Under the balanced budget amendment before us, Congress can increase revenues only by a majority vote of both Houses.

In contrast, cutting funding for programs requires only a majority vote by those present and voting or could even be passed on a voice vote. This is not an esoteric point, Mr. President, because in program terms, this amendment creates a presumption in favor of cutting funding for programs because it is easier to do. I argue that this presumption favors the more affluent in our society, because their Federal spending programs, known as the Tax Code, are more difficult to cut than the spending programs of the less affluent.

That kind of an imbalance just plain is not fair.

Finally, Mr. President, I must mention the relationship that exists between this balanced budget amendment and Social Security. As the baby boom generation reaches retirement age, Social Security expenditures will increase dramatically.

And despite the fact that some action has been taken in anticipation of this demographic shift in the population, this balanced budget amendment would have us pay for baby boom Social Security out of current year revenues and will likely break the bank.

Right now, we are paying more into Social Security so that we can generate surpluses to pay for the baby boomers when they reach retirement age. This approach is far sounder than expecting to pay this enormous expense out of a single year's revenues. I'm afraid that the only way we would get there under a balanced budget requirement is either to reduce substantially the benefit baby boomers receive or cut radically other Government programs.

This is just another example of where, in my view, a constitutional requirement to balance the budget in the manner proposed will do more harm than good.

Mr. President, we all want to eliminate the enormous deficits of the recent past. We all want to bring the budget into balance and keep it in bal-

ance when it makes sense to do so. And, it would be a lot easier to stand here and have the American taxpayer believe that supporting this legislation is a simple way to solve all of our problems.

But it's not the right thing to do, Mr. President. This legislation forces this country into a budgetary straight-jacket and it limits democracy as we have known it for more than 200 years.

It's unsound from an economic perspective and it is unfair to the less wealthy. It puts this Nation's security at risk and it prevents us from responding to disasters.

And it could result in the elimination of virtually all Government programs except Social Security once the baby boom reaches retirement age.

As I said, Mr. President, it would be easy to say that I support the legislation before us because the concept of requiring a balanced budget appeals to the average American—but only on a superficial level.

Regrettably, for the reasons I've outlined, the solution isn't so simple and I cannot support this legislation.

Mr. President, let me just summarize once again.

We are on the way to a balanced budget now with the existing Federal budgeting processes. We have been since the summer of 1993. I do not think most Americans yet have gotten this fact driven home to them. They are so accustomed to deficits coming out of Washington that they can't believe that we really are heading toward a balanced budget. We can't do it all in 1 year or we would destroy the economy. But what we have done is, with the budget reconciliation bill that was passed in August 1993, we are proceeding step by step toward a balanced budget. It has gone from a budget deficit of \$290 billion a year when President Clinton came into office down to an estimated \$107 billion for the year 1996. That is certainly measurable progress. It was estimated earlier that would go down this year to about \$40 billion. That may be revised up a little. We have to take some action to do that.

But to go the drastic step of a balanced budget amendment that would deal so unfairly with so many people I think is something that we do not want to do.

Mr. President, we have programs that are called countercyclical. Those programs cut in as the economy gets worse. They automatically cut in and dampen that slide and bring it back up again. It prevents things like the deep Depression of the early thirties and all of the wild swings that used to occur back before we had some of these countercyclical programs.

There is no way that you can get by it with a balanced budget amendment. You are going to be cutting some of these programs like AFDC, Social Security, food stamps, unemployment insurance, maybe Medicaid, and trade adjustment assistance. Those are all

things that would be targets for potential cuts. The money has to come from somewhere. With the balanced budget amendment you have no choice but to cut, or, if you want to keep the balance, raise taxes, either one of which would be absolutely wrong on an economic cycle basis.

Mr. President, for all of those reasons, and others that I have not even mentioned here today but which Mr. Rubin refers to in his Outlook piece in the Washington Post that I asked to be placed in the RECORD, I think it would be unwise to go for a balanced budget amendment that puts us in an economic straitjacket. I think we need to continue our efforts here on a bipartisan basis, on both sides, here and over in the House, and do the things that we see are working right now with our budget. Continue those, and we can have a balanced budget if we all work together on this without violating the Constitution or without going back into the Constitution, which will enable us to do it.

EXHIBIT 1

[From the Washington Post, Feb. 2, 1997]

THE BALANCED BUDGET BRAWL

(By Robert E. Rubin)

I spent 26 years on Wall Street before joining the Clinton administration and came to believe deeply in the profound importance of fiscal responsibility to our national economy. I have now spent four years working in government to implement this conviction, which members of both parties share.

However, I have an equally strong conviction that a balanced budget amendment is a threat to Social Security and our economic health. It will expose our economy to unacceptable risks and should not be adopted. Like the 11 Nobel Prize-winning economists and 1,000 other economists who signed a letter on Thursday to "condemn" the amendment, I believe it is strongly against our national interest.

A balanced budget amendment would reduce our ability to cope with recessions, risk putting budgetary decisions in the hands of the courts and create risks with respect to Social Security. Should we balance the budget? Yes. Do we need a new constitutional amendment? No.

Throughout our history, with the exception of wartime and the Depression, budget deficits—when they existed at all—were generally small. In the 1970s and 1980s, they began to rise and the cumulative federal debt grew sharply. But after experiencing this period of fiscal indiscipline. I believe the atmosphere in Washington has changed.

In 1993, we took an enormous step forward with the deficit reduction program, which has cut the deficit from 4.7 percent to 1.4 percent of gross domestic product. Last year, both the administration and Congress proposed budgets that would eliminate the deficit by 2002, and both are expected to do so again this year.

There is also a new enforcement factor at work, which is the emergence of global markets attuned to fiscal responsibility. Those markets will punish a national that does not address fiscal matters by imposing high interest rates that can severely impair its economy.

Today, politically, historically and economically, the forces are in place to balance the budget. And I believe we will. However, there is a distinction between that and passing a constitutional amendment. I believe

the balanced budget amendment proposal would subject the nation to unacceptable economic risks in perpetuity.

First, it could turn slowdowns into recessions and average recessions into more severe ones.

Second, it could prevent us from dealing expeditiously with emergencies such as natural disasters or military threats.

Third, it would seriously increase the risk of default on our national debt.

Fourth, the escape clauses it provides are likely to be far from fully effective. The escape clauses would also enable a minority in either the House or Senate to use its leverage to subject the nation to unacceptable economic risks.

Fifth, a balanced budget amendment poses immense enforcement problems that might well lead to the involvement of the courts in budget decisions, unprecedented impoundment powers for the president or the temporary cessation of all federal payments, including, for example, Social Security. Alternatively, the balanced budget amendment might be unenforceable and therefore have no effect at all, contributing to cynicism about the process of government.

For these and other reasons, a balanced budget amendment poses unacceptable risks. Let me elaborate.

More severe recessions. As secretary of the treasury, I am deeply concerned that a balanced budget amendment could worsen recessions or downturns, first by eliminating automatic stabilizers that protect people during a downturn and, second, by forcing tax increases or spending decreases precisely in the midst of a slowdown or recession when the economy is already suffering from lack of demand.

Since World War II, we have made substantial progress in reducing the toll of the boom-and-bust cycle through the introduction of automatic fiscal stabilizers and effective use of counter-cyclical fiscal policy. For example, if unemployment rises, unemployment insurance payments rise as well, moderating the economic impact of recessions and job losses on companies workers and their families.

A balanced budget amendment would undo this progress and put more people out of work during downturns by turning off these stabilizers and foreclosing action to soften a recession.

Even if Congress wanted to put back the stabilizers (an act that would require a three-fifths vote), slowdowns and recessions are hard to recognize or anticipate. Congressional action would almost surely come, at the very best, months later, by which time critical damage to the economy would already have been done.

Inability to cope with crises. A balanced budget amendment would also prevent us from dealing quickly and effectively with major problems, from a second savings and loan crisis to a second Hurricane Hugo to an escalating military threat.

For example, in September 1989, Hurricane Hugo struck the Carolinas, causing billions of dollars of damage. After President Bush declared a disaster, Congress immediately appropriated \$2.7 billion in emergency assistance. Under the balanced budget amendment, if the budget were otherwise in balance, this could not be done until after a vote of 60 percent in both houses.

Increased risk of default. As secretary of the treasury, I am also concerned that limits on our flexibility would increase the risk of default on the federal debt. The possibility of default should never be on the table. Our credit-worthiness is an invaluable national asset that should not be subject to question.

Default on payment of our debt would undermine our credibility with respect to

meeting financial commitments, and that in turn would have adverse effects for decades to come. A failure to pay interest on our debt could raise the cost of borrowing not only for government, but for private borrowers including small businesses and homeowners.

Finally, as we saw in 1995 and 1996, the history of debt limits shows that raising the statutory debt limit is never an easy process. Yet right now it is possible to raise the debt limit with a simple majority vote in both houses. By requiring a three-fifths supermajority vote, the amendment would make it far more difficult.

Potential for gridlock. Proponents argue that when necessary, Congress would waive the provision of this amendment with a three-fifths vote. But, in fact, the history of Congress shows that it can be extremely difficult to obtain such a majority, and would be even more difficult when the issue is the momentous one of waiving a provision of the Constitution.

While 60 votes are usually required in the Senate for cloture—that is, ending debate and bringing a matter to a vote—and the members have long honored the rights of a minority, the Senate also recognizes that certain matters should not be held up. It therefore permits a reconciliation bill, which can be a vehicle for passing a budget or increasing the debt limit, to be passed by a simple majority.

Under this amendment, 41 Senators or 175 House members could hold our economy hostage to a special agenda.

Enforcement difficulties. A balanced budget amendment poses immense enforcement problems. If the budget is not in balance, there is no way to compel Congress and the president to enact legislation to cut spending or raise taxes to make it so. Yet there is also no way to compel enactment of legislation to waive the provisions of the amendment. It is not hard to imagine a situation in which a two-fifths minority of Congress opposes tax increases, a different two-fifths minority opposes spending cuts, and another two-fifths minority opposes a waiver of the balanced budget amendment or a raise of the debt limit. The amendment provides no method for resolving such an impasse and it could well end up being decided by the courts.

Some proponents have suggested that under these circumstances, the president would stop issuing checks, including those for Social Security. Alternatively, judges might become deeply involved in determining budget policy, including whether Social Security or Medicare checks should be stopped. The president might also impound funds of his choosing, including Social Security. Of course, the amendment might just prove to be unenforceable, reducing respect for the Constitution. All of these potential outcomes are extremely undesirable.

A balanced budget amendment would embed economic policy inflexibility into the Constitution in the face of unknowable economic and political conditions 10, 20, 30 or 40 years from today.

I have a deep commitment to the importance of deficit reduction and fiscal discipline to our nation's economic health, and I believe that we can put in place balanced budget legislation this year. But I have an equally strong conviction that a balanced budget amendment poses real risks for our nation's economy. Congress should not adopt it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THE DEATH OF DAN MANGEOT

Mr. FORD. Mr. President, millions of people watch the Kentucky Derby because it is a spectacular moment of chance.

When the 123rd Run for the Roses takes place May 3, that's what the spectators will see—a riveting 2 minutes when anything can happen. What they won't see are the thousands of small details that go into making that moment one that goes down in sport's history.

While thousands of people work to make the Kentucky Derby and the festival events a success, Kentuckians know that for the past 17 years one man has stood out in his commitment and drive to nailing down every last derby festival detail.

That man was Dan Mangeot, the Kentucky Derby Festival's long-time president. He died in February, leaving behind a legacy and equally important, many, many devoted friends and colleagues.

Described by some as a "legend" and by others as a "father figure," Dan did the impossible. He took a legendary event and somehow made it even better.

Under his management, attendance at derby festival events doubled to 1.5 million, while the economic impact on the community grew from \$17 million to \$53 million.

When Dan decided to focus on something, the outcome was inevitably a huge success. Whether it was selling more derby pins—going from a few thousand a year to 600,000 a year—or instituting a derby festival poster—a regular award winner—he knew how to deliver.

But Dan was about more than ringing up financial successes. He knew how to create a sense of community ownership in an event. Every year the entire community not only had a sense of pride in the festival activities surrounding the derby, but a stake in seeing them succeed.

Dan couldn't imagine doing things differently. Community ownership translated into a board of directors truly representative of Louisville's diversity. And when it came to awarding contracts, he worked to ensure that minority-owned firms weren't shut out.

It's true the derby is about the fastest horses in the world. But for Kentuckians it's also about showing the world the Commonwealth at her finest.

And thanks to Dan that's what the world saw.

Mr. President, let me close by expressing my deepest thanks to Dan's family for sharing such a great man with us. I know I speak for all Ken-

tuckians when I tell Dan's family how very sad we are for their loss.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, February 28, the Federal debt stood at \$5,349,937,360,942.68.

One year ago, February 28, 1996, the Federal debt stood at \$5,016,626,000,000.

Five years ago, February 28, 1992, the Federal debt stood at \$3,829,059,000,000.

Fifteen years ago, February 28, 1972, the Federal debt stood at \$426,934,000,000 which reflects a debt increase of nearly \$5 trillion—\$4,923,003,360,942.68—during the past 15 years.

CONGRATULATIONS TO GLADYS RAYMORE WILSON CELEBRATING HER 100th BIRTHDAY

Mr. ASHCROFT. Mr. President, I rise today to encourage my colleagues to join me in congratulating Gladys Raymore Wilson of Independence, MO, who will celebrate her 100th birthday on March 16, 1997. Gladys is a truly remarkable individual. She has witnessed many of the events that have shaped our Nation into the greatest the world has ever known. The longevity of Gladys' life has meant much more, however, to the many relatives and friends whose lives she has touched over the last 100 years.

Gladys' celebration of 100 years of life is a testament to me and all Missourians. Her achievements are significant and deserve to be recognized. I would like to join her many friends and relatives in wishing Gladys health and happiness in the future.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a treaty and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE AGREEMENT BETWEEN THE UNITED STATES AND CANADA WITH RESPECT TO SOCIAL SECURITY—MESSAGE FROM THE PRESIDENT—PM 19

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

Pursuant to section 233(e)(1) of the Social Security Act (the "Act"), as amended by the Social Security Amendments of 1977 (Public Law 95-216, 42 USC 433(e)(1)), I transmit herewith the Second Supplementary Agreement Amending the Agreement Between the Government of the United States of America and the Government of Canada with respect to Social Security (the Second Supplementary Agreement). The Second Supplementary Agreement, signed at Ottawa on May 28, 1996, is intended to modify certain provisions of the original United States-Canada Social Security Agreement signed at Ottawa March 11, 1981, which was amended once before by the Supplementary Agreement of May 10, 1983.

The United States-Canada Social Security Agreement is similar in objective to the social security agreements with Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the U.S. and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the loss of benefit protection that can occur when workers divide their careers between two countries.

The Second Supplementary Agreement provides Canada with a specific basis to enter into a mutual assistance arrangement with the United States. This enables each Governments' Social Security agency to assist the other in enhancing the administration of their respective foreign benefits programs. The Social Security Administration has benefited from a similar mutual assistance arrangement with the United Kingdom. The Second Supplementary Agreement will also make a number of minor revisions in the Agreement to take into account other changes in U.S. and Canadian law that have occurred in recent years.

The United States-Canada Social Security Agreement, as amended, would continue to contain all provisions mandated by section 233 and other provisions that I deem appropriate to carry out the provisions of section 233, pursuant to section 233(c)(4) of the Act.

I also transmit for the information of the Congress a report prepared by the Social Security Administration explaining the key points of the Second Supplementary Agreement, along with a paragraph-by-paragraph explanation of the effect of the amendments on the Agreement. Annexed to this report is the report required by section 233(e)(1) of the Act on the effect of the agreement, as amended, on income and expenditures of the U.S. Social Security program and the number of individuals affected by the amended Agreement. The Department of State and the Social Security Administration have recommended the Second Supplementary Agreement and related documents to me.