

British people to keep their morale high. She loved her adopted country—and she served it with great honor.

She was one of our Nation's most effective ambassadors. During a period of prickly relations with France, she was able to reassure the French of the importance of our friendship and alliance.

The French liked and trusted her. She knew the language, the people, and the country. She respected their history and their culture. The French honored her with their highest cultural honor—the commander of the Order of Arts and Letters.

Mr. President, Ambassador Hariman's sudden death was a tragedy. But her life was a triumph. Her family is in my prayers. I will miss her deeply.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, February 4, the Federal debt stood at \$5,300,797,430,319.62.

Five years ago, February 4, 1992, the Federal debt stood at \$3,797,723,000,000.

Ten years ago, February 4, 1987, the Federal debt stood at \$2,232,429,000,000.

Fifteen years ago, February 4, 1982, the Federal debt stood at \$1,038,710,000,000.

Twenty-five years ago, February 4, 1972, the Federal debt stood at \$423,427,000,000 which reflects a debt increase of more than \$4 trillion—\$4,877,370,430,319.62—during the past 25 years.

Mr. President, I suggest the absence of a quorum.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

Mr. BYRD. Madam President, I ask unanimous consent to proceed for not to exceed 6 minutes prior to the calling up of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia.

Mr. BYRD. I thank the Chair. Madam President, I shall speak out of order.

THE TAX-EXEMPT ARENA DEBT ISSUANCE ACT

Mr. BYRD. Madam President, I strongly support S. 122, the Stop Tax-exempt Arena Debt Issuance Act—let me say that again—the Stop Tax-Exempt Arena Debt Insurance Act—a measure that has been introduced by Senator MOYNIHAN. This bill would amend title I, section 141, of the Internal Revenue Code by closing a tax loophole that has been beneficial to a select few individuals: owners of professional sports teams. For the average taxpayer, however, it is nothing more than professional sports welfare.

Provisions of the 1986 Tax Reform Act were supposed to prevent professional sports teams from building sports facilities with tax-exempt bonds. Under the law, professional sports teams are categorized as a private entity, and, as such, the issuing of private activity bonds is taxed. However, due to clever maneuvering, professional sports teams have circumvented the intent of the law by encouraging State governments to issue governmental bonds, which are exempted from Federal taxes, for the purpose of constructing large sports facilities. While such a tactic is technically legal, professional sports teams owners have manipulated the law for their own personal gain.

Many large metropolitan areas have attempted to lure professional sports teams to relocate by offering generous incentive packages, including the construction of new stadia. Many of the proposed facilities cost in excess of \$225 million. The Congressional Research Service has reported that the Federal share for a \$225 million stadium could be as high as 34 percent. In plain monetary figures, that is \$75 million over the lifetime of the stadium—\$75 million that might better be spent and more usefully spent on benefits for the Nation, like books for our schools, safer roads and bridges for commuters, and more police to keep our streets safer. Madam President, the list is endless. Instead, the Federal Government receives no tax revenue, and money that could have been spent on these other, more deserving programs, is wasted, in my opinion.

I commend my colleague, Senator MOYNIHAN, for offering S. 122. I agree with his desire to close this tax loophole that is mainly beneficial to a few select and wealthy individuals. In this time of fiscal austerity, the Federal Government cannot afford to subsidize such programs. S. 122 seeks to preserve the intentions of the 1986 Tax Reform Act by ensuring that professional sports teams do not use—directly, or indirectly—Federal funds for the construction of their sports facilities. I have nothing in particular against sports or sports teams.

I just think America has its values standing on their heads when it puts sports ahead of the development of the minds, the intellects of young people. But that is a discussion for another day. Professional sports in the United States is a lucrative and financially healthy private industry. It does not need this kind of public Federal subsidy while so many other pressing needs are feeling the slash of the budget-cutter's pencil.

S. 122 is equally important for another reason. By seeking to prevent professional sports teams and localities from circumventing the obvious intentions of the 1986 tax law, S. 122 illustrates how complex our Tax Code has become. For far too long, tax loopholes, such as those contained in Section 141 of the code, have reduced the

fairness and efficiency of our Tax Code. They are as leeches draining the health and equity of the U.S. tax code. These tax expenditures—that portion of our budget that proceeds for the most part on automatic pilot—have not been subject to the same level of scrutiny as have other forms of federal spending. This must change.

Madam President, in fiscal year 1995, total tax expenditures—or loopholes—reduced Federal revenues by approximately \$500 billion, an amount equal to nearly one-third of the entire Federal budget. Clearly, tax expenditures need further scrutiny, and, where they are deemed to be outdated or unnecessary—or unnecessary—they need to be repealed. By identifying and correcting one of these wasteful tax loopholes, Senator MOYNIHAN has introduced S. 122. It represents a step in the right direction.

Madam President, I thank my colleague, Senator MOYNIHAN, for his leadership. And I thank Senator HATCH for allowing me the privilege of going forward at this time. Madam President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I thank the Chair.

(The remarks of Mr. CHAFEE pertaining to the introduction of S. 275 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the Senate will now proceed to the consideration of Senate Joint Resolution 1 for debate only. The clerk will report.

The assistant legislative clerk read as follows:

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

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The Senator from Utah.

PRIVILEGES OF THE FLOOR

Mr. HATCH. Madam President, I ask unanimous consent that Manus Cooney, Sharon Prost, Shawn Bentley, Paul Larkin, Larry Block, Steve Tepp, Troy Dow, and Paul Joklik be permitted privileges of the floor for the duration of the debate.

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

Mr. HATCH. Madam President, today we begin one of the most important debates that has ever taken place in the U.S. Senate or in the Congress of the

United States. The subject matter goes to the very heart of our Founding Fathers' hope for our constitutional system—a system that would protect individual freedom through the maxim of limited Government.

In the latter half of this century, however, the intentions of the Framers of the Constitution have been betrayed by the Congress' inability to control its own spending habits. The size of this Federal leviathan has grown to such an extent that the very liberties of the American people are threatened.

I just stood at a press conference with our Democratic cosponsors of this amendment, and there was a huge table filled with unbalanced budgets since 1969.

History was made in the 104th Congress when 300 of our courageous colleagues in the House of Representatives, both Democrats and Republicans, approved a balanced budget amendment to the Constitution. Unfortunately, the same measure was defeated in this Chamber by one solitary single vote.

This year we begin a new Congress following an intensive fall campaign in which people in every State across this Nation made unmistakably clear their insistence that we put our fiscal house in order. The eyes of the people, now more than two-thirds of whom favor a balanced budget amendment, now turn to us to follow through on our promises.

I am pleased to be joined by 61 of my colleagues, including every Republican Senator in the U.S. Senate and 7 bold Democrats who have done exactly that in sponsoring Senate Joint Resolution 1, the balanced budget constitutional amendment. Madam President, as we begin the debate on Senate Joint Resolution 1 proposing an amendment to the U.S. Constitution to require balanced annual Federal budgets, I want to summarize why I feel this amendment should be added to the basic great law of this great Nation.

Let me say that as a lifelong student of the Constitution and having served on the Judiciary Committee in this body during my tenure here of 20 years, I do not lightly suggest amending our founding document. Yet, all other avenues having failed us, I believe it appropriate to take recourse to our basic charter to rein in an abused power of the purse—as has been done in similar situations in our history since the Magna Carta—in order that we might save future generations from the heavy burden of irresponsible Government borrowing.

Madam President, let me just summarize the reasons I believe the proposed balanced budget amendment should be presented to the States for ratification. We have to have a two-thirds vote in both of the bodies and submit this amendment to the States, and we have to get three-quarters of them to ratify the amendment before it can be entered into the Constitution. It is a tough process. It ought to be a tough process.

These are some of the reasons why I believe this amendment should be presented to the States for their ratification:

No. 1, integrity and accountability. It will bring immediate credibility to our current budget process and negotiations, and it will restore a measure of integrity and accountability to our Government.

No. 2, our children's future. Passing the balanced budget constitutional amendment is a vote for our children's economic freedom.

No. 3, family financial security. Passing the balanced budget amendment will improve the economic health and stability of all American families.

No. 4, economic strength. The stabilizing effect the balanced budget amendment will have on the economy is clear, and it will enable us to rein in the level of our country's foreign-held debt.

No. 5, retirement security. If we pass this balanced budget constitutional amendment it will literally save Social Security. It will stabilize the economy which will benefit all current and future retirees. Without it, all of these programs will be placed in jeopardy.

Now let me describe these reasons in more detail. On the issue of integrity and accountability, our national debt is rocketing out of control and the American people are paying a very heavy price for it. As you can see by this chart, the debt was relatively stable for many decades, up to about 1970, a little bit before 1970. In recent years the debt has increased at alarming rates under the watch of both political parties. The fact is, our deficits have been structural and they will not be eliminated in the long run without the discipline of a balanced budget constitutional amendment.

They really shot up in the 1980's, right on through the 1990's, and still that arrow is going almost straight up, even today, even with the efforts and actions that have been taken.

Since 1978, there have been no fewer than five major statutory schemes or regimes enacted which promised to deliver balanced budgets, and these include Gramm-Rudman-Hollings. But there has not been a single balanced budget since 1969, which was the only balanced budget since 1960.

While I support the steps we have taken to pass the balanced budget plan, I question whether, without the weight of a constitutional requirement to balance the budget, we will achieve balance by the year 2002. Without a balanced budget amendment, every year Congress has to act, and we have seen the lack of will to do what's right around here. For this reason, I feel passage of the balanced budget amendment is critical.

Let's just acknowledge what every American citizen knows. In recent decades, Washington has been biased to spending, without feeling any constraints by the amount of money it actually has on hand. Washington has

lost the habit of prioritized spending options. Any ideas with political appeal get enacted regardless of cost. We borrow the money if we run short. That is what we have been doing for most of the last 60 years. Those listening could try this thinking on their own budgets at home. Buy any item that looks appealing next time you are at the mall. Just put it on the card. What happens to your budget? Something like this chart probably, but hopefully not quite so high.

Washington, however, is not as constrained as the average American. Washington spends in this way, and when the bill comes, it signs the debt over to the American people. In addition to paying their own bills, the American people have to pay Washington's bills in the form of higher taxes, of course, and accumulated debt. They also pay them in the form of higher interest rates on their homes, their cars, or student loans. They pay in the form of lower job growth, lower wages, and they even pay in the form of decreased services from the Government because more of the budget is being spent on interest rather than on education, health care, job training, child care, the environment, et cetera.

The point is that Americans are getting fed up with Washington because they feel the pinch put on them by Washington's spendthrift ways. They know they have to make hard choices about how they will spend their own money, but they feel that Washington does not feel constrained to make hard choices about spending priorities. It's not even Washington's own money that it's spending so freely; it is the American people's money. No wonder the American people are tired of it.

Besides being dismayed by Washington's free spending habits, the American people also believe that Washington is not accountable for its decisionmaking. The balanced budget amendment responds to both of these concerns. On this chart is the actual text of the balanced budget amendment before the Senate at this time. This balanced budget amendment will require Washington to make tough choices about spending priorities within the constraint of the amount of money it has, or it requires Members of Congress to go on record for its borrowing and taxing decisions. There will be no more voice votes when it comes to raising taxes. There will be no more voice votes when it comes to raising the deficit. You are going to have to stand up and vote. This amendment will see to that. It also requires Congress to achieve some measure of increased consensus about spending priorities if it is going to finance that spending by borrowing.

The concept is simple: Don't borrow, unless a significant number of Members are willing to go on record as saying this spending is such a priority that we must borrow to do it. That would go a long way toward letting Americans know that their Government is deliberating about its spending

habits, making choices among competing options, and only spending beyond its means when it really needs to in order to achieve a goal so important that a supermajority of Members could agree. The balanced budget amendment will go a long way toward restoring the people's faith in the integrity of our budget process and in the accountability of Washington for its decisions.

A vote for the balanced budget amendment is a vote for integrity and accountability in Washington.

Now, our children's future. Our national debt now tops \$5.3 trillion. That averages out to about \$20,000 in debt for every man, woman, and child in America. That is what our fiscal insanity has brought us to. A child born in America today comes into this world \$20,000 in debt—and that is going up. Do we have the right to spend our children's future for our own comfort today?

Over time, the disproportionate burdens placed or 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 pensions and Social Security benefits, reduced benefits or expenditures on infrastructure and other public investments, diminished capital formation, diminished job creation, diminished productivity enhancement and less real wage growth in the private economy, higher interest rates, higher inflation, increased indebtedness to and economic dependence on foreign creditors, and increased risk of default on the Federal debt.

Madam President, I have said this in the past. This is "fiscal child abuse" and it must end. It is our children's future versus Washington's spending addiction. I hope the Senate of the United States will come down overwhelmingly on the side of our children's future by passing this amendment.

A vote for the balanced budget amendment is a vote for our children's economic security.

Now, what about family financial security? It is not just our children that we hurt with these outrageous deficits. We are suffocating our own families. The impact of higher interest rates, higher taxes, lower wage and job growth, and higher mortgages are felt at kitchen tables all across America. The Concord Coalition has estimated that the interest payments on our mountainous debt amount to \$5,360 a year for a family of four. Just to pay the interest against our national debt, it's \$5,360 a year.

Chairman KASICH of the House Budget Committee has pointed out that three of the causes of the "middle class squeeze"—high taxes, counter-productive Government spending policies, and anemic wage growth—are at least partly caused by continued borrowing by the Federal Government. He points out that the baby boom generation pays taxes that are at least 50 percent higher than those paid by their

grandparents. Real per hour wages inched up just one-third of 1 percent annually over the past 4 years, which is one-seventh the rate of growth in the period between 1960 and 1974, and productivity over the past 4 years grew at only one-fifth the rate of that same period. Economist Lester Thurow noted that the one-earner middle-class family is extinct and explains that almost one-third of all men between the ages of 25 and 34 make less each year than is required to keep the average family of four above the poverty level. These combined pressures tear at the very fabric of our Nation and our families.

By contrast, implementing the balanced budget amendment will lower interest rates, making it easier for our families to pay their mortgages, their car loans, and their student loans. Economist at DRI-McGraw-Hill estimate that a balanced budget rule would result in a 2-percent drop in interest rates. Now, DRI-McGraw-Hill is one of the best econometric groups in the country. A balanced budget rule would mean annual savings of \$1,230 on a middle-class family's home mortgage, \$216 each year for an average student loan, and \$180 each year on the average car loan.

The good effects of our overall economic health will help family budgets in many other possible forms, such as a higher paycheck, more job opportunity or security, lower taxes in the future, and a greater ability to save and invest for the future. The Joint Economic Committee has estimated that the average American family would have an additional \$1,500 a year if we implemented a balanced budget rule. A balanced budget amendment will make it easier for American families to afford a house, a car, or to send a child to college. This offers a real way to relieve the pressure on American families who are struggling to stay together and get ahead. A vote for the balanced budget amendment is a vote for the economic health and stability of American families.

Now, economic stability. Economists from all over this country agree that the balanced budget amendment should pass. They agree that "we have lost the moral sense of fiscal responsibility that served to make formal constitutional restraints unnecessary." Hundreds of economists support the balanced budget amendment as being good for the national economy by increasing both investor and business confidence, both foreign and domestic.

Some economists are against us on the balanced budget amendment. As a general rule, they are academics who depend upon the Government in many ways for their moneys and in many respects love the spending practices of the Federal Government. Not all—some sincerely worry about the amendment. But there are also many, many who worry that if we do not pass the amendment we are really going to be in trouble, and economic stability will be threatened.

If the Government would stop borrowing so much money, interest rates would come down and money would be available for businesses to invest in creating jobs and paying higher wages. The Director of the Congressional Budget Office, June E. O'Neill, has testified recently that "balancing budget will induce favorable changes in the economy," and among those favorable changes she specifically pointed to "interest rates, economic growth, and the share of GDP represented by corporate profits." All of this can put real money in the pockets of real people, including small business owners and employees.

CBO Director O'Neill has also suggested that taking action now to balance the budget can assure greater budgetary stability in the future. Greater budget stability means greater tax stability. And that means that Americans, and their families, and the businesses they own, can plan for the future better, with less risk that shifting tax policy will wipe out their plans in unforeseen ways. At the very least, this will save Americans substantial amounts on tax attorneys. But long-term planning, with less risk from shifting tax policy, can pay dividends throughout the economy.

Decreasing our dependence on debt to finance Government activities will also increase our national economic sovereignty. Interest payments on our debt are increasingly leaving the country. This chart, based on Treasury Department statistics, shows that from 1992 to 1995, the portion of our debt held by foreign interests has increased 28 percent. That is money that leaves the United States, thus weakening our national economy, and perhaps slowly jeopardizing our national independence. It has been said, "It is tough to get tough with your banker." The less we borrow from foreigners, the less dependent we are on foreigners, and the more independent we will be as a nation.

By returning honesty to budgeting, the balanced budget amendment will improve our economy and our economic independence.

RETIREMENT SECURITY

The balanced budget amendment is important to current and future retirees.

This is a very important chart because this chart is based on the Social Security trustees' intermediate projections. As you can see here, while we run modest yearly surpluses until the year 2015—down here is the 2015, and the green shows the moderate surpluses above zero, we get to 2015. The long-term projections are mammoth annual deficits—the red line—mammoth annual deficits that start about the year 2015, if we are lucky. That is assuming a rosy economic picture over the next 19 years. The long-term projections are for mammoth annual deficits projected at current dollars at as much as \$7 trillion for today's children when they retire.

The word "trust" in the Social Security trust fund refers to the trust retirees repose in the Government to meet its future obligations. We will be hard pressed to meet our obligations if we do not get our debt under control now and force ourselves to avoid the growth of debt in the future. The balanced budget amendment will force and empower us to meet these future obligations.

In addition, the economic benefits of the amendment will benefit current and future retirees who are increasingly relying on private financial investments for retirement security. There are 34 million households that have invested in the stock market in some form. As financial expert Jim Cramer notes, if you have a pension, it's likely that it's invested in stocks. If you have a 401K plan, it's probably invested in stocks. Worth magazine's Ken Kurson points out that in 1996, 34 percent of households headed by someone under 35 had some sort of mutual fund. Simply put, many Americans are relying less on Government and more on themselves and their own investments for their retirement security. The balanced budget amendment will strengthen the markets and the investments these Americans are relying on.

No matter the source of retirement security, the balanced budget amendment will benefit current and future older Americans.

Some have argued that we should take Social Security out of the purview of the balanced budget amendment. They argue that we should take the highest items in the Federal budget and the most important item in the Federal budget out of the budget because they think that might protect Social Security. Give me a break. That is not going to protect Social Security. It is going to jeopardize it, because what happens is that if we take it out now, even the President has admitted that you cannot balance the budget by the year 2002 if you do not keep Social Security in the total unified budget.

So it is a gradual way that we get there, and if we get there, then Social Security will be much more stable. When we get to these years when it starts to drop off, we have to take care of it, and, frankly, we have to do it within reasonable constraints and do it right.

The fact is that some argue that we should keep Social Security in the amendment until the year 2003 and then all of a sudden take it out when all of these deficits occur. The reason they want that is so they can keep spending. As far as everybody knows, if we take Social Security out of the purview of the balanced budget, we would be creating the biggest loophole in the history of this country and they could spend anything they want by simply labeling it Social Security.

Madam President, this scares me to death. It is true. These are the trustees' estimates here. That is assuming a fairly rosy economic picture. If we hit

a recession or depression during this period of time, it is going to be worse. And the deficits might actually start before then. But that is the best analysis that we can get at this time.

Madam President, only the force of the Constitution can balance out the incentives for irresponsibility that dominate the Congress, and only the balanced budget amendment can save this country from being swallowed in debt.

A vote for the balanced budget amendment is a vote for a stronger and a freer future for all Americans.

When we began this debate, we had at least 68 Members of the Senate who committed and promised that they would vote for this amendment. We need 67. So we believe the votes should be here. We believe people are honorable and will honor their commitments when they ran for office and when they appeared before their families and friends and voting constituents within their respective States. They all knew at the time that this was the only amendment we could possibly pass. They all knew at the time that this is a bipartisan consensus amendment brought about by both Democrats and Republicans, and that we have worked for over 20 years on this amendment. They all knew at the time that this was the one time in history when we could really get this done. And I hope we do. I believe we will because I believe our fellow Senators will live up to the word that they gave to their constituents.

Madam President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I wonder if I could ask the distinguished senior Senator from Utah a question. Shall we vote now?

Mr. HATCH. We would be happy to do it, if the Senator wants to.

Mr. LEAHY. Shall we call the roll?

Mr. HATCH. Sure. That would be fine with me.

Mr. LEAHY. It would be fine with me.

Mr. HATCH. I do not think it would be fine with that side, but it would be fine with me.

Mr. LEAHY. I suspect that you probably have at least one leader on that side who might not be in favor.

Mr. HATCH. I will clear the way.

Mr. LEAHY. Why not talk with him while I give my opening statement to see if we want to do that.

Mr. HATCH. Let us let everybody say what they want to say about this on both sides, and at a reasonable time we would like to—

Mr. LEAHY. If the Senator would like to this afternoon—

Mr. HATCH. I will be happy to do it.

Mr. LEAHY. Why not talk with him.

Mr. HATCH. I will.

Mr. LEAHY. And see if it could be cleared here, too.

Madam President, last night in his State of the Union Address, the Presi-

dent of the United States spoke of the difference between taking action to balance the Federal budget and the political exercise of considering a constitutional amendment on balancing the budget. I mention this because the American people know there is a big difference between talking about a constitutional amendment to balance the budget, a big difference between talking about what you might or might not do, and actually doing it. Here is what President Clinton said.

Balancing the budget requires only your vote and my signature. It does not require us to rewrite our Constitution. I believe it is both unnecessary and unwise to adopt a balanced budget amendment that would cripple our country in time of economic crisis and force unwanted results, such as judges halting Social Security checks or increasing taxes.

Listen to what the President said. Balancing the budget requires only the vote of the Congress and his signature.

This from a President who in the 22 years I have been here is the only President who has brought the deficit down 4 years in a row—the only President who has done that. In fact, if we were not paying the interest on the deficits run up during Presidents Reagan and Bush administrations, we would have a surplus today and not a deficit.

In fact, I believe he is probably the only President in my lifetime, Republican or Democrat, who has 4 years in a row brought the deficit down and certainly the only one since the last President, a Democrat, who had a surplus. That was President Johnson. Deficits have run since then, and only President Clinton has brought them down four times in a row and is about to submit a budget which will bring the deficits down for the fifth time in a row.

That is a record which certainly in modern times, certainly the postwar time, no President, Democrat, or Republican, has done and is a marked contrast to the two Republican Presidents who preceded him who tripled the national debt, who took all the debt from 200 years and tripled it in just 12 years.

So President Clinton is committed to signing a balanced budget that protects America's values, honors our promises to seniors and our veterans and fulfills our responsibilities to the disadvantaged and the young. If this Congress, the 105th, will join him for the good of the Nation and the future, we can, in fact, be the Congress that finally balances the budget.

Madam President, I would like to be part of that Congress, and I would like to see Democrats and Republicans work together to bring about that kind of a balanced budget. But that would mean each one of us, every man and woman in this body and every man and woman in the other body, will have to stand up and cast votes that are politically unpopular—not a vote that sounds very popular but does not cut a single program and does nothing to balance the budget.

My good friend from Utah has talked about the public opinion polls that say how popular a balanced budget is. I support a balanced budget. I voted for more deficit reduction than most of the Members of this body. But wanting it and voting it can be sometimes two different things. It is easy to stand up, as we all do, in town meetings back home and say we want a balanced budget. It is very difficult to come back and face special interest groups on the right and left and say we are going to cast votes to achieve balance.

This is not one of those tough votes. This proposed constitutional amendment is unnecessary, it is unwise, it is unsound, and it is dangerous.

First, it demeans our Constitution. It will destabilize the power among our three branches of Government. That balance of power between our three branches of Government gives this, the greatest and most powerful democracy in history, its greatest protection. It would head us down the road to minority rule and undermine our constitutional democracy. It would likely result in a shifting of burdens, responsibilities and costs to State governments. Whether my own State of Vermont, the State of Maine, the State of Utah, or any other of the 50 States, these State governments are ill-equipped to assume the vast burdens of the Federal Government.

Both because of what it would do and what it would not accomplish, adoption of this proposed 28th amendment to the U.S. Constitution would be wrong. Treasury Secretary Rubin testified that the proposed constitutional amendment would "subject the Nation to unacceptable economic risks in perpetuity. It would be a terrible, terrible mistake for this country."

Treasury Secretary Rubin commands the highest respect of both Republicans and Democrats and certainly within the financial community, and when he speaks of the unacceptable economic risks in perpetuity we ought to stop and listen to him. We should also listen to the 11 Nobel laureates in economics who joined 1,000 other economists who condemn the proposal as unsound and unnecessary. It is what the Los Angeles Times calls a false political star.

Now, there are responsible ways to reduce our budget deficit, but focusing our attention on this proposed amendment only delays us from making progress on what are some very tough choices. This is the same old sleight of hand that we have witnessed around here since 1982 when people began voting for a constitutional amendment on the budget rather than to vote to balance the budget. A lot of people stood up to say, "Yes, I voted to amend the Constitution to balance the budget."

Hurrah, hurrah, how brave they are, but they cannot quite step up here and vote on these tough issues that actually do balance the budget. There is no magic in the proposed constitutional amendment. The magic is hard work. Reducing the deficit will take hard work, and it will require hard choices.

Some may even use a "feel good" vote for this proposed amendment as the excuse to sit back and await the ratification process in the States, and then they would sit back and await the consideration of implementing legislation. Then they would sit back and await the consideration of budgets consistent with such implementing legislation. Then maybe, just maybe, they would start making the necessary cuts.

Madam President, it is like some of the people who stand on the floor of this body or the other body and say that we have to amend the Constitution and have term limits. There are those who stand up and say, "I have been arguing for term limits for 20 years," some who have been arguing term limits before some of the Members of this body were born, and they will keep on into the next century saying we have to have a constitutional amendment for term limits.

I heard one Member of the House, who has been here, I think, 14 terms, say, "If I do nothing before I leave here, we are going to get term limits—if it takes me another 14 terms to get term limits."

What makes more sense, instead of looking for bumper sticker amendments and bumper sticker politics, is to cast votes that will cut the deficit now. Do not wait until the next century. I want to continue to lower the deficit now, not wait for two more election cycles to pass before balancing the budget sometime after the year 2002, which, incidentally, is the earliest date this amendment could be effective.

We showed in the last two Congresses we could make progress in undoing the mistakes of the deficits-building decade of the 1980's without having this proposed amendment in the Constitution. For the first time since Harry Truman was President, the deficit has declined 4 years in a row and with the help of President Clinton we have reduced the deficit 63 percent over the last 4 years. We have reduced the deficit, as a percentage of our economy, from 4.7 to 1.4 percent. These may seem like just numbers, but what we have done is we have reduced the deficit as a percentage of our economy to the lowest among the world's industrialized countries. Instead of constantly standing up supporting this because it might sound like good politics, let us be honest with the people we represent. We have done better than any industrialized country in the world.

As part of our efforts we passed legislation that saves tens of billions of dollars of taxpayer-financed Government programs. These are tough votes. For example, the distinguished senior Senator from Indiana, Senator LUGAR, and I sponsored legislation that reorganized the U.S. Department of Agriculture to become a more efficient and effective agency. The Leahy-Lugar bill passed Congress at the end of 1994. It will result in saving over \$3 billion, but it has to close 1,200 USDA field offices including, should anybody ask, a large

number of offices in my home State of Vermont.

What the distinguished Senator from Indiana and I did was not just to talk about it, we actually put together a piece of legislation which means in every single State in this country somebody is going to feel the pain. I know because I got letters from all over the country about it. But we passed it.

Maybe some of the same people who so eagerly support this constitutional amendment should ask themselves, are they responsible for the huge and unprecedented budget deficits of the Reagan and Bush years? Many are. I am one of only five remaining Senators in this body who voted against the 1981 Reagan budget package that increased defense spending by a huge amount while cutting taxes by a huge amount and which, of course, caused our debt to explode. The 12 years following Reaganomics have left us with over \$2.6 trillion in additional debt.

Do we have a deficit today? Of course we do. If we did not have to pay the interest on the debt run up during President Reagan and President Bush's terms, we would have a surplus today. I commend, again, the President, who, while inheriting a huge national debt, a huge deficit, and a huge debt service when he came into office, has brought the deficit down. President Clinton has, four times in a row, brought the deficit down and is about to do it a fifth time in a row, something that none of us in our lifetime have seen.

But this proposed constitutional amendment remains now what it was then: political cover for the failed policies of the 1980's and their tragic legacy. Those mistakes continue to cost our country hundreds of millions of dollars every workday in interest on deficits run up during the last two Republican administrations. Think of that—hundreds of millions of dollars every single workday just on interest alone based on the deficits of those years. As I said before, were it not for the interest on this debt, we would have had a balanced budget in each of the last several years.

The proposed constitutional amendment contains no protection against the Federal Government seeking to balance its budget by shifting costs and burdens to the States. That is the ultimate budget gimmick—pass the buck to the States. The proposed constitutional amendment would be a prescription for disaster, especially for small States that are ill-equipped to handle the extra load. We know what happened in the 1980's; Federal contributions to State and local governments fell sharply, by about a third. During that same decade, my home State of Vermont had to make up the difference. We had to raise the State income tax rate from 23 to 28 percent. In addition, State and local property taxes and taxes of all kinds had to be increased.

I remember talking to so many people in my State of Vermont, hard-

working men and women, people who bring home a weekly paycheck and pay the mortgages, set money aside for their children to go to college. They keep our economy going. I said, "Have you felt these huge tax cuts that we read you have gotten under Reaganomics?" Except for a couple of my friends who, frankly, Madam President, make a heck of a lot more money than I do, they had not. In fact, what they had seen, the average person had seen their taxes go up. They saw Social Security taxes go up, they saw their local taxes go up, they saw their State taxes go up to cover the differences.

That is not the way to cut the Federal deficit. It is the Federal deficit. You do not cut it by simply shifting the burdens to State and local government and telling them to raise the taxes on their people. Working people cannot afford tax increases any more just because they are imposed by State and local authorities and not by the Federal Government.

While we passed unfunded mandates legislation last Congress, even that legislation offers insufficient protection. My concerns extend beyond new legislation that the lawyers determine include legally binding obligations. I am concerned as well about those programs that respond to the basic needs of individuals.

Human needs are no less real because they are not set forth in a Federal statute. Hunger, cold, illness, the ills of the aged—these do not need statutory definition to cause suffering. With or without definition, they do cause suffering. If we try to balance the Federal budget by scaling back services, we are just as surely going to be shifting the costs and burdens of these unmet needs, as well as Federal mandates, on State and local governments.

I know the people of Vermont are not going to let their neighbors go hungry or go without medical care, and I expect people elsewhere will not either. As much as our churches and synagogues and our charities and our communities will contribute, a large part of the problem and a large share of the costs are still going to fall to State and local governments.

The distinguished majority leader in the other body, RICHARD ARMEY, said in 1995 that he did not want to spell out the effects of this constitutional amendment before it is passed because he is afraid that Congress would not vote to pass it if it knew what it would do. He later reinforced his remarks by warning supporters not to reveal where the necessary cuts would be made because knees would buckle.

If we are going to be asked to consider this constitutional amendment, let us find out what the impact is likely to be. Certainly, before any State is called upon to consider ratification of such a constitutional amendment, we ought to know what the impact is going to be. Every State ought to be able to look at the debate here and our actions here and know what the impact

is going to be if they ratify. Each State should be advised of the likely effects on its economy and, in particular, on personal income levels and job losses in that State. Let us get some of the answers. Let us know where we are headed.

In fact, I believe this proposed constitutional amendment would invite the worst kind of cynical evasion and budget gimmickry. The experience of States that do have balanced budget requirements only bears this out. My State, which has one of the best credit ratings in the country, takes care of its budget without having in its State constitution a constitutional amendment to balance the budget. Because we know we have good times and bad times, we have provisions to set aside a rainy day fund. We know that there are things that we have to do in our small State economy at a time of recession to help.

But look what happens with States with a balanced budget requirement. Many that do achieve compliance do so only with what the former comptroller of New York State calls dubious practices and financial gimmicks. These gimmicks include shifting expenditures to off-budget accounts, postponing payments to school district suppliers, delaying refunds to taxpayers, deferring contributions to pension funds, and selling State assets. The proposed constitutional amendment does not prohibit the Federal Government from using the same and other dubious practices and gimmicks.

With Congress facing a constitutional mandate, the overwhelming temptation will be to exaggerate estimates of economic growth and tax receipts, underestimate spending, and engage in all kinds of accounting tricks as was done before the honest budgeting efforts of 1993. The result will be that those who do business with the Government may never be certain in what fiscal year the Government will choose to pay up or deliver, and those who rely on tax refunds can certainly expect extended delays from the IRS.

Passing a constitutional directive that will inevitably encourage evasion is only going to invite public cynicism and scorn, and not just toward the Congress. That, Madam President, does bother me, since we represent one of the three branches of Government. What bothers me far more is cynicism toward the Constitution itself.

None of us in this body owns the seat that we are in. We are all here for 6 years at a time. Some day we will leave, as we should, either by our own choice or because we are given an invitation to do so by the voters of our State. But while we are here, we have a responsibility to the institutions of this country, and certainly to our Constitution, an oath that we each take solemnly and without any reservation. (Mr. CRAIG assumed the chair.)

Mr. LEAHY. Mr. President, we are, in some ways, an unprecedented country. No nation, no democracy has achieved

the power that we have. In fact, in history, no country, democracy or otherwise, has had the great economy and the great power of the United States. But no other country has had a constitution like ours, a short constitution, a simple constitution, an understandable constitution. Since the Bill of Rights, it has only been amended 17 times. In one of those cases, it was amended for prohibition and then to repeal prohibition.

I mention this because I think there is a definite connection between the greatness of the United States, the fact that we maintain our democratic principles and, notwithstanding our enormous power, a respect for Government and a respect for our Constitution based on the knowledge of that Government and that Constitution and not because a dictator and army tell us we have to.

But that has meant that the men and women who have occupied these seats that we only temporarily occupy, the men and women who have occupied the seats in the other body that were only temporarily occupied, were wise enough—even though there were hundreds and hundreds of proposals over 200 years—were wise enough not to amend the Constitution willy-nilly, especially for those things that can be taken care of legislatively. As the President said last night, it only requires our vote and his signature for a balanced budget, not a constitutional amendment.

Our predecessors on both sides of the aisle and our predecessors on both sides of the aisle in the other body were wise enough to refrain, no matter how popular it sounded or no matter how much it helped them in their elections, from amending the Constitution willy-nilly, especially for those things they knew they could do legislatively.

It is one thing to amend the Constitution to limit the terms of Presidents or to set up successions when there is a vacancy in the Vice Presidency or the Presidency itself. Those are of constitutional import. But something we can do simply legislatively, why amend the Constitution? Let's not debase our national charter with a misguided political attempt to curry favor with the American people by this declaration against budget deficits. Let us not make the mistake of other countries and turn our Constitution into a series of hollow promises.

We are too great a nation for that. We are too great a democracy for that, and the loopholes in Senate Joint Resolution 1 already abound. One need only consult the language of the proposed amendment and majority report for the first sets of exceptions and creative interpretations that will allow Congress to reduce the deficit only so far as Members choose to cast responsible votes. The Judiciary Committee reports that the Congress will have flexibility in implementing the constitutional amendment. It will leave the critical details to implementing legislation.

This proposed constitutional amendment uses the seemingly straightforward term "fiscal year." But according to the committee report, this time period can mean whatever a majority in Congress wants it to mean. It has no immutable definition. It may mean one thing this year, and we may decide the next year it means something else. It can be shifted around the calendar as Congress deems appropriate. Watch out for the shifting of fiscal years in order to juggle accounts when elections are approaching.

This proposed amendment gives congressional leeway to rely on estimates to balance the budget, to make temporary self-correcting imbalances and to ignore very small or negligible deficits. But what is temporary? What is self-correcting? What is small? What is negligible?

With apologies to one of our distinguished predecessors, the Senator from Illinois, Senator Everett Dirksen, a billion here, a billion there; after a while, it does not add up. This is a lawyer's dream.

What is negligible? We think a billion is negligible, and somebody sues, or a whole lot of people sue. My guess is that unless it becomes a political bone of contention between political parties as we approach an election, we could go a long time without Congress declaring itself in violation of this proposed amendment.

What happens if the President of the United States says, "Well, here are my estimates. My estimates are we are going to receive x number of dollars and my estimates are we are going to spend x number of dollars," and it turns out he is wrong? What do we do? Sue him?

What happens if the Congress does the same thing? We estimate in our budget resolution we are going to receive x number of dollars and spend x number of dollars. What happens if we are wrong? Do all 535 Members go to jail or just those who voted for it?

This proposed constitutional amendment could be economically ruinous. During a recession, deficits rise because tax receipts go down. But various Government payments, like unemployment insurance, go up. By contrast, the amendment would demand the taxes be raised and spending be cut during a recession or depression. It is almost like when President Herbert Hoover, as we started into a slight recession, said the thing that would give the most confidence to the country would be to force through a balanced budget. He did, and we went through the worst depression in this century.

As Treasury Secretary Robert Rubin testified in the Judiciary Committee, "the balanced budget amendment would turn slowdowns into recessions and recessions into more severe recessions or even depressions."

Economic policy has to be flexible enough to change with a changing and increasingly global economy. But the requirements of this proposal would tie

Congress' hands to address regional, national, and international problems. We should not hamstring the legislative power that is expressly authorized in article I, section 8, of the Constitution. Let us not undo that which our Founders wisely provided: flexibility.

This proposed constitutional amendment risks seriously undercutting the protection of our constitutional separation of powers. No one has yet convincingly explained how the proposed amendment would work and what role would the President play and what role would the courts play in its implementation and enforcement?

I can just see the new law school courses all over the country. How do you sue under the constitutional amendment?

When you put the budget in the Constitution, economic policy would inevitably throw the Nation's fiscal policy into the courts. That is the last place issues of taxing and spending should be decided. Basically what it does is it destroys this delicate balance between the three branches of government: the executive, the legislative, and the judicial.

I cannot understand why Members of Congress want to give up their powers to the judiciary, because the effect of the proposed amendment could be to toss important issues of spending priorities and funding levels to the President or to thousands of lawyers in hundreds of lawsuits in dozens of Federal and State courts.

If approved, the amendment would have let Congress off the hook by kicking massive responsibilities for how tax dollars are spent to unelected judges and the President. Judge Robert Bork warned of the danger more than a decade ago. Again, Mr. President, why—why—would we give up the constitutional powers we have had for 200 years and give them over to the courts who do not want them and have not asked for them?

So instead of creating future constitutional questions, let us do the job we were elected to do. Let us remember what the President said last night: You vote it, I sign it; we have a balanced budget. Simple as that. But it means we have to make the tough choices and cast the difficult votes and make progress toward a balanced budget.

I worry, Mr. President, that perhaps some, because it is a lot easier, just vote for a constitutional amendment which has huge popularity. It is a lot easier to do that than to vote against a whole lot of programs where your vote is not popular.

It is not popular to actually cast the votes to balance the budget. It is easy to cast the vote for the constitutional amendment. It is sort of like saying, "I will vote today to eliminate cancer." Who disagrees with that? Or the person says, "I'm against cancer. I don't want to give up smoking, but I'm against cancer." It is the difficult steps.

This proposed constitutional amendment undermines the fundamental

principle of majority rule by imposing a three-fifths supermajority vote to adopt certain budgets and raise the debt limit.

Again, has anybody read a history book in this body? Has anybody found out how this country started? Go back to our Founders. Our Founders rejected such supermajority voter requirements on matters that are within Congress' purview. Alexander Hamilton described supermajority requirements as poison. I sometimes wonder if anybody around here even knows who Alexander Hamilton or Thomas Jefferson, George Washington or these people were.

Hamilton observed that:

Supermajority requirements serve to destroy the energy of the Government and to substitute the pleasure, caprice or artifices of an insignificant, turbulent or corrupt junto to the regular deliberations and decisions of a respectable majority.

These supermajority requirements are a recipe for increased gridlock, not more efficient action. If there are some in here who have not read *The Federalist Papers*, just recall the lessons of the last 2 years when the Government was shut down by a determined minority intent on getting its way. The Nation was pushed to the brink of default when a group pledged that, no matter what, they would not vote on raising the debt limit, they were going to let the Government be shut down. Whether it was political or they went out the wrong door in an airplane or whatever, they shut down the Federal Government.

That cost taxpayers hundreds of millions of dollars. It certainly cost everybody in private enterprise in this area, just about any area in the country, hundreds of millions of dollars more. We looked ridiculous to the rest of the world. But all because a minority made that determination.

Such supermajority requirements reflect a basic distrust, not just of Congress, but of the electorate itself. I reject that notion. I have faith in the electorate. I am prepared to keep faith with and in the American people.

Mr. President, we have also said that "The devil is in the details." I believe Emerson first said that. The proposed constitutional amendment uses such general terms even its sponsors concede that implementing legislation will be necessary to clarify how it is going to work.

So we ask, what will the implementing legislation say? Well, we are not going to find out until we see the implementing legislation. Basically this says, "Trust us. Pass this. And we'll tell you afterward what it means." That is kind of like somebody saying, "I'll sell you this business. Would you sign this contract in blank? Give me all your money, but I will fill in the terms afterward."

I am a Vermonter. We just do not quite do it that way back home. We trust each other, but we kind of like to see the details. The questions raised by this proposed constitutional amendment still lack satisfactory answers.

For example, what programs are going to be off budget? What role will the courts and what role will the President have in executing and enforcing the amendment? How much of our constitutional power do we give up? What is really compliance with the amendment? How much of a deficit may be financed and then carried over to the next year? There are a lot of questions like these that are critical to our understanding of this amendment. And they have not been answered.

Should Congress be asked to amend the Constitution by signing what amounts to a blank check? I disagree with that. No Congress should be asked to do that. Nor should each State be asked to ratify a pig in a poke.

In the interest of fair disclosure, Congress should first determine the substance of any implementing legislation as it did in connection with the 18th amendment, the other attempt to draft a substantive behavioral policy into the Constitution. Let us go look at the implementing legislation first.

In my view, this amendment does not meet the requirements of article V of the Constitution for proposals to the States because it is not constitutionally necessary. It is only with resolve and hard work that we make progress. Neither is evident in the proposed constitutional amendment.

I have heard some of the speeches about why it would be good politics, popular politics to vote for this. Politics—good, popular or otherwise—have no place when we are dealing with the Constitution of the United States. We inherited a great legacy from those who went before us because they resisted the temptation to play politics and to amend our Constitution willy-nilly.

As a result, we are the greatest and strongest democracy history has ever known. The bedrock of it is our Constitution, which sets up three branches of Government, with powers that make sure there are checks and balances. This amendment destroys so much of what this country has rested on for over 200 years.

So instead of a bumper sticker for the Constitution, what we need is the wisdom to ask what programs we must cut, and the courage to explain to the American people that there is no procedural gimmick that can cut the deficit or the debt. There is no nice, easy self-serving item. There is only hard work. But I think the American people would rather have the hard work than have us fool around with our Constitution.

Yesterday the Wall Street Journal printed an editorial titled "Constitutional boondoggle" in its editorial page. The editorial says:

We do need to get the national debt declining . . .

I agree.

We do need to restrain federal spending.

Again, Mr. President, I agree.

We do need to resolve the Medicare crisis . . .

Mr. President, I agree.

We do need to look beyond the year 2002.

Mr. President, I agree. But then they said:

But these battles have to be fought one by one, and [they] can't be solved by amending the Constitution.

Once again, Mr. President, I agree.

The Wall Street Journal editorial concludes:

The concept embodied in the proposed [constitutional] amendment measures nothing useful; it is at best a distraction, and at worst, causes confusion that makes the right things harder to do, not easier.

I ask unanimous consent the Wall Street Journal editorial be printed in the RECORD immediately after my remarks.

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

(See exhibit 1.)

Mr. LEAHY. Mr. President, think back again to last night's State of the Union address. The President said all it takes is for us to cast the votes and for me to sign the bill to balance the budget. Many of us who cast those tough votes to cut programs, to bring the deficits down, have faced in the short term the wrath of our constituents but in the long term a realization that we have done the right thing for the country.

I am proud that I have voted for budgets that have now, 4 years in a row, brought down the deficits, something that has not happened certainly in the last 15 years or so. We have had a President who has had the courage to give us four budgets in a row that bring down the deficits. They have meant tough votes.

Some Members who voted to bring down the deficit have probably lost elections because of those tough votes. How much better they have been to themselves, to their children and their children's children because they resisted the temptation, as Senators and Representatives have for over 200 years, to amend our Constitution unnecessarily.

So let us not proceed to a view of short-run popularity but with a vision of our responsibilities to our constituents and the Nation in accordance with our cherished Constitution.

Mr. President, first and foremost I am going to cast votes on this floor to protect that Constitution, popular or otherwise. I take my oath of office seriously. I appreciate the privilege the people of Vermont have given me to represent them in this body. There is nothing I will ever do in my life that will make me as proud as being in this body representing the people of Vermont. As I have told the people of Vermont in each one of my elections, I will protect the Constitution first and foremost. As I told them in my last two elections, I will vote against this constitutional amendment because it does not protect our country, it devalues the Constitution, and it lets us off the hook from doing the things that we really should do.

I yield the floor.

EXHIBIT 1

[From the Wall Street Journal, Feb. 4, 1997]

CONSTITUTIONAL BOONDOGGLE

With President Clinton about to deliver his State of the Union Address and new budget, this is an apt moment to say that the President is right and the Republicans are wrong on item one of the GOP Congressional agenda. The balanced budget amendment is a flake-out.

The notion of amending the Constitution to outlaw budget deficits is silly on any number of counts. Politically it's empty symbolism. Legally it clutters the Constitution with dubious prose. Today's lesson, though, concerns economics and accounting. You can't measure economic rectitude by any one number, let alone the "deficit," however defined, let alone the deficit projections the proposals will inevitably involve in practice. The attempt to enshrine such a number in the Constitution is bound to prove a snare and a delusion.

The proposal passed by the Senate Judiciary Committee says that outlays ("except for those for repayment of debt principal") shall not exceed receipts ("except those derived from borrowing"). While this concept sounds simple, in fact it reflects neither accounting principles nor economic reality.

If you can balance your family budget, the thinking goes, the government can balance the federal budget. But applying the budget amendment's principles to households would outlaw home mortgages, which have proved a boon to countless families and the general economy. What a family balances is its operating budget, a concept foreign to the federal accounts. In corporate accounting, similarly, the health of an enterprise is measured by careful distinctions such as accruals or depreciation. Even the balanced budget restraints of state and local governments exclude spending on capital improvements financed by bond issues approved by voters.

The reality is that borrowing money is not a sin; it depends on how much money, and in particular on the uses of the borrowed funds. Even the amendment itself recognizes this by allowing Congress to waive the amendment by majority vote when war is declared or when a joint resolution declares "a military conflict which causes an imminent and serious military threat to national security." Other emergencies would presumably be dealt through the provision that Congress could approve borrowing by a two-thirds vote.

Republicans back the amendment because it scores well with focus group participants, who don't understand the difficulties, and with Ross Perot, who doesn't care. They also hope that limiting the government's power to borrow will force it to limit spending. Democrats seem pretty much to agree, and want to voice support for the amendment to appease focus groups while also killing it to avoid a spending straitjacket. We're not so sure.

For one thing, we've observed how European politicians, even supposedly conservative ones, have been behaving toward the budget-deficit requirements they imposed on themselves in the Maastricht agreement. To get within the numerical criteria, the Italians are taking their railroads off and on budget; the French government, in return for an infusion of funds this year, assumed pension obligations running into the far future. Governmental accounting, you see, simply counts formal government debt; it ignores unfunded governmental promises.

This is a loophole enormous enough that Rep. Fernand St Germain could drive half of

the S&L crisis through it in one night in 1980, when he doubled deposit-insurance limits. Another enormous loophole is the government's ability to offload, or "mandate," costs on corporations, individuals and state and local governments without running any receipts or outlays through the Washington books. And when the bill for Rep. St Germain's coup suddenly came due in 1989, would it really have been better to avoid borrowing and put the rest of the government through a temporary wringer?

These imperfections might not matter if the amendment did no harm, but it's easy enough to imagine scenarios in which it would keep us from doing the economically right thing. Take the proposals by the most conservative bloc in the recent Social Security Commission. They would allow current taxpayers to personally invest part of what they owe in payroll tax, giving them a better return. But meeting obligations to those retiring before their benefits were funded would require a big issue of government debt. The new debt would merely formally recognize current obligations, and the privatization would dramatically reduce future obligations. Though this transaction would plainly improve the federal fiscal, the balanced budget amendment would outlaw it.

Or for that matter, take the Reagan defense build-up, which led to victory in the Cold War. The balanced budget amendment would have allowed a majority to vote for borrowing if fighting broke out, but not for expenditures to deter it. Is this what we want?

And take the Reagan tax cuts, which in combination with Paul Volcker's tight money, led the country out of 1970s malaise, conquering inflation without an extended recession. Clearly, deficit projections would have prevented the tax changes.

Yes, this policy mix gave us deficits, but the 1980s deficits are themselves a large part of the reason we have a new concern with budget discipline today. Indeed, it seems to us that history argues that discipline comes from forcing governments to borrow, and pay interest—instead of raising taxes or making unfunded promises or issuing unfunded mandates. Yet in the form passed by the Finance Committee, the amendment says you need a majority to raise taxes, a majority to declare a military emergency, but two-thirds to borrow.

What President Reagan understood is that if you limit taxes, spending will sooner or later have to follow. For permanent budget discipline, the best idea now on the table is Rep. Joe Barton's proposal, up for a vote in the House April 15, simply to require a two-thirds vote to raise taxes. If that should pass, nature will take its course.

We do need to get the national debt declining as a per cent of economic output. We do need to restrain federal spending. We do need to solve the Medicare crisis, as Senator Phil Gramm notes alongside. We do need to look beyond the year 2002. But these battles have to be fought one by one, and can't be solved by amending the Constitution. The concept embodied in the proposed amendment measures nothing useful; it is at best a distraction, and at worst spreads confusion that will make the right things harder to do, not easier.

Mr. HATCH. Mr. President, Senator THURMOND, who has worked on the balanced budget amendment for all this time that he has been in this body, the imminent President pro tempore of this body, who deserves so much credit for even getting it up for us to vote on it, has asked that one of our new Senators from Nebraska be given the op-

portunity to take his place at this point. He wanted to defer to the distinguished Senator from Nebraska who will be giving his maiden speech on the balanced budget amendment in the Senate. I am proud of him for doing so. It is an honor to all of us that Senator THURMOND would do this.

Mr. President, I ask unanimous consent the distinguished Senator from Nebraska proceed with his remarks, and then I ask unanimous consent that the distinguished Senator from Nevada be allowed to proceed.

Mr. LEAHY. Mr. President, certainly the Senator from Nebraska, who has been waiting some time, should go next, but perhaps somebody on this side of the issue might go after the Senator from Nebraska.

Mr. HATCH. Let me amend my unanimous consent.

Mr. LEAHY. The distinguished Senator from Utah and I have had enough bills on the floor. It might be good to go back and forth.

Mr. HATCH. Senator BRYAN would like to go after Senator HAGEL, if there is not another opponent who wishes to speak.

Mr. LEAHY. If we do not have another opponent, I am certainly willing to yield to the distinguished Senator.

Mr. HATCH. I wanted to make it clear. We will finish here about 5:30 today, I understand, and certainly we want to have both of these Senators give their speech.

Mr. LEAHY. I assumed the excitement level would be at such a high level we might want to go on all night, but if the distinguished Senator from Utah wants to stop, I will contain my excitement.

Mr. HATCH. We are only doing it to accommodate our friends on the other side who have a dinner. I would like to get the remarks in, and I particularly want to listen to these two Senators.

I yield to the Senator from Nebraska. The PRESIDING OFFICER. The Chair recognizes the junior Senator from Nebraska.

Mr. HAGEL. Thank you, Mr. President. Let me also add my thanks to the distinguished senior Senator from South Carolina, Senator THURMOND, for giving me an opportunity to take his place this afternoon in this debate over the balanced budget amendment.

Mr. President, I rise today to add my strong support for Senate Joint Resolution 1, the balanced budget amendment. I believe Americans want a smaller, less intrusive Federal Government. They want more freedom from the burdens of Government. This is America, a country born from a desire to escape the yoke of oppressive government. Our Founding Fathers did not trust government. They trusted the people.

As we approach a new century, we have again reached a turning point in America's history. We have been given a charge, as a nation and as representatives of the people, to work together to prioritize the role of Government, to

redefine the role of Government in our lives. How much Government do we want? How much do we want Government to do for us? What do we want Government to do for us? How much Government are we willing to pay for?

Reducing the role of the Federal Government will require tough choices. A balanced budget amendment will not make those tough choices and difficult decisions. It is the responsibility of those of us entrusted by the American people in leadership positions in this country to make those tough choices and those difficult decisions. However, a balanced budget amendment will force us to step up to these decisions and help make us better able and disciplined to make those choices necessary to ensure a strong future for this country.

The American people are tired of political posturing and partisan rhetoric. They want action. They want results. They want us to do what we said we would do. We are not here to defend the status quo. We are here to solve problems. We are here to ensure that the taxpayers get the most efficient and effective use of their tax dollars. After all, the money we spend is not our money. It is not the Senate's money. It is not the President's money. It is the American people's money. They earned it. They work for it. It is up to us to spend it wisely. And right now the American people do not believe that Washington spends their money wisely. The American people want us to get control of this country's fiscal policy. They want fiscal responsibility.

That is why a balanced budget amendment is so important. It will force discipline upon the Congress of the United States, a fiscal discipline that has been absent since 1969, the last time America balanced its budget; 36 of the last 37 budgets in this country have not been balanced. It will force us to be honest with the American people.

As our former colleague, Paul Simon, a strong proponent of the balanced budget amendment, wrote just last week in the New York Times: "Elected officials like to do popular things, and there is no popular way to balance the Federal budget." The balanced budget amendment will give us the constitutional discipline to do the right thing.

This debate is about accountability. This debate is about responsibility and leadership. It is about restoring the confidence and trust of the American people and their Government.

We have all been called upon to provide leadership. There is no bigger challenge facing the future of this country than paying down our enormous national debt.

During the debate on the balanced budget amendment there will be numbers and numbers and more numbers. But I ask you to focus on these numbers: America made gross interest payments of \$344 billion in fiscal year 1996 on our national debt. That's \$344 billion that was not used to improve our schools, strengthen our national defense, protect our environment, or

build new transportation systems. And that's just the annual interest. The only thing that we are doing is paying interest on the national debt. We are not even beginning to touch the principal. Each day, we add an average of \$700 million to our national debt that already totals \$5.3 billion. By the time we reach anyone's plan for a balanced budget, the national debt will be \$7 trillion.

The national debt that we are leaving for our children and our children and grandchildren is the real issue in this debate.

What we are doing in cheating the generations that follow us is immoral. We must put our Government in a position to begin paying down our national debt. We must begin to put our fiscal house in order, or our next generation—and I see young people in the galleries today—will face a disaster. They will have a limited future because they will have limited opportunities. This debate is about their future, the future of America, the future of our children and their children.

It strikes me as ironic, Mr. President, that opponents of the balanced budget amendment argue that it will cause cuts in education, Social Security, Medicare, and other programs. What they fail to tell the American people is that if we do nothing—if we fail to act—deficits and our debt will continue to rise until there is nothing left in the Federal budget for education, entitlement programs, national defense, or any other programs—including Social Security.

The real threat to Social Security is the national debt. If we don't act to balance the budget and stop adding to that debt, then we are truly placing the future of Social Security in jeopardy.

Furthermore, exempting Social Security from the balanced budget amendment would actually make Social Security more vulnerable. We are all well aware that Social Security will begin to run a deficit of trillions of dollars early in the next century. Taking Social Security off budget would put it out on a plank all by itself when that time comes. Including Social Security in our total unified budget calculations ensures that Congress will have to deal with this crisis before it hits. How can we take America's largest program off budget?

If Congress took Social Security off budget and ran trillions of dollars of deficits in it, Congress could still say that they balanced the budget. That is ludicrous. That is folly. But, more important, it's dishonest. Does anyone truly believe that Social Security will suffer if we balance our budget? Let's get real. Social Security has been, and will continue to be, the highest priority program in the Federal budget.

Let me say this as straightforward as I can. The best thing we can do to ensure a sound future for Social Security and America is balance a unified Federal budget.

Let's be honest with the American people and say it straight. We have to balance our budget. We cannot continue to pile on to the debt that we are leaving this next generation and then expect them to be competitive in the global economy of the 21st century. If it takes an amendment to the Constitution to balance the budget, we should have one. Our Framers gave us that option. When it was required to do the right thing for the people and the Nation, the Framers gave us amendments to the Constitution to help ensure that we balance our budget, and we need a balanced budget constitutional amendment. So let's get at it. Let's show the American people that we are going to do what we said we would do.

The future for our next generations is growth and more economic opportunities for all Americans. Only through growing our economy, cutting taxes, cutting regulation, and cutting Government spending will we be able to pay off our national debt.

We cannot delay these decisions any longer. Generation after generation will live with the consequences of our actions or our inactions. Will they live with the crushing debt of our indecision? Or will they look back and say that we did rise to the occasion and to the challenge? Will they say that we faced the deficit and the debt honestly and took action and ensured the survival of the American dream?

The magic of America has always been that each generation has done better than the last because it had more opportunities. I do not want to look my 6-year-old and 4-year-old in their eyes in 20 years and say to them that I was a Member of the U.S. Senate, but I didn't do enough to protect their future.

I will not allow that to be the legacy of this U.S. Senator, nor do I believe that this is the legacy my distinguished colleagues wish to leave to their children, grandchildren, and America.

Thank you, Mr. President.

MR. THURMOND. Mr. President, today, we being consideration of a proposed constitutional amendment to require the Federal Government to achieve and maintain a balanced budget.

Undoubtedly, it is the desire of every Member who supports the balanced budget amendment to see the Federal budget deficit eliminated so that we may begin to cut away at the Federal debt which is currently over \$5.28 trillion. Without a balanced budget amendment, there has been little pressure on the President to submit a balanced budget and on the Congress to make tough legislative choices on Federal spending. I would note that the Republican-controlled Congress is working hard to balance the Federal budget. However, we need a balanced budget amendment as part of the Constitution. As the Congress authorizes Federal spending, we must understand

the reality that there are a finite number of tax dollars available for public spending and various proposals would compete on merit and need, not popularity.

The balanced budget amendment would instill legislative accountability as the Congress considers various proposals for increased Federal spending. Currently, there is no real check on runaway Federal spending, and there will never be a shortage of legislation creating new Federal programs or efforts to increase spending in existing programs. Without a balanced budget amendment, budget deficits over the long term will continue to rise and the Federal debt will continue to grow. There have been times when gestures were made to bring spending within our means but those efforts were shortlived. Statutes to reduce Federal spending have not been enough. They are too easily cast aside and the Federal Government rolls along on its path of fiscal irresponsibility.

I am convinced that without the mandate of a balanced budget amendment, Federal spending will continue to eclipse receipts and the American people will continue to shoulder inordinate tax burdens to sustain an indefensible Federal appetite for spending. In 1950, an average American family with two children sent \$1 out of every \$50 it earned to the Federal Government. Today, the average American family is spending \$1 out of every \$4 it earns to the Federal Government.

Mr. President, we can trace the debate on a balanced budget amendment back in our history for 200 years. A defining moment may well have been the appointment of Thomas Jefferson as Minister to France. Thomas Jefferson was abroad when the Constitution was written and he did not attend the constitutional convention. If Jefferson had been in attendance, it is quite possible that he would have been successful in having language placed in the Constitution to limit the spending authority of the Federal Government. Upon studying the Constitution, Thomas Jefferson wrote in a letter of a change he so fervently believed should become part of the Constitution. He wrote the following:

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 to the genuine principles of its Constitution. I mean an additional article taking from the government the power of borrowing.

Further, Jefferson stated,

To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.

Another former President, Andrew Jackson, stated the following,

Once the budget is balanced and the debts paid off, our population will be relieved from a considerable portion of its present burdens and will find . . . additional means for the display of individual enterprise.

President Harrison described unnecessary public debt as "criminal."

Mr. President, early American Presidents and public leaders understood the dangers of excessive public debt. For almost 150 years, balanced budgets or budget surpluses were the fiscal norm followed by the Federal Government. The unwritten rule followed by Presidents and legislators until recently in our Nation's history was to achieve balanced budgets except in wartime. Unfortunately, the role and the size of the Federal Government has grown out of control. In the past three decades, the Federal Government has run deficits in every year except one. Further, the Federal Government has run deficits in 56 of the last 64 years.

The Federal debt has grown as deficits have continued and the debt is now over \$5.28 trillion. It took this Nation over 200 years to run the first trillion dollar debt yet we have recently been adding another trillion dollars to our debt about every 5 years.

I have been deeply concerned during my time in the Senate over the growth of the Federal Government. It has been too easy for the Congress to pass legislation creating new Federal programs and spending more tax dollars whenever there is a call for Federal intervention. Of course, the Federal Government has an appropriate role to protect the citizens of this Nation, but it is not realistic to believe that Washington should respond to every perceived problem with a new Federal approach. This Nation has drifted from its original foundations as a national government of limited authority. I believe the adoption of a balanced budget amendment will do much to return us to a more limited Federal Government and decentralized authority and the mandates of such an amendment will increase legislative accountability. A balanced budget amendment is the single most important addition we can propose to the Constitution to begin reducing the size of the Federal Government.

Mr. President, we have seen the national debt and deficits rise in large part because the Federal Government has grown. The first \$100 billion budget in the history of the Nation occurred in 1962. This was almost 180 years after the Nation was founded. Yet, it took only 9 years, from 1962 to 1971, for the Federal budget to reach \$200 billion. Then, the Federal budget continued to skyrocket; \$300 billion in 1975, \$500 billion in 1979, \$800 billion in 1983, and the first \$1 trillion budget in 1987. The budget for fiscal year 1996 was over \$1.5 trillion. Federal spending has gripped Congress as a narcotic but it is time to break the habit and restore order to the fiscal policy of this Nation.

Two years ago, we were only one vote short of the votes needed to pass the balanced budget amendment. We now have another opportunity to send the balanced budget amendment to the American people for ratification. I hope we do not fail the American people on this historic opportunity and instead present to the States our pro-

posed amendment to mandate balanced Federal budgets. It is time to act to secure the future for all Americans.

I thank the Chair and yield the floor.

Mr. HATCH. Mr. President, as you can see, this is a very important amendment. This is a very important debate. This particular debate is going to determine whether this country is going to go ahead with a fiscally responsible Government or whether it isn't. And, frankly, I think it is time that we do vote on this and that we do what is right for our country.

We are waiting for a couple of Senators who would like to come and speak to this.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HATCH. Mr. President, I compliment the distinguished Senator from Nebraska for his maiden speech on the floor of the Senate on the balanced budget amendment. He did a very good job. He made a lot of very important points. I hope everybody in this country will pay attention to him.

This is a fellow who has sacrificed for his country. He was a war hero. He has been much decorated. He decided he wanted to run for the U.S. Senate so he could make a difference, and he made a real difference here today. I personally commend him for it and thank him for it.

Mr. LEAHY. Mr. President, while I disagree with the position of the distinguished Senator from Nebraska, I, too, compliment him on his first speech. He obviously had given great thought to it and to his position. It was sort of in the dim recesses of my own memory of the first time I spoke on the floor. I know it is a special time. I applaud him for waiting to speak on this matter. Whichever side we are on, we all agree that it is a very serious matter.

I notice that the distinguished senior Senator from Massachusetts is on the floor and wishes to speak. Following the sort of informal arrangement the Senator from Utah and I have worked out, trying to go back and forth, I will yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. President, I thank the Senator from Vermont. Mr. President, I support a balanced budget, but I oppose this constitutional amendment. It is unnecessary, unwise, and untimely. At the very moment when Congress is about to balance the Federal budget the right way, our Republican friends are attempting to do it the wrong way, by writing an inflexible requirement into the Constitution.

Tomorrow, President Clinton will give Congress an opportunity to ap-

prove a balanced budget that genuinely protects the priorities of American families on key issues, such as Social Security, Medicare, education, jobs, health care, and the environment, while achieving the goal of a balanced budget in the year 2002. That is what American families want and need, not a risky and unnecessary constitutional amendment that would jeopardize these priorities, hamstringing the economy, and place a straitjacket in the Constitution.

Our Republican friends refuse to admit the extraordinary progress we have already made under President Clinton to balance the budget. Twelve years of Reagan-Bush budgets tripled the national debt and quadrupled the deficit. But in 4 years under President Clinton's leadership, we have reduced the deficit by nearly two-thirds, and the goal of a balanced budget is clearly within our grasp.

The proposed constitutional amendment has several fatal flaws. One of the most flagrant is the clear threat it poses to Social Security. Today, over 43 million senior citizens rely on Social Security as a lifeline, and millions more are counting on it for their future. Yet the balanced budget constitutional amendment does not protect Social Security—it endangers it.

For over a decade, beginning with the Reagan administration when Social Security first came under heavy hostile fire from some members of the Republican Party, large bipartisan majorities in both the Senate and the House of Representatives have consistently dealt with that threat by providing clear protection for that basic program. Major legislation in 1983, 1985, and 1990 all protected Social Security by placing it outside the regular budget process. Yet this proposed constitutional amendment would undo all those protections, and put Social Security on the chopping block with all other programs.

When we were considering the markup of the balanced budget amendment, I made this point. Those who took a different position said, "Well, Social Security will be protected in any event because of the existing statutes." But what they fail to understand is that we are talking about a constitutional amendment that will override those particular statutes. Those statutes will be ineffective because of the new constitutional mandate.

We will erode the protections afforded Social Security in the past. The protections recommended by the Social Security Commission in 1983, which were effectively adopted in the Gramm-Rudman-Hollings budget statute and restated, with bipartisan support, in 1990. These are important pieces of legislation that clearly said that Social Security is different.

Social Security is special. Social Security represents dollars paid in by workers with the clear understanding and effective guarantee that they will

be paid back at retirement. Social Security is different, as all of us well understand, from other provisions of legislation—direct appropriations and the discretionary budget, which funds, for example, education programs, NIH, the military, and the entitlement programs, plus the interest on the debt. As much as I strongly support the commitments at NIH or the Pell Grant Program, citizens do not pay into those programs expecting to get something back in the future.

That is why, Mr. President, it has been the time-honored position of this body—with bipartisan support—to place a firewall around Social Security. But not under the balanced budget amendment. It is right in there along with other programs, eligible for the chopping block.

This proposal could easily force the Federal Government to stop making payments on Social Security checks. As House sponsors of the amendment have admitted, "The President would be bound, at the point at which the Government runs out of money, to stop issuing checks." That would be a disaster for senior citizens on fixed incomes who count on Social Security to pay their rent, buy their food, or pay their heating bills.

How can any senior citizen count on Republican pledges that say, "Trust us. We won't hurt Social Security"? Our answer is clear—stop dissembling about Social Security. Stop playing this phony shell game with Social Security. We all know how to protect Social Security—so I say, protect it.

The second fatal flaw surrounding this amendment is the pretense of broad public approval. Proponents claim the amendment has widespread support among families in communities across the country. The polls seem—but only seem—to confirm that. A balanced budget constitutional amendment does have superficial appeal. It sounds good in a sound bite, but it can't survive serious debate.

Families don't balance their budgets this way. If they did, they could never buy a home through a mortgage, or borrow money to send their children to college or to buy a car.

That is the family budget. We hear, "Well, the families have to account for their funding." They do, and we should. And we will under President Clinton's budget. But to say that the families of this country do not mortgage their homes and pay off the debt over a period of time or borrow to send their children to college or to buy a car is misstating and misrepresenting what is really happening on Main Street USA.

Our Republican friends should not be lulled into a false sense of public support for this phony amendment. When families across America realize its flaws, this amendment will flunk the kitchen table test.

The third fatal flaw in this amendment is its threat to the economy. Republicans tell us that this proposal is good for families. But over 1,000 econo-

mists, including 7 Nobel prize winners, have condemned the amendment as an unacceptable risk to the health of the economy.

As Secretary of the Treasury Bob Rubin told the Senate Judiciary Committee, the amendment would "subject the Nation to unacceptable economic risks in perpetuity * * *. A balanced budget amendment could turn slow-downs into recessions, and recessions into more severe recessions or even depressions."

Mr. President, we have seen an expanding and growing economy in recent years. It has worked very well for an important percentage of the American people. It has not worked as well for all working families in this country. We acknowledge that. That is an area which I think we have to give greater focus and attention. But we do not have the dramatic swings that we experienced at other times in our economic history. Times that had a disastrous effect on working families—in particular, working families at the lower level of the economic ladder. So why are we putting them at risk with the balanced budget amendment? The wealthiest individuals are not going to be hurt if their Social Security check is cut or the Pell Grant program is reduced. Working families will be at risk. And the working poor have the most to lose because, if this country is put into a depression, they are the ones who will forfeit their jobs and the opportunity to provide for their families.

This amendment could spell disaster for working families during times of recession. The amendment turns off the economy's automatic stabilizers. That could cause unemployment to rise dramatically.

It is estimated that the unemployment rate in the 1992 recession would have risen to 9 percent, instead of 7.7 percent, and an additional 1 million Americans would have been thrown into the unemployment lines. What sense does it make to pass a fell-good constitutional amendment that could have harsh and extreme consequences like that?

Proponents claim that Congress would act in time to avoid any economic emergency. Does anyone seriously believe that? Under the three-fifths rule in this amendment, a willful minority could hold the economy and the entire country hostage indefinitely.

The House sponsors of the amendment have acknowledged this problem. They admit the amendment would have the effect of "lowering the blackmail threshold * * * from 50 percent plus one in either body to 40 percent plus one." That is the height of irresponsible government.

I say, let's work together, on both sides of the aisle, to pass an honest balanced budget that protects the Nation's priorities, protects the economy, and protects the Constitution too. Amending the Constitution is a transparent partisan political gimmick, and

I'm convinced the people will see through it as this debate continues.

Mr. President, I look forward later in this debate to have the chance to debate the issues on Social Security, the enforcement provision, how this measure would tend to force amendments, and we will work with the leadership, Senators LEAHY and HATCH, to offer those amendments in a timely way to permit Members to engage in this debate.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. BRYAN. Mr. President, I thank the Chair.

I note by way of a prefacing comment the amendment that we are debating is a significant one. Obviously, there is going to be prolonged and thoughtful debate on the merits of Senate Joint Resolution 1, as is appropriate.

I note that not all Democrats agree with the position I take in support of this amendment, and not all members of the same family agree. The very able and distinguished senior Senator from Massachusetts has made an eloquent statement here just moments ago in opposition. His articulate and able nephew joined us at a press conference earlier today with equal vigor arguing for its ratification. So this will have some ramifications, I am sure, in terms of the process here in Washington.

Mr. KENNEDY. Will the Senator yield?

Mr. BRYAN. I am happy to yield.

Mr. KENNEDY. I appreciate the comment. It is two out of three. We have two out of three members of the family who oppose it. But I appreciate the Senator's pointing out the one member of the family. We will have a chance to talk to him.

Mr. HATCH. Will the Senator yield?

Mr. BRYAN. I will be happy to yield to the Senator.

Mr. HATCH. I think we see some hope for the Kennedy family.

Mr. BRYAN. I do not want to transgress and separate that wall of separation between church and state, but I think there may be a period of redemption here for those who have not yet been enlightened by our view.

It is always a pleasure to engage the Senator from Massachusetts in conversation because I know that he advocates from a position of conviction, sincerely a colleague whom I respect even though in this particular case I find myself in disagreement with his position.

Mr. President, this debate will climax later this month when the Senate tries to muster the 67 votes necessary to make this the 28th amendment to the Constitution. The outcome of this vote will have historic consequences which will significantly affect this country for decades to come. If we are successful in getting this amendment added to our Constitution, it will be this Congress' legacy to the history books and to our children and our grandchildren.

The President spoke eloquently last evening in his State of the Union Address. I have known the President for at least 15 years, when he and I served as chief executive officers of our respective States, and I have never heard him speak more eloquently. I believe it is the most eloquent of the State of the Union Messages that I have heard as a Member of this body. He spoke at considerable length about our children and the 21st century. We are part of the 20th century. As he pointed out, those who are born this year will have little or no memory of the century that has been the governing influence in the lives of every Member of this institution and those who report our actions for this generation.

I believe with equal sincerity that the action we take on this amendment is, likewise, for our children and their legacy so that they may have the same economic opportunities we have. It is my sense, and I will speak to this more in just a moment, that we foreclose and mortgage their future if we do not arrest a trend that has been institutionalized with both Democratic and Republican administrations and with Democratic and Republican Congresses.

As I commented earlier this month at a press conference with my able colleague, the distinguished chairman of the Judiciary Committee, both the White House and the Congress have supported a balanced budget. Democrats and Republicans in the Congress support a balanced budget. It has become the Holy Grail, if you will, of American political strategy to reach a balanced budget. Suffice it to say, our track record has not been particularly impressive. In 59 of the last 67 years, we have failed to balance the budget, and as a consequence these numbers are staggering. I want to talk to that issue a little bit more in a moment.

I do not underestimate the seriousness of an undertaking to amend the Constitution. We have only done so 27 times in our history, and so we should approach this carefully and analytically. This will and should be a lengthy debate, with serious consideration given to legitimate points of view, but in the final analysis I believe it is imperative that Congress send to the States some form of a balanced budget amendment. Other approaches have been tried and failed, but for the future economic well-being of our country, our children, and our grandchildren, we must take this step.

The wording of the resolution is straightforward and the text is barely two pages long. Under Senate Joint Resolution 1, total Federal spending must not exceed total Federal revenues for each year unless a 60-percent supermajority of those elected in both the House and the Senate vote to allow the Congress to authorize a specific amount of deficit spending.

While the wording is straightforward, the significance in terms of its impact on our country cannot be overesti-

mated. Balanced budget amendments are not alien to our Government. In fact, almost all States have balanced budget requirements either in their constitutions or in their statutes.

As Governor of Nevada, I was required to balance the State's budget. It was not always an easy task, particularly during the economic slowdown of the early 1980's which affected my own State of Nevada and many other States. The year that I was elected Governor, in 1982, the recession had reached its low point in my State, and in January 1983, as I assumed office, we were not sure in that first month whether we could handle the payroll for State government. It was close. It was nip and tuck.

It is always the lot of those who seek support for programs, many of which I support, many of which the Members of this Chamber are supportive of, it is always the nature of those groups to ask more than they know you can provide, and Governors have the responsibility reinforced with a balanced budget provision, notwithstanding those requests and the merit of many of them, to simply say I would love to do it, I would like to do it, but we simply cannot do it because we do not have the money to do it and we have to operate within the revenue stream that we have.

That is the way we conduct our personal affairs, in business and private life. We lack that institutional discipline, it seems to me, here at the Federal level. And I say that without respect to partisanship. That is true with Democratic and Republican administrations alike.

My experience born out of that time is that a balanced budget requirement instills fiscal discipline in a system that is otherwise predisposed to avoid making hard, unpopular choices, and for the most part States have performed admirably when it comes to fiscal responsibility. We cannot say the same for the Federal Government in recent history.

In our country's first 150 years, there was almost an unwritten rule that the Federal Government should balance its budget. The United States Government ran deficits during the War of 1812, the Civil War and the Spanish-American War, to name a few occasions. But in other periods the Federal Government ran surpluses to reduce its outstanding debts. On the whole, only emergencies justified running deficits. However, in the past 36 years, the Federal Government has balanced its budget only once, in fiscal year 1969, and has failed in 59 of the last 67 years.

That is not an impressive record. None of us ought to be proud of that record. Let me emphasize, because this is bipartisan, that occurred under Republican administrations, Democrat administrations, Republican Congresses, and Democrat Congresses. So institutionally we all share the failure in being able to achieve that balanced budget.

Since 1980, the accumulated Federal debt has skyrocketed from less than \$1

trillion to over \$5 trillion. That represents \$20,000 for every American, man, woman, and child. This has taken place in an era when our country has not been at war and has enjoyed relatively healthy economic conditions. No one can claim national emergency necessitated running these deficits.

Many in Washington believe there is now a true commitment to fiscal discipline. On the Federal level, in the last few years there has been some cause for optimism. For the first time since before the American Civil War, for four consecutive years, the annual deficit has declined. The President can take credit for that as well as the Congress for actions that have been taken.

What we do not hear is that in the current budget year we are developing, the deficits will begin to rise again, and so they will in each successive year to the year 2002. That success has been achieved as a result of a number of things that we have done in the Congress and in an economy that has enjoyed a surprising long run in growth. The deficit has been cut in half from its projected level just 4 years ago and the deficit has fallen from 4.9 percent of the gross domestic product in 1992 to 1.4 percent in 1996.

I know, and I think every Member of this Chamber knows, it is going to be extremely difficult, but we must complete the task and balance the budget by 2002. I am pleased to note and to sense a strong bipartisan will to achieve this goal. When we debate the budget resolution and 13 appropriations bills later this year, our will to achieve a balanced budget by 2002 will be sorely tested. I am optimistic, and I am hopeful we will rise to that challenge.

If we can balance the budget by 2002, some may ask, why do we need a balanced budget constitutional amendment? The simple answer is that this amendment is in the form of an insurance policy that Congress will live up to its good intentions. The amendment will keep our feet to the fire. While I respect the good intention of Members of Congress, history has proven that in the past three-quarters of a century we have not been up to the challenge. As I indicated a moment ago, in 59 of the last 67 years, the Federal Government has spent more money than it took in.

Additionally, since 1978, Congress has enacted five statutes requiring a balanced Federal budget—clearly good intentions. But Federal statutes have not worked, which is why I believe an amendment to the Constitution is the next logical and necessary step we must take. If we have the desire to balance the budget, why have we had so much difficulty in achieving this goal? While people in theory support a balanced budget, I am sure my colleagues share the same experience that I have had. At every townhall meeting, if asked, "Do you favor the Federal Government balancing its budget?" The answer is overwhelmingly in the affirmative. But when it comes down to specific cuts, it is interesting that that

same townhall meeting will say, "But I don't want you to cut here." And in an audience of a couple hundred people, there are probably a dozen programs that those of our constituents who come to these meetings suggest: Balance the budget but don't make any cuts in these respective programs. They, like past Congresses, shy away from the hard choices.

Unfortunately, the consequences of failing to make the hard choices are either very subtle or are not felt for years or decades. While cuts in food stamps or home heating assistance are felt immediately and energize a specific constituency, a point or two rise in interest rates caused by deficit spending is hidden. Some of the American people have to make the connection between large Federal budget deficits and higher interest rates. These higher interest rates have a dramatic impact on the American family's bottom line. In fact, DRI-McGraw-Hill estimates that interest rates will drop by 2 percent if we balance the budget. This will save an average family \$2,169 per year in mortgage interest, \$180 on an auto loan, and \$216 on a typical student loan.

But the most insidious effects of deficit spending are the larger and larger burdens we pass on to the next generation. In just a decade, the deficit has gone from \$8,000 for every man, woman, and child in this country to more than \$20,000 this year. We are burdening future generations with the tab for our inability to bite the bullet, to make the hard choices.

Our inability to balance the budget has had a compounding effect. Each year we fail to do so, the job becomes harder the next year, as we have to pay more to service the national debt. In the past 20 years, the percentage of our budget that goes to servicing the debt has risen from 7 to 15 percent. We lose 15 percent of our budget just paying for the excesses of the past and just the interest, none of that retiring the principal which is now approximately \$5.3 trillion.

Put another way, \$1 in every \$6 of our Federal budget goes to paying interest on our more than \$5 trillion national debt. Before the first school lunch is paid for, before another road is paved, before much-needed repair is undertaken on our neglected National Park System, we spend in gross interest payments alone, \$300 billion as the cost of servicing our national debt. It is the second largest Federal spending item, following Social Security, and is equal to almost one-half of our personal income taxes paid to the Federal Government. Yet we have nothing to show for it.

While there is little disagreement on the evils of budget deficits, there is a serious disagreement and debate over whether Senate Joint Resolution 1 addresses specific concerns people have. I want to address one that is very sensitive and certainly worthy of being discussed and carefully considered, and

that is whether Social Security should be included in a balanced budget amendment.

I believe Social Security should be removed from the balanced budget amendment. I do not do this lightly, because removing the Social Security surpluses will make it more difficult in our task of balancing the budget. The surplus for 1996 was approximately \$60 billion. But whether Social Security should be taken out of the balanced budget amendment depends on how you view the Social Security system. If you believe it to be a pay-as-you-go system where today's workers' payroll taxes should go to pay the benefits of today's retirees, then Social Security should remain a part of the overall budget, and that is an honest, philosophical point of view. If, however, you believe the funds being taken out of today's workers' payrolls should be set aside for their retirement, years from now, then Social Security should be taken out of budget.

In fact, Congress has spoken on this issue and, in 1990, enacted legislation to take Social Security out of the unified budget. But my support for taking Social Security out of the balanced budget amendment is based on my conviction that we must start putting aside money for future retirees or we will face, as a country, financial calamity. The math does not work out, for there will be far too few workers to support far too many retirees when the baby boom generation retires in the next century.

Finally, we currently have 3.2 workers for every retiree. In the year 2030, we will have only two workers for every retiree, and young people today are rightfully skeptical about what will be left to pay for their retirement. One way to restore their confidence would be to truly set aside their payroll contribution by taking it out of a balanced budget amendment. This would prohibit the Federal Government from using Social Security surpluses when it balances the budget, and Social Security would look more like a traditional retirement system.

Over the next several weeks the Senate will engage in serious debate over the issue of excluding Social Security from a balanced budget amendment. While I support such an amendment, I believe it is vital that we pass a balanced budget amendment, even if it does not exclude Social Security. The worst thing we can do for Social Security is to fail to pass any balanced budget amendment.

Without the fiscal discipline provided by the amendment, we will never be able to keep our budget in order.

If we have learned nothing else from our past budget problems, it should be that putting off the solution only makes matters more difficult to rectify. A little pain now helps us to avoid a lot of pain later. The fiscal discipline of the balanced budget amendment will make it much easier for us to responsibly assure the long-term solvency of

the Social Security System. The worst option for the long-term viability of Social Security, in my opinion, would be to continue with the status quo and fail to enact a balanced budget amendment.

Let me just embellish upon that for a moment. I know that many of my colleagues will be joining me in supporting an amendment to take Social Security off budget, and I believe they are sincere in desiring to protect Social Security. But I must say, I find it difficult to follow the logic that if there is not sufficient votes to take Social Security off budget in this constitutional amendment, that somehow voting against a balanced budget in some way protects Social Security.

I have been a Member of this body since 1989. I have seen budgets submitted by a Republican and a Democratic President, and we will see a budget submitted to us tomorrow by this President. Each President has submitted as part of a budget proposal to us the Social Security surplus. So tomorrow, the \$60 billion that represents this year's surplus will be included in the spending plan that is recommended to the Congress.

So the notion that somehow if we fail to adopt a balanced budget amendment we are protecting Social Security, I must say, is an argument the logic of which I do not understand. We are currently using that surplus in the Social Security budget to finance the operational expenses of the Federal Government. Republican Presidents have done it; Democratic Presidents have done it. And in my view, it is a misguided notion that we protect Social Security by rejecting a balanced budget amendment that does not contain the off-budget language.

Mr. President, this Congress has a historic opportunity to take action that will positively affect this country for generations to come. If we fail, I am afraid we will continue to push financial burdens on those who come after us. Let this Congress' legacy be that it took bold action and that it did so in a bipartisan way, and that by so doing, we protect the future economic well-being of all Americans. I urge my colleagues to enact Senate Joint Resolution 1.

As I said at the outset, I do not take amending our Constitution lightly, but I feel, in light of the circumstances of our recent history, it is the only responsible course of action. History has shown us that good intentions, Federal statutory enactments have failed to do the job. A balanced budget amendment will bring about the fiscal discipline our country so desperately needs, and I urge my colleagues, Democrats and Republicans alike, to join with us in enacting a constitutional amendment that will balance the Federal budget in the year 2002, and, by so doing, ensure that our children and our grandchildren will enjoy the economic opportunities that have been the privilege of our generation to enjoy.

I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I will only take a moment, because the distinguished Senator from Minnesota wishes to make a statement on the other side of the issue.

I thank my colleague from Nevada for an excellent set of remarks. He is a tremendous leader on this issue, the principal cosponsor of this amendment on the Democratic side of the aisle. I thank him for all the work he has done and the excellent remarks that he has made. It means an awful lot to all of us.

Mr. BRYAN. I thank my colleague from Utah for his generous remarks. I look forward to working with him and our other colleagues in seeing this measure is enacted into law.

Mr. HATCH. Mr. President, I would like to take a few seconds to point out this little stack. This is only 28. This stack is only 28 of the unbalanced budgets since 1969. We were afraid to put up the ones before 1969, which was the last year when we had a balanced budget in this country. So those who get up and say, "Well, we just simply ought to have the will to do it," look at this stack. We are going to have to take it down because we are afraid somebody will get hurt. We wanted the American people to see just what they have lived with for 28 solid years, and that doesn't even count the years before. It is pitiful for people to stand up and say, "Well, we don't need a balanced budget amendment." That is pitiful, too.

Mr. DOMENICI. I wonder if Senator HATCH will yield for 1 minute.

Mr. HATCH. I yield to the distinguished chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, I say to my fellow Senators, I happened to be on "Meet the Press" on Sunday. I couldn't put all 29 unbalanced budgets there, but I put a couple. Frankly, I described this episode in American history as 29 years of engagement where we have been engaged with the American people and to the American people on a balanced budget, and, as I put it, the time has come to get married, to tie the knot. The engagement has been too long, 29 years.

My second point is, for those who are listening and frequently see some of us speak to these issues on the floor, before you believe the statements coming from those who oppose this constitutional amendment that by taking it off budget you make it more secure and more safe, just be patient. Some of us will convince you that by taking it off budget, you put the Social Security trust fund at risk and pensions for the future at risk, because they will be subject to exclusively the will of a Congress.

That is all you need to worry about is to put a trust fund out there that has money and let Congress have ahold of

it and no balanced budget requirement. You can just imagine what we are going to be able to show seniors what is going to happen to that fund if you take it off budget.

I thank the Senator.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I won't make some of the arguments that have been made in opposition to this amendment. With all due respect to my colleagues, we can look back with a sense of history, and I think there is probably plenty of blame on both sides—I am glad to say I wasn't here during most of that history—about budgets that were not in balance. But the fact of the matter is, people in our country have made it really clear that they want to see us get our fiscal house in order. We can do that, we should do that, and we don't need this amendment.

I do, in a moment, want to talk about who is at risk and exactly what kind of priorities I believe this amendment is going to lock us into, which I don't think are the priorities and values of people in our country.

PRIVILEGE OF THE FLOOR

Before I do that, I ask unanimous consent that Jordan Cross, who is an intern, be granted privilege of the floor for the duration of this debate.

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

Mr. WELLSTONE. Mr. President, as we turn our thoughts to the new century—and I have a different context about this debate—we can celebrate a great deal. The past 100 years have seen massive improvements in the quality of our national life, American leadership in getting the world past murderous global conflict and successful transcendence of economic crisis.

Our population is more diverse than ever, and at midcentury, we dismantled the legal framework encasing our original sin of State-sanctioned racism. We are, in many varied ways, a model for much of the world.

But there is at least one way in which we are not a model, one area in which in recent times we have been moving in the wrong direction. That is in fulfilling our national vow of equal opportunity.

We said in 1776 that every American should have the right to life, liberty, and the pursuit of happiness. In 1997, that national commitment is in need of refurbishing and renewal. Mr. President, I will explain in a moment why I start out with this context.

More than 35 million Americans—1 out of every 7 of our fellow citizens—are officially poor. More than one out of every four children in our country today are poor. One out of every two children of color are poor in America today. And the poor are getting poorer.

In 1994, of the poor children under the age of 6, nearly half lived in families with incomes below half the poverty

line. That figure has doubled over the last 20 years, as has the number of people who work full time, 40 hours a week, 52 weeks a year, and still are poor.

Mr. President, minorities are poorer than the rest of Americans. African Americans are close to 30 percent and Hispanics at a little over 30 percent. And 44.6 percent of children who lived in families that are female-headed families were poor in 1994. Almost half of all children who were poor live in female-headed households. Women are disproportionately among the ranks of the poor in America. There is a convergence between race and gender and poverty and children.

Mr. President, when I introduce my amendments in this debate that will ensue over the next couple of weeks, I am going to talk in very concrete terms about what it means to be poor in America.

Context, Time magazine, "Special Report: How A Child's Brain Develops, And What It Means for Child Care and Welfare Reform." This is startling. This is medical evidence that is irreducible and irrefutable, and the evidence says that the first 3 years are critical. We have to make sure that, first of all, women that are expecting children have an adequate diet. Otherwise, their children at birth may not have the opportunity and the chance that is the very essence of the American dream. And if children do not have an adequate diet during these early years, and decent health care, and children do not get a smart start and have nurturing care and stimulation by age 3, it may very well be that they will never be able to fully participate in the economic and political and social and cultural life of our Nation.

What does this have to do with this debate? Let me be clear about who is at risk. According to the Center on Budget and Policy Priorities—by the way, Bob Greenstein and the work of this organization is impeccable. All of us on both sides of the aisle have a tremendous amount of respect for their work.

According to the Center on Budget and Policy Priorities, more than 93 percent of the budget reductions in entitlement programs in the 104th Congress came from programs for low-income people. Congress reduced entitlement programs by \$65.6 billion over the period from 1996 to 2002. Of that amount, \$61 billion out of the \$65 billion came out of low-income entitlement programs. Entitlement programs not targeted on low-income households were reduced only \$4.6 billion—whether it was nutrition, whether it was health care, whether it was early childhood development.

I will tell you what was interesting. Those citizens in this country who do not have the political power, who do not hire the lobbyists, who are not the heavy hitters—let me make a connection to campaign finance reform, who were not the big givers—they are the ones who disproportionately were asked to pay the price.

We had deficit reduction—talking about how to balance the budget—based on the path of least political resistance. It was not the oil companies. It was not the pharmaceutical companies. It was not the big insurance companies. But it was children, disproportionately low-income citizens and disproportionately poor children in America.

Mr. President, therefore, the first amendment that I am going to offer, which I think is a litmus test for all of us—I hope I will get support from the other side of the aisle—will read as follows: “This amendment would exempt outlays that would disproportionately affect nutrition, health care, and education programs.”

Mr. President, this is an amendment that basically says that we want to make sure we would exempt outlays that would disproportionately affect the nutrition, health care, and educational programs and status of children.

Mr. President, it is a simple amendment. We have been hearing speeches in which all of us have talked about education and children. We love to have photo opportunities with children. This amendment just says, “OK, if you’re going to lock us in to a balanced budget, I think we need to get a commitment, based upon the record of the 104th Congress, that you are not going to make disproportionate cuts in programs that deal with the educational, health care, and nutritional status of children.” Everyone should vote yes for that.

Let us go on record. Let us be clear that we are not going to target for cuts, we are not going to target for pain poor children in America, that we will not make those disproportionate cuts in nutritional programs for those children, in health care programs for those children, in educational programs and early childhood programs for those children.

I think this amendment speaks to a very real concern that people have in this country. Exactly what is the agenda here?

Mr. President, the second amendment—let me repeat the first amendment one more time: “Federal outlays shall not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health care programs for children.”

That should be an amendment that I should get support on from both sides of the aisle. “Federal outlays shall not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health care programs for children.”

Mr. President, the second amendment that I am going to offer is that “Funding for the Women, Infants, and Children Program shall be exempted from the definition of outlays for balanced budget calculations, thus protecting such spending from cuts under a balanced budget amendment.”

Mr. President, it is pretty simple. The Women, Infants, and Children Pro-

gram provided assistance in 1996 for 7.3 million women, infants, and children. However, it was only 60 percent of the eligible population, and 11 million mothers and children were eligible. Only 7.2 million were covered, leaving 4 million women, infants, and children vulnerable and not benefiting from the Women, Infants, and Children Program.

We all know what the evidence suggests. And so my amendment just simply says, we will exempt that from the definition of outlays for balanced budget calculations, thus protecting this program. Are we going to protect it or not? I want to hear people tell me why we would not go on record saying we would protect it.

The third amendment that I am going to lay out on the floor: “Funding for Head Start shall be exempted from the definition of outlays for balanced budget calculations, thus protecting such spending from cuts under the balanced budget amendment.”

Mr. President, in 1996, Head Start served 796,500 children. According to the Census Bureau, there were roughly 2 million American children living in poverty. That leaves 1,200,000 children who were still unserved.

This program, which gives children just what the title says it does, a head start, reached only 17 percent of eligible 3-year-olds and only 41 percent of eligible 4-year-olds. The medical evidence is in. These are the ages where we need to support these children. These children, just because they come from poor households, deserve every bit of support we can give them.

This amendment lays itself on the line. If you are going to support this amendment to balance the budget and lock us in, then I want a commitment from this Senate that we will not target these children and we will not have cuts in this vital program that gives children a head start, some of the most vulnerable poor children in America.

Finally, Mr. President, another amendment—and these are just four I am going to preview. “Funding for education shall be exempted from the definition of outlays for balanced budget calculations, thus protecting such spending from cuts under the balanced budget amendment.”

I heard the President last night talking about education. I heard the President last night talking about early childhood development. Senators were on their feet applauding. So I am just saying since I saw what we did last Congress, I saw where we made the cuts, I want to hear Senators argue with me that, if there is another position here—almost all those cuts affected low-income citizens. Almost all those cuts affected poor children in America, the very citizens who do not get to the bargaining table, the very citizens who do not march on Washington, DC, the very citizens who do not have lobbyists.

So I say to my colleagues who support this, how about giving me some

reassurance and, more importantly, how about giving people in our country reassurance that when we do this we will make sure, one more time, that Federal outlays shall not be reduced in a manner that disproportionately affects outlays for education, nutrition and health care programs for children; that we go on record that we are not going to cut benefits that deal with the Women, Infants, and Children Program; that we are going to make sure that a woman expecting a child has an adequate diet; that we are not going to make cuts in Head Start, we are going to make sure these children are given a head start; and we are not going to make cuts in educational programs. It is real simple. It is up-or-down votes.

I want to know exactly where my colleagues want to take our country with this constitutional amendment to balance the budget. I want to know what the priorities are. I want to know where the cuts are going to be. My understanding, and I will talk much more about this when I bring the amendments to the floor, is that the majority party, roughly speaking, has about \$500 billion of tax cuts, most of it accelerated beyond the year 2002—my colleague is shaking his head. We can have a debate upon that, and I will be very reassured if that is not the case.

Mr. President, if we have hundreds of billions of dollars, even if it is not \$500 billion, in tax cuts and then the trade-off is going to be cuts, but where? What is going to be the offset? They do not want to go after the corporate welfare. They do not want to go after the Pentagon budget. They want to have hundreds of billions of dollars of tax cuts, most of it benefiting high-income, wealthy people. Where will the cuts be?

In the last Congress almost all cuts focused on low-income families, low-income children, educational programs. All those programs were in jeopardy last time.

This time I think we need a reassurance and we need a strong vote in favor of each of these amendments so that we can have a reassurance for many, many citizens in our country. The goodness of America says do not cut Head Start. The goodness of America says do not cut the Women, Infants, and Children Program. The goodness of America says do not cut health care programs that will affect the status of children. The goodness of America says do not make disproportionate cuts in any of those programs. They have worked. They are important. They are vital.

I hope I will get 100 votes for each of these amendments. If not, then my colleagues will be making their point. My colleagues will be saying we refuse to vote for an amendment that puts us on record that we will not reduce Federal outlays in a manner that disproportionately affects outlays for education, nutrition, and health programs for children. I cannot imagine why any Senator would vote against such an amendment. We should go on record

and let the goodness of the Senate speak out on these amendments.

I look forward to coming to the floor with each of these amendments. I will have much supporting evidence. I want to talk about what happened in the last Congress. I want to go over exactly where we made the cuts, and I want to see if I can get my colleagues to make a commitment that we will not continue down this path. I really do believe that the vast majority of people in America think it would be wrong to make more cuts in programs like WIC and Head Start, more cuts in programs that affect the health care, nutrition and educational status of our children. I yield the floor.

Mr. CRAIG. Mr. President, I think we are about to conclude the business of the Senate for today. Prior to that happening, I want to make some opening observations about this historic constitutional amendment, Senate Joint Resolution 1, that we have on the floor this evening and on which we have started debate.

Let me also say to my colleague from Minnesota, who has eloquently and passionately laid out a variety of critically important items for us to debate in the coming days, my colleague from Minnesota mentioned programs that I support. I have always voted for Head Start, and I have always voted for Women, Infants and Children. Those are very important programs for our country. I am also one who says those programs have to be funded within the context of a balanced budget.

I am standing here beside this 6-foot tall stack of budget documents, what I call the budgets of the era of liberalism. This is when America said that poor people ought to be cared for, and unprecedented in the world, this Nation poured out its riches to the poor. Mr. President, 28 years of budgets are represented here, and benefits resulted from some of what was in them.

We started the WIC program. We started Head Start in these budgets. They were funded last year and will continue to be funded. But what happened along the way? People did not seem to get better. People seemed to get poorer. While this Nation spoke about having a safety net, and it must speak to the need for a safety net for the truly needy, we began to learn lessons in the 1960's, 1970's and 1980's. We began to learn that handouts are not necessarily a hand up. In a society as wealthy as ours, while we truly need to be kind and caring—and the Senator from Minnesota is truly that, and I think that all Senators are—somehow, along the way, we began to realize that the cumulative effect of all these spending programs was to put the whole Nation at risk. These 28 budgets—28 budget packages submitted by six presidents, both Democrats and Republicans—also represent \$5.3 trillion worth of debt. Enough money is paid out annually in interest to service the debt that these budgets created to fund all the programs that the Senator from

Minnesota wants and many, many more.

That is what the debate is about today. This debate is not about Women, Infants, and Children. This debate is not about Head Start. This debate is about fiscal responsibility. This debate is about making tough policy choices.

I am amazed that the Senator from Minnesota would fear the constitutional amendment, as eloquent as he is on the issues that he is impassioned about, because he can appeal to me and he will get my vote—within the context of a balanced budget—for Head Start and for Women, Infants, and Children. Then he and I, working together, will have to work with our other colleagues to make sure that we choose a rational spending policy that prioritizes these programs because we decide to reduce elsewhere.

What I will not do and what this Congress will not do is send to the American people for ratification a constitutional amendment with a loophole in it large enough to drive all of the trucks that service the industries in Minnesota through. We dare not send to the American people a phony document that they might put in the Constitution, in which we exempt all of these programs from the responsible decisionmaking that the Senator from Minnesota and I want to make here on the floor.

Should we exempt Social Security? If we exempted Social Security and Women, Infants, and Children and Head Start and all of the other programs being suggested, that is probably better than a third of the budget. How can we turn to the American people and say now we have a balanced budget when we just took a third of it off-budget? No longer would we have the right to make the choice to set priorities. These would autopilot programs. But instead of protecting these programs, they would become the loophole through which to channel all sorts of new and increased spending. I do not think the Senator from Minnesota wants that. I think what the Senator from Minnesota is speaking to is setting priorities, making tough choices for the right reasons on the right issues for people who are less fortunate. If that is what he means, and I know he means that because I know him well, then he will have the Presiding Officer's support and he will have my support.

What we would like to ask him to do is to join us in pleading that we get away from this stack of 28 unbalanced budgets in a row, that we get away from adding to this \$5.3 trillion worth of debt, with its \$340 billion a year worth of interest to service the debt. Those huge interest payments actually strip this country of its resources to do what that Senator wants done. If we did not have to pay all that interest, if we had paid off the past Federal debts, then we would have a surplus today of more than \$100 billion a year, available

to spend on programs like those the Senator from Minnesota advances.

The American people now agree with us. Mr. President, 70 or 80 percent plus of the American people say a balanced budget is critical. President Clinton said last night he was sending us a balanced budget tomorrow. I bet he funds WIC, and I bet he funds Head Start, and I bet inside that budget is Social Security. This President, our President, last night said that was a balanced budget.

A few moments ago the Senator from Massachusetts was on the floor, and he said we should treat Social Security differently—that there will be an amendment to treat Social Security differently—from how we, the Republicans and some Democrats want to under the balanced budget. He said he wanted to keep it separate and apart. Then he spoke eloquently about the President's budget, and the President treats Social Security exactly the way Republicans want to treat it, leaving it inside the budget, making sure that our Government's fiscal house is in order so that a government whose budget is balanced is a government that can meet its obligation. That is really the issue here, and that is the crux of the debate that will go on over the course of the next several weeks.

The Senator from Minnesota has approached us this afternoon with four amendments. They are important amendments and they should be debated; they should be voted on. I hope that my colleagues, in considering any amendment, will consider that all of the budget be a part of the whole and the whole should be balanced. The Secretary of the Treasury does not suggest that we split anything out of the budget. He suggests that we deal with a whole budget, that we don't start prying things apart. The President will present that kind of a budget tomorrow. The reason that we want to make sure that happens is that it is time this country makes the tough choices. I think that when we make those tough choices, under the responsibility of a balanced budget requirement in our Constitution, social spending programs critical to the truly needy of our country will survive.

For a few moments, Mr. President, let me talk about what stands before us here. Twenty-eight years of endlessly unbalanced budgets are stacked here at my right hand, 28 years of deficit spending, 28 years since the last time this Government balanced its budget in 1969. Now, 14 of these 28 budgets were never intended to be balanced. They were intended to be in deficit, to create debt. But 14 of them—the other half—promised a balanced budget at some point. It was the same kind of promise we heard from President Clinton last night. These were sincere promises, all 14 of these budgets that promised eventual balance, spread over the last 28 years. And I do not question this President's sincerity in promising yet another budget that reaches balance in a few years. I believe that he

believes he can produce a balanced budget.

What was the rhetoric last night? "You vote for it and I will sign it." The problem is choice making—choice making in an environment in which we don't have to make hard choices. And as a result of not having to make hard choices, wanting to serve the needs of the American people, wanting to address the truly needy, Congresses and Presidents instead have made easy choices, 28 long years of easy choices.

Oh, they were tough choices at the time, or at least they felt tough. But when you know you don't have to balance the budget—you do not really set priorities and make hard choices. And we went through an era when deficit spending was supposed to be good because it supposedly stimulated the economy and created jobs. Well, that may have been all right in some instances when we didn't have a \$5.3 trillion debt, when service on the debt was \$5 or \$6 billion a year and was a minuscule part of a total budget. All of a sudden, over the last decade and a half, this debt has exploded on the American scene and on the American taxpayer's pocketbook. Today, Social Security and the interest on debt created by these 28 budgets now rival each other as to which is the largest single expenditure in the annual budgets of the Federal Government.

That is why, consistently over recent years, the American people have said to this Congress—Republican or Democrat—"Get your fiscal house in order and balance the Federal budget." Seventy-plus percent of the American people want a constitutional amendment. But recently polled, only 12 percent really believed that we would get to a balanced budget by the year 2002. Why? Here is the reason why: 28 consistent years of promises made and promises broken to the real people of this country, the taxpayer who now feels exploited and put upon largely because this Congress and Congresses like it promised but failed to deliver. Twenty-eight years of budgets submitted by Presidents that promised deficit reduction or balanced budgets that never came to be.

Twenty-eight years of borrowing, a total of 36 deficits in 37 years, \$5.3 trillion worth of gross debt. That is \$20,000 of debt for every man, woman, and child in America. So the majority of all the real people living in this country today have seen a budget actually balanced only once or never. And they now question the integrity of their Government and the reality of what this country really is about and, more important, what its politicians are about.

We will honor the promises made by Social Security because we want to and because we must. It is a contract with the elderly of our country. A government whose budget is balanced is a government that can honor that pledge. A government that is in bankruptcy sends no checks out to a defense

contractor, to an elderly person, or to a single parent on welfare.

That's the reality of the debate. Somehow we think there are special needs that could get separated out. At a time when our Government finds its fiscal house increasingly in trouble, if it goes bankrupt, no checks go out. That is why, for over 3 years, those who believe in a balanced budget amendment have argued against those who wish to exempt out Social Security and other unique social programs. We understand that the threat to Social Security, the threat to Women, Infants and Children, the threat to Head Start, is not the balanced budget amendment, but the debt. Why are we having to cut back on spending on some programs today? Because we did not balance the budget for so many years before now. Because of deficits and because of a huge, heavy debt structure, and because the American people are saying, "Fix it, it's broken, correct it."

What does it mean? What does this stack of paper—thousands of pages of debt—say to the average American family? Well, it's something like this, in the sense of what it costs them. Since the time I started debating this issue in 1982 until today it represents \$15,000 for every American family in income loss, minimally—\$15,000. That means that the average American family's income today—if we had balanced the Federal budget in 1982 and kept it balanced until 1997—would be \$15,000 more. Those are not my figures. Those are the figures based on a study by the Concord Coalition. We talk of the needy and of wanting to care for people. Put an extra \$15,000 in every American family's budget and see what kind of help you have offered them. But, instead, the Government has taken those fruits of their hard work to service the debt structure represented by 28 years of profligate deficit spending.

What does it mean to a household with a 30-year mortgage if the economists are right and we pass this amendment and balance the budget? Interest rates drop 1½ to 2 points. And that \$30,000 to the average American family, saved on a 30-year mortgage, is a year in one of the most expensive colleges in the country. Or if you are in Idaho, that is 2½ to 3 years of college education in our land grant university. That is a lot of money. Where does it go today? Out of the working person's pocketbook into the IRS coffers to pay to service the debt structure created right here by Congresses past—caring and well-meaning Congresses—that created this stack of paper representing \$5.3 trillion worth of debt.

Well, if there is frustration in this debate for some of our Members, I don't reject their concerns and I don't take it lightly. I must say that it may be frustration that we have inflicted upon ourselves, because it is now necessary to propose a constitutional amendment that is very simple. It gives us plenty of latitude to get our

fiscal house in order by 2002. It does so in a way that also creates the necessary flexibility in times of real need and in times of war. It says that there are margins in which deficit spending can occur, but now it will take tough choices to deficit spend, not the automatic and easy choices of past years, not "oh, well, we will make it up next year or a few years down the road."

We will see a variety of amendments to the balanced budget amendment that will come to the floor in the next several weeks. Senators that will talk impassionedly about certain priorities that are all critical and all important. And all these priorities can be served inside a balanced budget by tough decisions and tough choices on this Congress.

What am I talking about this evening? Correcting a problem that we created, correcting a problem that threatens—not me, not the Presiding Officer, and not the Senator from Vermont, but his children, my children, our grandchildren, and future generations of American citizens who will want to be as productive as we hope we have been.

How important is correcting that problem of adding to the debt? The Office of Management and Budget—President Clinton's Office of Management and Budget—said that if we continue down the path that this Congress and other Congresses have been on, future generations would pay 82 percent of their total income in taxes for all levels of government because of debt, debt service, and government needs—82 percent. That means there is no money left to buy a house, there is no money to put in a savings account for a rainy day, and there is no money left for a college education.

So what happens? You turn to your government, and the endless process is always underway of a government having to do something for more people because government has taken so much from those who worked so hard and find themselves getting nowhere.

That is why this has to be corrected, or there will be no future for the young people of our country. Because a future in which 82 percent of your gross pay goes to all levels of government is no future at all. Those are some of the kinds of things we are talking about.

A child born today—again, not my figures, but those of the National Taxpayers Union—a child born today will pay an additional \$180,000 in taxes during his or her lifetime to service the Federal debt—debt that his or her grandmas and grandpas spent but didn't pay for. And that is a tragedy.

Our friend Paul Simon, the now retired Senator from Illinois, who is as liberal as I am conservative but who stood shoulder to shoulder with me for a decade fighting the battle of the balanced budget amendment to our Constitution, called it fiscal child abuse. And he is right. Because that legacy of crushing debt is no future for any child

born in America today, having that obligation out in front of them, being required of them by their Government for from which something they get no value. That is why this issue has become the No. 1 issue in America.

Our President spoke of valuable priorities last night, important issues—education, some tax cuts, the kind of priorities that an American wants to be proud of and wants to be a part of. Republican or Democrat, there were many of us who heard a President last night speak of issues that we can all identify with. But in doing so, we say, with a simple caveat: They must be within the limit and the capacity of the ability of the Government to pay for them, and the permission of our citizens to pay for them, within a balanced budget. It is a simple requirement. The problem is that the choices are tough, but that is what my job is and that is what I have hired on to do, as has the Presiding Officer, and as has the Senator from Vermont.

In the coming days, as we debate, I hope we can see the very clear differences between those who oppose requiring fiscal responsibility, who do not want the citizens of this country through the Constitution to impose that kind of discipline on the floor of this Senate, and those of us who say that after 28 years of endless spending, endless debt, and endless deficits, it is time we offer the American people the choice of whether to require that kind of constitutional discipline.

The time is growing late. It is our intent to adjourn as soon as we can. But the debate will go on through tomorrow and next week, and we hope through the balance of February, as we deal with this issue and as Members of the Senate speak their will, as they should, because I know of no issue more important than this constitutional amendment.

Our vote will not make it so. Our Founding Fathers decided that was not our job. Our vote is simply to propose to the American people a constitutional amendment. And then 38 States, three-fourths of the States must vote to ratify, and the debate will go on in every State capital across this country—the debate about Government, the Federal Government, and its budgets and its priorities. And that will be one of the healthiest debates the American citizenry has ever been involved in. From that, Senators serving in this Congress and future Congresses will not only have the absolute constitutional requirement to balance the budget, but they will probably have a much clearer idea of what the American people expect of their Federal Government. That ratification process is an important process. If we send forth this amendment, we will have started in this country what I think not only assures that we get our fiscal house in order, but it assures future generations the same kind of opportunity that all of us have had in our lifetime.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I will not be long because, if nobody else wants to go home, I know that staff who serve in this body probably would like to, including the young pages on both sides of the aisle. They are as important as any contributors to this body. They keep us going. I hope that for all of them their service here will be an experience that they will remember all of their lives as worthwhile. I know that former Senator Pryor, who just recently retired, had been a page and felt that way. I know two of my children were pages—here and in the other body—and feel that way.

Mr. President, my good friend from Idaho—he is my good friend—spoke eloquently of the stacks of budgets. You know that every year we do have a large document that represents the Federal budget, but I would point out to him that no constitutional amendment is needed to balance those budgets.

I have great affection for President Reagan. We had a very good personal relationship. I used to kid him that every year he would talk about a need for a constitutional amendment to balance the budget, and then he would send up a budget that increased our national debt, something he did more than any President in our Nation's history. By the time he got done, he had doubled or tripled the national debt that had taken over 200 years to build up.

He had wonderful speeches saying, "Let us balance the budget. But, by the way, guys, here is my budget, and guess what is in it? It is one more huge deficit."

We talk about charts showing how the deficits went up and they did throughout the 1980's. From President Reagan's election to President Clinton's election, they skyrocketed more than in all the Nation's history put together before those 12 years—more than all the debt that had been arisen from World War II, World War I, the Civil War, the War of 1812, from all of our wars combined, and from all of our depressions and from all of our recessions. In just 12 years, the amount of debt that had grown up was doubled and tripled.

We talk about the last 28 years. Well, President Clinton is the only President in those 28 years—and now for 4 years in a row—who has brought down the deficit. That is not withstanding the fact that he has to find in our budget several hundred million dollars every day, every single day, just to pay the interest on the debt that was built up during President Reagan's and President Bush's terms.

I have great affection for President Reagan and President Bush. I felt privileged to think of them as friends. But there is a big difference between the rhetoric and the reality when it came

to balancing the budget with them. The debt that the Senator from Idaho so eloquently speaks of, in terms of our children and our children's children, the vast bulk of that debt built up just during those 12 years when some talked the talk but were not willing to walk the walk. And now we have to pay it off.

In 4 years, President Clinton has submitted budgets and fought hard for them. For 4 years, he has brought the deficit down. No President in my lifetime, Republican or Democrat, has done that. This year he is trying to reduce the deficit, again, and achieve a balanced budget agreement for the next several years.

We talk of amending this Constitution, this little, short Constitution, the greatest Constitution democracy ever had and the reason we are the most powerful democracy known to history. We talk about amending it as if we could, then we all go home and 10 years from now somehow the amendment would magically come into play and the Federal budget would be balanced. President Clinton told us last night that all it takes to balance the budget is our votes, courageous votes, and his signature. We can balance the budget and we can do it now without a constitutional amendment.

So, instead of amending our Constitution, why not proceed to use our votes. I hold up here the voting lists with the names of all Senators and places marked where they can vote "yea" or "nay." Every one of us can stand up and vote "yea" or "nay" for a balanced budget. That is all it takes. We do not have to go through and say 10 years from now maybe the States will ratify it and it will be in place and maybe some future Congress will act to make the tough decisions. We can vote right this minute, today, this month, this year and do what we should do—make the tough decisions ourselves.

There are only five Senators remaining in this body who had the courage to vote against Reaganomics, which tripled the national debt. I am proud to be one of those five. I have cast the tough votes. I have had special-interest groups from the right and the left, from my State and your State and every other State, come and give me heck for voting against their favorite programs. I have probably written as much legislation as anybody here that has cut huge hunks out of the Federal budget, cuts that affected my State as well as others. But that is the way you do it. You do not cast a vote that is just a nice, popular thing that fits the polls of the moment. You cast votes that run the test of time.

I urge us to be courageous and think of the future. My children are going to live most of their lives in the next century, and when I vote I think of what that next century will be. I do not want them burdened with debt.

I wish the debt had not gone up as it did during the 1980's. I think it was a great mistake. This body went along

with it. I commend the political abilities of President Reagan. He got within one-quarter of 1 percent of every single budget he ever asked for. In fact, when we talk about the veto pen, the only appropriation, or spending bill that President Reagan ever vetoed was one that did not give him as much money as he wanted. He never vetoed a bill because it had too much money. The only spending bill he ever vetoed was one that did not give him all the money he wanted. As I recall, the years when the Democrats were in office, we actually came back with budgets that were smaller than asked for.

What was, was; what is, is. What is today is the ability, as President Clinton said last night, to vote for and enact a balanced budget.

Economists are not asking for a balanced budget amendment to the Constitution. Over 1,000 economists signed a letter, including 11 Nobel laureates, saying do not amend the Constitution; it creates far more problems than it solves. What they said was balance the budget, which we can do if we have the courage, but do not amend the Constitution to do it. Even as conservative a newspaper as the Wall Street Journal yesterday had an editorial saying do not vote for this constitutional amendment. Certainly nobody thinks of Alan Greenspan as a profligate, shoot-for-the-Moon kind of spender, and Alan Greenspan said do not pass this constitutional amendment. Secretary Rubin, one of the most trusted and respected Secretaries of the Treasury any administration has had, says do not pass this constitutional amendment. Instead of passing a bumper-sticker form of economics, do what is right. Have the courage to vote for budgets and spending bills that bring about a balanced budget.

I yield the floor.

Mr. CAMPBELL. Mr. President, for the past ten years I have spoken out in favor of a Balanced Budget Constitutional Amendment, and have supported and voted for this measure each time I have had the opportunity to do so.

In fact, in preparing for this statement, I looked back on my career in Congress to see how many times I have supported this measure, and I noted with interest that in January 1987, my first month of being a member of the House of Representatives, I joined as an original cosponsor to the Balanced Budget Constitutional Amendment. One of the primary sponsors of the legislation on the House side was my colleague, Senator CRAIG, and on the Senate side, Senator HATCH was in the forefront introducing the measure in this body. It is with great pleasure that I join my friends in this effort once again, along with well over 50 of my Senate colleagues.

Opponents believe it would be easy to give up on the idea of passing the Balanced Budget Constitutional Amendment. For a number of years, despite the hard work of many individuals, this measure has failed to pass through

Congress and move on to the states for ratification where it belongs. I believe passage of this Amendment is in the best interest of the future of our country because it will force us to make the tough decisions now that need to be made to balance the budget and eventually eliminate the staggering debt that threatens the economic well-being of every American.

Now, there are those that believe there is no need for the Balanced Budget Constitutional Amendment—that the federal government can be fiscally responsible without being mandated by the Constitution to do so. Well, I have been a Member of Congress for 10 years now, and I have yet to see Congress or the administration bite the bullet, balance the budget, and tackle our enormous debt.

Just last week, the Congressional Budget Office released one of its annual reports making projections on the economic and budget outlook for Fiscal Years 1998–2007. According to CBO, last year's deficit was \$107 billion, making it the fourth year in a row that the deficit has decreased. However, the news is not all good. CBO also projects that the deficit will increase for Fiscal Year 1997 to become \$124 billion. And, if we do not commit ourselves to balancing the budget, and discretionary spending keeps pace with inflation, this country will be faced with a deficit estimated at \$278 billion in 2007.

What does all this mean? It means that nothing ever changes. Year after year we are faced with huge deficits and an increasing national debt. Year after year we talk about doing the right thing, the responsible thing, and passing a balanced budget. And yet, once again, here we are debating the merits of the Balanced Budget Constitutional Amendment.

Back in my home state of Colorado, I have been conducting a series of town meetings, discussing a wide range of issues with my friends and constituents. When the discussion turns to balancing the budget, Coloradans realize that if we do not address this important issue with Constitutional authority, the amount of the federal budget devoted toward paying off the interest on the debt and the entitlement programs will increase to the point that there will be barely any money left for those programs which deserve and require Federal funding.

Currently, more than half of the \$1.6 trillion in spending goes toward the entitlements and mandatory spending. According to CBO, "if current policies remain unchanged, mandatory spending will be twice as large as discretionary spending by 2002." In addition, another 15 percent of all outlays goes toward interest costs on the debt. This is money that does not go toward education, law enforcement, national security, or even our national parks and monuments. As far as I am concerned, it is wasted money. My constituents realize this, and on their behalf I continue to fight for the Balanced Budget Constitutional Amendment.

Now, I am not saying that this Amendment will be the silver bullet which solves all of our problems. However, it will make us accountable to the Constitution and to the will of a majority of Americans and force us to get our fiscal house in order. If we achieve a balanced budget and reduce the deficit, we can expect even lower interest rates, an increased savings rate, and increased economic growth for every American. Essentially, Americans can expect an increase in their standard of living, and I think that is something everyone of us wants and deserves.

Congress came within one vote last session of passing the Balanced Budget Constitutional Amendment. I am optimistic that this year we can pass this legislation and send the measure on to the states for their deliberation. It is time to allow the American people and the state legislatures the opportunity to debate the merits of the Balanced Budget Constitutional Amendment, and I hope that the Congress will see fit to entrust this measure to those who must ratify or reject it.

I yield the floor.

Mr. ROBERTS. Mr. President, I appreciate this opportunity to speak in behalf of the balanced budget amendment to the Constitution.

I especially thank two of my colleagues, Mr. DOMENICI, the distinguished chairman of the Budget Committee, and Mr. HATCH, the distinguished chairman of the Judiciary Committee for their longstanding leadership and efforts in behalf of this legislation and in effect, enabling us to protect the financial and economic future of our children and their children.

Mr. President, for those who have had the perseverance and tenacity to pursue this goal, it has at times been a lonely trail. Whatever success we might achieve and I hope that we will achieve has been in large part due to the efforts of these two Senators.

I have read some interesting commentary regarding this effort. Our opponents predict dark budget clouds for Social Security and any other program deemed essential to a particular economic interest group. But, contrary to that dire prediction, I see a bright future with the sum of the balanced budget parts. I see a nation with 6.1 million more jobs in 10 years. I see lower interest rates that will directly affect the daily lives and pocketbooks of every citizen in terms of the amount of hard-earned income they pay now for living essentials, health care, housing, education loans, food, and transportation. With a 2-percent drop in interest rates, how would you like 6 months of groceries free or corresponding savings in your health care premium costs, mortgage payment, student loan? Compare those savings with the marginal reductions in the amount of growth of Federal programs.

In his State of the Union Address, the President said: "Don't give me a balanced budget amendment; give me a balanced budget."

I must say I agree. But, with all due respect, Mr. President, many of my colleagues and I have done just that to no avail. During the last session of Congress, we sent two balanced budgets to 1600 Pennsylvania Avenue and despite exhaustive effort, we were not able to reach agreement or accommodation.

However, I must say that passing the balanced budget amendment and two budgets that were, in fact, in balance did provide the kind of fiscal backbone and tenacity not seen in the Congress for decades. In my own case, I was proud of our efforts within the House Agriculture Committee in enacting farm program and food stamp reform that also produced an estimated \$33 billion in savings over the life of the budget agreement. So, I agree with you. It can be done. And, with our reform of farm program policy passing by overwhelming margins, we also proved there is bipartisan support for true reform and budget savings. We also achieved considerable budget savings in discretionary spending at the conclusion of the appropriations process; something unique to the last Congress.

However, the real problem is that while there is considerable talk about accepting responsibility and standing four square for a balanced budget, there are serious differences of opinion as to how to bring the budget into balance. Which programs will be cut? Do we have the political wherewithal to save Medicare and other entitlements? In this regard, the President and many of our friends across the aisle stated over and over again they are for a balanced budget but not that budget—that budget meaning any cuts in their favorite and priority programs.

And, I must say, despite the fact that a Republican Congress and the President were within \$10 a month difference in regard to preventing Medicare bankruptcy, the fact we were not able to reach agreement and the fact that the Democrat Party made a conscious decision to make Medicare a top issue in last year's campaign, I am not overly confident any budget agreement can be worked out—unless we have to—unless there is some outside discipline that will force Congress to get the job done. The lure of political opportunism is just too great, the coming debate regarding Social Security being a classic example.

The real question is, does the Congress have the fortitude, the perseverance and the tenacity to balance the budget? Despite good men and women of both parties and the best of intentions, it is now the 28th year in which a majority in the Congress has failed in efforts for the Federal Government to live within its means. We all agree we must make progress toward a balanced budget and then during the course of political deliberations we most generally agree to disagree as to how to achieve this goal. It is clear that if there is anything to be learned during the time we have regretfully experienced ever increasing deficits, it is that

we need a balanced budget amendment to the Constitution to get the job done.

With the fall of the Greek Republic as an example, there is a theory that a democracy cannot exist as a permanent form of government. The theory is it can only exist until the voters discover that they can vote themselves largesse from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits with the result that a democracy always collapses over a loose fiscal policy.

That is the theory. If true, it is a terrible prospect.

Mr. President, I choose not to accept that dire prediction but I must say given our most recent history and given the fact our best efforts fell short during the last session of Congress, I believe this debate, this legislation, and this time represents our vest best opportunity to set our Nation's fiscal house in order.

As President Clinton stated, "We don't need a constitutional amendment to balance the budget, we need action." Again, with due respect to the President, it is indeed time for action and for action, we need a constitutional amendment to get the job done.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Michigan.

Mr. ABRAHAM. Madam President, I rise today to give some opening remarks with respect to the resolution on the balanced budget that is now before us. I suspect during the course of the next several weeks in the debate that is ahead, I will probably be here several more times to discuss various aspects of this resolution as well as some of the amendments which are going to be offered. But today I thought I would just make some initial comments regarding what I consider to be the need, the necessity really, for this amendment, both why we need a balanced budget, why we need to have a balanced budget amendment, and why we need to do it now.

First of all, I think it should be clear to all Americans why we need a balanced budget, although it certainly has not been the case that the Congress or the President, over the last many, many years, has responded to the public's demands. The first reason is simple. We have gone literally a generation without balancing the budget.

Just a few minutes ago, all of these budgets were presented to us, reflecting the many years in which we have failed to balance the budget. This is as close to balancing the budget as we have come today, piling these documents on top of each other and making sure they do not fall over, but that is as close to balancing the budget as we have been in a quarter of a century. These years of deficits have to come to an end.

We need a balanced budget also because a failure to balance the budget has hurt the economy. To the extent that Government borrows, it means less capital is available for private citi-

zens to borrow. That means that our economy cannot grow as fast as we would like it. It has especially meant that families in America have suffered. Families have suffered to the extent that the Federal Government's encroachment in capital markets means higher interest rates, higher interest rates on new home purchases, on new automobile loans, on student loans, on the variety of other things which average, hardworking American families must seek financing.

It has also hurt our families in the sense we are passing on to our children what is obviously a mountain of debt. Kids in America today, as one of the earlier speakers, the Senator from Idaho, indicated, inherit immediately upon their birth, an enormous responsibility for debts built up by past Congresses. A child born in America today—and I have a 5-month-old child so I suspect it applies to him—is immediately responsible for paying over his or her lifetime something in the vicinity of \$180,000 in taxes simply to pay his or her share of this debt.

That is certainly not the kind of legacy that was passed on to my generation. It is not the legacy I intend to pass on to my children's generation. Therefore, it is essential that we balance the budget and we do so immediately so we do not continue to hurt our families, our businesses, and especially our children.

The next question is why we need a constitutional amendment to balance the budget. Indeed it is true, as many have said, that simply an action by Congress and the President would bring about a balanced budget. But, as we have seen just in the last 2 years, saying it and doing it are very different things. We reached an impasse in Washington in 1995. I don't think it's an impasse that was unique to the 104th Congress or President Clinton. I think it is the kind of impasse that is likely to be reached on almost any occasion in which the Congress of the United States is controlled by one political party and the executive branch is controlled by someone from the other party. The impasse was over spending priorities. But, even though everyone on all sides of the issue said they wanted a balanced budget, we did not get a balanced budget because of that impasse. The absence of a constitutional requirement that we balance the budget, that outlays not exceed revenues to the Federal Government, meant that the impasse continued in spite of the rhetoric on all sides, in spite of all of the balanced budget proposals that flowed from 1600 Pennsylvania Avenue and on Capitol Hill. Despite all of that, we never got to the balanced budget. It is my view that, without an amendment, without a constitutional requirement that the Congress and the President bring about a balanced budget, impasses such as the one that existed during the winter of 1995 will occur again.

Another reason I believe we need an amendment is because we do not know

what the future will bring, and we need to have a permanent safeguard against the kinds of deficits that have plagued the Nation over the past quarter of a century. Yes, today, today in America, talking about balancing the budget, advocating a balanced budget, is politically popular and what the American people are demanding. But, as we have seen for a quarter of a century, something that is simply politically popular may not get done. We have no idea what future Congresses will think about this issue. If we provide this sort of loophole that a failure to pass this amendment provides, we will be right where we have been for the last 25 years.

Yes, it is possible we all might get together and in this Congress, even though the parties that control the Congress and the White House are different, we might finally reach a balanced budget for the year 2002. But what about the year 2003, or 2005, or 2010? What is the safeguard the American people deserve, to guarantee that in those years the same atmosphere that will bring about a balanced budget maybe in 1 year, will continue? I think the only safeguard will be an amendment to the Constitution.

The last issue is why now? I think the crisis we confront today is one of the strongest arguments that we could have for balancing the budget. But the crises that fiscally will afflict this country in another 15 or 20 years are an even stronger argument for this amendment at this time. As we know, projections with respect to a variety of Federal spending programs, particularly the Federal entitlement programs, suggest that as the baby boom generation members age and ultimately become consumers of entitlements rather than providers of revenue to the Federal Government, such programs as Medicare and retirement programs will begin to run even greater costs than they do at this time. What we need to do is get our fiscal house in order today so that when those greater demands on the Federal Government begin to occur, we have the resources necessary to ensure they are honored. A constitutional amendment that prohibits us from running the deficits that are reflected in this stack of budgets before me will assist us in getting our fiscal house in order.

In summary, the average family in my State of Michigan has interests rates that are unnecessarily high due to the deficits we have run and due to the borrowing of the Federal Government. Because of that, the average family in my State does not have as much to spend on its priorities as it deserves.

That family's parents should have more income to spend on their children and their priorities and send less dollars to Washington and less dollars on interest payments than they do at this time. We need a balanced budget to help that working family in Michigan.

America's long-term security also is at stake. America deserves to have fis-

cal integrity so that as we move forward into the 21st century, this debt does not bind us down, this debt does not undermine our economic security, this debt does not hold America back as we try to compete in the global economy, this ever-more competitive global economy, in the years ahead.

For all these reasons, I think action is required now. I think a balanced budget is a necessity, and I think the only way to achieve it is with an amendment to the Constitution that not only brings about a balanced budget in the year 2002, but assures we will continue balancing the budget into the next century and into the future of our Nation.

For those reasons, Madam President, I support the balanced budget amendment. I look forward to continuing this debate as we move forward into the next few weeks and hope that by the time we reach a final vote on this issue, two-thirds of our colleagues will join together to finally change the direction here in Washington, in America and, most importantly, end the unbroken series of Federal deficit represented by this stack of budgets standing next to me.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I ask unanimous consent to speak as if in morning business.

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

Mrs. MURRAY. I thank the Chair.

TRIBUTE TO PATRICK ORMSBY

Mrs. MURRAY. Madam President, I rise today to pay a special tribute to a young man, a member of my staff, who was taken from us before his time by cancer last week: Pat Ormsby of Spokane, WA. Pat taught me and everyone he touched a most important lesson—how to live life to the fullest with courage, and how to die with dignity.

Pat came to my office just a few years ago, but he was no stranger to Northwest politics. For 10 years he served on the staff of former Speaker Tom Foley. A schoolteacher, Pat started in Mr. Foley's office as a constituent caseworker and eventually moved to the Nation's Capital to become his adviser for agriculture issues.

His reputation was one of someone who was hardworking, down to earth, never caught in the insider beltway thinking. He was always remembering to do what was right for the people he knew so well—the people of Spokane and eastern Washington.

Two years ago, Pat wanted to return home to Washington State to raise his family. As it happened, we crossed paths at an opportune time: he was job-hunting just when I was looking for an eastern Washington director. Pat fit the bill perfectly, and I could not have asked for a better hire.

For the past 2 years, Pat ran my Spokane office. He worked diligently for

the people: he was always there to take cases and advise my D.C. staff on issues like agriculture and business that so intimately affected the lives of the people around him. He was known across the countryside, and everyone to a person, loved him.

Pat was the guy we counted on. Quiet. Unassuming. But always honest, forthright, and clear. His advice on the farm bill, taxes, even welfare reform was always on target, because Pat always knew we worked for the people—and we were there to serve them first.

He was rare in political circles. He brought a certain generosity and good humor to the job that is not seen too often in politics any more. He loved it, he worked tirelessly, he loved being in the thick of things, but he never let it go to his head. And though he was a committed Democrat, he took pains to avoid bringing any partisan edge to his work. He never forgot who he was—a dad and husband first, a public servant, and a devoted community member.

Last spring Pat shared with us that he and his wife Janet were expecting a second child in November, as his first son, Miles, was just turning 3. A happier man, you could not find.

But July of this year brought tough news. Pat was diagnosed with liver cancer. The news of his illness was tough on all of us who knew him. There was universal disbelief. Everyone I talked to wanted to help, to change the course of his illness, to do something.

Inevitably, these conversations would bring out a funny story about Pat, about his tireless work on some project like housing, or commodity programs, or taking extra time to help a constituent who was upset and feeling frustrated with a bureaucracy. And the more I heard from people, the more clear it became just how special a person Pat was.

Despite chemotherapy and exhaustive treatment, Pat determinedly came to the office each day, after taking time to go to church and put his faith in God. He continued to be the one to encourage all of us, and to let us know he was going to be all right no matter what happened.

Recently it became clear his battle was coming to an end. Pat in his quiet way prepared all of us. He maintained what I can only call a relentless optimism. He reminded us of his deep faith, and said his greatest joy was seeing his new son, Paul, come into the world at the end of September. He even had the audacity to apologize when it became clear he could no longer work, but quickly added that he didn't mind because he never liked the commute. Somehow, amazingly, he always emphasized the positives.

He took care of his family and prepared for their future. Again, with great humor, he reminded us it was actually a blessing that he had time to do everything necessary to chart a path for them. He took the time to tell each of us who knew him that it was OK, not an end, just a new beginning for him.