

These items, of course, could have been considered separately in an appropriate appropriations bill and in a more honest and direct manner.

So this issue of emergency spending and preventing nonemergency items from being attached to emergency spending is part and parcel of the overall goal of budgetary sanity and the goal of stopping the abuse that so many Americans like to call putting pork into bills.

I think it could also help make sure that our bills that have to do with disasters have some credibility as they go through the process. They should not be the subject of laughter or derision or prime time shows. The disaster bills should be the expressions of the American people's compassion for those who have been unlucky and subject to disasters that they had nothing to do with creating.

This identical legislation passed the House, the other House, last session, the 103d Congress, on a bipartisan vote as a substitute amendment, 322 to 99, and then finally, as amended, 406 to 6.

I now urge my colleagues to join me and the Senator from Arizona, in supporting this measure. As we engage in this very intense debate on the balanced budget amendment, let us at least join together on a bipartisan basis to get rid of the abuses that have to do with emergency legislation.

Mr. President, I ask unanimous consent that the text of the bill and an editorial from *The Washington Post* dated August 22, 1994, on this type of legislation be printed in the RECORD.

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

S. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Spending Control Act of 1995".

SEC. 2. TREATMENT OF EMERGENCY SPENDING.

(a) EMERGENCY APPROPRIATIONS.—Section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: "However, OMB shall not adjust any discretionary spending limit under this clause for any statute that designates appropriations as emergency requirements if that statute contains an appropriation for any other matter, event, or occurrence, but that statute may contain rescissions of budget authority."

(b) EMERGENCY LEGISLATION.—Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: "However, OMB shall not designate any such amounts of new budget authority, outlays, or receipts as emergency requirements in the report required under subsection (d) if that statute contains any other provisions that are not so designated, but that statute may contain provisions that reduce direct spending."

(c) NEW POINT OF ORDER.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"POINT OF ORDER REGARDING EMERGENCIES

"SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency."

(d) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

"Sec. 408. Point of order regarding emergencies."

[From the *Washington Post*, Aug. 22, 1994]

EMERGENCIES ONLY

The House voted 322 to 99 the other day in favor of a new budget rule that's a good idea. The Senate should concur in it. If not, the House leadership should find some other way of putting it into effect, for Congress's own good.

The revolutionary notion is that emergency appropriations bills should be limited to * * * emergencies. There tends to be at least one of these bills almost every year. They are used not just to provide emergency funds, but often as vehicles for funding lesser projects of a much more ordinary kind. What better place for a little something for the folks back home than in the fine print of a bill intended to rescue a region from a natural disaster? Who would sink so low as to complain about a minor extra favor in a bill with as generous a purpose as that?

The emergencies-only rule—no hitchhikers in the ambulance—is one of a series that have been proposed by Reps. Charles Stenholm, Tim Penny and John Kasich to tighten up the budget process. We've opposed some of the other changes. This one is called for.

For the sake of the spending that matters, Congress ought to learn to lay off the pork. You see the bad effects of doing otherwise, of lapsing into self-indulgence, all the time. The crime bill is only the latest example of a measure in which critics have been able to use questionable spending to tar and hold up constructive spending as well.

In fact, the amount of pork in the budget each year is greatly exaggerated—and of course what seems to one man to be pork may genuinely seem to another to be spending for an essential public purpose. There's no magic line. But there is some line—and some things seem to be pretty clearly on the porky side of it. Those are the things that people remember, the indefensible examples that come to typify all spending. If only they'd cut out the pork, the public is led to believe, there wouldn't be a deficit. It isn't true, and some of the greatest critics of pork are also among the greatest porkers on the side—but that doesn't matter.

The spenders ought to clean up their act. In this case, the anti-spenders are helping to point the way. The leadership should disarm them by doing as they suggest. Emergencies-only in emergency bills makes sense.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. FRIST). Morning business is closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of House Joint Resolution 1, which the clerk will report.

The assistant legislative clerk read as follows:

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

The Senate resumed consideration of the joint resolution.

The PRESIDING OFFICER. Under the previous order the Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, we are now, really, beginning debate on the proposed amendment to the Constitution of the United States.

I think before we propose to alter our fundamental charter of freedom, in fact, the blueprint for our representative democracy, I believe that we need to each step back from the political passions of the moment. We are debating a constitutional amendment, not just a political slogan or plank of a campaign platform or partisan win or loss or something that is supposed to fit on a bumper sticker. This is the Constitution. This is the bedrock of 200 years of the greatest democracy history has ever known. This is the standard set for the most powerful Nation on earth, the most powerful democracy ever imagined in history.

And even though we have very, very carefully amended this Constitution over the past 200 years—rarely amending, because we know that our whole democracy is built on it—suddenly the floodgates open. We have in the first 3 weeks of this new Congress 75 proposed amendments to the Constitution—75 proposed amendments. Can you imagine what the Founders of this country would think if they actually thought that in 1 year 75 proposed amendments would be here? Seventy-five.

The Founders of our country assumed that maybe once every several generations there might be some huge matter so necessary to amend the Constitution. Nobody ever assumed 75 proposals would come rushing in.

The House has passed one. It is not the extreme version supported by the House Republican leadership, but they still passed one. The Senate Judiciary Committee sent a companion measure to the full Senate for consideration.

Indeed, we have a backlog of proposed constitutional amendments in the Judiciary Committee. After a single day's hearing, we have two constitutional amendments to limit congressional terms on the committee's next agenda. There was also a hearing on another important topic, line-item veto, on which are pending four more constitutional amendments.

The proposals for constitutional amendments already introduced in this

Congress range from the so-called balanced budget amendments—incidentally, there are at least three Senate versions, six versions considered by the House—to congressional term limit amendments, line-item veto amendments, school prayer amendments, retroactive tax amendments, and we are about to receive a proposed amendment to the first amendment regarding the American flag.

I have not seen an amendment to rewrite the taking clause of the fifth amendment, but when you look at the revised name of the subcommittee, the Subcommittee on the Constitution, Federalism and Property Rights, you have to assume it is not far away.

Some of these constitutional amendments call for proposed ratification through the State legislatures, but others demand a constitutional convention be convened.

There is a feeling, I guess, that we can do far better by convening one than those who wrote the original Constitution—Madison, Hamilton, Franklin, Morris, and Washington—that we can now do much better. They did not have the advantage of radio talk shows, I guess, or multi-million-dollar political consultants.

I have to ask, with a new majority in both the House and the Senate, what are their plans for rewriting our Constitution? Why the sudden need to change our 200-year Constitution? Do they want to have a host of constitutional amendments come forward or one, two, or five or six? Enough.

The Constitution is a good document. It is not a sacred text, but it is as good a law as has been written. That is why it survived as the supreme law of this land for over 200 years with few alterations. It is binding us together rather than tearing us apart.

Look at the great compromise in the Constitution that allowed small States and large States to join together in a spirit of mutual accommodation and respect, an amazing step, not done because of the passions of the moment, but by great thinkers in this country. And it has stood the test of time. It gives meaning to our inalienable rights to life, liberty, and the pursuit of happiness. It requires due process, it guarantees equal protection under the law, it protects our freedom of thought and expression, our freedom to worship or not to worship as we choose, and our political freedoms as well. It is the basis for our fundamental right of privacy and for limiting Government's intrusions and burdens in our lives.

I worry that we are so bent on moving so rapidly, as though we are passing some kind of an amendment to a minor bill, that we can not fully debate this amendment. That is not the way the Constitution should be amended.

I have to oppose what I perceive to be a growing fascination with laying waste to our Constitution and the protections that have served us well for over 200 years.

The first amendment—the separation of powers, the powers of the purse—these should be supported and defended. It is the oath we all swore when we entered service in this great and historic Chamber. That is our duty, not only to the Senate and the American people today, but to those who forged this great document, our responsibility to those who sacrificed to protect and defend our Constitution, often times laying down their lives to do it, and our commitment to our constituents today, and our legacy to those who will succeed us in this body.

In this constitutional amendment to try to balance the budget, there is added irony. The Republican Party has assumed majority status in both the House of Representatives and the Senate. They control the legislative agenda. They can pass any budget they want. We are talking about a two-thirds vote amendment, a constitutional amendment to balance the budget in the year 2002. It only takes 50 percent plus 1 to pass a balanced budget today. There are far more Republicans than that. There are a majority of Republicans in the House and the Senate. They could pass a balanced budget tomorrow if they wanted and not have to fiddle with our Constitution and say, "Maybe in the next century, the next millennium, in the year 2002, whoever is standing will do it for us."

They want to balance the budget, eliminate the deficits, start paying off the debt, including the huge debt of the Reagan years. The Republican majority could do that by a simple majority vote in both Houses of Congress in a matter of days.

I think that would show the leadership necessary. Instead, having taken over the majority, they propose a constitutional amendment which basically says we cannot trust the majority in the House and the Senate. There is somewhat of an irony here, Mr. President. If they really trust themselves, let us pass one right now.

I am concerned that we are too ready to seek what appears to be the quick fix. The Constitution cannot be amended by sound bite. Supermajority requirements undercut our constitutional democracy. They evidence distrust not only of our Constitution but of the people who sent us here.

Proposed amendments to our fundamental charter require consideration whether they are, in the language of article V of the Constitution, constitutionally necessary. I hope that we are not going to burden the public or the States with a hodgepodge of poll-driven, popular-sounding constitutional amendments at some helter-skelter pace to beat some artificial deadline.

I hope that we will fulfill our responsibilities, not only in our individual committees, but in the bodies of both the House and the Senate, to have fair and open discussion.

I have studied the so-called balanced budget amendment. I have summarized

10 reasons to oppose the proposed constitutional amendment in my supplemental minority views contained in the Senate Report No. 104-5. I will have occasion to speak to these and other reasons during the course of our debate.

I urge my colleagues to consider the views of Senators BIDEN, HEFLIN, and KYL; the minority views, including those of Senators KENNEDY and FEINGOLD; the hearings of Senators BYRD and HATFIELD on this last year. These are, in my view, essential background for this debate.

Let us take a look at this. Let us turn away from what appears to be a closed shop on this issue. Let us turn back from this path before partisan bickering and legislative gridlock overwhelm us to the detriment of the American people. In the U.S. Senate, of all places, we should not be afraid to have ideas debated, openly debated and voted on. Let us not resort to tabling motions on amendments, which allow you to be on both sides of an issue; but let us vote straight up or down. You do not come here to vote maybe, you come to vote yes or no. That is what we should do.

Our distinguished Judiciary Committee chairman has called this the most important matter that we will consider this year. I agree with him, but let us offer amendments and vote on their merits instead of engaging in procedural shortcuts.

There will be much more said. But, Mr. President, I come from a family that has revered the Constitution. I grew up with a father who told me how important it was because it protected the rights of not only the majority but of the minority.

I came from a family that found itself in the early part of this century in a religious minority and most of its life in a political minority in our State. But we knew the protections were always there. We knew they were always there for everybody. We knew we had a Constitution that stood the test of time. That was strong, that could be changed only by great effort, and only when there was an extreme need in the Nation to do so.

Mr. President, that is the philosophy with which I grew up. It is neither a liberal nor conservative philosophy. It is an American philosophy. I hope we hold to it.

I yield the floor, and I understand under the previous order that it would go to the Senator from Minnesota.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent that as soon as I finish my short remarks, the next person to be recognized be the distinguished Senator from Minnesota.

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

Mr. HATCH. I thank the Chair.

Now, there is nothing more important we can do than improve the general welfare of all the American families and reduce the national debt that is eating away like a swarm of termites on a log. The way to do that is to pass the balanced budget amendment to the Constitution. To me, unless we do this, we are going to be in real trouble in this country. This past week, the House of Representatives answered the question: If you have to balance your checkbook every month, should not the Federal Government have to balance its books every year?

Their answer was "yes," 300 to 132. They answered the question: Has Washington spent your tax dollars wisely? And their answer was "no"—228 Republicans and 72 courageous Democrats bit the bullet and did the right thing. What a victory for all of us.

Right now, our debt is a staggering \$4.8 trillion. That means that each and every one of us in this country, including every child, owes a whopping \$18,500, and it keeps going up every day.

We can no longer saddle our children with decade after decade of unbalanced budgets. We have not balanced this budget in 26 years, and it appears to me that we have not balanced it but a few times in the last 60 years.

Current interest on the national debt is \$300 billion a year and rising. Believe it or not, that is more than the total revenues that came to the Federal Government back in 1975. If the current trends in Federal spending continue, the Federal Government will double in size and consume nearly half of our gross domestic product in the next 35 years, where today it is consuming a lot less than that although more than it should.

The annual deficit causes untold damage to our economy. It hurts our wages. It raises our interest. It reduces the number of job opportunities for all of us. For those Americans who are retired, the biggest threat to Social Security is the Federal Government's fiscal responsibility—fiscal irresponsibility, I should say—because they are making the Federal dollar less and less important, and actually we will reach a point where it will be worthless. If we do not stop the spending binge, it will kill Social Security.

Instead of supporting the balanced budget amendment, the administration points to its so-called deficit reduction plan as the solution to our problems, but in fact President Clinton's deficit reduction plan was his 1993 tax increase, the largest in history. If you think raising taxes is the way to solve our budgetary problems, then hang onto your hats. You had better hang onto your wallets and pocketbooks as well.

Under the President's plan, the national debt will increase by \$1 trillion in the next 5 years alone, even if all of his optimistic economic assumptions turn out to be true.

It is ironic that while many oppose the Balanced Budget Amendment Act because, they argue, it is nothing but a gimmick, the special interests are out in full force to protect their favorite, expensive, pork barrel spending programs. But whatever happened to the national interests? What about protecting the economic well-being of America and the future economic well-being of our children and grandchildren? We have to make these decisions now, and that is why this debate is important.

Personally, I do not like to amend the Constitution, but we have reached a point of no return where, if we do not amend the Constitution of the United States, we do not put this fiscal mechanism into the process, and we do not adopt a mechanism that forces Members of Congress to make priority choices among competing programs, this country will not be able to maintain its strength as the greatest country in the world and everybody, including every special interest in this country, will suffer in the process.

I have taken enough time this morning. I know my dear friend from Minnesota is about to speak, and I will yield the floor at this time.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank my good friend and colleague from Utah for his graciousness, Mr. President. And he is, agree or disagree, a good friend. It feels good for me to say that.

MOTION INTENDED TO BE SUBMITTED

Mr. WELLSTONE. Mr. President, I ask unanimous consent to have a motion printed in the RECORD which I intend to make at some time while House Joint Resolution 1 is pending.

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

MOTION TO REFER HOUSE JOINT RESOLUTION 1

Mr. WELLSTONE. Mr. President, I move to refer House Joint Resolution 1 to the Budget Committee with instructions to report it to the Senate accompanied by a report containing a detailed description of a 7-year budget plan that would achieve a balanced budget by 2002.

Mr. WELLSTONE. Mr. President, I will in the course of my remarks respond to some of what my colleague from Utah had to say, but first, so that my other colleagues in the Senate are aware of what I intend to do on the floor of the Senate at the right time, let me summarize this motion.

I intend at some time to move to refer this resolution, House Joint Resolution 1, to the Budget Committee with instructions to report it back to the Senate, accompanied by a report containing a detailed description of a 7-year budget plan that would achieve a balanced budget by the year 2002.

Mr. President, I ask unanimous consent that a piece by Al Hunt in the Wall Street Journal of Thursday, January 12, be printed in the RECORD at this point.

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

[From the Wall Street Journal, Jan. 12, 1995]

THE BALANCED BUDGET AMENDMENT: A CONTRACT WITH EVASION

"We propose * * * to restore the bonds of trust between the people and their elected representatives. That is why, in this era of official evasion and posturing, we offer instead a detailed agenda. * * *"—The House Republicans' Contract With America.

"The fact of the matter is once members of Congress know exactly, chapter and verse, the pain that the government must live with in order to get to a balanced government [sic], their knees will buckle."—House Majority Leader Richard Armey on "Meet the Press" last Sunday, justifying GOP plans to pass a balanced budget constitutional amendment without specifying how it'd be achieved.

Dick Armey probably remembers House consideration last year of a real balanced budget measure offered by Rep. Gerald Solomon (R. N.Y.). It proposed huge cuts in health care, agriculture and income security for the poor, while completely eliminating all aid to Russia and subsidies for Amtrak and air service to remote areas.

The Solomon proposal got a grand total of 73 votes; Republicans, by more than a 2-to-1 margin, voted against it. Passing a balanced budget amendment may be easy; getting a balanced budget isn't.

In a reasonable path to balance by 2002, the budget would have to be cut by more than \$1 trillion. This would be almost 30% larger than the 1990 deficit reduction legislation and more than 40% bigger than the 1993 measure.

The Republicans have excluded Social Security and defense, and discretionary domestic spending already is frozen. Thus a huge burden would be borne by the budget's fastest growing area, health: Medicare and Medicaid now are about 3.8% of gross domestic product; by 2002, without congressional action, these entitlements would soar to 6% of GDP.

The public is solidly behind a constitutional amendment; that's why it's featured in the Contract With America. But, as the Wall Street Journal/NBC News poll revealed last month, voters dramatically turn against it if that means 20% cuts in Medicare, Medicaid and veterans benefits. Thus, Dick Armey & Co. find evasion and posturing more attractive.

(Ironically, in contrast to this duplicitous measure, Senate Budget Committee Chairman Pete Domenici genuinely worries about deficits and wants to atone for the fiscal sins of the early 1980s. His House counterpart, John Kasich, is as knowledgeable and honest as he is earnest on these matters.)

It's outrageous that the GOP's self-proclaimed foes of the old politics whine that it's political suicide to address Social Security now. Last year two old dinosaur Democrats, Dan Rostenkowski and Jake Pickle, specifically proposed to trim cost of living increases for Social Security, raise the retirement age and cut benefits for more affluent recipients. Is it too much to ask the supposedly fiscally responsible Republicans to be as serious?

The \$69 billion current trust fund surplus disappears in less than 20 years when the baby boomers start retiring. To suggest, as some Republicans do, that it'll be more politically palatable to address Social Security when more of these baby boomers are closer to actually retiring is, to be charitable, illogical.

Under a constitutional amendment, even if unfunded federal mandates are abolished, the states will take it on the chin. Governors will embrace a 10% reduction in the 600 categorical grants if they are turned into bloc grants with fewer strings attached. But a balanced budget amendment would necessitate more reductions. The big entitlements for the states—Medicaid, food stamps and welfare—would be cut drastically. Vermont's Democratic governor, Howard Dean, calculates that state funding would be reduced by 40% over seven years; on a state-by-state basis, it's calculated that New York, for example, would lose \$11.225 billion in fiscal 2002, two-thirds of that from Medicaid.

At least those would be real cuts and there would be real debates. More commonplace would be gimmicks such as increased use of loan guarantees or unrealistic assumptions. (The measure doesn't require a balanced budget; it only requires that actual outlays don't exceed projected outlays.) Look for a huge increase in the use of regulatory instead of budgetary measures to meet demands for action, affecting state and local governments and business.

Conservative legal expert Robert Bork, an eloquent opponent of this amendment, has noted that "government need spend nothing on a program if it can find groups in the private sector that can be made to spend their own funds." He also envisions that unelected judges would be dealing with hundreds of suits to enforce—or not enforce—the amendment, as does Ronald Reagan's solicitor general, Charles Fried, who warns that the litigation would be "gruesome, intrusive and not at all edifying." (When House Republicans follow their speaker's advice to read the Federalist Papers, they may glance at number 78, where Alexander Hamilton proclaims that the judiciary should have "no influence over either the sword or the purse.")

Remember, the Gramm-Rudman legislation specifically promised to eventually balance the budget; instead the deficits soared. Democratic Rep. David Obey of Wisconsin sees that pattern re-emerging: "The cycle which quadrupled the deficit in the 1980s will be repeated. The amendment says we need 60 votes to pass a budget that's not balanced." When that horse trading starts, Rep. Obey ventures, all the pressures will be to add spending to attract votes. "In all my years as a legislator I don't think I've ever seen a member say I'll vote for something if you take things out. If this baby passes, I'll make a flat prediction: Three years after it is passed we still have a deficit well over \$100 billion."

More than adding to public cynicism, that will debate the Constitution. Imagine a decade from now a businessman trying to collect \$100,000 because the state has unconstitutionally taken part of his property for governmental use. When the country is violating the Constitution by \$100 billion or \$200 billion, who's going to worry about a paltry \$100,000 constitutional offense?

Mr. WELLSTONE. His piece begins with an interesting quote:

We propose * * * to restore the bonds of trust between the people and their elected representatives. That is why in this era of official evasion and posturing, we offer instead a detailed agenda * * *.

This is a direct quote from the House Republicans' Contract With America. And the following comes from House Majority Leader DICK ARMEY, on Meet the Press:

The fact of the matter is that once Members of Congress know exactly, chapter and verse, the pain that the Government must live with in order to get a balanced budget, their knees will buckle.

Mr. President, yesterday, in Minnesota, I called on the legislative leadership in our State to put together a task force to assess the impact of a balanced budget amendment on the State of Minnesota. I did this, Mr. President—and this has been met with a positive response by legislative leadership—because last week I came to the floor with an amendment based upon a resolution from my State of Minnesota. This resolution was passed unanimously by the State Senate, Democrats and Republicans alike, almost unanimously by the House of Representatives, and signed by our Republican Governor, Governor Carlson, on January 20.

What this resolution said was, "when"—I changed my amendment to "if"—the constitutional amendment passes the Congress, Congress should send to the States, send to Minnesota, an analysis of the impact of this balanced budget amendment on State and local government and on the people in our State.

That amendment was defeated by essentially a party-line vote. I think I received 45 votes for that amendment. Talk about the right-to-know: my amendment simply said that if we pass a balanced budget amendment, before we send the amendment to the States we should provide an analysis of its impact on the people of the different States. I think every single one of my Republican colleagues voted against it. Talk about the importance of being straightforward, stepping up to the plate, being direct with the people we represent. Talk about the importance of the right to know—people should have the right to know what the impact of this balanced budget amendment will be on their lives before we pass it. Talk about the sort of crazy proposition that before you buy a used car you shouldn't lift up the hood and look at the engine. I was really dismayed that this amendment was defeated.

What I am now saying is very consistent with, I think, responsible public policy. My fundamental disagreement with some of my colleagues on the other side of the aisle is that I think we owe it to people in this country to lay out a detailed 7-year plan as to where we are going to make these cuts before we pass this. I think the reason my colleagues do not want to do this is because they do not want to lay out their plans.

Let me give some context, which I think really gets to the heart of this. Using conservative estimates, the Congressional Budget Office estimates that the interest savings that would come from the cuts—let us factor that in, let us be fair—even taking that into account we are talking about a little over \$1 trillion worth of cuts between now and 2002. To get to a balanced budget—\$1 trillion worth of cuts. Where are we going to make the cuts?

On the next graph, Mr. President, is illustrated some real numbers. People

in the country have a right to know where we are heading. By the way, I think the analysis I am about to make is in many ways irrefutable, just in terms of the basic commitments that some of my colleagues have already made. If you add the defense increases, and you also add tax cuts—I think the defense increase was, roughly speaking, \$80 billion over 5 years and I think the tax cut was, roughly speaking, \$360 billion over 5 years—now we are not talking about \$1 trillion, we are talking about \$1.481 trillion.

Now we are no longer talking about \$1 trillion, we are talking about \$1.481 trillion that we are going to have to cut between now and 2002. That is why I am going to move at the appropriate time that we refer this resolution to the Budget Committee with instructions to the Budget Committee that it bring to the Senate a report that contains a detailed description of a 7-year budget plan as to how we are going to cut \$1.481 trillion.

Do we not at least owe that to people in the country? Is that not called truth in budgeting? Is that not called being straightforward? Is that not called stepping up to the plate and being clear and being honest about what we intend to do? Mr. President, \$1 trillion says CBO, and in addition we have a bidding war to raise military expenditures, and in addition we have a bidding war for more tax cuts. Now we are talking about \$1.481 trillion.

Let me turn to the next graph. Here is what I believe my colleague, Senator CONRAD from North Dakota called—and I say this to you always in good grace, "the Republican credibility gap." So far the spending cuts we have heard detailed in the Republican Contract is about \$275 billion. We have seen specifics of \$277 billion of budget cuts. Mr. President, \$1,481 billion is what we have to cut to get to this balanced budget by 2002. So far my Republican colleagues have laid out budget cuts totaling \$277 billion. There is a long ways from \$277 billion here to \$1,481 billion. That is truly the Republican credibility gap. And that is why at the appropriate time I will move to refer this resolution to the Budget Committee with instructions to the Budget Committee that it lay out a detailed plan as to exactly where we are going to make these cuts. We are not going to do well with people in this country once they realize we are quite unwilling to specify where we are going to make the cuts. People are going to begin to see this as a shell game, shifting burdens to the States, to personal income, property, and sales taxes of the states.

When I was back in Minnesota yesterday I said one of the reasons why it was so important to have some truth in budgeting—so important that people have a right to know where we are heading—is because of the likely impact on my State.

The Center on Budget and Policy Priorities issued a report yesterday, and I have some preliminary figures from that report. By 2002, in that 1 year alone where will we in Minnesota be? We will have \$143 million less in Federal education. Where will we be: \$1 billion, in 1 year, less in Medicaid; about \$3 billion of cuts over the next 7 years.

This is another part of what I consider to be, really, a shell game. The cuts accelerate. They are less over the first 2 years and then they get deeper and deeper. When I say in the State of Minnesota we could very well be faced with \$1 billion of cuts in Medicaid in 1 year alone, I want my colleagues to understand that half of Medicaid expenditures go to older people for nursing home expenditures. These are our parents and our grandparents. I think the figures on Medicare go even higher.

What do these figures mean? The Children's Defense Fund estimates that such cuts in 2002 would result in almost 30,000 Minnesota babies, preschoolers, and pregnant women losing WIC nutrition supplements; over 351,000 children losing food stamps; over 154,000 children losing free or subsidized lunches; over 2,004 blind or disabled Minnesota children losing SSI; and over 24,000 children losing access to remedial education.

I have heard my colleagues talk about our children and our grandchildren and the debt. I have voted for deficit reduction. I have voted for several years in a row for the deepest cuts we have seen in deficit reduction in decades and I will continue to do so. But for many children, the future is now. We keep talking about our children and the future, and I bring an amendment to the floor of the Senate 2 weeks ago asking the U.S. Senate to go on record saying that nothing we shall do by way of spending cuts or legislation will increase the number of homeless or hungry children in America and I cannot get a majority vote for that.

Let me repeat that. My colleagues talk about our children and our grandchildren. Maybe our children and our grandchildren are doing well now. We have fairly high salaries, and do well economically. But a lot of our children and grandchildren are not doing well now. For them the future is now. And I came to the floor 2 weeks ago with a reasonable sense-of-the-Senate amendment that we would go on record saying we are not going to do anything that would increase hunger or homelessness among children in America.

Mr. President, did you see the report today that one out of every four children in the United States of America are poor? One out of every four children under the age of 6. What about those children now? I could not get my colleagues to vote for that amendment. I think I understand why.

Let me go back to the chart on the credibility gap for a moment, if I could. Let me tell you why, Mr. President, the two amendments I have introduced in the last 2 weeks have failed

with every single Republican voting against it. The first amendment, we will not do anything that will increase homelessness or hunger among children. The second amendment said we will at least provide States with financial analysis of the impact of the balanced budget on them before we send it to them for ratification. Why were those amendments voted down? What is it that my colleagues do not want people in Minnesota or Tennessee or Utah or anywhere else in the United States to know about the implications of this balanced budget amendment? It is the credibility gap.

These are the parameters. We are talking about, roughly speaking, \$1.481 trillion worth of cuts, and so far my colleagues have specified \$277 billion. That is a big credibility gap. And after you raise the Pentagon budget, and after you do more by way of tax cuts—and then we are saying that we are not going to be cutting Social Security; there seems to be strong agreement on that—in addition you pay interest on the debt. Do we think people do not see through this charade? It is clear where we are going to be making the cuts. Mr. President, I do not know about other States, but I will tell you one thing. When we cut the WIC Program, the Food Stamp Program, subsidized lunches, remedial education, law enforcement, environmental protection, higher education, and any number of other key areas, either our States will walk away from the people or our States will end up having to assume the costs.

These burdens are going to go back to the States. And I can predict what is going to happen. Just as we now, unfortunately, have moved to several tiers—people on the top and many people on the bottom—either we are going to have States that are going to pick up the costs—I can tell you, I will speak for Minnesotans. We are not going to let children go hungry. We are going to make sure that our young people can afford higher education. We are not going to break our contract with veterans. If there are going to be deep cuts in Medicaid and Medicare, we are going to make sure that people continue to have health care when they need it.

So we are going to end up having to pay for it. That is the shell game to this. That is why my colleagues are unwilling to specify what we are going to do. My colleagues are unwilling to step forward and say what we are going to do.

Mr. President, for myself I have never signed on to the notion of a balanced budget in the year 2002 because I think it is so political—and because it would depend on the economic circumstances at the time. For example, we wouldn't want to do huge spending cuts if we were in a recession. Of course, we have to continue with deficit reduction. Of course, we have to balance the budget. But the question is, What gets taken off the table and what gets put on the table? I have not

heard a word so far about cuts in the military budget.

Mr. President, Senator BUMPERS, Senator BRADLEY and I and several other Senators 2 or 3 weeks ago had a press conference looking at a lot of analysis that has been done on defense needs and potential defense and other related cuts. We essentially made the argument that here are some military expenditures that are just simply not necessary when we have to make these difficult choices, and we had cuts totaling \$33 billion over the next 5 years; \$114 million from 1996 to 2010. There are a lot of different programs listed. I will not itemize them today. I will later on in the debate.

Some of these are worthy programs. For example, let me say the space station has many exciting possibilities. But I would far prefer to feed children on Earth in the United States of America than to send a station into space. We have to start making these difficult choices. But I do not hear people talking about any of these big military contractors having to sacrifice. Oh, no. Oh, no. It is the children, a quarter of whom are poor, who do not have lobbyists, who do not have political power. So what we are going to do—which is why we are unwilling to specify the cuts beforehand—is we are going to make cuts based upon the path of least political power.

It is interesting. Again, I borrow from the fine work of Senator BUMPERS. When I hear my colleagues say we have to raise the Pentagon budget. But we will cut the School Lunch Program, we are going to do it. The arithmetic is compelling. We are not coming anywhere close to telling people how we are going to cut \$1.4 trillion. We know where we are going to cut. That is why we are unwilling to be clear about it. That is why we are unwilling to specify before we pass the balanced budget amendment. I have not heard any discussion about cutting military contracts.

Just a couple of interesting figures on this chart. If we take the U.S. defense budget and you add NATO and other allies, altogether we are spending about \$530 billion. Russia, China, and all the rest of our potential adversaries combined, total potential adversaries combined, only spent \$121 billion. The United States alone has a larger defense budget—\$280 billion—than all of our potential adversaries combined, which is \$121 billion. Yet some are talking about raising the Pentagon budget. We are talking about a little more to cut taxes for people, and then we say we are going to have deficit reduction through a balanced budget amendment, but we are unwilling to specify where we are going to make the cuts. We are unwilling to tell people in Minnesota, Tennessee, and Utah, all across the country where they are going to be at 2002 and what they are going to be faced with.

There are, of course, other choices to be made. I will be on the floor later on

with Senator FEINGOLD and others talking about this. But it does strike me as odd and politically troubling, if you look at the Republican contract, if you look at the Contract With America, there is no mention of anything that asks large corporations, or large financial institutions, or any other wealthy interests, to sacrifice at all.

They say we are going to cut nutrition programs for children. There is no question about that. We are going to cut child care. We are going to cut higher education. We are going to cut Medicaid. We are going to cut Medicare—deep, deep cuts that will accelerate as we approach the year 2002. We will likely not do much the first year, before the elections. It is all carefully designed. It has to happen. The arithmetic is clear. But we are not going to touch oil company subsidies at all. We are not going to go after bloated military contracts. We are not going to deal with some of the other loopholes and deductions that a variety of different large, powerful financial institutions are able to take. We are not asking them to sacrifice at all.

That is the reason, Mr. President, we do not want people to know where we are going to make the cuts. We are likely going to go forward and pass a balanced budget amendment without even being willing to be straightforward and clear with the citizens we represent as to what this means for their lives, as to what kinds of cuts we are going to make, in what kinds of programs and how it is going to affect them and their children.

That is why I intend, at an appropriate time, to move to refer this resolution to the Budget Committee with instructions to report it to the Senate accompanied by a report from the Budget Committee containing a detailed description of a 7-year budget plan that would achieve a balanced budget by the year 2002.

Should we not be honest with people and straightforward with people? Why do we not do that? The answer is, we do not want to tell people where we are going to make these cuts. We want to pass perhaps the most important piece of legislation that has been passed in decades, with far-reaching consequences for the people we represent, for the lives of people we represent, and we do not want to, before we pass the balanced budget amendment, lay out the plan as to where we are going to make the spending cuts and other policy changes required, and how they are going to affect our States and counties and our cities, how they are going to affect the people we represent.

Mr. President, it is interesting, I want to make this clear that this is not just an urban issue. I was this past weekend in Jackson County in southern Minnesota meeting with corn and soybean growers. I say to my colleague from Utah that I will bet you the vast majority of the people there are for a balanced budget amendment; I think that is true. But what they are worried

about is that they want to know where the cuts are going to take place. When we hear that subsidies are going to be eliminated, we are all for it if we know where they are and if you give us a fair price in the marketplace. For those of you who know this language—and if you come from Minnesota, you certainly do—they are talking about the loan rate and Commodity Credit Corporation. Give us a fair price, that is all we ask for. Then they say: We have not heard people talk about the fair price and about cutting back on the conservation program, not giving us a fair price. If you do that, you are taking a good percentage of farm income of people who are barely hanging on.

Mr. President, under a balanced budget amendment there are going to be deep cuts and a lot of people are going to be hurt. My colleagues say, well, we have to do all this, it is in the national interest. It is in the national interest to continue to reduce the deficit. It is in the national interest to move toward a balanced budget. It is in the national interest to do it by the same standard that every single family in this country lives by when they balance their budget, which is a standard of fairness, not just targeting those with the least amount of political clout, or going after health care and education, or children and leaving all sorts of other subsidies untouched. That is the way we should do it.

But, Mr. President, we are not going to do it that way. Let me be crystal clear. We are not going to do it that way. Instead, we are going to make deep cuts, we are likely going to pass a balanced budget amendment, and ultimately we may not, because I think the longer this debate goes on and the more people pay attention to this debate, they are going to say wait a minute.

Back to the chart on the credibility gap one more time. They are going to say, wait a minute, Senators, we heard there was going to be a trillion dollars in spending cuts, and then we hear that there are those saying they want to increase the Pentagon budget by \$80 billion over 5 years; then we hear everybody is in this bidding war to cut more taxes which means less revenue, which has to be offset somewhere. Now we hear that the estimate, conservatively speaking, is \$1.481 trillion. So far, proponents of the amendment have only specified \$277 billion worth of cuts they are willing to make. We would like to know, Senators, Democrats and Republicans alike, where are you going to make the cuts? How is it going to affect us? Is it going to be according to some standard of fairness? Are we going to have to pick it up at the State level? Is it going to be the property tax or sales tax that now we are going to get hit with?

Well, people have every right to ask those questions. In fact, there is overwhelming support in the United States of America for the right-to-know proposition: Recent polls show over 85 per-

cent in favor. Last week, I came to the floor with an amendment that I thought would pass. It was so reasonable. It said if we pass a balanced budget amendment, let us send it to the States with a detailed analysis of how this will affect Minnesota or Tennessee, and the people who live in our States. It was voted down, essentially a straight party vote.

Mr. President, over the weekend, I have been thinking long and hard about this. I have decided, before we get too far into this debate, I should come to the floor before we get too far into the amendments and move to refer this resolution to the Budget Committee, with instructions for the Budget Committee to come back with a report that contains a detailed description of the 7-year budget plan. That is reasonable. It is consistent with being accountable. It is consistent with being straightforward with people and with the people of the United States of America knowing exactly what we are going to do. I think that is exactly what people believe in strongly.

So I have filed this motion, and a little later on I will go forward with this motion. I thank my colleague from Utah.

I yield the floor.

Mr. HATCH. Mr. President, I have listened to my distinguished friend from Minnesota. As usual, he is an advocate for those who are poor and have difficulty in our society. I admire him for that. On the other hand, I do not think there is a person in America who thinks for one second that this voracious, money-eating, money-grubbing Federal Government does not eat up an awful lot of this money right here in the bureaucracy. In fact, there are many authorities who seem to indicate that of all the billions of dollars taxpayers are spending for the poor, welfare, food stamps, AFDC, you name it, and the thousands of programs that we have, some believe that only 28 percent of all of that money we pay actually gets to the poor.

Mr. WELLSTONE. Will the Senator yield for a minute?

Mr. HATCH. I will be happy to.

Mr. WELLSTONE. I want to make it clear that I know everything the Senator says he says in good faith, and he is always rigorous in his analysis. When I hear the Senator talk about how there are all sorts of overly centralized programs and bureaucratized programs and there are cuts we can make, I say to the Senator: Fine, the only thing that I am going to do in this motion is to say to the Budget Committee, before we vote, let us be clear about where we are going to make the cuts.

I do not necessarily disagree with what the Senator is saying. I have to see the numbers. But let us lay them out. If the Senator and other members of the Budget Committee can tell me how we get from \$277 billion to over \$1 trillion in cuts and where they are going to be, that is what we should do.

Mr. HATCH. I will get into that in just a minute. I want to make this point, and I am glad the Senator recognizes there may be some merit to this point. We, in the interest of controlling everybody—we liberals back here in Washington—and that is what you have to call us—we have built such a bureaucracy that we are robbing everybody, and very little of that money actually gets to the people that my friend is worried about. And I too worry about those less fortunate than most.

I am the author of the child care bill, along with Senator DODD. He and I were there at the last minute of that particular Congress making sure it went through. Nobody in America was more concerned about child care than I was, and I am a conservative. So I take second seat to no one on this problem. It is not an unknown fact that I was the person who helped to save the Job Corps Program, which is the only program for unemployed youth in our society. It is expensive. It costs over \$20,000 per youth per year. On the other hand, if we just write them off, they are going to cost us better than a million dollars a person by the time they die. We will all have to pay for that.

I can name a number of other programs I have helped to save and have passed here that are very important. I have just as much feeling about the poor and the sick and the needy and our senior citizens as any Senator in this body, including the Senator from Minnesota.

But I know that this bureaucracy back here, that this liberal Federal Government which employs an awful lot of people here in Washington at pretty high rates of pay compared to the average citizen's salary, is eating us alive before the moneys get to those who really need it. And when the moneys finally get there, they are minuscule compared to what we taxpayers have paid.

I hear the distinguished Senator talking about how we have to cut the military so that children can eat. No, we have to cut the bureaucracy so both the military can be strong and children can eat. And we will never do it without a balanced budget amendment.

We get credit for these programs. We get a lot more credit for spending than we do for standing on the floor and conserving.

Having said that, I have been very intrigued by colleagues on the other side, almost none of whom is for the balanced budget amendment. Why? Because they like to spend. They do not want any hampering restrictions on their ability to do good. And I am not questioning their sincerity, but I do question whether they are doing good all the time, laundering the moneys to an all voracious eating Federal bureaucracy.

I would rather send those moneys to the States, where the States, who understand local problems, will do a far more efficient job than the Federal

Government. Our Governors are begging us to send block grants for welfare to them. They do a better job. They will make it more efficient. They will get more help to people and in the end people will be better off.

When Reagan became President, I became chairman of the Labor and Human Resources Committee. That committee overviews between 2,000 and 3,000 Federal programs. President Reagan came to me and said, "Orrin, you have six of the seven block grants in your committee."

Now, it was an interesting thing, because I had a heck of a time getting any block grants passed. It was still a pretty liberal Congress, even though the Republicans had taken over control of the Senate. But the House was still controlled by Democrats.

I was having a rough time. One day President Reagan called me and said, "Orrin, what is the matter with you up there? Why can't you do what I have asked you to do?"

And I have to say that I was not quite as respectful to the President as I should have been—and I have always been. I said, "Wait a minute, Mr. President." I said, "Have you looked at the makeup of our committee?" There were seven total liberals on the Democrat side and two liberals on the Republican side. The committee was 9 to 7 in favor of what Senator KENNEDY wanted. I said, "How do I put through block grants with that kind of a lineup?"

I will be honest with you. We did. We fought for them and we were able to get some of them through. Some of them were pure block grants and they work magnificently. Some of them were hybrids. They were partly block grants and partly categorical programs. And some were called block grants but were not.

I give a lot of credit to Senator KENNEDY for working with me to do some of the things that we did. And they worked. In fact, one of the leading liberals in the Congress came to me—in fact, I would say one of the three or four leading liberals in the Congress—came to me and said, "Now, don't ever quote me by name"—and I am not—"but those block grants work." They work. And the reason they work is because we do not go through this voracious grab by Federal bureaucracy for everything.

When I see the little bit of money that gets back to the poor from the programs advocated by those who share the viewpoint of my friend from Minnesota, who has been making these wonderful arguments about how deeply he feels about the poor—nobody feels more deeply about them than I do—when I see the little amount of money that gets back to them once it is laundered through the Federal bureaucracy, where we see all these sociologists, all these Ph.D.'s, and all these people who are paid pretty high wages as they manipulate, manage, fuss, and bother, and work on programs and

come up with new ideas every time you turn around, when I see how little money gets to those people, I just shudder.

This balanced budget amendment will make the Federal Government more efficient. It help us help the poor more. It will make every dollar count. And I do not care how liberal you are; I do not care how conservative you are. You are going to have to work within a structure that requires us to live within our means, or at least go in that direction.

This amendment does not always necessarily require a balanced budget. It just puts on a fiscal mechanism which forces us to at least move in that direction. Because if you want to increase the deficit, you are going to have to have a three-fifths vote to do it. That means 60 Senators in the Senate would have to vote for any increase in spending. If you want to increase taxes, you are going to have to have a constitutional majority, which means you cannot do that with less than 51 actual votes in the Senate and 218 actual votes in the House. Most importantly, you are going to have to vote, where now we just hide it by voice votes. We just go along with business as usual.

We do not worry about these things. The fact is this amendment would make us worry about these things. It would make us a little more concerned about where all the moneys go.

If there is waste in the military, and we all know there has been—I do not think there are any more \$600 toilet seats and \$500 hammers or screwdrivers—but the fact of the matter is, if there is waste, we as Members of Congress can no longer blithely ignore that. We are going to have to look for it and we are going to have to get rid of it, because we are going to have to live within certain economic constraints, which is where we ought to be and what we ought to do.

(Mr. KYL assumed the chair.)

Mr. HATCH. The poor are being ripped off because, as the distinguished Senator from Illinois has said on many occasions, if we keep going in the direction we are going, we are going to have to monetize the debt. And once we do that, this country's power in the world, economic clout in the world, its stability in the world will be gone, because nobody will believe in the dollar after that, because we will have paid off all these debts with worthless dollars, or at least very, very much devalued dollars.

Now, that is where we are headed unless we do what is fiscally responsible, that which Thomas Jefferson indicated he thought we should have put in the Constitution from the beginning: That is, put in a fiscal mechanism in the Constitution that is not so tight that you cannot operate within it, but is not so tight that you cannot have unbalanced budgets if that is in the best interests of the country.

If military spending is not efficient or unnecessary, we ought to correct the military. But there are not the incentives or the pressures to do that today because we simply spend the money the money with virtually no restraint. We just spend the money.

If we are wasting money on social programs, we ought to correct those wastes. But we do not do it today because we just spend the money.

If there are other programs in the Federal Government that are not working and are not as valuable as some programs, we ought to bite the bullet and get rid of them. But today we just spend the money.

Now I have seen for 18 years those who are against the balanced budget amendment come on this floor time after time or speak in public time after time or on television shows or on the radio, and say, "We ought to have the guts to do what is right here. We ought to balance the budget and we ought to do it without a balanced budget amendment."

Well, we ought to. But the fact of the matter is, there are not the votes to do it. People will not do it because there is no fiscal mechanism in the Constitution that requires them to do it.

So when somebody comes on the floor and says, by the way, they have always been an opponent of the balanced budget amendment, and almost all of these who are critics are, the new game in town is to say, "Show us how you are going to get to a balanced budget in 7 years." We have three or four plans around here that show that. The problem is, we do not have the votes for any one of those plans to do it. So nobody in this context can show exactly how we are going to get it in the year 2002 unless we have a mechanism that forces us to do it. That is what this is all about.

So when the new methodology to defeat the balanced budget amendment is, "Show us how you are going to get there in 2002," I can give them 20 plans that will show them that. The point is there is no incentive or power or force or mechanism to enact any of them in the current Congress without a balanced budget amendment forcing us to meet these problems.

So that is why this is important. We do not want to put the cart before the horse. We need to pass the amendment. That puts the mechanism in that makes Members of Congress make priority choices among competing programs.

I happen to believe that Members of Congress believe in the Constitution. I happen to believe that they believe in the oath of office that they have taken. I have seen a reverence for the Constitution no matter what the philosophy of people in the Congress. It is the same in the States. The State legislators revere their constitution. We revere ours.

I do not think it is a naive belief to say if we pass the balanced budget amendment and it is submitted to the

States and it is ratified by three-quarters of the States, that we will do what has to be done; we will live within our budget limits; we will force ourselves to debate the implementing legislation and how we get to a balanced budget by the year 2002, if possible; or we will vote to either increase taxes or to increase the deficit, because it cannot be done. But that will never happen. But today that type of a debate will never happen—with any hope of fruition—unless we have the amendment mechanism in the Constitution to force Members to do it.

Government excess spending is our biggest threat, to our eyes on this side of the floor. To the distinguished Senator from Minnesota, failure to curtail excess spending in the military is one of the biggest threats. Military spending is now the third largest item in the Federal budget. The second is that interest against the national debt, that is over \$300 billion and will approach \$500 billion shortly after the first of the century if we do not do something now.

So, this call, to cut military spending without a balanced budget amendment, is a fruitless call. Nobody has been able to do it so far. We have tried through the statutory methodology. I was sitting right back there in 1978, and I remember when we passed the Byrd amendment that required the Senate to balance the budget in what I believe was 1980. Yet, an amendment was offered that required a 51-percent majority vote for a balanced budget. This completely subverted the very important Byrd measure that had previously just passed by an overwhelming vote on the Senate floor. There was no constitutional force or requisite to meet that challenge that Harry Byrd made. It went down to defeat.

Then we came up with Gramm-Rudman-Hollings. I cannot say that it did not work at all. But in the end it was a simple statute that we did away with and changed its goal and timetables. Frankly, it never really worked well. And today we are right back where we started. True, with the largest tax increase in history, the deficit trend line has gone down and will go down until 1996, when it just shoots right straight back up again.

What are we going to do, raise taxes again and solve this problem that way? Or are we going to start working on priority choices between competing programs in the budget? The only thing that will get Members to do that is a balanced budget constitutional amendment. It is not because people in Congress are bad people or they do not want to do what is right. It is that there is so much pressure to spend here. There is so much pressure by every special-interest group in this country to cover their problems and solve their difficulties.

We are sincere. We want to do what is right. But right now we do not have to because there is no mechanism forcing Members to consider doing what is right. This amendment is a bipartisan

consensus amendment that we have worked out over a period of almost 10 years now, since we passed the first balanced budget constitutional amendment through the Senate and lost in the House back in 1982.

A lot of us, somewhere, worked on it. It is important. A lot of Democrats have worked on this. A lot of Republicans have worked on this. Any one of us could write a tougher amendment, one way or the other. But this is a bipartisan consensus amendment. This is the only one that has a chance of passage. It will do the job because it does three things. It does more than three things, but three things I want to mention. It requires a recorded three-fifths vote to increase spending. To increase the deficit, you will have to get a recorded three-fifths vote to do so. Once you do that, everybody in America will know who voted that way. They may agree with it. But they may not, either. And everybody here will have the pressure on their backs to determine whether or not it is the right thing for them to do. Today, we generally lift the debt ceiling by a voice vote. Nobody wants a recorded vote on that issue, and thus raising the debt ceiling has become automatic because we do not have a recorded vote.

Second, if you want to increase taxes, you have to have a constitutional majority. That is important. Any legislation could be passed here by a vote of 26 to 25 because we have 51 Senators making a quorum. Anything else could be passed by less than 51 votes. Once this amendment becomes law, the only tax bills that could be passed through both Houses will be those bills that get an actual 218 Members to vote for them in the House, and an actual 51 in the Senate.

Third, and I have alluded to this before, we have a recorded vote to raise the debt ceiling and there is a three-fifths requirement to do so.

Those are three very important reasons why we should enact this balanced budget constitutional amendment.

Now, there are good worries on both sides of the aisle on almost every aspect of this. We can raise all kinds of hairy problems. The fact of the matter is that this is a bipartisan amendment, done by Democrats and Republicans, which is the only one in history that has a chance of passage and, for the first time in the history of this country, has passed the House of Representatives. Back in 1982, an amendment that was not quite as good as this one passed the Senate by 69 votes; in other words, 2 more than we need. We have to have 67 votes on a constitutional amendment in the Senate.

I believe this amendment is worthy of passage. I am fighting arm in arm with my fellow Democrats who are linking arms with me and with others on this side who have worked so hard to try to pass this amendment. We are fighting together, side by side, trying to get it through. I believe we have a

chance at doing it if the American people really get on the backsides of their Senators and let them know that this is something that has to be done. Nothing short of that will get this done.

There are other things I would like to say, but I think there are others on the floor who would like to speak to this matter. I defer other remarks to a later time. I yield the floor.

Mr. GRASSLEY. Mr. President, I want to support House Joint Resolution 1. The significance of the No. 1 is very important. If Members go out and talk to people at the grassroots, they think, to have a balanced budget, there is a need for a constitutional amendment. They think this amendment is the first order of business of any Congress. I think the last election said that it ought to be the first order for this Congress. It is very simple, particularly for middle-class people in America, and the small entrepreneurs and to the farmers of America, that Federal spending must be controlled, the deficit eliminated, and the national debt brought down.

There are very important economic reasons to balance the budget, but more essentially, there are moral reasons to balance the budget. The moral issues, in fact, now, are more important than the economic reasons. Early on, I think we could justify the amendment on economic reasons, but now the immorality of our generation living high on the hog and leaving the bill to our children and grandchildren to pay makes it much less an economic issue. We are borrowing the future of our children and grandchildren through the bad fiscal policies. We must end this practice.

Because every other means has failed to produce a balanced budget, we must enact an amendment to the Constitution. Every other means has failed. Gramm-Rudman I and II. I even remember when I was a Member of the House of Representatives, I worked very closely with another person by the name of Byrd, Harry Byrd, who was a Member of this body, a Senator from the State of Virginia. He was very much a fiscal conservative. He thought, just pass a law that would say that Congress cannot expend more than the taxes raised.

I was in the House of Representatives at that time, and I worked very closely with former Senator Byrd of Virginia to make sure that amendment he passed in the Senate would get through the House of Representatives. I had to, in a sense, camp out in the Chamber of the House of Representatives for about a 2-week period of time to be there from gavel to gavel. I knew that the leadership of that body would want to avoid the membership being forced to vote upon the Byrd amendment when it came over to that body.

Finally, when they knew I was going to stay in the Chamber of the House and force a vote on a motion to instruct, they let it come to a vote, and it was overwhelmingly adopted. So in

1978—maybe it was 1979—we had a law on the books saying that Congress could not spend more than it took in.

But did it do any good? No. The theory is one Congress cannot bind a succeeding Congress, and I suppose that is good constitutional law. So when we passed the succeeding budget that was out of balance, it was then read as overriding the Byrd-Grassley amendment.

So after that and after Gramm-Rudman 1 and 2, we still did not have a balanced budget. Then there were several attempts on my part to merely freeze the budget across the board, and I was joined in that effort, let me say, by my good friend, Senator BIDEN of Delaware, and Senator KASSEBAUM. The freeze in and of itself would not have brought about a balanced budget in the first year, but in 2½ years we would have had a balanced budget. But we could not get a majority for that. After all those efforts, I have become a supporter and advocate for a constitutional amendment to require a balanced budget.

More so than what I have said is my rationale for the constitutional amendment is the fact that in my own State of Iowa we have a constitutional amendment requiring a balanced budget, and I have seen our State legislatures faithfully abide by that, whether controlled by Democrats or controlled by Republicans. I think it works. So we must enact an amendment to the Constitution because nothing else has or nothing else will work. Irresponsible debt threatens our future, not just the future of the young people that are our future but the very form of our society and the freedom, both political and economic, that is an integral part of our society.

I think the reason we look at it the way we should, as a moral issue, is because it threatens our children's future. Our deficits have not occurred because Congress has not taxed the American people sufficiently. Rather, these deficits have developed because of runaway spending. And all you have to do is look at efforts to increase taxes to reduce the deficit—and we have had four or five of those in the period of time I have been in this body—and the deficit does not get smaller. It is still yet larger.

The reason for that is because the Government not only spends every dollar that comes in in taxes, but it borrows another 50 cents almost to spend in conjunction with it. So in fact I think lower taxes, less income, is one less dollar to have an excuse to borrow another 50 cents against to ratchet up spending and ratchet up the deficit.

Washington has not only been irresponsible, but I think this process of our fiscal irresponsibility fosters the wrong values in our society. Spending is increased, and the results of the spending have not been to accomplish what was promised. Programs which have a philosophy that all you have to do is tax and appropriate money and

you are going to solve a social problem just have not worked.

We have to stop the immoral behavior of passing along increased debt to our children and future generations and get out of this time warp that we are in that somehow money spent through the Federal budget or the creation of some new program is going to solve our problems.

A balanced budget amendment fits appropriately within the design of the original document because, as the preamble says, the Constitution was adopted by,

We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

“Posterity” is a word that we do not hear much anymore. We run our Government as if the only relevant considerations are what are in today's newspapers, what we do today. We, in elective office, tend to be more concerned about the next election just 2 years away than about the next generation. We consider the consequences of our acts in short timeframes. Rarely do we take account of the effects that our actions will have on posterity's ability to enjoy the blessings of liberty in the way that my generation has and the way that the preamble presumes that our future generations should be able to enjoy the blessings of liberty.

Among the blessings of liberty that our constitutional system has maintained is a standard of living that rises with each generation. Keys to this enhanced economy have been productivity, growth, and investment. In recent years, productivity, investment and savings rates have declined with the concomitant negative impact upon the economy.

The 26-year continuous string of unbalanced budgets has contributed to these poor economic results. I do not think it coincidental that the stagnation of average wages over the last 20 years has been accompanied by high budget deficits by our Government.

Moreover, economic growth in the last 26 years of counting deficits has fallen short of the prior 26 years. Budget deficits have been run up to fund current consumption. The effects of these deficits are already negatively affecting the budget. When we last balanced the budget—and that was in 1969—9 cents of every dollar of Federal spending went to payment of interest on the national debt.

Now, however, 26 cents of every dollar goes toward paying the interest on the national debt. We receive nothing for making these payments, but we will force future generations to pay an even greater proportion of the budget as interest unless we act to pass this constitutional amendment, because all the other acts in good faith that this body has taken have not produced the desired results of a balanced budget.

Moreover, we will have to tax future generations at incredibly high rates just to pay the interest on the national debt if nothing is done. The figures for that problem that lies ahead for future generations vary depending on the assumptions made.

Future generations will pay the vast majority of their lifetime earnings in Federal taxes. Various assumptions bring up various percentages of two-thirds or three-quarters or even 93 percent that future generations might have to pay in taxes just to pay interest on the national debt.

So it is unacceptable that we live high on the hog by masking the true costs of the programs while leaving future generations to pay the cost, meaning the principal plus the interest.

That was not done to us by our grandparents or parents or great grandparents or any of the 11 generations that we have had. It seems to me because it was not done to us, we have even more of a responsibility to make sure we treat future generations with the same respect that past generations have shown us.

I am concerned that some people think that the deficit and the national debt are issues of declining importance. While it is true that the deficit will fall this year, we cannot afford to declare victory and stop worrying about the deficit. The deficit will rise in the near future by the administration's own estimates.

Moreover, I believe that the administration's interest rate forecasts have been too low. Higher interest rates will only increase the portion of the budget spent on interest on the debt. Moreover, deficits themselves increase interest rates in the long run, and higher interest rates harm renters, home buyers, farmers, and small business people—maybe everybody who borrows. But it seems to me that it particularly hurts those people who have to borrow for need or those people who have capital-intensive industries and small businesses to create their own jobs.

Deficit spending has produced other negative consequences. Last year at the hearings held on the amendment in the Judiciary Committee, the former chief actuary for Social Security testified that deficit spending has led to lax Government accounting. If the balanced budget amendment were enacted this actuary testified that Congress would finally have to start examining Government accounting. Just the simple accounting procedures by the Federal Government are way off. There is no incentive to correct the procedures as long as the Government can borrow and borrow and borrow and not have to meet a legal, constitutional requirement of a balanced budget. According to his testimony, one account at the Department of Defense has been mismanaged for 30 years. The State Department has lost account of billions of dollars worth of property. And the Comptroller General has said that

some Government bills have been paid twice.

A balanced budget amendment will force us to take a tough look at Government accounting as well as Government spending. This is all to the good. Rooting out wasteful spending is the best way to make headway against the deficit.

Yes, there is wasteful spending to cut.

Cutting spending does not have to mean that people will be hurt. We have spent trillions on social programs, and the problems remain. In many instances, the programs have made the programs worse. As Ronald Reagan said, "We fought a war on poverty—and poverty won."

Even when a program has good ends, it is frequently mismanaged. We all know how much of the money is wasted on too many bureaucrats, regardless of how well intentioned they are or how much work must be done. It may be true that there are now fewer Federal personnel than in the past 30 years. But does anyone miss the ones no longer there? Has anyone's life suffered as these surplus employees have left and not been replaced?

I believe that the worthwhile and important programs could grow at a smaller rate, and could be just as effective, if they were critically examined and changes made. The programs that do not measure up should be eliminated. We can balance the budget this way under the proposed amendment. Cutting the Washington bureaucracy is the key.

Since the deficit itself is a significant problem, why not just cut the deficit now? Why enact a constitutional amendment to balance the budget? Because, as I hope I made clear, I see no other way. Congress has passed statutes to reduce the deficit. Congress has raised taxes supposedly to cut the deficit. But the deficit has risen. It rose after Gramm-Rudman. It rose after the 1990 budget deal. That was a Republican one.

And in a few years even by our President's own admission, and he is a Democrat, his 1993 tax bill and the budget agreement that went with it will still not keep the deficit from going up within 2 more years, and continue to go up unless we do something more.

We cannot ever eliminate the deficit if we continue on our present path.

If we are to reduce the deficit, we must put a binding obligation on Congress to balance the budget gradually until the deficit is eliminated soon after the passage of the amendment.

Those who believe we can cut the budget deficit down to zero without this amendment should offer an effective plan to accomplish the result. However I believe that they will not do it. Congress as an institution will not cut spending or reduce the deficit unless it is forced to do so. And the only force I know is through the Constitution. There is plenty of will in this body, but that will is directed toward

spending, not cutting. It is toward deficits, not toward a balance of the budget.

We have heard it said that section 6 of the amendment which gives Congress the power to enforce the statute is inconsistent with the claim that statutes alone will not end the deficit. But there is no contradiction. As I have said, in 1978 I was a part of the Byrd-Grassley efforts by a statute that we got through and signed by the President to require a balanced budget. So I think I know. Many amendments are given life by provisions extending Congress the power to enforce them. This constitutional amendment gives us a basis for what was not there when the Byrd-Grassley amendment was law.

Implementing legislation is necessary to make the balanced budget amendment function fully. But the difference between statutes enacted under this amendment and Gramm-Rudman, or Byrd-Grassley is that the Constitution will demand that the new statutes be adhered to, unlike earlier legislation lacking the constitutional imperative.

Mr. President, we need to balance the budget. We can only do so if we pass a constitutional amendment. The American people are watching to see if we make this commitment. The quality of the existence of future generations is at stake. We cannot afford to fail again. We cannot afford to fail making tough decisions today to lighten the burden on our children and grandchildren. We must enact this constitutional amendment to balance the budget.

I think this is the fourth time—maybe the fifth time—since I have been in the Senate that this issue has come before us.

We have passed it at least once. It was by two votes. It was defeated once by one vote. Another time it was defeated by two or three votes, and then a couple of other times we could not get the votes to stop the filibuster. I hope this time we will be successful.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I am sorry. I did not see the Senator from Colorado. I yield time for the Senator.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, thank you. I thank the Senator from Delaware.

Mr. President, I too, rise to speak on the balanced budget amendment to the Constitution. As a person who has been a prime cosponsor of this legislation three different times and on the House side voted for it, I am very permanently committed to it. In fact, in the 102d Congress, as the Presiding Officer well knows since he was also a supporter when we served together over there, we missed it by just six votes. It

was awfully close. A couple of times before that we both signed a procedure in which to take the amendment directly to the floor, and we could not even get it out of committee of the 101st Congress, as I remember.

So there have been a lot of efforts to move this along, and basically do what people are saying now—that is, save us from ourselves. I know in the course of this debate, which may last a week or even 2 weeks, there are going to be a lot of efforts to weaken it, lots of efforts to get us to succumb to the feeling by some Americans that we really do not need to balance the budget, and in fact will hurt jobs or hurt individuals. I do not subscribe to that, and would oppose weakening this in any way, shape, or form.

As better speakers before me have already alluded to on the floor, we are simply in a downward spiral. Last year, \$200 billion was wasted on interest payments. As the Senator from Utah said, not one dime of that money helped build a square yard of highway, or helped build one cell for a hardened criminal, or helped one youngster in need of counseling. All we got for our efforts in the last few years was an \$18,000 bill as they said for every man, woman, and child in America.

There is no question in my mind—and I think everyone knows—that balancing the budget will be perceived as hurting some people in the short run. But in the long run balancing the budget will raise the Nation's standard of living and the rate of savings. According to GAO, a balanced budget by the year 2001 would produce a 36-percent improvement in our standard of living by the year 2020.

OMB Director Alice Rivlin estimates that balancing the budget within 5 years would raise the national savings rate to 6.1 percent. Yet, if we fail to pass a balanced budget, the savings rate will be a mere 3.7 percent—that certainly means trouble for the United States in a competitive global economy where other nations save far more.

Our voters told us that it is time to draw the line. We know that we cannot pass a constitutional amendment to solve every problem. Certainly this is not an ordinary problem. This amendment is required because history has proven, as other speakers have said, that legislation simply will not work.

I remember very well the days of the Gramm-Rudman-Hollings act in which we ended up before we could finally get it passed exempting something like 72 percent of all spending and thereby trying to balance the budget on the remaining 28 percent of the revenues. And it simply will not work. If we make all kinds of exemptions to this legislation, this will not work either.

In an ideal world, this amendment will not be necessary. But, in the real world, it is necessary. I do not think that in fact the elected officials should take all the blame for it because I know my office, like many offices, is

inundated with people who say in one breath, "Balance the budget, reduce my taxes, and get me \$10 million more for my special project." Those special interests, which we sometimes called the third House around here, has had so much influence in protecting turf that we simply cannot balance the budget by legislation.

Just look at the recently disbanded Kerry-Danforth bipartisan entitlement commission. It spent \$1.8 million but failed to come up with a unified proposal on where to cut entitlement spending, which is the largest sector of Government spending.

This amendment gives Congress and the public a constitutional reason to bite the bullet. Congress will have to bite the bullet—we will have plenty of tough choices. Clearly, popular programs probably will be cut, and in fact some good programs may be cut. We must make our very best effort to concern ourselves with the most vulnerable in our society and make sure that they do not get unduly hurt.

According to most estimates, about \$1.2 trillion of spending cuts are going to be needed to balance the budget in the next 7 years.

Already, nearly 50 percent of spending programs have been removed from the new leadership's deficit reduction plan—Social Security, defense, and net interest.

In addition, Congress will probably be required to find more cuts to offset the middle-class tax cut proposals, and other tax cut proposals, that are being circulated around the Capitol.

Certainly, the challenge is enormous. Congress has a responsibility to come up with spending cuts before it passes any tax cuts, and our eyes narrowly focused on a balanced budget in 7 years.

THE RIGHT TO KNOW

Congress also has a responsibility to tell the American people how it will accomplish a balanced budget before it passes one. That is why I support Senator DASCHLE and Senator EXON in their efforts in the right-to-know budget amendment.

Congress must be honest with voters because they have a right to know what we already know. Congress cannot allow its knees to buckle at the prospect of making spending cuts.

We have a duty to fill in the blank lines of the promise of a balanced budget, so that Americans can understand what it means for their lives.

THREE-FIFTHS TAX LIMITATION

Some have suggested that a provision be added to require a three-fifths approval for income tax increases. I oppose such a provision.

It would scare away many supporters of last year's version which almost passed. We have worked far too long to see this opportunity missed.

I also worry that this provision would allow a zealous minority to hijack our Nation's budgetary policies.

More importantly, I think a three-fifths requirement undermines the amendment's flexibility. The amend-

ment should be flexible, able to last the ages, and not dictate the path to a balanced budget.

Congress will pass the balanced budget amendment this year. Passage of this amendment will not be the silver bullet to kill the deficit—only tough choices will do that. I hope we can work together in a bipartisan, responsible fashion for a balanced budget and the future of our Nation and our children.

Certainly, the challenge is enormous. Congress has the responsibility, and I am certainly willing to step to the plate, as many of my colleagues are.

I yield the floor, and just say in passing that I certainly commend both Senator SIMON and Senator HATCH, who are going to be spending an awful lot of hours here on the floor in the next week, for their leadership on this balanced budget amendment.

Mr. SIMON. Mr. President, will my colleague yield?

Mr. CAMPBELL. Yes.

Mr. SIMON. Mr. President, I certainly want to commend the Senator from Colorado for being solid on this issue.

He mentioned the GAO report—which has been largely ignored around here—that says if by the year 2001 we balance the budget, by the year 2020 we will have an average increase, adjusted for inflation, in income of 36 percent per American.

Our choices are very, very striking. I happen to have that report here. I would just like to read this:

Eliminating the budget deficit, and, if possible, achieving a budget surplus, should be among the Nation's highest priorities. Because of the accumulating burden of interest on the mounting public debt, it is important to move rapidly in this regard. Postponing action only adds to the difficulty of the task.

Again, I want to commend our colleague from Colorado for standing up so solidly on this. I really appreciate his leadership.

Mr. CAMPBELL. If I might say, too, in that report, it indicates that because of some severe actions we have taken in the last year or two the deficit is going down a little bit now. But, clearly in next few years, it is going to start to rise again. What we do legislatively is not going to amount to a hill of beans, but it is still going to go up without this constitutional balanced budget amendment.

I look forward to supporting this amendment, and thank the Senator for his nice comments.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I state the obvious. The Senate has begun debate on a proposed amendment to the Constitution. This is, as it ought to be, a solemn moment in the life of our Constitution, for what we debate today, and I expect in the following weeks, is whether to change, alter, or modify the basic document of governance that we have operated under.

Since 1791, the year the Bill of Rights was ratified, Members of Congress have introduced over 10,000 proposed amendments to the Constitution. Admittedly, the new Republican majority is making their weight felt here. We have not only this amendment, but I do not know how many more to amend the Constitution. But there have been over 10,000 proposed amendments to our Constitution. Of those 10,000 since 1791, we in Congress have approved just 22. And, of the 22, just 17 have been ratified by three-quarters of the States and have become part of the Constitution.

We stand here again this year confronting one of our most profound constitutional responsibilities as we consider a change in our fundamental charter. It is one of the glories of the U.S. Constitution that it has been so resilient. Its authors' insight into human behavior and political institutions have proved accurate from our early years as an outpost on the coast of the new world to our current status of a space-aged superpower.

Few changes have been necessary to permit the Constitution to keep pace with our social, economic, and technological revolutions that have transformed our Nation since its founding. But in recent decades, we have faced the problem that we do not seem to be able to solve. We cannot balance our budget, or, more correctly, we will not. And to put it in even sharper focus, I think it is much less important that our budget be balanced. There is nothing magic about the budget being balanced. But what is critically important is that our deficit continue to decline, and that we have a small deficit, if any deficit at all.

At the beginning of the Reagan administration, we swerved from the course that had, since the end of World War II, shrunk the national debt, and we turned onto a path that has led us to where we are today; the so-called Laffer curve. Speaking of "Laffers," it is probably the ultimate "Laffer"—the "Laffer curve." Many of us have worked to impose disciplines needed to restrain the temptation to spend beyond what we tax.

(Mr. GREGG assumed the chair.)

Mr. BIDEN. When the Reagan administration deficits began, I proposed, along with Senator GRASSLEY and Senator KASSEBAUM—and he mentioned this earlier—that we freeze every single solitary program in the Government, anything the Government had to do with, every single solitary one, that we not spend a penny more, not even accounting for inflation, than we spent the year before. Although I wrote the plan with my two Republican colleagues, we received very little support from either side of the aisle. I think our high-water mark 3 years later was 38 votes.

I also supported the Gramm-Rudman process that has been much maligned here in the Congress. It has not worked, but I argue that absent that things would even be worse than they

are today. Gramm-Rudman put caps on the amount of deficits allowed and required a balanced budget. But the requirements changed every year, and the only constant in the process was the annual increase in the national debt and the guarantee of annual deficits.

Those are not the only things that we have tried. Over 10 years ago, I offered my own constitutional amendment to balance the Federal budget—and you might expect me to say, parenthetically, I think it was a superior document to the one we are about to vote on this year. Up through my vote for Senator REID's balanced budget amendment last year, I have held that this is an issue worthy of constitutional consideration. Many suggest that this is not an issue worthy of constitutional consideration.

Well, the fact of the matter is, I think my friend from Illinois is correct when he keeps quoting and referencing Jefferson. If this is not worthy of constitutional consideration—how we are able to bind or not bind future generations—I am not sure what is worthy of constitutional consideration.

That in no way undercuts the opposing argument that writing fiscal policy into a constitution or into a document of governance is a difficult and maybe impossible thing. But the notion that this is not worthy of constitutional consideration, I think, is not accurate. The decision to encumber future generations with financial obligations is one that can rightly be considered among the fundamental choices addressed in the Constitution.

But from the first time the resolution before us here today was proposed, I have been concerned that it could bring with it problems that, taken together, could be almost as bad as the deficit problem that we are all worried about. In the Judiciary Committee, I have described some of those concerns. This year, in committee a number of amendments were offered to fix what I, at least, perceive to be problems in this constitutional amendment. Some of us tried to make this a better proposal. We tried to avoid tying up the courts with constitutional questions about such important details as the President's role in enforcing the balanced budget. We tried to keep the Social Security trust fund off budget, where it is now and where it should stay. We tried to assure that the real cost of the balanced budget amendment, and not just its surface lure, is known to the citizens who will be asked to ratify this amendment in the coming months. We tried to provide a capital budget to treat public investments the way families, businesses, and States treat their own investments.

These and other amendments were not accepted. The reason they were not accepted—and you will hear it repeatedly; my friend from Utah referenced it. It is the one thing that worries me most, as I am one of those undecided votes. I am told that there are five, six,

seven, or eight of us in this place who do not oppose the notion that we have a mechanism in the Constitution to deal with deficits. But we are very unsure of this mechanism. The camps generally divide into two areas. One suggests that it is bad policy, period, to put anything in the Constitution. And there are those who suggest that this is the only answer. I am with that handful or maybe a couple of hands full of people here who find myself believing that it is not inappropriate but believing that what we have before us may not do the job. I have been here long enough to realize that there are often unintended consequences of our actions which are sometimes worse than the problem we have attempted to cure.

Where do we stand now? We have before us the balanced budget amendment, about which many of us have expressed serious reservations, the effects of which in both the short and the long term cannot be predicted with any degree of certainty, although we will find plenty of people on the floor who will predict with certainty how they think this will work. I think any reasonable person, though, will acknowledge that it is almost impossible to predict with a degree of certainty what will happen if this passes.

I hope we can improve the proposal by passing amendments. But there is a second refrain you will hear on the floor, I expect, time and time again: This is the best we could do. This is the best we could do. We have to pass exactly what the House sent to us, because we have never been so close before. We have to take what is before us. For example, I will, in my opening statement here, make reference to some Governors and others who have suggested that a capital budget is a good idea. When I ask people why it is a bad idea, the Senator from Illinois gives me his well-thought-out rationale why it is not necessary or why it is counterproductive. Most others look at me and say: "We cannot fool with this or tamper with this because it is the only game in town now. We are getting perilously close, and we cannot change anything at all."

I respectfully suggest that that is not a very enlightened way to deal with amending the Constitution. I cannot say that I am optimistic that the improvements, from my perspective, that I and others will suggest will be accepted. I fear that there are those who will believe that the mere fact that we will suggest improvements is really designed to kill the amendment. The truth of the matter is that these amendments are designed to make it better. I will speak to the specific changes I would like to see. But the changes I suggest will not in any way undermine the principle of this amendment and would make it more workable, not less workable.

Whether or not we amend this amendment, Mr. President, this balanced budget amendment, may in fact

change our ways. Perhaps we will use the opportunity of a constitutional constraint and make the tough choices to restore sobriety to our budget process. I devoutly hope so.

Of course, it may be that we will decide that the economic and political cost of an annual budget balance are not worth the benefits. It may be that we will make use of both the legitimate escape clauses in this amendment, and other, unforeseen devices to evade the intent of the amendment. Mr. President, I hope we do not, if this passes.

We, quite frankly, cannot be sure that a vote for this amendment will have the effect the authors promise. But we can be sure that if we try nothing, we will remain on the path that we have been on for too many years now, with the notable exception of the last 3 years under the leadership of this President. I know the stereotype is that all Democrats are big spenders and that all Republicans are conscientious with the taxpayers' dollars. Obviously, history does not support that conclusion. If we had not had the Reagan budgets that we all voted on—and we could have stopped them—but had we not had the Reagan budgets and that unusual theory of the Laffer curve, we would have a budget in balance right now. It's out of balance just because of the interest accumulated on and the debt that has occurred as a consequence of the Reagan additional deficits—I should not say Reagan—the deficits produced by Reagan and the Democratic Congress both.

But we will hear a good deal of hyperbole on this amendment. Its supporters promise that it is a cure-all, and its opponents promise that, if it passes, we are going to go to hell in a hand basket rapidly and all our liberties will be taken from us. I hope we keep our eye on the ball here and at least have an open mind to the prospect that we can make this amendment better and still have an amendment.

We will continue to add every year to the debt burden of future generations. We will steal today from the future, squeezing out the savings and investments that could increase our future wealth if we do not do something about stopping the size of these deficits, even if we do not actually balance the budget, if we do not make a change.

The Senator from Iowa pointed out—I think I heard him say, and I stand to be corrected—that in 1969, the last time we balanced the budget, for every tax dollar collected, six cents, or thereabouts, went to pay interest on the debt, and every tax dollar collected in 1993 or 1994—I forget which year he used, maybe it was 1991—but anyway, every tax dollar collected in the last year or so, 29 cents, I believe was the number he gave, or 26 cents, goes to pay interest on the debt.

I am sure someone has looked out over the next 15 years and concluded that if we stay on the track, even the one predicted by the President of the

United States, that we will be requiring an increasingly larger share of every tax dollar just to pay the interest on the debt.

And to me that is the driving force behind this amendment. To me, the beginning, middle, and end is not whether there is a mechanism that guarantees a balanced budget amendment. It is not whether or not there is any magic about it being actually in balance. It is not whether or not we come close. It is about that increasingly larger proportion of the tax dollars collected going for the most useless investment of paying interest on the debt.

When I introduced my budget freeze proposal years ago, the liberals of my party said, "It's an awful thing you are doing, Joe. All the programs we care about, you are freezing them—money for the blind, the disabled, education and so on."

My argument then is one I make now, which is the strongest, most compelling reason to be for this amendment—or an amendment—that if we do not do that, all the things I care most about are going to be gone—gone. So what do we have? We end up with essentially a net reduction in the programs that I cared about over the last 10 years, a net increase in other programs, and a net increase in the portion of the budget that goes to pay interest on the debt.

So the people I care most about—the reason I ran for public office in the first place—are the people that got hurt the most in this process and are likely to get hurt the most because they are the weakest in our society. When an interest group like the PTA comes down here to support money for education, and other interest groups support money for tax expenditures for major businesses, I have no doubt who is going to win that fight. I have no doubt how that is going to turn out.

So if this debt continues to increase, we will continue to tie our hands and our ability—indeed, our responsibility—to set national priorities in our annual budget process because of the interest on the debt required to be paid every year.

This year, the interest on the national debt will cost us \$235 billion. The entire domestic discretionary budget will be \$253 billion.

Now we use phrases like that "discretionary budget," and my staff writes that stuff in. And I keep telling them nobody in the world but people in this Chamber and inside the beltway know what "discretionary budget" means.

Let me translate. The discretionary budget includes everything from the FBI to education, from help for the mentally retarded to the Library of Congress. That is everything. Everything out there that people think is the place where we are wasting money, that people think is the place we can cut to cut the deficit, does not include Social Security, does not include entitlement programs, does not include interest on the debt. The point is, it is all

those things that everybody when I go home who says, "JOE, if you just cut the waste in Government"—if we shut down every department in the Government, we would in effect have an inability to balance the budget in the outyears because we are already talking about interest on the debt equaling almost the same amount of money of all the money we spend on the Government for what the average person thinks are Government expenditures. They do not usually think of Social Security as a Government expenditure. They do not think of the things we generally talk about as the big-ticket items here as expenditures.

By the time this amendment is intended to become law, in the year 2002, the interest on our debt will be \$344 billion, larger than every other category in the budget except Social Security. That is just interest on the debt.

If we do nothing, our inability to control the growth of debt, and the cost of carrying that debt, will tie our hands, preventing us from shifting resources to meet changing needs, which is the essence, in my view, of responsible budgeting, responsible Government.

So, Mr. President, the question before us today and in the coming weeks is not the simple one: "Are you for balancing the budget or not?" Under most circumstances, everyone would agree we should balance our books.

No, it seems to me Mr. President the question is: "Does our repeated failure to balance the budget necessitate a response that all of us agree is extraordinary?" And that is amending the Constitution.

It is by no means that clear that the amendment before us will eliminate deficits. It certainly will make deficits more difficult—which in and of itself is a worthy undertaking—but with a three-fifths vote, we can in fact continue to borrow.

And I hope no one is under the delusion that by hook or by crook some future Congress, less virtuous than we, will not be able to find ways around the restrictions in this amendment.

With little faith in human nature, but a healthy respect for human ingenuity, we should have no delusions on that count.

I think both the supporters and the opponents of this amendment quite frankly overstate the case, though.

I expect the supporters of this balanced budget amendment will, as they already have, proclaim it as a panacea that will cure a structural defect in the way that a democratically elected legislature weighs fiscal responsibility against the demands of constituents. The supporters will proclaim its passage as the end of deficit spending.

The opponents of this amendment may agree that it will drastically change our Government, but, they will argue, for the worse. I expect they will describe the pain that the deep cuts will cause to the American people—the elderly, the poor, the military, the

farmers, and the rest who depend on Government—and paint a bleak picture of life under a balanced budget regime.

I say to my colleagues on both sides of this debate that all these claims overstate the case.

This amendment will not magically cause deficits to disappear. The hard work of cutting must still be done—and it should be done by us.

This is hard work. Evidence the fact that everybody acknowledges that the President's budget package reduced the deficit, yet everyone went out last year and ran on this gigantic tax increase. It increased it only for the very wealthy. The middle-class taxpayers paid no more. In fact, they got reductions in some cases. And those who were low- or middle-class income taxpayers with children, they got an actual reduction in their taxes.

But yet this thing, this horrible thing we did, which touched the top 1 percent of all the taxpayers in America in any meaningful way, was so horrible and so bad—even though, by the way, in that same document the President said and we voted that we would freeze spending; we would freeze spending in all these other categories—it was so bad the other side could not even muster up the courage to give one single, solitary vote for reducing the budget deficit by a half-trillion dollars over the outyears. And the deficit went down. It actually went down.

Yet, if they could not muster the courage for that vote—which obviously cost a lot politically because if you notice there are fewer desks on this side of the aisle than there are on that side of the aisle; obviously they were right, politically anyway. If they could not muster the courage for that vote, how are we going to find over \$1 trillion to cut?

I mean, this is incredible. It is incredible the degree of self-delusion you will see us all engage in over the next couple days, the next couple weeks. But this amendment will not magically cause deficits to disappear.

Nor will this amendment turn democratically elected officials in Congress, as the opponents say, into hardhearted authoritarians who will ignore the cries of their constituents. That is what my friends opposed to this amendment basically will say.

Even under this amendment, the economy will falter and need shoring up. That is going to happen no matter what we pass. I do not think anyone can tell me that this amendment is going to take us out of the cycles we have been in for the of the past 200 years, particularly the past 60 years. The economy will falter at some point and it will need shoring up.

Foreign dictators will rattle their swords and we will be called upon to respond by spending billions of dollars to send armies somewhere.

Rains will fall and plains will flood, and Federal disaster relief will be called for, to the tune of billions of dollars. I remember when, in the section

of the country of my friend from Illinois, he and others were in here pleading that we should continue to reroute the Mississippi and every other river in America and we should reimburse people for that disaster. And most Members stepped up to the ball and helped. Now our friends on the west coast are accurately pointing out that there is billions of dollars worth of damage because of earthquakes and fires and floods and rains. Are such natural disasters going to stop? Is anyone going to suggest that this balanced budget amendment will send a message to God, as well, and say, "OK, God, we balance our budget, now you hold off from here on."

Our population will age, and the need to support the medical and social needs of those who supported us when we needed it will not diminish. It will grow. Costs will grow. And on and on and on and on.

I predict that from time to time—perhaps more frequently—three-fifths of Members in Congress will agree that some need of our people is so great that we will agree that this year we will not balance the budget, or this year we will screw up the courage to have people pay for what they say they want through the Tax Code.

I realize, incidentally, that is a horrible thing to suggest. I always find interesting, everything that we hear about the balanced budget—with the notable exception of my friend from Illinois and a few others that are the chief sponsors of this—is always in terms of "cut spending."

Whatever happened to the old conservative discipline about paying for what you spend? Paying for what you spend. I thought that meant that if we spend, then we ought to tell people how much it will cost to spend. If they do not want Members to spend, then we should not spend. But if they want to spend, we should be honest, must tell them what it will cost.

Which brings me to the argument raised by some that before passing this amendment we should tell the American people how we intend to balance the budget. There are those who claim that this is just a sham on the part of the opponents of the balanced budget amendment. Well, I am not an opponent of that amendment, but I want to tell Members it does not seem to be unrealistic for someone to lay out in broad details at least how it will work. Those people say, "Wait a minute; if you are for the balanced budget amendment, you ought to say how to balance it." Most people who are against the balanced budget amendment are not saying that we have to balance the budget; they are saying that our budget should be somewhere around 19 percent of GNP, that we should not put ourselves in the position where we are out of whack. They argue, like many economists, that balancing the budget in and of itself is not a sacred undertaking and could be counterproductive.

It seems to me that we should tell the American people. I look at the polls out there. For example, I want to go on record, and I am up for reelection this year, and I will remind everybody what I did at home, which will cost me politically. When I argued that we should freeze Federal spending, I meant Social Security as well. I meant Medicare and Medicaid. I meant veterans benefits. I meant every single solitary thing in the Government. And I not only tried it once, I tried it twice, I tried it a third time, and I tried it a fourth time.

Somebody has to tell me in here how we are going to do this hard work without dealing with any of those sacred cows, some deserving more protection than others. I am not quite sure how you get from here to there. I am sure that we should tell the American people straight up that such an amendment is going to require some big changes.

The balanced budget amendment will not end our deficit in one fell swoop, nor will it cause our Nation to turn its back overnight on those who depend on us. All it means, as the Senator from Utah said, is that we will have to stand up more often and be counted on these things. I find that a good thing, not a bad thing.

As we begin this debate, let Members keep a decent perspective on the true consequences of this amendment. It is important that we not overstate nor overpromise what the amendment will do. Let Members debate this amendment with all the seriousness that a constitutional amendment requires, to ensure that the amendment we propose to the States and the American people merits the honor of being included in our most fundamental covenant of self-rule.

So what, then, are the concerns that many Members, those so-called undecided voters, bring to this debate?

First and perhaps foremost, it seems to me we must examine whether the amendment is likely to shift the balance of power between the branches of Government to an extent never experienced or expected by our forefathers. It was the wise position of the drafters of the Constitution in 1787 that the Congress, being the most representative branch, the most democratic, and the most sensitive to—and ironically that is why we are needing this amendment. Everybody should not lose sight of that. We say that Congress is not responsive, and that we should be more responsive to people; and then we are told the reason we need this amendment is we are too responsive to the people. Whatever they come and ask for we give to them in a painless way. Kind of fascinating how we sort of turn these arguments to whatever benefit the moment allows.

The fact is we are the most representative branch. We do respond to the people, and that is how we were supposed to respond based on what our Founders intended. And we are the

most democratic and most sensitive to the public needs.

Because of all that, the drafters of the Constitution spent a lot of time debating this little point on the second floor in Philadelphia, because they did not want the debate to take place on the first floor. They were afraid people would eavesdrop and hear what is going on. This was before "Government in the sunshine." The delegates to the Constitutional Convention sat in the second floor so people could not walk by and eavesdrop. What they were saying on the second floor is, "Look, if we are going to give the power to tax and spend, we better give it to the outfit that will most directly respond to the people. Taxes, we will give that to those guys in the House that get elected every 2 years. We do not want the Senators—who were not popularly elected in those days—to do that. They can only respond to a tax bill proposed by the House."

So there was a real solid reason why, in setting out the balance of power, taxing and spending was put in the Congress. James Madison, who is recognized as the father of the Constitution, called this power of the purse "the most complete and effectual weapon with which any Constitution can arm the immediate representatives of the people for obtaining a redress of every grievance and for carrying into effect every just and salutary measure."

That power of the purse has remained with the Congress for over 200 years. This amendment threatens to take away a good deal of that power and to share it with the President, a fundamental shift of authority that will irretrievably alter the balance of power established in the Constitution.

Senators might say, well, how, in fact, does this amendment threaten to shift the power to the President? Because, I am convinced, Presidents will seize on the language of this amendment to claim a constitutional power to impound; that is, to refuse to spend money that Congress has duly appropriated. This power to impound would give the President wide-ranging authority to undo or redo Congress' spending priorities without limits, or at least so a President would claim.

Now, you may say no President will do that, JOE, and as a Democrat I am happy that this guy downtown is of my party. I am sure he would not do that. But let me ask you, what do you think Nixon did? What do you think old Lyndon Johnson would have done? What do you think Franklin Roosevelt would have done with his power? Now, maybe we are not going to have any more Roosevelts—I hope that is not true—or Johnsons or Nixons, but we just may very well.

What does it mean for a President to wield this power? It means the President could decide to change the way the Congress had allocated funding in spending bills; for example, taking away money that ensures that small

States get their fair share. Let me be parochial for a moment. I am a Senator from Delaware, one of the smallest States in the Union, the fifth smallest population in the Union.

When we pass bills here to make sure that all persons benefit, whether they live in New Hampshire or Delaware or Utah or Wyoming or Alaska or other small States, we sit and we make sure the formulas we write into the bills do not let all of the money go just on a per capita basis. We usually get together—and there are probably somewhere between 18 and 20 of us, that is, States who find themselves in that position. Well, if the President gets to the end of the line here, the budget is not in balance, we have not passed a balanced budget—I might add we will not know whether or not this will be in balance as we go along because it is based upon predicted revenues. So we spend based on predicted revenues. That does not account for emergencies. That does not count significant downturns in the economy, or a lot of other things that come into play.

But if, at the end of the line, we pass a budget that we thought was in balance but, in fact, was out of balance, that means the President, under this amendment, arguably, could say, "That is my job. I will redo this." I know what I would do if I were President and I wanted to balance the budget. I would pick off the smallest States and cut the moneys that were allocated for them. They are the least powerful in Congress. They cannot do much. They do not have that many Representatives. Over here, because we make up a minority, we might find ourselves in difficulty.

Now maybe a President would not do that. But he would have that power, under the amendment. The President could change detailed policy set by Congress; he could conclude on his own that Congress put, for example, too many military bases in South Carolina or Kansas or was spending too much on medical treatment in Utah or Mississippi.

Do we really want to give the President that kind of power? I think not.

Along with this power to spend, according to Walter Dellinger, a noted constitutional scholar and now the President's top constitutional adviser, this amendment could even be construed to give the President the power to levy taxes, to raise needed revenues. I think that is much more unlikely, quite frankly, although it is arguably possible.

Do we want to give the President that kind of power? I do not think we do.

In committee, I supported Senator KENNEDY in offering an amendment to make it absolutely clear that the balanced budget amendment is not intended to shift to the President a major piece of Congress' historical power to tax and spend.

Not a single one of my colleagues that I am aware of disagreed with the

point of the amendment. Nobody disagreed with the point of the amendment. Some said not to worry, it cannot happen, or it probably will not happen, or it is unlikely to happen. But everyone acknowledged that if it happened, it would be a bad thing. And yet a majority, all the Republicans and a couple of Democrats, voted en bloc to defeat this amendment claiming it was not necessary, that after-the-fact legislation could take care of the problem, the so-called enabling legislation.

I sure would like to know that before we pass this. I would like to know whether or not a President can do that. Why do we not just make it clear that Congress has the power to resolve any discrepancy between spending and revenues that is left at the end of the year—the Congress, not the President.

Now, maybe that is what the Congress will do. Maybe the President will not over-reach. But I have never seen, as a student of history, any time where there has been a vacuum in power created that the administration, Democrat or Republican, has not stepped in to fill. And I have seen very few times when the Congress on its own volition has stepped up to the ball to fill a vacuum when filling the vacuum would require them to make hard decisions. And so I do not think it is unreasonable to suggest that future Presidents may seek this authority to impound.

It's not necessary to spell out in the amendment that the President should not have this power? Well, I say that a principle as important as preserving the balance of power should be stated as plainly and boldly as possible in the balanced budget amendment itself.

Now, as we debate this, I will be happy to hear anyone say that the President should have that power. I suspect everyone is going to say he should not and this amendment does not give it to him.

Well, if that is true, what is the big deal of including it in the amendment? It is not inartful. It can be artfully done. It does not ruin the symmetry of the amendment. It does not go to the heart of whether we have to balance the amendment. It merely says we are not going to shift the balance of power, no doubt about it.

Our Constitution, that durable and flexible document, has endured for over 200 years. The chief reason it has endured is because the self-correcting checks and balances that have kept one branch from dominating the other have been maintained. In the days to come, I will support, if not offer, efforts to modify this amendment to ensure that in addressing this important issue we do not risk undoing 200 years of history.

The second concern that I have is not a constitutional one. It is a very practical one but no less important for that fact. The balanced budget amendment makes no provision for a capital budget to pay for long-term capital improvements. This amendment will require

the Federal Government to pay for capital improvements—roads, bridges, schools, aircraft carriers, all of which are designed to last for decades—on a pay-as-you-go basis.

Now, this is not the way States or local governments or our families or businesses, for that matter, treat these sorts of long-term items. No. All of these recognize that it is permissible, even prudent, to go into debt to pay for long-term items such as a house, a factory, or a road or an aircraft carrier. State and local governments that are required to balance their budgets every year are permitted by their balanced budget rules to set up capital budgets. They are permitted to borrow money to pay for long-term capital items even though they must balance the rest of their budget.

Now, we hear the phrase used all the time: "States do this; why can't we do it?" States do not do this. If you look at the numbers, the total accumulated debt of the States over a comparable period for the Federal Government over the last two decades, the States have increased debt more rapidly than the Federal Government—almost a 2-to-1 margin.

So before you get on the floor and pound your chest about how your State balances its budget, say how would your State balance this budget if it had the same exact amendment as this.

Now, some States may. Mine does not. Mine is a little tighter, quite frankly, but we are smaller and we are more manageable. Most States that have balanced budget amendments do not, do not, in fact, balance their budgets. They have a capital budget which allows them to go in debt. I believe the Federal Government should have the same ability to borrow to pay for capital items as State and local governments do and that we should amend the balanced budget amendment to assure that we give proper weight to our long-term needs.

I am not alone in this view. The Wall Street Journal editorial page, that bastion of conservative thought, has criticized the balanced budget amendment because it lacks such a capital budget. Here is what the Wall Street Journal had to say.

To understand the economics, start here:

Referring to the balanced budget amendment.

Start here. If all American households were required to balance their budgets every year, no one would ever buy a house.

Of course, households don't think about their budgets that way; they figure 'balance' means meeting their mortgage payments. Similarly, State and local governments with a "balanced budget" requirement can still borrow money for capital improvements.

So I say to everyone here in the gallery as they walk out and say, "We balance our budget; why doesn't the Federal Government do it the way we do," well, unless you are a very wealthy person—even then it would not be good economics to do it this way—unless you are a very wealthy person and paid

cash for your house and paid cash for your car, you do not balance your budget. You do not balance your budget like this amendment requires it to be balanced.

I want the Federal Government to have to balance their budget the way households have to balance their budgets, the way States have to balance their budgets. And that is with a capital budget. I have a capital budget—I have a mortgage on my house. I have a capital budget—well, I do not have a capital budget on my car, but most people, when they buy a new car, have a capital budget. I meet that by paying as everyone does and the States do, paying on it monthly, in my case, and the States yearly, the cost of that borrowing and the principal. We pay it down. We pay it off. But the Federal budget, under this amendment, would not allow that.

Now, Gov. Mike Leavitt of Utah, a prime supporter of enacting the balanced budget amendment, testified before the Judiciary Committee that his State has a capital budget provision and recommended that we look further into the question before enacting House Joint Resolution 1.

My own Governor, Gov. Tom Carper, former Congressman of 10 years here in Washington, the strongest supporter from my delegation for a balanced budget amendment, a Democrat, told our Constitutional Subcommittee the same thing last year.

But despite that good advice, this balanced budget amendment does not follow that almost universal practice of capital budgets because it fails to set up a separate capital budget for major physical improvements. It will surely mean less of those improvements, or we will make those improvements and we will further cut in other areas of the budget or raise taxes in other areas of the budget which will cause more great pain, when the more reasonable way to do it would be to do it the way the States and households do it. After all, if families could not borrow to pay for their houses, there would be many fewer homeowners. And if States could not borrow to build their roads, there would be many fewer roads.

Why enact a balanced budget amendment and fail to distinguish between projects that merit long-term financing and those that should be funded from year to year? Under this balanced budget amendment, the incentive will be to focus only on those spending priorities that have short-term payoffs, economically and politically. That is not good for rebuilding the infrastructure of this country, which we all say we have to do to compete internationally. Because that is where the political pressure will come.

If, in my State, they come to me and say why do you not vote to spend more money for the Corps of Engineers that will allow them to dredge the Delaware River and the Port of Wilmington, why do you not do that versus spending

more money for drug treatment programs.

I know when I hear a mallet going down; I can tell it.

I yield to the President, obviously.

The PRESIDING OFFICER. Under the previous order the hour of 12:30 having arrived, the Senate will stand in recess until the hour of 2:15.

Mr. BIDEN. Mr. President, I ask unanimous consent, unless it is contrary to a standing rule, that I be able to take 10 more minutes to finish my statement, unless someone objects to that.

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

Mr. BIDEN. We used to do that in the bad old days when the Democrats controlled.

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

Mr. BIDEN. Without a capital budget provision, I fear, this amendment could skew the way we spend money, and in a way that could hurt the long-term future investments this country needs. It does not have to be this way.

In committee I offered an amendment to provide for a capital budget. It was modeled on the capital budget provisions in the States, including my own State of Delaware.

My amendment established a capital budget for major public physical capital investments. It limited that budget to 10 percent of total outlays—about what the Federal Government has spent on such items in recent years. It required a three-fifths vote of both Houses to place any item within that capital budget.

My amendment was not designed to build a loophole into a balanced budget amendment. Under my amendment, it would not be easier to treat an item as a capital budget item as opposed to a current item. It would be harder. It would require a three-fifths vote. But it would be right.

My amendment failed in committee. Without a capital budget provision, I fear that, not right away but as the years go by, this amendment may skew the way the country invests for the future and we may be able to balance our budget in the end, but we will not spend our money as wisely as we should.

A third concern about this balanced budget amendment relates to the way this amendment treats a program that is arguably the most important and most depended-upon program in the Federal Government.

I am talking about Social Security. As we all know, the Social Security trust fund is designed to spread costs over many years of caring for working people after they retire. We pay in today, so 10 or 20 or 40 or 50 years from now we can live out our lives, knowing that we have that minimum Social Security payment.

The Social Security fund is not supposed to be in balance every year or even every 10 years. It is meant to be

balanced over the decades. As this generation of working people pays its Social Security taxes the Social Security trust fund is gathering in a surplus of tens of billions of dollars. Because the Presiding Officer and myself and others are of a generation that is the baby boom generation, or just before that generation, we pay in tens of billions of dollars in excess of what is drawn down by present Social Security recipients—my mom and dad and my uncles and aunts. So there is a surplus. A surplus of \$100 billion will be paid in each year, more than is taken out, around the year 2000—\$100 billion surplus.

Right now \$60 billion more is paid in this year by those of us paying our FICA tax than is paid out to Social Security recipients—\$60 billion. My mom and dad think that money goes into an account. They think that is over there for Social Security. A lot of people in my generation who in 15 years will be eligible for Social Security think that money is being put in an account. Guess what, folks? We are spending it. We are spending it now.

But before the year 2014, that Social Security trust fund will have generated a great surplus. But after 2014, we will have substantial deficits. The reason for that is that the baby boom generation will be collecting Social Security and my sons and daughter will be paying into it. There are fewer of them than there are of us. So fewer people will be paying in and more people will be taking out. It sounds like I am stating what is obvious to everyone but it is not obvious to everyone, obviously. The fact of the matter is, after the year 2014 we will be in deficit in the Social Security System.

The balanced budget amendment makes no provision whatsoever for the unique characteristics of the Social Security trust fund. Instead, it treats Social Security revenues and outlays as ordinary Federal budget.

This means in the years that Social Security is generating hundreds of billions of dollars in surplus revenues it will be used to cover hundreds of billions of dollars worth of deficits that the rest of the Federal budget is creating.

After 2014, when the trust fund goes into deficit to the tune of tens or hundreds of billions of dollars a year, we in Congress will have to cut that much from the rest of the budget to make up for the deficit.

What does it mean? It means that for the next 20 years or so, revenues from the Social Security trust fund will make it look like we have balanced the budget when in fact we have not, and after that the huge outlays from the trust fund will force drastic reductions in the rest of Federal spending, or drastic reductions in Social Security. And that means the pain of cutting will be delayed by years from the effective date of this amendment, but it will be that much sharper when it comes.

So we should get Social Security out of this mix, make it clear that the bal-

anced budget amendment does not deal with Social Security, it is not able to use the surpluses and not deal with the deficits. We should be more honest about it with people because Social Security is at stake, in my view.

For all the reasons I have stated I supported Senator FEINSTEIN's amendment in the Judiciary Committee to keep Social Security right where it is now: off budget. The Feinstein amendment recognizes Social Security is not designed to balance its budget every year but over the years, and it recognizes we cannot honestly balance the rest of our Federal budget if Social Security and its huge swings are included. It recognizes that Social Security is a unique institution that deserves unique protection.

The fourth concern I have is this amendment will shift power to the large States at the expense of small States. By imposing supermajority requirements of three-fifths on both Houses it permits a minority of two-fifths plus one to block an unbalanced budget, no matter how necessary for our fiscal and economic health it may be. This minority veto could be marshaled by representatives of just the five or six largest States in America. If the five or six largest States in America get together and agree on something that they need that the rest of the States do not want, they can prevent us from acting on a national emergency by all of them voting as a block—just six or even five of our 50 States.

The fifth and final concern is that nothing in this amendment forces Congress to begin the work of cutting the budget before the year 2002, the first year we require. What will happen when Congress tries to balance the budget all of a sudden in fiscal year 2002? I fear it will be cause an economic disaster. This amendment ought to have some mechanism to guarantee our Government and our economy moves toward a balanced budget on a "glide path," a gradual descent in the deficit that will get us to a balanced budget without forcing a crash landing in the final year. But this amendment does not do that. It is possible it could be done by enabling legislation but I would sure like to see it.

In the days ahead I and my colleagues will be offering amendments to address these and other legitimate concerns. I hope these amendments receive the full debate they deserve. There are none in this body, I hope, who will argue that an amendment to the Constitution is not worthy to receive that full and open debate.

Under the watchful eyes of our forefathers and with the humility that this awesome task engenders, as the debate unfolds in the days to come I will listen to my colleagues, I will support amendments designed to improve this amendment, and I will urge my colleagues to do the same.

I hope at the end of the process I will be able to do what I intend on doing

now, and that is to vote for a balanced budget amendment.

I thank the Chair for its indulgence and I yield the floor.

Mr. HATCH. Mr. President, I would like to respond to the comments of Senator BIDEN. Although Senator BIDEN has enunciated many reasons for and against the balanced budget amendment, I want to respond to an amendment he intends to proffer, one he made at the Judiciary Committee markup on Senate Joint Resolution 1.

This proposed exemption for so-called capital investments could help evade the purpose of the balanced budget amendment or make it substantially more difficult for future Congresses to make capital investments. I confess that I am not certain of the purpose of the amendment as it is drafted. It appears to be a provision at war with itself. The first sentence seems to encourage capital investments by taking it out of the balanced budget rule. But the last two sentences, seem to be designed to discourage capital investments.

I believe such an exemption raises real problems for five reasons.

First, this provision opens up a loophole in the balanced budget rule and unduly limits Congress' ability to make capital investments. There would be a powerful incentive for Congress and the President to help balance the budget by redefining more programs as capital investments. A gimmick capital budget exemption could actually endanger capital investments as fake investments crowd out real capital investment.

Furthermore, the 10-percent limit ties the hands of future Congresses which may choose among the competing programs to fund more capital investments than this limit would allow. With all the talk about the need for infrastructure investment from my friends on the other side of the aisle, I am surprised they would want to tie Congress' hands this way. A future Congress may justifiably decide to make greater investments in this area.

Moreover, I do not understand what the three-fifths vote requirement adds to the amendment other than to make it procedurally harder for Congress to make any capital investments, regardless of their effect on the deficit. If a given capital investment were to create a deficit and had support of three-fifths of the Members of each House, it could be passed under the balanced budget amendment as it stands without this amendment. If a capital investment was paid for and did not increase the deficit, I do not know why the proponents of this amendment would want to require a three-fifths vote to make that investment. For what possible purpose would we want to discourage future Congresses from enacting such investments?

The proponents must think that a large part of our problem is that we spend too much on "major public physical capital investments" as opposed to

simple transfer payments or social programs. Apparently, whatever three-fifths of the membership of future Congresses think, the proponents of this amendment believe that in no case should the United States invest more than 10 percent of its budget in "major public physical capital investments." Otherwise, I see no reason for this amendment. It is surely a mistake to put such limits on future Congresses.

Second, the loophole problem is aggravated by the fact that there is no standard definition of a capital budget. For example, in President Clinton's proposed fiscal year 1995 budget, OMB lists four broad categories of programs that may or may not be considered capital expenditures—OMB, Analytical Perspectives, Proposed fiscal year 1995 Budget, p. 114. Even within those four broad categories there are questions about what programs should be included. The amendment's attempt to cure the definitional problem only raises new definitional problems. The definition given is circular. And just what does "major public physical capital investment" mean? Each term is subject to substantial debate. It is particularly inappropriate to place capital budgeting in the Constitution when there is no agreement on what constitutes a capital budget.

Third, the Constitution is not the place to set budget priorities. The balanced budget amendment seeks to create a process in which programs compete for a limited pool of resources. A constitutional amendment should be timeless and reflect a broad consensus, not make narrow policy decisions. This exemption creates in the founding document a new constitutional budget subdivision with a percentage cap and a procedural limitation on using it. We should not place technical language or insert statutory programs into the Constitution and undercut the simplicity and universality of the amendment.

Fourth, a capital budget exemption is unnecessary. Total Federal spending has generally been above 20 percent of GDP, and less than 4 percent of Federal outlays are for nondefense physical investment, one of the possible definitions of "capital investment". Given the relatively small and constant share that such capital expenditures have in a very large Federal budget, there is no need to remove capital expenditures from the general budget.

One example illustrates the lack of need for a capital budget. Although President Eisenhower initially proposed that the Federal Interstate Highway System be financed through borrowing, Congress decided to keep it on budget and finance it through a gas tax at the suggestion of Senator Albert Gore, Sr. We are unlikely to have a capital expenditure of this magnitude again. But if we do there is no reason to create an exemption for such investment or to limit the percent of the budget that goes for such investment.

Fifth, capital spending should compete in the budget like all other spend-

ing. The balanced budget amendment seeks to foster an atmosphere in which Congress prioritizes spending options. Senate Joint Resolution 1 does not prevent the creation of a separate operating and capital accounts, but any implementing legislation which creates such separate accounts must leave the total budget in balance, since implementing legislation cannot subvert the clear mandate of the amendment. And such accounting techniques should not subvert prioritizing function of the amendment. The proposed exemption allows the entire budget to be used for noncapital investment, like simple transfer payments, and then allows a 10-percent increase in Federal spending—and debt to fund it—for capital investments. The General Accounting Office saw the fallacy implicit in this exemption when it said, "The choice between spending for investment and spending for consumption should be seen as setting of priorities within an overall fiscal constraint, not as a reason for relaxing that constraint and permitting a larger deficit."

To the extent that the three-fifths vote requirement for capital investments replicates the general provisions of the balanced budget amendment, this amendment is simply pointless. To the extent it goes further, it is a meritless straitjacket on the competition between legitimate spending options in the overall budget process.

RECESS

The PRESIDING OFFICER. The Senate stands in recess until 2:14 p.m.

Thereupon, at 12:39, p.m., the Senate recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STEVENS).

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

The PRESIDING OFFICER. The pending business is House Joint Resolution 1, the balanced budget amendment.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you, Mr. President.

Mr. President, in 1992, I campaigned for the Senate as a supporter of the balanced budget amendment. I was an original cosponsor of the amendment voted on in the last Congress, Senate Joint Resolution 41, and I am an original cosponsor of the amendment being considered today. Yet, despite my consistent, outspoken record on this issue, my backing of the balanced budget amendment surprises some people.

In fact, Mr. President, I would add that I went to mass on Sunday, and the social justice committee had:

Senator Moseley-Braun is a possible "no." Please contact her to be against this amendment.

So I want to clarify the record, and I want early on to take this opportunity to tell those of you in this body and my constituents listening at home on C-SPAN why I so strongly believe it is imperative that Congress pass the balanced budget amendment and without delay.

I come from a working class family. My father was a Chicago police officer. My mother was a laboratory technician. We were not what you would call wealthy, or upper-middle class. We did not have a lot of material goods, and my parents couldn't afford to send us to fancy private schools. My parents had to keep track of every dollar to keep us fed, clothed, and housed. Yet, like hundreds of thousands of other children of working class families in this Nation, I was able to get ahead in life, to succeed, because the sacrifices my parents made provided me with the opportunity to do better.

I was able to get a first-rate education by attending quality public schools on the south side of Chicago. I got my first job when I was just 15 years old. To earn extra money for college, I worked as a clerk at the Chicago Post Office. I attended the University of Illinois at Chicago, and then the University of Chicago Law School, because student loans were available to help me pay the tuition. All of these opportunities—opportunities that would not have been available without local, State, and Federal Government assistance—gave me the tools I needed to achieve in life.

The fact that the public—through Government—helped broaden my opportunities is part of what led me to choose a career in public service. I ran for the Senate in 1992 for the same reason I ran for the State legislature in 1978—because I am fundamentally committed to ensuring that future generations have the same opportunities I enjoyed. Every child born in this country—whether black or white, whether rich or poor—should have the chance to achieve his or her dreams. Every person should have a chance to contribute to society, to the maximum extent their talent or ability will allow.

Government should play an active role in expanding people's opportunities. The Government should be able to invest in technology and infrastructure, in job creation and training, and in education, in order to raise the people's living standards. The Government should help unemployed Americans get back on their feet, it should help those who want to work to find jobs, it should ensure that high-quality, affordable health care is available to all Americans, and it should protect our environment. Government is not the enemy of society; it should be a partner, an instrument of the people's will, and a facilitator of our public interests. But if the Government does not get its fiscal house in order—if we