Mr. HOLLINGS. I would gladly yield to the distinguished ranking member of our Budget Committee. I thought he was eloquent. I thought he made a masterful statement that was common sense. Out in the Midwest they think that way. I would be glad to yield to the distinguished Senator from Nebraska if he would like a little bit of time in the remaining few minutes I have.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank very much my great friend and colleague from South Carolina, whom I have admired ever since I came here 18 years ago. I served under him on the Budget Committee, and I served under him in his chairmanship of the Commerce Committee. We have worked together for so very long on the budget problems of the United States of America. But I simply say that I wish everybody who serves in Congress had his head screwed on as correctly as does the Senator from South Carolina.

During all of this rancorous debate about who is to blame, I am reminded once again of that time—it must have been in 1979—when Jimmy Carter was President of the United States. I believe the Senator was on the Budget Committee and Senator Muskie served as chairman. I remember well the statement that the Senator made when the President of the United States called us down to the White House. The President was very alarmed by the fact that the deficit for that particular fiscal year was likely to go over $100 billion, and if we did not arrest what we were doing, we were going to exceed in the next year or two $1 trillion—the horrible $1 trillion figure—on the national debt. I do not know what the interest on the debt was at that time, but obviously it was small compared to what we are now paying.

So the Senator from South Carolina is accurate in explaining what he did with regard to the remarks that have been made on the floor of this Senate today.

We are not here to find fault. We are here trying to solve a problem. But the problem we have been sinking into over the years goes back to the time when supply-side economics was ushered into this body, when Ronald Reagan became President of the United States.

As the Senator from South Carolina just said, President Ronald Reagan, who is an honorable man, said when he came into office that he was going to balance the budget in 4 years. The facts of the matter were that the budget went out of balance in those 4 years faster than it has gone out of balance any time in the whole history of the United States of America.

The facts of the matter are, while there has been so much criticism of the President of the United States today, it should be remembered and written indelibly, so it will not be forgotten, that under this President we have had 3 successive years of deficit reduction, from a figure of about a $300 billion shortfall in the budget each year, down to about $130 billion. That is what Bill Clinton has done.

So Bill Clinton is the one who has accomplished reducing the deficit faster than any President, probably going back to Harry Truman or Lyndon Johnson. We still have a major problem on our hands. It goes back, and all of this crying and moaning today goes back to that period in the early 1980's when the United States of America was under $1 trillion in national debt and was under $100 billion a year in the annual deficit.

That rose appreciably. And as the Senator from South Carolina has said time and time again, if we had not run up those deficits that were run up under Ronald Reagan, the budget would be balanced today, would be in surplus today, and we would not have all the concerns that we do have about future solvency of Social Security and Medicare.

So I simply say that the reason I am not going to vote for the constitutional amendment to balance the budget, as I elaborated on to some extent earlier today, is the fact, Mr. President, that this is a sham. This is a political sham where the U.S. Senate is being used as a tool in the Presidential race. Unfortunately, that is not the way to run the Government and that certainly is not the way to run our budget. I do appreciate very much the Senator yielding me time.

Mr. HOLLINGS. Mr. President, how much time do I have?

The PRESIDING OFFICER. According to the timekeeper, Senator EXON had 2 minutes reserved for him; so using those 2 minutes, there would still be 2 minutes left.

Mr. EXON. Mr. President, I yield the balance of my 2 minutes to my friend from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator.

In the 2 minutes I will read from the daddy rabbit of Reaganomics where they start talking about growth now, David Stockman:

> The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake for fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cure the deficit. It ought to be obvious by now that we can't grow our way out.

With the time left I see the distinguished colleague from Texas, the senior colleague from Texas. I know we will hear a lecture about who is in the wagon. It is the contention of the Senator from South Carolina that it is the Senators and Congressmen in this wagon. We have been in the wagon for 15 years, spending $270 billion for nothing, having a wonderful time, and now with this so-called balanced budget amendment we will get from a wagon into a limousine to ride around the countryside and tell them how we bit the bullet and something will happen two Presidential elections from now.

Mr. CRAIG. Mr. President, I yield the senior Senator from Texas 2 minutes.

Mr. GRAMM. Let me say to my dear colleague from South Carolina that I do not want to talk about who is in the White House. I want to change who is in the White House. Today I want to talk about drought.

THE DROUGHT

Mr. GRAMM. Mr. President, we have 45 million bushels of feed grain in emergency reserve in the United States. We pay $10 million a year in rent to store that feed grain. We have a major drought in many parts of the country. Obviously, much of it is centered in my part of the country. I thought last night we had worked out an agreement whereby we could pass a resolution calling on the Secretary of Agriculture to release this emergency feed grain to let it flow into the market and flow to people who are being forced to liquidate their livestock herds because they cannot obtain food.

It is my understanding that we have now worked that out. I think it is very important this resolution pass tonight. This is not going to make it rain in Texas, Oklahoma, and Kansas. It is not a solution for the kind of divine intervention that we need in eliminating the drought, but it is a small step in the right direction. I hope this resolution tonight will pass. I was disappointed the Democratic leader objected to it yesterday. We could have sent good news out last night. I hope we can do that tonight.

In addition, Senator HUTCHISON and I hope, tonight, to pass a resolution on haying on conservation reserve land. If you will remember, the President wisely, in an action that I applauded, allowed people to put livestock on conservation reserve land. We want to let them hay it in drought areas. I think that is also a step in the right direction.

I thank the distinguished Senator for yielding.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with consideration of the resolution.

Mr. CRAIG. Mr. President, I ask unanimous consent the amount of time the Senator from Texas used not count against the total remaining time Republicans have on the balanced budget debate.

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

Mr. CRAIG. Mr. President, for a good number of hours today the Senate has been involved in what is an important debate, the issue of a balanced budget amendment to our Constitution.

Before I begin, I want to acknowledge the hard work and leadership of several Members of the Senate and the House who have devoted many years of effort on behalf of this legislation. These have included Senator THURMOND, Senator HATCH, and of course the distinguished majority leader, Senator DOLE, on our side of the aisle; Senator SIMON, who is a true statesman and friend, and Senator HEFLIN, on the other side; and Congressmen STENHOLM and SCHAEFER, the House authors of this amendment.

This legislation has come a long way. In 1982, the Senate voted 69 to 31 to pass a balanced budget amendment. It fell 46 votes short in the House. Last year, the House passed it by 300 votes to 132. It lost here in the Senate by a single vote. Of course, we know that Senator DOLE changed his vote to preserve the right to move for reconsideration.

We are now in reconsideration of House Joint Resolution 1. That was after six Democrat Senators switched their vote and opposed the same language that they had voted for 1 year earlier. This is an issue, Mr. President, that is not going to go away. If it is not going to be this Congress, it certainly is going to be the next Congress or another Congress very soon that has to deal with this issue.

There is a very simple reason why it will not go away, because we are not here to decide whether there will be a balanced budget amendment to the Constitution, we are here to decide whether the American people ought to have a right to express their will on this issue. In other words, under article V of the Constitution, we in Congress may only propose amendments to the States for ratification.

That is what we are here to do. The reason I think, Mr. President, this will not go away is because in 1982, 63 percent of the American public said this was an issue that ought to be addressed by Congress passing a balanced budget amendment and sending it to the States. In a Gallup Poll just within the last week, by 83 percent to 14 percent—a 6 to 1 margin—they said they support the balanced budget amendment and it is time we deal with this issue. In other words, the American people, by a very large majority now, say to the Congress of the United States, ''Give us the right to choose.''

Tomorrow when we vote on this, it will be Democrats on the floor of the U.S. Senate that will refuse the American people the right to choose whether to ratify this amendment. Those who oppose the amendment, those who seek to postpone the day of reckoning when this Government must deal with this issue are simply not recognizing their moral obligation to respond as they should to this issue.

Why is it happening now, that the Senate will not pass this amendment? Why will some in the opposition not stay true to where they were on this issue over the last good many years? By that, I mean, Mr. President, acting in a bipartisan way. Why does this issue appear to have become so partisan?

The balanced budget amendment to our Constitution has always been a bipartisan issue. It is now clearly partisan. The President put tremendous pressure on Democrats in 1995. That is why six Senators switched to ''no'' votes from their previous history of ''yes'' votes. We know that. The record ought to be awfully clear that is what happened. Up until that time, we always had that strong bipartisan majority in support of the amendment. Last year, for example, 72 Democrats in the House voted for it; 14 Democrats in the Senate voted for it.

I think, Mr. President, it is truly sad and certainly frustrating when you think you have agreement on such a fundamental principle of government, only to see Senators change their votes. This is not a partisan issue but, I think, a moral issue, a moral imperative, a responsibility of this Senate, to at least allow the American people to express their will. Now we find the only response is that the welfare state mentality of this administration, and tragically enough, those who now oppose this amendment, now want to politicize it. I am afraid that is how the vote will come out.

There are two reasons why the balanced budget amendment was defeated in this past year. In this 104th Congress, the party whose majority and leadership opposed the balanced budget amendment no longer had control of the Congress. They could always manipulate the vote in the past. They could always assure it would not pass. This year, by a change in the electorate, the American people, and most importantly, the Congress, and always the interest groups involved, knew the Congress was firing with real bullets. The liberal special interest groups who are feeding off big Government spending and sending the bill to our children realized we were the closest ever to sending a balanced budget amendment to the States.

That is when the President said to his friends here on the other side, ''You have to block this. You have to stop this.'' That is why six Senators who had been with us before backed off, changed their tune, found an excuse to say something different, switched their vote from a yes to a no. This President, who had never really been for a balanced budget, was able to call the tune. Tragically enough, he and his colleagues denied the American people an opportunity to choose. The President who sent us a so-called balanced budget with an $81 billion deficit in the year 2002 is the one that is now denying the American people their constitutional right to decide this issue.

I simply call on President Clinton to release his hostages, if you will, to release the ''BBA 6'' that once were with us, the Balanced Budget Amendment Six, who once sat on the other side, proud to vote for a balanced budget amendment.

I say, Mr. President, let our colleagues go. Let the American people have a chance to decide. That is really what this effort is all about. Congresses do not enact constitutional amendments; they only propose.

But you would think, from the debate you heard today, that the vote to be cast on the floor of this Senate tomorrow will be the deciding factor that crumbles the Government, destroys the budget.

No, it will not be that at all, Mr. President. What passing this amendment would do is launch one of the most important national debates in the history of our country—a debate that would occur in every capital city in every State in our Nation among the legislators of that State, as to whether this Government balances its budget, and whether the people have a right to tell us to do so—as I think they ought to have.

Those six flip-floppers—those who voted against the amendment when they previously had all been for it—used a very interesting word, a neat little three-letter word, the ''but'' word. They used that three-letter word something like this: ''I am for balancing the budget, but not this way.'' ''I am for a balanced budget amendment, but not this one.'' ''I was for a balanced budget amendment last year, but''—but—''I discovered a new reason to be against it this year.''

Mr. President, the amendment was not any different in March 1995 from what it was in March 1994. Why did they change?

The politics changed. The politics changed dramatically in the fall of 1994, and, as I said, they knew that we were now firing with real bullets, and the chance to send a balanced budget to the American people was, for the first time, truly a real likelihood.

Members of this body may have read a book written a few years ago by a former staffer of the Democrat Speaker of the House, a book on ''Inside-the-Beltway Political Gamesmanship.'' It had an entire chapter devoted to the following rule, Mr. President:

When you are losing the argument, concede on the principle and continue to fight over the details.

The balanced budget amendment opponents, obviously, have read the book, memorized that rule, and are today implementing it on the floor of the U.S. Senate.

Now we have at least 72 Senators who say that they agree on the principle of a balanced budget amendment. But fewer than the 67—the two-thirds necessary—that will ever vote for the passage of one.

Now there appear to be 90 or 100 Senators who say, ''Well, now, we agree on the principle of a balanced budget.'' But there are more than enough votes to sustain the President's veto when, in fact, he vetoes a real balanced budget. In other words, when you are losing the argument, concede on the principle and continue to fight on the details.

Mr. President, I respect the sincerely held opinions of those who have come to the floor and oppose any balanced budget amendment. That is different. There are Senators who do that. Senator Bob BYRD of West Virginia says he opposes any balanced budget amendment. It is my understanding that he has been consistent in not voting for one. He holds true to his conviction. He does not now agree ''in principle'' and say, ''But something is wrong with the details.'' Well, I have to respect that. That is fair.

What frustrates me, and will increasingly anger the American people, is how so many in this body, or the other, say, ''Oh, I am for a balanced budget amendment in principle,'' but, Mr. President, their actions imply differently, as shown in their votes versus their words.

It is a time-tested trick in this business called ''political gamesmanship'' to make the perfect the enemy of the good.

If you want to kill a proposal like the balanced budget amendment, instead of saying you are against it, when 83 percent of the American people are for it, you simply say that it is not good enough, not quite the way we want it, and if we can only shape it a little differently, then we would have it the way it ought to be.

Now, that is nitpicking in the highest form, Mr. President. You make up the exceptions that would gut the amendment, and you say, ''This is an improvement because I cannot vote for it the way it is.'' The result is, you kill the amendment because you want to preserve the status quo.

All this nitpicking and all of the blamesmanship really misses the point. The one central question before us is this:

Would this country be better off, would the lives of American citizens be improved, if we placed the Government under a balanced budget amendment to our Constitution?

Would our children have a better life now and in the future? Would working men and women have better jobs? Would our senior citizens be more secure in the Government's ability to keep its promises to them? Would homes and education be more affordable?

Over the long run, would there be more money left over for charities, families, and Government to care for the poor, the sick, and the needy?

These are all variations of one question. And, of course, the answer to that question is undeniably yes. We know that, and the American people know that. We know of the huge amount of money, the economic vitality, that the debt of the Government now consumes.

Balanced budget amendment opponents say, ''We will not vote for a constitutional amendment to require a balanced budget until we see your actual plan to balance the budget, because we know we can produce one.''

You and I both know, Mr. President, we have produced a balanced budget, in answer to that argument, over the last 12 months.

We, in fact, produced a balanced budget and did not touch Social Security. We increased spending and increased consumer choices for every senior citizen in Medicare. We preserved the safety net for the needy and cut the redtape to make it easier for Federal-State partnerships to help them. And we continued to be responsible in protecting the environment.

All of those things were done in the context of a balanced budget. We answered their charge, and we answered their call.

And the President vetoed it.

Now we understand a great deal more about this debate. Without the extraordinary discipline that our Constitution will bring us, we probably will find it very difficult to get to a balanced budget, or even a nearly-balanced budget, unless we can, in fact, get a constitutional amendment that requires, in the supreme law of the land, that this body and the other respond every year with a balanced budget.

Here is an example of why I think that argument makes so much sense. Here is the record about the goodwill and the intent of Congresses and Presidents of the United States when it comes to balancing the budget:

The Budget and Accounting Act of 1921, also called the Anti-Deficiency Act, was intended to keep the budget balanced. The Revenue Act of 1964 was supposed to balance the budget. The BYRD amendment of 1978—offered by Senator Harry F. Byrd of Virginia—required balanced budgets. The Humphrey-Hawkins Act of 1978 called for balancing the budget. The Revenue Act of 1978 was supposed to balance the budget. The Debt Limit Increase of 1979 included language to balance the budget. The Bretton Woods amendment of 1980, as amended by a second Byrd amendment, required a balanced budget. The recodification of title XXXI, in 1982, with an amendment better known as Byrd III, called for a balanced budget. The Gramm-Rudman-Hollings Act—act No. 1—of 1985 required a balanced budget. The Gramm-Rudman-Hollings Act of 1987—act No. 2—required a balanced budget. The Budget Enforcement Act of 1990 was supposed to balance the budget.

Why, then, do we have a debt of the kind we have today, of $5.13 trillion dollars? Why are we spending hundreds of billions of dollars on interest, after all of that exercise, from 1921 to 1990, in which the specific language and the direction of the public policy of this country was to balance the Federal budget, and why do we not have a balanced budget?

The reason is very simple. We do not have an amendment to the constitution. We do not have in the organic law of the land a requirement that says to the Congress and the President that you cannot pass ''go,'' you have to make the tough choices, you have to do it.

As a result of that, the tough choices were never made. The American public was played to. There was good intent in many of those instances. But Congresses and Presidents simply could not face the kind of decisionmaking that the people expected of responsible leaders.

Now, I have heard today the flip and the flop of the red herring so many times coming from that side that it has been most difficult to hold a straight face.

What am I talking about? I am talking about Social Security. Let me say for the RECORD they are wrong. It is a false argument, and they know it. But once again the safety for the status quo is in fighting over the details.

If you do not want to face up to balancing the budget, and if you really do not want a balanced budget amendment, then you find a new argument. Just this year alone, after those six Senators were always with us, when the President said to them, you cannot be with the amendment's supporters, find a way out, they found a way out. They found a new argument. That new argument was Social Security.

At best, those making the argument—while one might wonder about their intention, and I trust that it is good—I must agree with Members on our side that they are tremendously misinformed.

At worst, there are big special interest groups with deep pockets using mass mail scare tactics to frighten innocent seniors, with one goal and one goal alone, and that is to destroy the idea of a balanced budget amendment.

Senior citizens I have talked to in my State of Idaho—and I am sure that you have also, Mr. President, in your State of Michigan—know perfectly well that a bankrupt Federal Government will not have the ability to send any Social Security checks out to anybody.

No checks will go out, if our Government is bankrupt. By killing the balanced budget amendment, opponents are killing the only way—the only true way—to save Social Security and other seniors programs.

Robert J. Myers, the former chief actuary and former deputy commissioner of the Social Security Administration, has said this. We have had him before hearings. He has publicly testified and made these comments. He says,

> ''Regaining control of our fiscal affairs is the most important step we can take to protect the soundness of the Social Security trust fund. I urge Congress to make the goal a reality, to pass a balanced budget amendment without delay.''

That is a former chief actuary of the Social Security system. He says the only way you save Social Security is to balance the budget.

Mr. President, we keep hearing about raiding Social Security. No one is raiding the Social Security trust funds. That is false rhetoric. It is wrong for them to use it, and they know it. But it gives them their excuse for opposing the amendment.

There are two things happening.

First, ever since President Franklin Delano Roosevelt, a Democrat, created Social Security in the 1930's, any surplus funds have been borrowed by the Federal Treasury and invested in Federal bonds.

Why? So that the money not needed immediately to pay out benefits could earn interest safely and soundly.

Second, ever since President Lyndon Johnson, a Democrat, put the Government on a unified budget in the 1960's, annual Social Security surpluses have been counted as reducing the overall Federal deficit in that year.

It is simply a matter of bookkeeping. Many believe it is bad bookkeeping. But in all fairness, it is no ruse. It is only bookkeeping.

Those are facts. They are reality. There have been no games played. That is the law.

Ever since our last balanced budget in 1969, these borrowing and bookkeeping practices have been happening with Social Security. Under 20 budgets passed by Democrat Congresses, under six budgets passed by divided Congresses, and so far for one budget resulting during a Republican Congress, this has been the law, and this has been the reality, this borrowing, and this bookkeeping.

The reality is that every budget submitted by President Clinton in the last year, the House Democrat blue dog budget in the last year, the Conrad substitute budget, and the Chafee-Breaux budget—all of them use this kind of borrowing and bookkeeping.

So let us not play games with the record of the Congress, with the record of the Senate, with the minds of the American people. The reality is in the answer to the question, Are you for or are you against a balanced budget? If you are for one, you will allow the American people to engage in this debate, to become actively involved.

Treasury borrowing from Social Security would continue under the balanced budget amendment, and under any and every substitute—the ones offered by Senator HOLLINGS, Senator WYDEN, Senator DORGAN, Senator FEINSTEIN, Senator REID, whomever—the reality is, under their alternatives, they continue to borrow from the trust funds because the laws of the 1930's require it.

Their alternative does nothing to change or stop the Treasury from borrowing Social Security surpluses.

Why do they not tell us this? In other words, get honest and get real. Quit playing the mind game with the American people.

There is only one way to change Treasury borrowing from Social Security, and it has nothing to do with a balanced budget amendment.

The only way to make surplus Social Security funds unavailable to the Federal Government is to pass a law that requires Social Security surpluses to be invested somewhere else outside of the Federal Government.

Has that been proposed today? It has not. Will it be proposed by any one of these Senators? We will see, but I doubt it. And if that bill were proposed, and if it became law, that law would have exactly the same effect under our amendment or their amendment.

So, to those who are suggesting that their opposition to the balanced budget amendment is because of Social Security, I say, You do not quite argue the whole argument. Bring forth your bill to change the system for investing in Treasury bonds, if that is what you believe. But stop hiding behind this ridiculous, absolutely false claim that the balanced budget amendment somehow does anything to harm the Social Security system.

Every alternative to the balanced budget amendment the opponents have put forth dealing with Social Security has loopholes in it that you could drive nearly any amount of spending through it, as long as you call it Social Security. They are more loophole than law.

Their proposal would allow Social Security to run unlimited deficits and would allow future Congresses to raid Social Security trust funds to spend for anything and everything they wanted.

Has that question been asked of them today? No, it has not. I ask it now. Is that what you are proposing—to allow unlimited deficits in Social Security to allow borrowing for other purposes? Of course, they would say no, but that is what their language would allow. But they do not seem to want to talk about it.

A flatout exemption for Social Security in the balanced budget amendment would mean more borrowing and more debt. It would mean Social Security would go bankrupt to pay for all this other spending, or there would have to be a huge tax increase to stabilize it.

Several Senators have had serious discussions to see if there was a way to protect the surpluses of Social Security trust funds from being used for other purposes, without creating loopholes.

Senator SIMON, whom I have worked with for years on this issue, Senator DOMENICI, and Senator HATCH spent an awful lot of time, and I have, too, trying to find out if there was a clean, responsible way to protect the surpluses Social Security trust funds in the context of the argument put forth by Democrats.

We know that can be done, but we have not been able to accomplish agreement with those who say that is what they want.

We said, let's prohibit Social Security surpluses from being counted to make the deficit look smaller. Let's balance the budget without using the Social Security surplus. But, when Social Security starts running deficits around the year 2019, let's make up those deficits, let's keep the lid on Federal borrowing, and let's shore up Social Security with funds from the rest of the budget.

Unfortunately, the opponents once again agreed with us on principle, but not on the details.

Let's get back to the most important point in this Social Security debate. And it is something very, very simple. If you balance the budget and if you quit creating debt, you in fact strengthen and stabilize Social Security. You solve the problem now by creating fiscal responsibility and economic growth in this country, and you accomplish that by balancing budgets and moving along the process that sets this economy free.

Deficit spending and a mounting national debt are taking a tremendous toll on real people, on real families. And if we do nothing, it will only get worse.

The President's own budget for fiscal 1995 said that unless things change, Mr. President, future generations face a lifetime total tax rate of nearly 82 percent. A new analysis by the Congressional Budget Office says that rate actually may be around 84 percent.

The National Taxpayers Union estimates that unless things change, a child born today will pay an extra $180,000 in taxes just to pay interest on the national debt. And the President and some Democrats in the Senate will not allow the American people to create the mechanism that will stop the growth of that kind of debt structure.

The Concord Coalition says that the existing Federal debt already has reduced the typical American family income by 15,000 spendable dollars a year.

On the other hand, who benefits if we balance the budget?

The kids benefit, the future benefits, and everyone who wants a job, who wants to buy a home, who wants a good education, wants to buy a car, wants the kind of economic growth that will provide his or her children the future opportunities that they had at their age when they were young.

That is what this whole debate is about—about a $2,400-a-year reduction in a mortgage payment on $75,000, 30-year mortgage. Or it is about a $1,000 reduction in interest on the life of a 4-year car loan. Or a family saving $1,900 on a 10-year student loan. And it's about creating 6 million new jobs by the year 2002.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. CRAIG. I am happy to yield to the chairman of the Budget Committee.

Mr. DOMENICI. I heard you say balanced budgets are good for the children and it is good for the future. It is good for senior citizens, too, is it not?

Mr. CRAIG. If the senior citizens want a strong and stable system of economic security, you are darned right it is good. There is something else. Senior citizens live on fixed incomes. The best thing in the world for them is a very strong economy that allows them to live and to not have their money exploited by inflation.

Mr. DOMENICI. It seems to me that almost everybody who has looked at

the Social Security system over time has said the most significant, positive thing that can happen for that Social Security system is to have a strong, growing, robust American economy with low inflation. I thought one of the big reasons we were all working on this balanced budget is because it is more apt to produce a strong, robust growing American economy than deficit spending of the type we have been undertaking for the last 40 years.

Am I correct in that?

Mr. CRAIG. The Senator is correct. A year ago we were challenged on this floor by those who opposed a balanced budget amendment and who said you can balance the budget without an amendment.

The chairman of the Budget Committee met that challenge responsibly in the way that it ought to be met and produced a balanced budget amendment, one that brought us to balance. The chairman produced a budget that honored the critical policy priorities of this country and sent it to a President, this President, and he vetoed it.

And now it is this President who is twisting the arms over here on the other side to assure that a balanced budget amendment does not pass and that the American people do not get to exercise their constitutional to debate whether to ratify it.

Mr. DOMENICI. I thank the Senator very much.

Mr. CRAIG. So the chairman is absolutely right.

Mr. President, let me try to close soon. My colleague from Alaska is here to debate this issue. Here are some other statistics that are just so darned important for all of us to understand.

The gross Federal debt now tops $5 trillion—that is more than $19,000 for every man, woman and child in this country. The gross interest payments this year are around $344 billion.

Here is what that says to all of us who try to deal with these monstrously big numbers that nobody really understands.

That $344 billion in interest payments this year amounts to $1,300 for every American. In other words, the average American household will pay $3,400 in taxes this year, not for roads or education or defense, but to pay interest on past Federal debts.

Gross interest payments this year will be equal to 54 percent of all the individual income taxes collected.

Gross interest payments on debt will be just $4 billion less than what we will spend on the entire Social Security bill for the year; $77 billion more than we will spend on all domestic discretionary programs put together; $79 billion more than we will spend on defense, the second largest Federal program; $145 billion more than all Federal means tested poverty programs put together; $148 billion more than we spent on all Medicare, the third biggest Federal program.

What is the message here? The message is that slowly but surely because this Senate has been unwilling to grapple with the true issue of getting to a balanced budget—and that is the balanced budget amendment—over the years we have seen this debt grow in proportion to the budget and the economy, and today's interest on debt is literally consuming the Federal budget and the assets of the American people.

The Economic and Budget Outlook just released by the Congressional Budget Office contains a truly frightening chapter on the long-term budget outlook. It says, if we do nothing, our children face a grim future.

Today, we are suffering from historically slow economic growth. Unless we change things, in one generation, the economy will start a real decline and our children will face a permanently declining standard of living.

If we do not pass this amendment, I fear for our children and I fear for our country.

If we do nothing:

In less than two generations, the debt burden will grow so huge that, in CBO's words, it ''would exceed levels that the economy could reasonably support.''

Our children will reach the prime of their life and then retire in a nation in the grip of a permanently worsening recession.

Our grandchildren will raise families in a declining Third World economy. Or—and I do not say this lightly—there will be a revolution.

On the other hand, these same CBO projections show what will happen if we do the right thing today:

If we balance the budget permanently beginning in 2002, real incomes for the next generation will be one-third higher than they are today.

Our path is clear.

The worst thing you can say about the balanced budget amendment is that maybe Congresses and Presidents will have the courage and vision to do the right thing without it.

The bitter experience of history suggests otherwise.

The best thing you can say about this amendment is that it guarantees we will pass on the American dream to our children and that they will continue to have the opportunity for a better life; that our seniors will be more economically secure; and that Americans today and tomorrow will have more and better jobs.

I certainly hope we can arrive at that magic two-thirds vote tomorrow. I certainly hope the President would free his balanced budget amendment hostages over on the other side and allow them to vote their true conviction as they have over the years under the leadership of the Senator from Illinois, PAUL SIMON, who has worked so hard to keep this a balanced, bipartisan issue. I am so disappointed that this issue has become a partisan-type issue. But I remain hopeful, because the balanced budget amendment will not go away. The people want it. The future needs it. And our nation deserves it.

Mr. President, I now yield——

Mr. MURKOWSKI. Ten minutes.

Mr. CRAIG. Ten minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Chair indicates to the Senator from Idaho he has exactly 10 minutes remaining under his time.

The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. I thank my colleague from Idaho. I thought his comments were certainly appropriate. Let us reflect a little bit about the vote we are going to cast tomorrow. That vote will really determine the economic stability and the vitality of this Nation as we enter the 21st century.

Mr. President, I am going to vote for this balanced budget amendment because I believe nothing short of amending the Constitution is going to change our addiction to spending and living beyond our means.

I was a commercial banker during my previous life outside this body. I recall back in 1962 the Federal Government's budget reached $100 billion. By 1971, it had doubled to $200 billion. By 1977, it had doubled again. In 1983, the Federal budget topped $800 billion. The budget for next year, fiscal year 1997, will be more than $1.6 trillion.

We have heard concerns expressed on the other side relative to the Social Security issue. It has been commented that somehow a balanced budget will have a detrimental effect on our obligation to meet our Social Security commitments.

Just think for a moment. How can we meet our obligation to our seniors, how can we meet the obligation of coming generations if our fiscal house is not in order? It has already been suggested as to what the increased tax burden will have to be on future generations.

We have been spending far in excess of revenues. That is like carrying an overdraft or carrying your accounts on your credit card knowing you cannot pay them off. So what have we been doing? We have been increasing the amount that we are spending for interest. I think it is somewhere in the area of $240 billion today. That is nearly $1,000 for every man, woman, and child in America. What does it do? It pays interest on the Federal debt.

Now, not too many people talk about the Federal debt, but we have increased the Federal debt authorization now to $5 trillion. It seems as if we go through a budget process, we add up what we need, we take a look at the revenue that we have, and instead of either increasing the revenue or cutting the expenditures we simply take what we need and add it to the accumulated national Federal debt, which is over $5 trillion.

This interest cost must be paid. I have said it on this floor time and time again. Interest is like owning a horse that eats while you sleep. It goes on and on and on. What is the exposure with the increased amount that we have to pay? As everyone knows, interest rates fluctuate. I am often reminded of what the prime rate was in

December of 1980. The prime rate was 20.5. You can imagine the interest cost on $5 trillion if, indeed, we were in that range again, and this could happen. It happened before.

After years of trying, last year this Congress came within one vote of sending a balanced budget constitutional amendment to the States. The amendment passed the House of Representatives on January 26 when House Joint Resolution 1 was approved by a vote of 300 to 132, easily exceeding the necessary two-thirds majority. The Senate added an amendment restricting the power of the courts to enforce the amendment and defeated many weakening amendments, but then on March 2 the Senate failed by one vote to adopt the proposed constitutional amendment.

We have the opportunity to address this again tomorrow.

If we look at history, we will realize that for more than one-third of a century—35 of the last 36 years, the Government has been running a continuous and unending string of deficits. Even if we adopt this amendment, it is an absolute certainty the deficits will continue into the year 2000.

I have reflected on the debt being more than $5 trillion. In 10 years, Mr. President, that debt is going to rise by 80 percent up to what? Nine trillion dollars. Put another way, in the year 2006, every man, woman, and child in America will owe Uncle Sam $32,700. For a family of four, that is $131,000.

What are we thinking of here? There should be absolutely no question that we do not have the self-discipline in this body to address a balanced budget process. With a constitutional amendment, it will mandate that process.

We have not been blind to these deficits. For the last 11 years, Congress and the President have sought to find solutions, remedies. We passed statutes and reconciliation bills, all in the name of reaching a deficit of zero. On three occasions over the past 10 years, legislators on both sides of the aisle sat down with the President and tried to hammer out some workable solutions to solve the deficit. On every occasion the promise of a zero deficit has evaporated.

Congress did not have the discipline or the political courage to do the one thing that would bring down the deficit, reduce spending. Yes, we voted to raise taxes on more than one occasion, but have we ever cut or frozen spending? No. It was only last year that we finally had the courage to face up to the challenge of runaway entitlements. Today, those entitlements account for 55 percent of Federal spending and will grow to 59 percent by the end of this century. There is not going to be any discretionary spending left.

The American public witnessed, I think, an unprecedented spectacle when the President vetoed the only creditable balanced budget proposal ever to be written by Congress.

Then—we got blamed for it—but he shut down the Government because of his refusal to give up the taxing and spending policies that have brought us to the brink of national bankruptcy and placed blame on Congress because we attempted to responsibly address the deficit.

Had this amendment been incorporated in the Constitution, the President would have been in violation of his own oath of office to preserve, to protect and defend the Constitution—which he refused to abide by vetoing a real balanced budget.

We are basically broke. Any CPA or banker can look at the Federal statement and find $5 trillion in debt; interest of 14 percent of the budget would tell you that. We can no longer labor under the assumption that business as usual in Washington assumes that every year we can run those deficits of $150 billion, $250 billion, $350 billion—$350 billion. This accumulation of debt has brought us, today, to the point where, for the first time in our history, we are forced to borrow from the credit markets for the sole purpose of paying interest on the debt.

Think of that. We are borrowing to pay interest on the debt. We are not borrowing just out there to fund our programs. We are having to borrow to pay the interest. That is why we are broke. It may surprise some people to know that over the next 10 years we would be running a surplus, we would be running a surplus in this country in the Federal budget if every year we did not have to pay that $200 billion to $400 billion annual interest bill that has resulted in our chronic inability to bring revenue and spending into balance.

I said we are broke. We are borrowing just to cover those interest costs. That is fiscal irresponsibility. We all know it. We are subject to the shifting winds of international investment flows, where a minor change of economic policy, not in this country, but in Bonn or London, or an earthquake in Japan—those are the people who are financing, if you will, a portion of our debt—could have a direct effect on what this United States Government has to pay for money to finance its debt. Can anyone imagine what would happen if the owners of our debt—18 percent of which, I might add, is owned by foreigners—if they felt there was a sudden loss of confidence in the U.S. economy, and they called in the debt, they called in just $300 billion or $500 billion of our debt? How would we pay the owners off? We could not unless we inflated our dollar to the point that what a dollar buys today would actually be worth 50 cents or less. That is how it is done.

The only way to get out of this sea of red ink is to adopt a simple mandate because we do not have the discipline to do it—we have proven it time and time again—and adopt the balanced budget amendment.

The public knows that no family or business can survive very long when, year in and year out, the principal of its debt grows and all its borrowing is dedicated to paying off the debt holders.

When future generations look back on the decisions that we made in the last decade of the 20th century, I know they will appreciate the wisdom of the people in the Congress in adding the balanced budget amendment to the Constitution. For this amendment stands for the proposition that future generations are entitled to economic freedom, unburdened by the financial debt of past generations.

It is our responsibility to end the practice of sending unpaid bills to our children and to our grandchildren. That is a principle that belongs in the Constitution in the same sense as the freedom of speech and the freedom of press belong to the Constitution.

Let me just repeat that because I firmly believe that. It is our responsibility to end the practice of sending unpaid bills to our children and grandchildren. That principle belongs in the Constitution in the same sense as the freedom of speech and press belong in that document.

I urge my colleagues to adopt this amendment, send it to the States where it can be debated by the people. Give them a chance to render their judgment.

Mr. President, I would like to introduce a bill.

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 1844 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, we are talking this evening and voting tomorrow on whether to add another amendment to the Constitution of the United States. Our Constitution has had 27 amendments added to it in 209 years. If you do not count the Bill of Rights, the first 10 amendments, then it has been amended 17 times in about 205 years. That is not very many times.

Most times that we have amended the Constitution it has been when it has become an absolute necessity. We do not revise this sacred document otherwise.

I support the balanced budget amendment that is before us. I had a chance to vote on it last year, when it failed by one vote. I supported it in 1994, when it failed by two or three votes, I believe. I voted on it in other versions in previous years. I very much support the principle of having a constitutional amendment and to have our Constitution then say that Congress should live within its income. I think this is very, very good discipline that results from such a constitutional provision, a discipline that we see in State legislative bodies. I think about 46 States have such requirements. Their requirements make legislative bodies, whether controlled by liberals or by conservatives, fiscally responsible. Fiscally responsible is mainly interpreted as living within your annual income. As families must live within that income, as businesses live within that income, the

same discipline ought to apply to the Federal Government.

Many of our early constitutional Framers, early statesmen, and early political leaders, believed in that principle so strongly that they did not feel it had to be put in the Constitution. For maybe 170 years, living within our means, was really not much of a problem. But in the last generation, the Congress and even leaders in the executive branch have gone hog wild on spending money. They have not cared about building up a tremendous debt that puts an obligation on future generations. They failed to consider it an immoral obligation that we have given to other generations.

Living beyond our income is an expression of materialism that is too rampant in American society. Living beyond one's income, in and of itself, is a major problem. Possibly, the Federal deficit is just an expression of our societal excess. But to some extent, maybe the lack of leadership shown by us in the Congress of the United States on the principle of not balancing the Federal budget is an example of not living within our income and has fed that base materialism of the American people. I see our discussion today and the amendment we are dealing with as an effort to reject that sort of fiscal policy and reject the materialism that it promotes within our American society.

So we have another chance on this vote for a balanced budget constitutional amendment. Who knows, maybe some think this is the last chance. I do not think it is the last chance if we do not pass this tomorrow. This is not going to go away, so people might as well realize that eventually the wisdom of the American people is going to win out. Their wisdom is that Government ought to live within its income, just like families must live within their income and businesses must live within their income or otherwise go bankrupt.

When is the day of bankruptcy for America? Maybe we cannot predict it. It might be next year, or it might be 10 years from now, but there is always a day of reckoning when you are not fiscally responsible. The same principles apply whether it is Government or whether it is families or businesses.

I am thankful for Senator DOLE's wisdom in reversing his vote so that he could file this motion to reconsider the balanced budget amendment and we can have another opportunity to do right what we did wrong last year. He gave us another vote on this important amendment.

Of course, I am also thankful for the U.S. Constitution, including all of its inherent imperfections. It may be imperfect, but our Constitution has continued longer than any other written form of government. I believe that this is because it is a living, breathing, and evolving document. Indeed, it is evolution that we seek.

Originally, it sought to fulfill the promises of the Declaration of Independence, and that declaration grew out of our Nation's ordeal that we remember as the Revolutionary War. People at that time were, literally, bleeding for a crusade of liberty that they believed in. They knew the oppression of a distant authoritarian monarchy. They had a yearning to be free. They believed that freedom was bestowed upon them by their creator, and the Constitution reflects that.

The Declaration of Independence was a promise of liberty. The Constitution—this Constitution that I hold in my right hand—is a fulfillment of that promise. It continues to fulfill the promise not of politicians, but of the hearts of the people of our Nation.

I believe that American people, again, sense themselves oppressed by a distant authoritarian power. That authoritarian power is Washington. It has evolved, as such, since the Constitutional Convention of 1787. The oppression that the American people feel is an ever-increasing national debt and the heavy hand of big government. That big government comes as a result of more laws and more expenditures and more programs that are not paid for on a current basis. Rather, they are left to our children and our grandchildren.

Big government, aided and abetted by Congresses and Presidents, appropriates the future liability and promissory notes of our children and our grandchildren. History teaches us that modern day Presidents and Congresses cannot resist the temptation to spend us into oblivion. Those who oppose this balanced budget amendment speak with little credibility when they propose with sanctimony some alternative way. We have tried their alternative way, and it failed.

In last year's debate, Mr. President, we were told we did not need this constitutional amendment, because if you want to balance the budget, you could just go do it without it being required by the law of the land. So we worked 8 months, in 13 committees, on a 1,800-page Balanced Budget Act of 1995. We sent it to the President around Thanksgiving time. The President vetoed our work on December 5, 1995. We received not one bit of help from people who said we did not need a constitutional amendment. They thought that we could just do it, but they were wrong.

How many times did we hear on the Senate floor, just do it, and we did it without the constitutional amendment, without the help of people who said, just do it. Then, we got a veto from a President who says now he believes in a balanced budget. At the time of the veto he had not presented a balanced budget. We still do not have it, and we will not know if we will have it, even though we are going through the process of resolving to balance the next fiscal year's budget.

I have come to the conclusion that the only viable alternative is with a congressional commitment to a balanced budget through the constitutional amendment that we have before us. Living within our means must be the law of the land. Americans must know that we current legislators, and those who follow us, cannot enslave future generations to distant creditors. If there is any inalienable right, Mr. President, surely it is the one to know that you are not burdened for the cost of something that you did not have any opportunity to enjoy.

In 1775, Alexander Hamilton said something pertinent on this issue. He said:

> The sacred rights of mankind are not to be rummaged for among old parchments, or musty records. They are written, as with a sunbeam, in the whole volume of human nature, by the hand of the divinity itself; and can never be erased or obscured by mortal power.

Mr. President, this means that the people's will is the law, and the Constitution only becomes the law as enumeration of the people's will. It tells us that sooner or later the American people will again have their balanced budget, like they did for most of the first 170-year history of our country. The people will not ultimately be oppressed by our spending habits. If we do not show a commitment to a balanced budget, the people will balance the budget with a future Congress. Their first step toward that balance will be to replace the current Congress with its irresponsible spending habits. Our first step to avoid being replaced should be to pass a resolution for this amendment and send it to the States for their review.

The key to passing a balanced budget amendment is its abundant grassroots, bipartisan support. This support reflects the fact that Americans support the amendment by very, very large margins. It should, therefore, have passed this body a long time ago by equally large margins, but it has not. It has not because some Members of the other party have decided to play politics. Some want to try to deny any victory to Republicans for purely political reasons.

I think the American people deserve better. I think that the American people deserve a Government that responds to the will of the American people. They deserve a Government that spends only what it takes in; in other words, a Government that does what simple, common sense dictates.

Somehow, common sense eludes us. In the past, year after year, Members of one Chamber or the other voted down this constitutional amendment, and year after year, the budget deficit increased. Meanwhile, year after year, our children have been saddled with increasingly larger debt.

The American people, I think, expressed their desire to eliminate the burden when they elected a Republican Congress in 1994 for the first time in 40 years.

A balanced budget would mean a stronger economy, good Government, and more jobs produced by that stronger economy. DRI-McGraw Hill, which

has been called the world's leading nonpartisan economic analysis and forecasting firm, has concluded that the balanced budget amendment would add credibility to budgeting.

This credibility would lead to lower interest rates and a stronger economy. Mr. Greenspan, the Chairman of the Federal Reserve Board, says that for individuals balancing the budget would yield $2,300 less interest on a 30-year home mortgage, $603 less interest per year on a student loan, and $150 less per year on car loans. So we are talking about real economic benefit coming from our passing something like the failed Balanced Budget Act of 1995. Possibly we will succeed this year.

This same firm found that the lower interest rates resulting from the balanced budget amendment could create half the necessary savings needed to balance the budget in the first place. This is because interest on the debt is such a large portion of our Federal budget. Lower interest rates then mean lower payments.

I believe that the American people are willing to do their part to prevent future generations from being saddled with an unconscionable amount of debt. They are willing to do so even if it means that some Federal spending they support would be affected. This is especially true if our budgeting is done fairly.

I am reminded by a constituent of mine who told me he was a lifelong Democrat. He now votes Republican because he is certain that if we do not stop spending more than we take in, we will be the ruin of our children and grandchildren.

That is what this debate is all about today. It is about passing on the American dream to our children and our grandchildren. Americans of all political persuasions are realizing that the role of the Federal Government must be limited. Even the people of the other party are taking that view now in this town. So messages from the grassroots, expressed in the last election, are getting through, not only to Republicans, but to Democrats as well.

They know that all Federal programs have not delivered what had been promised. They also know that the sums of money that are spent on these costly programs are tremendous. Many of these programs have failed or are filled with waste and abuse.

I hope that the Senators who may have supported this amendment in the past, particularly in 1994 when it was the same wording as it is now—they changed their mind last time because of pressure from the White House—will come back to the original position they had when their party controlled the Congress. That was a time when their President was not fighting the language of this amendment.

It seems what was OK in 1994 should have been all right in 1995. Senators have one more opportunity in 1996 to correct that mistake. I think the reason to do it is because our children's future is too important for us to ignore this opportunity.

I have spoken before about my first involvement in legislation to balance the budget. It was not a constitutional amendment. It was a law to require a balanced budget. There was a Senator by the name of Harry F. Byrd from Virginia at that time. I think it was in 1978. I was a Member of the other body. I worked with Senator Byrd to pass a simple law that says, ''The Federal Government shall not spend more than it takes in.''

That was a very well-intentioned but law. Quite frankly, as I look back on it, it unfortunately was a very weak response to a very serious problem that was a lot less serious then than it is today. Because under our Constitution, as you know, succeeding Congresses can obliterate anything that a preceding Congress has done.

I learned an important lesson from that Byrd-Grassley legislation. Congress needs help with self-discipline. Each of the prior efforts to balance the budget, whether it was the Byrd-Grassley law or whether it was Gramm-Rudman I, Gramm-Rudman II, or other budget agreements in the 1990's, have all failed because they can be changed so easily.

Pure and simple, big government is addicted to big spending and the big debt that results therefrom. That is why a constitutional amendment is necessary. A constitutional amendment, though difficult to get adopted in the first place, is also difficult to change. It cannot be changed like Gramm–Rudman I or II was changed. So it would not be changed by a simple unwillingness of legislative bodies to follow its mandate and bite the bullet.

We take an oath to uphold this Constitution every 6 years when we are sworn into the Senate. We see the effective restraint that a constitutional provision brings to the States, as I have spoken of already. Because State legislatures that are controlled by conservative Republicans or liberal Democrats take a similar oath, the rule of law that follows it applies and is strictly adhered to.

So only the balanced budget amendment that is before us will ultimately restrain runaway Government spending. A new day will come when we have a constitutional amendment disciplining our spending appetites. The Senate's passage of the balanced budget amendment would show the public that we have decided to get serious about protecting the American dream and passing that dream on to our children and grandchildren. It is in doubt today with big debt, high interest rates, and a growth in the economy that is slower than it takes to sustain the American dream for our expanding population.

Because of high interest rates and high taxes, there are 3 million jobs that have not been created in the present recovery since 1992 that would have been created in other normal recoveries since World War II.

Our beloved, but imperfect, Constitution has allowed us to endanger the American dream because we have not yet added the written philosophy that our forefathers had in their hearts and practiced in the Congress. They did not put it into the Constitution because they did not think it was necessary. Now, 209 years later, we find it absolutely necessary to protect our way of life. We have an imperfect document except that the Framers gave us article V so that the people can change the Constitution when necessary.

The people are now asking us to vote to allow them the opportunity to amend the Constitution. Amending the Constitution is a prescription for protecting the American dream. So this vote that we have tomorrow is referendum in giving our constituents, particularly the younger ones, the right to preserve the American dream. In my view, that is an absolute necessity. It is a very clear choice between responsible spending or losing the American dream and our way of life. I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in strong support of this amendment. I want to pay tribute also to Senator HATCH, Senator CRAIG, and Senator THURMOND, who have been among the leaders on the Presiding Officer's side, and former Senator DeConcini on our side, as well as Senator HEFLIN and Senator BRYAN.

The charge is made that we are talking pure politics. I would be naive if I did not admit there is some politics in all of this. Obviously, BOB DOLE is a candidate for President, and he wants to stress this. I have to say, in fairness to BOB DOLE, this is not a phony position on his part. This is a stand he has taken all along. I am supporting Bill Clinton for President, but I appreciate BOB DOLE's stand on the balanced budget amendment.

To my Democratic friends, if you want to depoliticize it, pass it. To my friends on the other side who are opposed to a minimum wage, you want to depoliticize the minimum wage? Pass it. It will be eliminated from the election. And the same on the balanced budget amendment.

The Presiding Officer is from New Hampshire where in the woods and the trails of New Hampshire, prior to the Revolution, there was talk about ''taxation without representation.'' My latest grandchild is now 2 months old. Nicholas Simon, 2 months old, does not know anything about the taxation that has been imposed upon him. Talk about taxation without representation, that is what we are doing to future generations. Listen to the Democratic platform of one century ago, 1896.

> We are opposed to the issuing of interest-bearing bonds in times of peace.

Incidentally, no other country in history in times of peace has moved from being a creditor nation to being a debtor nation. Not only have we done that,

we have moved from being the No. 1 creditor nation to being the No. 1 debtor nation. It is like moving from Super Bowl champ to the very last place.

We have a lot of Jefferson-Jackson dinner parties. I assume the Presiding Officer has never been invited to one of these. Andrew Jackson said, ''I am one that does not believe a national debt is a blessing but rather a curse.'' Thomas Jefferson was not in the United States when the Constitution was written. He was over in Paris, negotiating for us. When he came back, he said, ''If I could add one amendment to the Constitution, it would be to require a balanced budget.''

It is very interesting, Laurence Tribe, a professor at Harvard who opposes the constitutional amendment, says this in testimony last year:

> Despite the misgivings I expressed on this score a decade ago, I no longer think that a balanced budget amendment is, at a conceptual level, an ill-suited kind of provision to include in the Constitution.

The Jeffersonian notion that today's populace should not be able to burden future generations with excessive debt does seem to be the kind of fundamental value that is worthy of enshrinement in the Constitution. In a sense, it represents a structural protection for our children and grandchildren.

There is, as the Presiding Officer knows, a lot of cynicism toward Government, much more so than in Western Europe, where the taxes are much higher than they are in the United States. I believe a fundamental reason for that is that, with the exception of Israel, no modern industrial State spends as high a percentage of its tax dollars on interest and on defense as does the United States. The average citizen does not see much for that. They do not see much in the defense area. Clearly, we have to spend money in defense. For interest, all we get out of the huge debt is higher interest rates. That is it.

Now, I have heard some of my colleagues say they cannot vote for this because of Social Security. My friends, that is a fig leaf. It would make more sense to say, ''Your astrologer advised you not to vote for this.''

The reality is, this provides more protection for Social Security than Social Security will have without this. Those who say, ''Well, let's make it 2002 excluding Social Security,'' not one offered an amendment to the budget to do that when that was up. Yet, they suggest we should enshrine it in the Constitution.

I, frankly, worked with Senator HATCH in trying to fashion something that over a period of years—and worked with Senator DOMENICI—over a period of years would slide into that, because you cannot do it from 2002 that quickly. That would harm the economy.

It is very interesting that the chief actuary for Social Security for 21 years, Bob Myers, says it is essential for Social Security that we do it. Now, why is that the case? As Adam Smith warned us in ''The Wealth of Nations,'' a classic document, he said that the history of nations is that you keep piling up debt and then you eventually debase the currency.

That is where we are headed—there is just no question about it—as you look at those long-term projections. We are going to keep piling up the debt, and then at some point the order will be made, ''Start the printing presses rolling; we are going to print the money. We are going to debase the currency. We are going to do what the economists call 'monetize the debt.' ''

I get a publication that has a very limited circulation, I am sure, called Grant's Interest Rate Observer. It comes out every week. Here is the most recent. You will be interested in these figures: May 17, 1995, foreign bank holdings of treasuries, $444 billion. May 15, 1996, a year later, $553 billion. It goes up and up and up. And Lester Thurow, the distinguished economist, says the question is not ''if'' foreign governments and people in other countries are going to stop buying our bonds, the question is ''when.'' We have to face up to this.

I heard Senator MURKOWSKI speak just a little bit ago in which he said 18 percent of our bonds are now held beyond our country. In fact, the figure is larger than that because a lot of it is hidden. Many countries prohibit their citizens from buying bonds from other countries.

Just take the 18-percent figure. If you take the $344 billion that is the gross interest expenditure that CBO now says it will be, take 18 percent of that—if my math is correct, I just calculated it here quickly—that is $62 billion that will be sent overseas for interest this year.

Now, there are some who believe if you help the wealthy, it will trickle down and help everybody. I do not happen to believe there is much validity to that. But there sure is not much validity to sending that $62 billion to wealthy people in Great Britain or The Netherlands or Saudi Arabia or Japan. That is not going to trickle down to American working men and women. That just does not make sense.

Mr. President, $62 billion abroad is four times what we are spending on foreign aid. In other words, we are spending four times as much on foreign aid to the wealthy as we are on foreign aid for poor people. That just does not make sense.

The head of the IMF has complained that the wealthy United States goes into the financial markets and raises interest, and poor countries have to pay that high interest. Prof. David Calleo of Johns Hopkins University calls that action obscene.

Now, to the credit of Senator DOMENICI and Congressman KASICH and people in this body who voted to say we will balance the budget in 7 years, to your credit on that side, you led the way on this. I voted for it in the Budget Committee, but you led the way.

Let me say, in all candor, we are not going to have a balanced budget in 7 years unless we have a constitutional amendment. We are putting all the tough decisions in the last years. That is true in the Democratic proposal; it is true in the Republican proposal. Those of us in public life like to do popular things. We need the discipline of a constitutional amendment.

We have great interstate highways today. President Eisenhower proposed issuing bonds to pay for it. A Senator by the name of Albert Gore, Sr., said, ''Let's not have deficit financing. Let's increase the gas tax and pay for it on a pay-as-you-go basis.'' His amendment, fortunately, prevailed. We saved hundreds of billions of dollars. That is what we have to do, put Government on a pay-as-you-go basis.

I heard Senator HOLLINGS earlier today, and I have great respect for him, talking about the need for some changes in our tax structure. Let me tell you, fundamental changes are not going to happen without a constitutional amendment.

I hear people complaining about Alan Greenspan and what the Federal Reserve Board is doing. Our primary problems—and sometimes I differ with Alan Greenspan—but our primary problems are fiscal, not monetary. The $344 billion we will spend this year on interest is 11 times what we will spend on education, 22 times as much as we spend on foreign aid, and twice what we are spend on our poverty programs.

The Concord Coalition—cochaired by former Senator Warren Rudman from the State of the Presiding Officer, cochaired by Paul Tsongas, which also has Paul Volcker on its board—did an economic analysis. The deficit, in the last 20 years, is costing the average American family $15,500 a year in income. I do not know of any families in Illinois or New Hampshire or Oklahoma who would not welcome that kind of an increase. But it takes some discipline to move us in the right direction. We have shown that we do not have it on our own. We need the discipline of a constitutional amendment.

We need to have, real candidly, political cover. We ought to do it on our own, but we are not doing it. We need to go back to whatever State we are from and say that we really hated to cut this program, we really hated to increase these taxes, but the constitutional amendment forced us to do it.

If there is anyone in this body who is not certain how to vote—and there probably is not—I suggest that they look at their children, look at their grandchildren. Forget who you might offend in this body and what they think. Look at those children and grandchildren and simply ask: How do we build a better future for them? If you ask that question, then the vote will be in favor of a constitutional amendment.

I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, if I thought, 10 years ago, I would be making this statement, I would say someone is out of his mind. But I have to say now that it comes from the heart when I say this. There is no loss in the history of the institution of the U.S. Senate as great as the loss that will be incurred when Senator SIMON submits his retirement and is no longer in this body. I say that in a very sincere way because Senator SIMON and I have a few things in common, but certainly political philosophy is not one of them. He is a liberal. I am a conservative. But he is very honest about his liberalism, and he is one who puts his priorities first. His statement about his children and grandchildren is very touching indeed.

Mr. President, I think that the vote we are going to be casting tomorrow will be the second most significant vote, perhaps in the last decade, but certainly in this session of the legislature. The first most significant vote happened yesterday when we made a decision in this country not to defend ourselves from nuclear missile attack. It is something I think we made a grave mistake on, because many of the other things are not significant now when you think about the threat that is out there.

What we are going to do tomorrow is certainly significant. I decided that a way to approach this would be to take, verbatim, the arguments that have been made in opposition to a budget balancing amendment to the Constitution and address each one of them.

There are ten arguments. I will read these:

Proponents have refused to lay out a detailed plan to get a balanced budget.

How can you tell if it would be good for the country if you do not know the details? Senator SIMON talked about a figleaf. This is a figleaf. I can remember when we lost this earlier—I guess last year—by one vote, and they tried to kill it in a way that they would not have to vote against it by putting an amendment on called the ''right-to-know amendment,'' which would outline everything that we are going to appropriate, everything that we are going to fund, every tax we are going to increase or decrease, for the next 7 years. Obviously, you cannot do that.

In a minute, I will show you the political philosophy of those individuals who voted for the right-to-know amendment, because those individuals, each one of them, voted against the final bill, and there is a common thread there that we need to look at.

I can tell you what we do know, which is that the status quo is bad—bad for the country. Business as usual cannot continue. We are to the point where we have to make a change. We did not have that luxury last year, or 10 years ago, even though we are working on this as a problem. I will say this. Those individuals who are going to vote against our balanced budget amendment to the Constitution tomorrow are liberals, but they do not go home and campaign that way. They are not politically honest with the people back home on their philosophy. How many times have you heard someone on the stump stand up and say, ''Vote for me and I will increase your taxes, I will increase spending, and I will increase the deficit''? You do not hear it. Yet, that is exactly what happens.

You cannot give a detailed plan as to how it is going to happen. Back in May 1961, President Kennedy decided that it was in our Nation's interest to have a man on the Moon in 10 years. He did not say what was going to happen, or how. He did not map out the details. We could not do it yet because the rockets were not built, the spacecraft was not designed, and the astronauts were not trained. Nobody said how we were going to do it. But we committed ourselves to it, and we did it.

Here is another one, argument No. 2: Proponents want to treat people like children, hiding the hard truth from them.

I can tell you that is not the case. My wife and I have been married for 37 years. We are into grandchildren now. One time, our No. 2 son was out learning to ride a bicycle. He was a very young child. I went out there and pushed him, and he got balanced. Finally, he was able to go all the way around the block. When he came back, he said, ''You know, Dad, I wish the whole world was downhill.''

The whole world is not downhill. What we are embarking upon, if we are successful in doing it, is not going to be easy. It is something that we have to do. We do not have a choice. We are out of time. We all know that the world is not downhill. We have to pedal uphill. It will take sacrifice. But for our children's sake and future generations, we have to do it.

Third is that proponents say they are tired of Washington telling people what to do—the Washington-knows-best mentality—and that the balanced budget amendment is the ultimate Washington mandate.

My response to that is, no, they have it backward. Those who oppose the balanced budget amendment to the Constitution are the guys who have been running this show for the last 40 years, who have created this $5 trillion debt. They are arrogant in saying that we know what is better. Yes; future generations are going to have to pay for this. But that Washington-knows-best attitude is what got us where we are today, that continuing business as usual for all these years. They say that despite the fact that 70 to 80 percent of the people in America support a balanced budget amendment to the Constitution. Why? Because they know that without that fiscal discipline forcing them to do it, we are not going to do it.

I think the public spoke loudly and clearly in the elections of 1994. It was, in fact, a Republican year, and in a minute I will document this and show this to you. A lot of people that are going to be voting against this will not be around much longer. In a way, the balanced budget amendment is a mandate for fiscal responsibility on Congress, and it will not mandate unwanted regulation on the States or the people.

Argument No. 4: All these Governors who are boasting about cutting taxes in their States should know that the balanced budget amendment will require them to impose huge State tax increases.

Well, that simply is not true. I think the Governors know it. The Governors are supporting this. In fact, let us keep in mind that if we are successful in passing this at noon tomorrow, three-fourths of the States are going to have to ratify this. It is not something we can do unilaterally. I agree with the statements made about the sanctity of the Constitution. That is why the Founding Fathers made it so difficult. The States will have to make the decision, and if they think it will increase taxes, they are not going to support it. They know it will not do that. These States that have been cutting tax rates are actually enjoying increasing revenue. History has shown that is the case. You can increase revenue by cutting tax rates. President Kennedy once said, ''We have to have more revenue, and we are going to cut taxes,'' and it worked. Look what happened in the United States of America. In 1980, our total revenues were $517 billion. In 1990, 10 years later, it was over $1 trillion. It doubled in that period of time. That was a period of time when the tax rates took the largest cuts we have had in any 10-year period in history, from the marginal rates. In 1980, it was $244 billion that was derived from income taxes. In 1990, it was $466 billion. That was after tax reductions.

But this mentality we have in the White House and the administration does not agree with that. They do not look at history. They are too smart for that. Laura Tyson, the chief economic adviser to the President of the United States, was quoted in the Wall Street Journal on December 30, 1992.

She said:

> In direct contradiction to the 12 years of Republican ideology, there is no relationship between the level of taxes the Nation pays and its economic performance.

Of course, if you believe that, they just keep raising taxes. We know better. The people of America know better. The balanced budget amendment will require a rate of increase in Federal spending to be slowed down. The States will rejoice when they can do this, and three-fourths of the States have already said it shall be no problem at all in ratifying this.

Three-fourths of the States have a balanced budget amendment to their State constitution. In 1941, my State of Oklahoma had a balanced budget amendment. These same arguments

they are using today were the arguments they were using back then, and it has worked since 1941, and it has worked in the rest of States.

Argument No. 5: The balanced budget amendment is a pig in a giant poke.

I do not know what this means. I do not know that anyone else does. But I would say this: That the real pig in the poke was pointed out to me by someone who called me up. I was called up after that statement was made by a young lady, a beautiful young lady professor at the University of Arkansas, the home State of our President. She called up and had seen that apparently on C–SPAN. Of course, in Arkansas they know something about pigs. They have the Arkansas Razorbacks, and they use the pigs and the hogs and the hogs and the Razorbacks kind of interchangeably. This young lady was Dr. Molly Rapier on the staff at the University of Arkansas. She said the pig in the poke is in Washington—not outside of Washington. It is those individuals who are spending more and more and more and getting to the trough first.

The sixth argument that has been used: The balanced budget amendment will give the politicians license to cut and slash and burn needed programs.

This is the big argument they use to make it appear as if we are going to be slashing Government programs, and then they zero in on either the elderly or veterans or somebody else to make them think that we are going to be cutting programs.

The Heritage Foundation came out with a study. This was conducted by economists and Ph.D.'s from all over the country from major institutions. They came up with the conclusion—this is a couple of years ago—that we could actually reduce and eliminate the deficit in a much shorter period of time merely by putting growth caps on. I called to get an update from them today. They said if we had growth caps on all Government spending of 1.5 percent we would balance the budget in 7 years including the major tax cuts that the Republicans are asking for to stimulate the economy. These are the economists that are saying this.

So we know that this argument is being used, and it is another figleaf, as has been so articulated and presented by the distinguished senior Senator from Illinois, Senator SIMON. I think that it would do one thing, and that it would cause a counterpressure.

A study was made not too long ago about all the people who come to see Members of Congress in the House and the Senate. Over 98 percent of them are in there to get more money for some cause. Some are lobbyists, some are citizens, and some are employees that are in for more money for their causes. So there is nobody out there speaking for that 80 percent of the people who want to reduce the size of the cost of Government. This would do this.

I remember one of the best speeches I ever heard was way back in the 1960's when a great communicator, Ronald Reagan, gave a speech, his first political speech, called ''Rendezvous With Destiny.'' He said, ''There is nothing closer to immortality on the face of this Earth than a Government agency once formed.'' I think we have learned it is true. It is very difficult with the political pressures to cut the size of Government.

The seventh argument is:

> Senators are sent here to make intelligent and well-informed decisions on the people's behalf.

I have heard this so many times from liberals—saying, ''We do not need that because that is our job. We are elected to balance a budget.'' We have not done it. We have proven that we are incapable of doing it for 40 years. So we have been forced to do it.

That is exactly what this would be. This is not anything that is a new idea. Thomas Jefferson said when he came back from France during the development of our Constitution that it could have been improved by having something in there to stop the Americans from going into debt.

I can remember a guy named Carl Curtis from Nebraska back in 1974, Mr. President. I was in the State Senate of Oklahoma at that time. He had an idea. He was a great conservative from Nebraska. He said, ''I know how we can balance the budget.'' He said, ''We can get three-fourths of the States to preratify, and then we could use this an as argument saying this is a mandate from the States.'' So I introduced a resolution in the State senate in 1974, and it passed to preratify the Constitution. It is something that has been around for a long time. It is something that we have an opportunity to achieve tomorrow.

In response to the opinion polls, a statement was made not long ago on this floor by one of the Senators who is opposed to a balanced budget. He said, ''The proponents talk about public opinion.'' Years ago Talleyrand said, ''There is more wisdom in public opinion than there is to be found in Napoleon, Voltaire and all the ministers of state present or to come.''

But this is true only to the extent that public opinion is informed opinion. In the case of a balanced budget amendment it is not informed opinion. I have to tell that very distinguished Senator in all respects that he is definitely wrong.

I would submit that the people of America know that we cannot continue on the road that we are on. I would submit that Talleyrand was exactly right when he said, ''There is more wisdom in public opinion polls than there is. . .''—and to bring it to up today's vernacular, ''. . . to be found in the President, the President pro tempore, and all the ministers of the Clinton administration and the liberal Democrats who are lobbying against the balanced budget amendment.''

Let us keep in mind Talleyrand, who was there during the Napoleon reign, also had another quote which was ''Throw mud, throw mud. Some of it may stick.'' That is exactly what has been happening during this debate.

The ninth argument was:

> The 1990 and 1993 budget deals worked. The way to deal with the deficit is to continue the successful deficit reduction effort for the last 5 years. Since 1990, we have achieved over $900 billion in deficit reduction.

I do not know. There was an article in the Reader's Digest not long ago called ''Budget Baloney.'' They talk about how we are saying things here to make people think we are doing something constructive by eliminating the deficit. The debt has grown and grown during this administration.

I will have to say this. I do not want to sound like I am blatantly partisan. In 1990, when George Bush was President of the United States, he caved in to the liberal Democrats that were controlling Congress at that time, and he agreed to a tax increase. It was the wrong thing to do. I voted against it. I spoke against it when I was serving in the other body with the distinguished Presiding Officer. I can remember being on ''Nightline'' as one of the few people to stand up against his own President because it was wrong. In 1993 when President Clinton had control of both the House and the Senate it was ''the largest single tax increase in the history of public finance in America or anyplace in the world.'' Those are not the words of conservative Republican Jim Inhofe. Those are the words of PATRICK MOYNIHAN who was the chairman of the Senate Finance Committee at that time. But in both cases the results belie the claims of success.

If these two huge, painful budget deals were successful in reducing the deficit, then Heaven help us. Just look at the figures. This is the President's own budget book. Under his plan, by 1998 our debt will increase by $1.1 trillion. These are the President's figures. By the year 2000, $1.1 trillion. That is something that we cannot afford.

The last one that I want to mention is to quote the argument:

> The balanced budget amendment is nothing more than a slogan, an empty promise. Most Senators who support it will not even be here in the year 2000 when it will take effect.

You know the problem is that the Members of Congress who are responsible for creating this burdensome national debt will not be here when our children have to pay for it. It has been said several times on this floor. The Congressional Budget Office figures support the fact that a person born today, unless we change it, will have to spend 82 percent of his lifetime income just to support the Government's extravagance that we are guilty of today.

So let me just mention that talk is cheap. There are those who oppose it. Those individuals who oppose the balanced budget amendment, they are the ones—the same ones as I suggested earlier in my talk. I suggested that those individuals who voted against a balanced budget amendment the last time

and are planning to vote it against it this time, even though they will not go home and tell the people they are going to do this, are the liberals.

How do you know if they are liberals or conservatives? You do it by looking at how they are rated. You do not want to stand up and call people names. There are ratings organizations out there. The National Taxpayers Union rates as to how we vote. If we are big spenders they say we are. Of those 33 individuals who voted against the balanced budget amendment when it was up last time, all 33 voted for the largest tax increase and the largest spending increase in the history of public finance. All 33 of them got either a ''D'' or an ''F'' by the National Taxpayers Union. That is incontrovertible. They are liberals. They will not say that at home. But they are. And I suggest there is something else that is incontrovertible; that is what has happened in the past. Those individuals who were voting for the large spending increases and the tax hike and who received a ''D'' or an ''F'' are the individuals who either were defeated or who retired in the 1994 election.

So I think it is something we need to look at, and I am hoping that those individuals—as the distinguished Senator from Iowa [Mr. GRASSLEY] said, a lot of the Senators who are voting for this because they want to go the party line instead of voting with the people at home better really stop and think about it before noon tomorrow because the people at home are not going to forget.

I can suggest to you that we have had several people who are going to be voting against it who have actually made these statements at home. The Senator from North Dakota, [Mr. DORGAN], said in the CONGRESSIONAL RECORD March 1, 1994: ''This constitutional amendment, no matter what one thinks of it, will add the pressure that we reconcile what we spend with what we raise.'' And he will most likely vote against it. If not, the resolution will pass.

Senator HOLLINGS said, ''I can offer my colleagues 3.5 trillion reasons for a balanced budget amendment to the Constitution. It ought to be a minimal moral obligation of our National Government. So let us debate, pass and ratify the balanced budget amendment. By writing a balanced budget amendment into the basic law of the land, we will compel Washington to do its job.'' That is Senator ERNEST HOLLINGS, March 1, 1994.

Then we had our very, very distinguished minority leader, Senator TOM DASCHLE, from South Dakota, who said on February 28, 1994: ''Too much is at stake for us to settle for the status quo. A balanced budget amendment will provide the fiscal discipline our Nation must have in order to meet the needs of the present generation without bankrupting those in the future.''

I only say that not to embarrass my colleagues because they are all very distinguished, but they certainly had a change of heart between the time they were making these statements and what will happen tomorrow. I am hoping that two out of three of these individuals who made the statement will turn around and remember what they said in 1994 and will vote for it, and we will pass a balanced budget amendment to the Constitution.

Lastly, Mr. President, Senator SIMON talked about his grandson, Nicholas Simon, and I think that is really what it is all about. Kay and I have a bunch of kids, and our No. 3 child, Molly, just last January 9 called me up and said, ''You know, Daddy, I'm about a month overdue, and they are going to force labor today. Would you come over.'' And I was right over there. She said to me, she said, ''Daddy, would you like to come in the delivery room when we deliver Baby Jase.'' Nowadays they peek. They know what it is. Back when we were having kids, they would not let you in the hospital, let alone the delivery room. And so I said, ''Yes, I want to do it.''

I went in there and stood behind the bed, and we made it through this process. It made me appreciate my wife a lot more than I did before. And finally Baby Jase was born, Baby Jase right here was born. This is on January 9. And he had taken his first breath. He was not even a minute old when she handed him to me. She said, ''Daddy, would you like to hold Baby Jase?'' I held Baby Jase, and I looked at him, and the thing that came to my mind at that time was, as we were speaking at that very moment, Baby Jase was inheriting $19,000 as his share of the national debt; that if we do not do something to change it like we are proposing today, if we do not pass this balanced budget amendment, then Baby Jase is going to have to spend 82 to 84 percent of his earnings paying it.

What do you think he did to deserve that? He did not do anything. That is why I say, Madam President, this is not a fiscal issue that we are considering. It is probably the most serious moral issue we have dealt with since I have been in the Senate.

I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Alabama is recognized.

Mr. SHELBY. Madam President, Webster's dictionary defines the term ''red herring'' as ''something that distracts attention from the real issue. [From the practice of dragging a red herring across a trail to confuse hunting dogs].''

The reason I share this definition with you tonight is because most of the arguments we have heard in objection to the balanced budget amendment amount to little more than red herrings. The objections, I believe, are simply distractions from the real issue before us.

The real issue before us is that Federal spending is out of control, make no mistake about it, and unless we pass a constitutional amendment to control spending, our children and grandchildren will never know the America we take for granted.

The United States has a current national debt of more than $5 trillion, and based on projections under President Clinton's latest budget it will be more than $6.7 trillion by the year 2000. I have said it before and I believe I will say it again tonight, Madam President: Debtors are never free; they are only subject to the dominion of their creditors. That is the real issue here.

Throughout the debate on this issue, we have heard no less than five red herrings repeated time and again. I ask you to listen carefully as I go through them one by one and explain why they are just distractions from the real issue.

Red herring No. 1 I will share with you. Red herring No. 1: ''The balanced budget amendment would raid Social Security and put the burden of balancing the budget on the elderly.''

Nothing could be further from the truth. The fact is that there is no Social Security trust fund—no Social Security trust fund. The surplus of which many speak is actually a form of IOU. The purpose of the balanced budget amendment is to ensure the solvency of the United States so we can protect the living standards of Americans and pay our creditors. I believe if you truly care about the elderly and clearly understand the issue at hand, I see no other option than to support the balanced budget amendment.

Proponents of a balanced budget amendment know that protecting our Nation's economic solvency will do far more to protect the standard of living of every American than to rely on blatant political halfhearted remedies that, in the end, do more harm than good.

Red herring No. 2 I will share with you. Red herring No. 2 is that ''the balanced budget amendment is not enforceable. The amendment would curtail the authority of and respect for the U.S. Constitution.''

Again, there is no truth in that. The amendment speaks for itself. Section 2 of the amendment requires a three-fifths vote to increase the debt ceiling. If you consider that insignificant, I ask you, why do we vote every year to increase the debt limit? Why does the President submit his budget by the first Monday in February every year? Neither of these procedures are identified in our Constitution. Indeed, these budget procedures are based on statute.

As U.S. Senators, we are obligated to abide by the law. To suggest that Members will arbitrarily disregard the Constitution at best undermines the role Congress plays in our participatory democracy.

Red herring No. 3 I will share with you. What is it? They say, ''The balanced budget amendment will have dire consequences on the elderly and the children.'' Nothing could be farther from the truth. Again, on the one hand,

the opponents of the constitutional amendment to balance the budget will say that the balanced budget amendment will lead to draconian cuts in very critical programs. According to them, every old person, young person, and poor person will be hurt by balancing the Federal budget. But, red herring No. 2 claims that the balanced budget amendment is not enforceable. No amendment will be able to force the President and Congress to balance the budget. Who is going to sue them, they ask?

Which is it? Are we going to experience draconian cuts or are we not? The arguments against the balanced budget amendment contradict each other, they say. Since the logic is inconsistent, opponents will try to paint a dreadful picture to the American people, hoping this will elevate opposition to the balanced budget amendment.

I have a frightening picture I would like to share with the American people. Imagine a day 30 years in the future as your children are planning to retire. They have worked all their lives, spent frugally, and saved religiously. Yet the Federal Government has continued to run massive budget deficits, piling up an unconscionable amount of debt. One day your children wake up and find that the rest of the world no longer believes that the United States is able to meet its financial obligation. Thus, the value of the dollar crashes in financial markets. The Federal Reserve cannot stop the falling dollar. And, in response, the Treasury prints money. Suddenly—yes, suddenly—your children's assets are worth half of what they were a day before. Inflation is rampant and we are reduced to a Third World country. Everything your children have worked for has been taken from them because some Members of this body did not think that addressing the debt was important.

We know it is important. In order to pass the America we know on to our children, we must restrain ourselves from passing our bills on to our children and to our grandchildren.

Red herring No. 4. You have heard this. The opponents say, ''The balanced budget amendment is just some popular idea we are voting for, brought about by the Contract With America. We need time to think about a balanced budget amendment.''

Do we? The fact of the matter is that the balanced budget amendment is not a new idea at all. It has been debated right here in the U.S. Senate. One of Thomas Jefferson's well known sayings is, ''If I could add one amendment to the Constitution, it would be to prohibit the Federal Government from borrowing funds * * * We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves.''

In 1936, Congressman Harold Knutson of Minnesota proposed the first constitutional amendment to balance the budget. Since then, a number of balanced budget amendments have been proposed. We have held hearings as far back as 1979, and even voted on the amendment. Indeed, the issue has come up several times since then. Several of the Senators opposing the balanced budget amendment today have been around for many of those debates. The balanced budget amendment is not a new idea. We know the issue all too well. We are not rushing to judgment.

Red herring No. 5, that I will share with you. The opponents say—we do not believe it, but they say: ''Federal accounting does not allow for capital budgeting. Federal accounting would throw chills down the spine of any business executive.''

Trying to confront the arguments against the balanced budget amendment is like following a bouncing ball. When they are defending Social Security, the books are fine, they are in surplus. However, when we discuss the tremendous deficits and debt of the United States, the Federal accounting is somehow inept. Once again, there is an inconsistency in the opponents' reasoning. If you maintain the argument that Federal accounting is flawed, then one must take another look at the books of the Social Security trust fund. The bottom line is there is no fund, there is no surplus. According to accounting rules used by business executives, liability exceeds assets. By definition, that is not a surplus.

In addition, I hear analogies being made between the Federal budget and the homeowners who enter into substantial debt when they purchase a house. The difference is that homeowners do not buy a house this year, next year, and the year after that. A homeowner pays down the principal each month, each year. The Federal Government, on the other hand, never gets to this point because it has to borrow just to pay the interest. It is a perpetual problem that all of us are familiar with, that feeds itself.

The balanced budget amendment opponents have used every red herring imaginable, hoping just one of them will distract for a moment the American people from the issue at hand. But the fact is, Madam President, the trail of debt now tops $5 trillion, as I said earlier. The red herrings of a balanced budget amendment will not convince anyone on Wall Street or Main Street. The hunting dogs were not confused. The time has come for a balanced budget amendment to the Constitution of the United States of America if we are going to save anything for our children and our grandchildren.

I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Madam President, I note a little over a year ago this body rejected this proposed amendment. A great deal has happened since then, but none of the fundamental flaws of the joint resolution have been corrected. It still raises serious problems related to the role of the courts and the power it might confer on unelected judges to set our national budget policy. It remains a serious and real threat to Social Security. It continues to risk expansion of Presidential impoundment authority.

Madam President, all of these faults are still there, they still remain. But there have been significant events in the last year that do bear on the proposed constitutional amendment, and they go to the very heart of the arguments put forward by the proponents of the constitutional amendment.

The central reason offered by the proponents of the amendment is that without this constitutional mandate we will not balance the budget. That argument was appealing but ultimately unpersuasive a year ago. It remains unpersuasive today.

Prior to the vote in 1995, President Clinton and the 103d Congress had just finished cutting the deficit in half—the first time for 3 years in a row that the deficit had gone down, and not just by a little bit, but by half. The effects of the deficit reduction package we enacted brought the deficit down from what would have been nearly $300 billion in this fiscal year to what is now projected to be $145 billion, or even, based on the very most recent estimates, $130 or $120 billion. In far less than just one Presidential term, what would have been a $300 billion deficit is now something in the range of only $125 or $130 billion. It is a tremendous achievement in the right direction, one which I bet almost no one would have predicted could have happened in this short a time.

We were clearly on the road to balancing our Federal budget. Since that time we have seen a number of different balanced budget proposals offered by Republicans, and then others offered by Democrats, and still others offered by bipartisan coalitions. Of course, the President has become the first President in many decades to submit a budget that is actually balanced. All of those plans were drafted without the presence of a constitutional mandate. In fact, I firmly believe those plans would not have been proposed and would not have been forthcoming but for the failure of either party to find political cover in the adoption of a constitutional amendment. Without the ability to hide behind a lengthy, multiyear ratification process, this Congress had no excuse. The Congress, in effect, by not having a balanced budget amendment being considered by the States for several years, is really being forced every day to try to live up to all the rhetoric that has spilled on this floor in the name of balancing the budget.

I proposed a specific plan to balance the budget in 5 years when I was running in 1992, and I am especially pleased to be able to say that several dozen of the provisions of that plan have already been enacted into law in some form or another. They are part of the progress that we have made in reducing the deficit by more than half

since 1992. I will continue to push individual provisions from that balanced budget plan, as well as add other ideas to it.

Madam President, I believe a majority of both Houses strongly supports a balanced budget and is willing, even today, to set aside partisan differences to accomplish this most important of our economic goals. But that is not what this proposed constitutional amendment is all about. What the proposed constitutional amendment is about, or at least the idea of having this vote at this time, tomorrow, is all about, is politics.

Does anyone doubt that the outcome of this vote will be any different than the vote taken last year? Nobody has said that on either side. Then why have we returned to this issue right now? The answer is clear. This vote is being taken for purely political purposes. The drive for the constitutional amendment in my view has largely been political from the beginning.

We should not be shocked by that. Congress, by its nature, is a political institution. That is understood and to be expected in such an institution.

What is disturbing, though, Madam President, is the willingness of some to risk our Constitution in this manner to gain temporary political advantage. The so-called balanced budget amendment is only one of many constitutional proposed changes. Too many of them, I think, are again for largely political ends. I think each of them is unnecessary; some of them are grossly irresponsible.

As I noted earlier, the call for this constitutional amendment certainly cannot stem from the lack of discussion and effort and consideration of the issue of balancing the budget. There are a sufficient number of plans to do that now, and though the plans do have some significant differences, I think there is a broad middle ground on which a consensus plan that achieved balance could be enacted.

No, Madam President, for a majority of the supporters of this proposal, the constitutional amendment is more of a political device, pure and simple. It is one of a series of political statements that is repeated over and over that those folks hope will gain them the advantage with the voters. How else can one explain the almost incredible contradiction of voting for a constitutional amendment to balance the budget and saying that is your top priority and then at the same time insisting on the fiscally irresponsible deficit increasing tax cuts?

As I have noted previously on the floor, we are in the middle of a stampede of proposals for tax cuts: Gasoline tax cuts, adoption tax credits, a whole slew of new business tax cuts, apparently tacked on to the minimum wage bill in the other body, and, of course, a $122 billion tax cut in the current budget resolution which was passed by this body just prior to our recess.

The chairman of the Budget Committee in the other body was purported to have suggested the tax cuts provided for in the tax resolution might even total $180 billion. Let me note that not everyone who supports this proposed constitutional amendment has advocated these tax cuts, in fairness. Some of its advocates supported efforts to strip the $122 billion tax cut from the budget resolution and instead dedicate the savings toward deficit reduction. But, unfortunately, Madam President, those people who both supported the balanced budget amendment and were willing to forego the tax cuts—a consistent position—were just too few in number.

The overwhelming majority of those who support this amendment to our Constitution have consistently supported tax cuts over deficit reduction when it came to a vote last month. And I have said it many times on this floor, and I will say it again: What is wrong with that? What is wrong is that you cannot spend a dollar twice. You cannot spend it on deficit reduction and spend it on tax cuts. You can only spend it once, but the folks who say they want the balanced budget amendment and want tax cuts want you to think you can spend it twice, and you cannot.

The overwhelming majority of those who support this amendment to our Constitution also supported the absurd parliamentary ruling that endorsed the special reconciliation rule for a measure that is intended not to reduce the deficit—not to reduce the deficit—even though that is what supposedly the budget resolution is about, but to increase it by having more tax cuts when we cannot afford them.

Madam President, I will make the following not very bold prediction: Before the summer is out, an overwhelming majority of those who support this amendment to the Constitution will be leading the rally behind a massive tax cut plan that will be even larger than those we have seen today. The tax cut frenzy is only beginning to gather steam. There is only one plausible explanation for that inconsistency, and, gee, it looks a little bit like political expedience.

For the sake of avoiding a politically difficult stand, the overwhelming majority of those who support this joint resolution will accede to only what can be called, in my view, a reckless tax cut plan that severely undermines the very goal they maintain requires this new constitutional protection. Of course, there will be economic gymnastics to accompany a tax proposal, and we will all be told that plus is minus, that up is down by the same crowd that helped us get into this fiscal mess in the first place with trickle-down economics. And I suspect that because they desire a political victory here, some will actually come to believe their own rationale, despite the clear evidence that it did not work before.

A little over a year after failing to get sufficient support for the proposed constitutional amendment, the supporters of the joint resolution will, once again, get what they desire, and that is a vote, a vote they can use for political ends, promoting themselves or attacking others. The age of the 30-second television commercial and the 2-minute news story really does reward this kind of gesture. We all know it.

If you say you are for a balanced budget amendment, a lot of people think you are saying you have come up with a plan to actually balance the budget, even though the two things have very little to do with each other. It has spawned dozens of constitutional amendments, and it will produce more. We may live in a political world in which it is uncomfortable to do the right thing, but, Madam President, I do not think we were elected to be comfortable.

Our Nation's Founders wisely incorporated the two-thirds threshold to protect against just this kind of politically motivated abuse of our Constitution. I earnestly hope that one-third plus one in this body will tomorrow and in the future continue to have the political will necessary to stand up for that great document and give the American people the kind of Government they truly do deserve: a Government that is focused not on short-term political expedience but on the long-term solutions to our problems and, in particular, the true effort to do what we can and should do here without sending this to the States, and that is a topic and priority of our country to balance the budget within the next very few years.

I yield the floor.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. SMITH. Thank you, Madam President. A famous President not too long ago, Ronald Reagan, said, ''Here we go again.'' Here we go again, back with the same debate we heard last year in November, that somehow we do not need a balanced budget amendment, because all we have to do is balance the budget, show the political will, get the job done, make the tough decisions. That is what we hear over and over and over and over.

As has been said all day in this debate, the truth of the matter is, in spite of the rhetoric, the political will is not here, and it has not been here, which is why we must have the amendment.

I have just been fascinated, since I had the opportunity to be around the floor for the last couple of hours, both as a presider and just listening, to hear some of this rhetoric regarding the balanced budget amendment, the number of excuses as to why we do not need the amendment. It is incredible. There is one right after the other: We do not need it; it is unnecessary; we can balance the budget, make the tough decisions; just need the political will.

Yet, when it came down to doing it, we put a balanced budget on the desk

of the President of the United States and he vetoed it. We have not been able to get a balanced budget passed. So we need the amendment. It is as simple as that.

When the balanced budget amendment was before the Senate in 1995, we were told then that an amendment to the Constitution was not necessary, as we had been told many times before, if Congress did its work. Congress is not doing its work, and, therefore, we need the amendment.

It is interesting as to just what this amendment does. I think the American people should understand, and it has been said on the floor before, but we are simply asking people to vote tomorrow to let the States and the people decide whether they want to amend the Constitution of the United States.

No amendment passes here tomorrow. We do not have an amendment if the Senate gets 67 votes. That does not happen. What happens when we vote here tomorrow is that this will then go to the States where three-quarters of the State legislatures would have to agree.

That is all we are asking to do. We are simply asking this Congress, who at times appears to have this know-it-all attitude, to send this back to the States. Let the States decide whether they want to amend the Constitution. If they say no, there is no amendment.

I campaigned for a balanced budget when I first ran for political office in 1980. The national debt was nowhere near $5 trillion then. And 16 years later—16 years later—we are still debating the proposal, trillions and trillions of dollars added to the debt since that time.

To hear the rhetoric in here, you would think it was not important, it did not matter, we do not need an amendment. Why would anyone like myself and others devote more than a decade of time to fight for this balanced budget amendment or to fight for a balanced budget, either one? The answer is very simple.

I am going to take a different approach here. We have heard a lot of speeches today. If some people have listened all day, they have probably heard a lot of things repeated. I am going to take a different approach. This is going to come from the people, not from this Senate, not from this Senator, not from some bureaucracy in Washington. I want to say what impact this amendment to the Constitution will have on the people of this country, ordinary men and women, all over America. I want everyone to know what balancing the budget will do to their lives, the lives of every single American man and woman in a very real and very tangible way.

The Senator from Oklahoma, Senator INHOFE, had a picture here of his grandson on the floor moments ago. That child has an $18,000 debt today. There will be hundreds of children born here in America during my remarks on the Senate floor today. Each one will be born $18,000-plus in debt. That is their share of the national debt. Is that fair? Is that fair to that child? Is that fair for us to do that?

I was listening very carefully to the Senator from Wisconsin a moment ago. Is it really so unfair of us to ask that the people who are suffering the brunt of this debt have the opportunity to say whether or not they want an amendment? Is that so bad? I cannot understand why those with this know-it-all attitude in Washington would take that position.

Again, I repeat, no amendment becomes an amendment because we vote for it with 67 or more votes tomorrow. All we are asking is that that little child who really cannot vote yet that the Senator from Oklahoma referred to moments ago, through his family, have the right to say through their State legislature in Oklahoma and 49 other States whether or not they want to amend the Constitution because the politicians are not getting the job done. That is all we are asking. It is very clear that we understand that. That is all we are asking.

I just announced recently for reelection to the U.S. Senate, a great honor. My seat in this Senate does not belong to me. It belongs to the people of New Hampshire. Right over there on the floor—I am not using it at this moment—is Daniel Webster's desk. Daniel Webster's desk is one of the few original desks in this Senate Chamber. I often speak from it. I often write on it, write letters to constituents on it. I think about the fact that I am just a temporary steward at that desk, just a blip on the radar screen of eternity. That is all we are.

Sometimes we think that we are a big deal in here, we are in the U.S. Senate and we are very important people. But you know, in the scope of things, we are really not all that important. In the radar screen of life, of eternity, we are a blip, a very small blip at that.

Daniel Webster stood at that desk on the floor of the U.S. Senate in the old Chamber and gave some of the greatest speeches of all time. Webster and Calhoun and Clay were some of the great orators. He stood at that desk. But, again, Daniel Webster was a blip on the radar screen of eternity.

So we have an obligation. We are only here a brief time. But think about what we are doing to the children and the grandchildren and their grandchildren. The distinguished Senator from Illinois, Senator SIMON, who spoke while I was in the chair, gave a very eloquent speech. He said in jest, the Senator from New Hampshire probably had never been invited to a Jefferson dinner or a Jackson dinner because they were usually chaired by the Democrats, who obviously look at Jackson and Jefferson as heroes. I look at Jackson and Jefferson as heroes. I am not a Democrat, but I would not hesitate to go to a dinner honoring Jackson or Jefferson.

But this party that leads the defeat of this amendment is not the party of Jackson and Jefferson, I can assure you. Jackson and Jefferson would be for the balanced budget amendment. Jefferson already, early in his life, right after the Constitution was formed and written and the Government was formed, spoke out saying he felt it was a mistake that we did not have an amendment to balance the budget.

So I am often asked what is it like, what I do like the most about being a U.S. Senator. Boy, I could say a lot of things. I have met Presidents. I have met foreign leaders. I walk around here with some of the great Senators of our time. You can really get an ego about that if you want to, but I do not. I really do not. You know, without hesitation, when I am asked that question—and I am asked it often—I say every time, I like being a Senator because I enjoy helping people. That is the truth.

We get a chance to help people get through this maze of bureaucracy, whether it is an immigration case or perhaps some other matter where somebody is having a tough time with the Federal Government, perhaps a veteran or whatever.

I think about what does that have to do with this debate on the balanced budget? We can help people. We can help people by balancing this budget more than a million cases that we might resolve in our offices, more than 10 million cases that we might resolve in our offices. We can help the American people, like little Jason, whose picture was on the floor here with Senator INHOFE a moment ago, and millions of others, men, women and children, because the Joint Economic Committee estimates that a balanced budget would create 4.25 million jobs, new jobs in America, upon its passage.

That is 4 million people working, 4 million people feeding their families, not on welfare—obviously, taken off welfare if they were on it—providing revenue to the U.S. Treasury, to provide funds to do something good, hopefully, for someone else. That is 4.25 million new jobs if we pass the balanced budget. Those are not Government jobs, my colleagues. They are not here in Washington. They are jobs all across America as a result of the spurt in economic activity that would occur because that amendment passed.

The American people do not want a Government handout. They never have. They want to work hard. They want the opportunity to earn a decent living and be left alone. ''Leave us alone. Let us earn our way through life. We don't want you to give us handouts. We want you to get out of the way. You are here to protect us, to defend us. And you're not protecting us and you're not defending us when you run us into debt and you give it to our children, $5 trillion.''

That is today. If you think of debt today as a hockey stick, the first 200 years of our Nation was the toe of that hockey stick, and the next 10 or 15

were the handle of the stick. It goes up like this. Then the next 10 or 15 we are going to go so far out of the way, $10, $15 trillion, that, as others have already said many times today, we will file the equivalent of chapter 11, bankruptcy. It will happen. Then what happens to our grandchildren?

The debate is about our grandchildren and their children. It is about simply asking those young folks and their parents and relatives to have the opportunity to vote through their legislatures to pass or reject a constitutional amendment. That is all this debate is about on the Senate floor. Anybody who says anything else is simply not accurate.

What else does a balanced budget do for those people out there who work, those whom we represent? How about our sons and daughters who go to get a good education in college? I have a daughter who just graduated from Lafayette College in Easton, PA, on May 19. The cost was roughly $100,000 in 4 years.

In higher education, whether it is public or private, it is not cheap, obviously. It is going up.

Now, think about those 21-22-23-year-olds who earned their diplomas last month, or perhaps a few this month. Many of them are facing, today, an uncertain job market. Why is it uncertain? Because of the fiscal irresponsibility of this Government, for one thing. I have already mentioned how a balanced budget can help in their job search because we can create another 4.25 million jobs. Maybe they would get one.

Assume for a moment one of the graduates is fortunate and finds a good job, and he or she probably has a few student loans that need repayment. Lower interest rates from a balanced budget would save on the average 10-year student loan for a 4-year private college, an average figure, a 10-year student loan, get the loan for 10 years, going to a 4-year private college, if the budget were balanced, the lowering of interest rates that would occur from balancing the Federal budget would save that recipient of that loan nearly $9,000 in that 10-year loan—$8,885 to be exact. When the American people are told about cuts in education or informed of a new proposal to provide a $1,500 tax credit for tuition, they should take the news with a grain of salt. The President vetoed a balanced budget that would reduce student loan costs by $9,000. That is what he vetoed. To atone for the veto, the President then says we will give everybody a $1,500 tax credit so they can go to college. If these kids paid off their student loan, and they could pay them off faster with $8,000 or $9,000 less, there is more money available to the student loan pot to those coming along.

Bill Cosby, in a graduation speech at my daughter's graduation, said, ''Pay off your student loans.'' That was his advice. Pay off the student loans. If you do, others will follow you and they will have the opportunity to get an education. If you had $9,000 less in interest on those loans you could pay them off a heck of a lot faster. That is what the balanced budget amendment means to them.

A balanced budget will do more for education in America than any tuition tax credit, any Government loans, or, frankly, Goals 2000. It is 9,000 bucks in the pockets of that young man or woman, just from passing balancing the budget.

I used to be a schoolteacher. I think I know about education. I was a schoolteacher, a school board member, and a father for 21 years. I think I know a little bit about education. Do not take my word for it. Ask any students who graduated a few weeks ago and they will tell you the same thing. A balanced budget will dramatically improve the lives of those young men and women who are just getting started in life.

That is why we were elected, to help people. This helps people. This is not a vague, opaque kind of mysterious concept we are debating here on the floor of the Senate today. This affects every man, woman, and child in America directly. There are many families in New Hampshire working two or three jobs just to make ends meet, as I am sure there are in Oregon, Texas, and everywhere else. They do it to put food on the table and pay the mortgages. The mortgage payment comes due every month, rain or shine, sickness or health. It is the largest bill most Americans ever pay. Think about this for a moment. That is the biggest line item in your entire family budget other than the money you pay to the Federal Government in taxes.

A family in New Hampshire with an $80,000 mortgage, and you can put this in any other State, $80,000 mortgage, would save $107 each month—each month—if the Federal books were balanced. Over the life of a 30-year loan, that family would save $38,653. Now, if someone could tell me what Government program or what act we could take here on the floor of the Senate today that would provide $38,000 in the pockets of the American people, better than that, I would like to know what it is. That is the positive spinoff of balancing the Federal budget—helping people.

Again, we are talking about dramatically improving the lives of people, not just residually, dramatically helping improve the lives of the American people with a balanced budget. What Government program could do as much for the American family as a balanced budget? AmeriCorps? I do not think so. Funding for the arts? Peanut subsidies? I am afraid not. Battling the budget is what we need to do. That helps people.

Madam President, there is another point that is often lost in this debate. The question before the U.S. Senate is whether or not we should send this budget to the States for ratification. Amendments to the Constitution are not just sent down Pennsylvania Avenue for a Presidential signature or for a veto. I alluded to this earlier but I want to say it again, they are sent to all 50 States, 38 legislatures, three-quarters of them must pass identical language, identical language, before this amendment becomes a part of our Constitution. Should the decision be made in Washington, DC, or Concord, NH, or Butte, MT, or wherever else—how should that decision be made? Where are the families sitting around the table? It is not here on the Senate floor in Washington, DC, where they are working their budgets out and worried about how they will make their payments. It is in the small towns and cities all over America, where families live and work and try to earn a living and want the Government to help them, but to stay out of their way.

The balanced budget amendment is not a debate about accounting. It is not a debate about politics. It is not a debate about anything except real people. That is what this debate is about. What you have to ask yourself when you come down here on the floor tomorrow to vote, you have to ask yourself three or four major questions: If I vote ''no'' on the balanced budget amendment, do I help the college graduate struggling with student loans? Do I help him or her? The answer to that question is, no, you do not. You hurt them. Second, do I help the single mother who is having trouble with her mortgage payment? The answer is, no, you hurt her. I have heard people on this Senate floor on the other side of the aisle talk about their compassion for single parents and the difficulties that young women with children at home have as they try to go through life working and taking care of those children. I had a single mother because my dad died when I was 4 years old. I know what it was like. Believe me, I know what it was like for her. And it was tough. I know what it was like, and I know how much that would have meant to her to have that much more money in real income in her mortgage and perhaps to help me with my college loans had she been able to have a balanced budget.

Do you help create a job for a laid off mill worker if you vote ''no?'' The answer is no, you do not. You insure that he or she will probably be laid off a little bit longer. There is no compassion there. Do you let these people and their elected representatives in the States have the opportunity to debate the merits of amending the Constitution? Do you allow them to have that opportunity? The answer is no, you do not if you vote ''no.'' You say, ''I am sorry, we do not want you to have that opportunity. We don't want it to leave here. (A) we do not want to balance the budget; (B) we do not want to help people; and (C) we do not want you to have the opportunity to talk about that in your State legislature.'' That is what you say when you vote ''no.''

What do you really say, though? Here is what you do say: Washington knows

best. We have all the answers here. We can get 66 votes or less and we can beat you and you cannot get the opportunity to vote in your State.

My colleagues, in conclusion, the choice is very clear. There has been a lot of emotion on the floor here these last few hours, but the choice is very clear. You want to help people? You want to really help people without a Government handout? Vote for this constitutional amendment to balance the budget because it will not get done, the budget will not be balanced without it, and you know it. I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Madam President, we have all listened with a great deal of interest all day as this debate has gone on. We look at it from different angles, I guess. There are some of us who come to this body and engage in this debate, and we take a look at the world from different angles. I happen to look at it from the bottom up. I have been pretty much one of those people at the working end of the American spectrum, I guess. I came up the hard way. You know, for once, I had an idea that this year maybe common sense would prevail. I really had hopes of that. I am not a lawyer, not highly educated.

When you think about how simple this little debate is, it is just about sending an idea to be considered by the people who live in our respective States. That is all it is about. It is not about pain, or hurting, or what we are going to do. If we had a constitutional amendment that said we have to balance the budget, do you think it would cut down on the little squabbles we have in our debates on the budget? No, I do not think so, because everybody has a different set of priorities. But the idea is just to send it to the States, to let America take a look at it, and to let the citizens turn over in their own minds whether we need an amendment to force Congress to balance the budget.

You know, Americans watch us every day, and folks at home say, ''Why do you not get along better up there?'' ''Why do you have these heated debates?'' I guess I have listened to the Senator from Arkansas and his speech regarding mining. I have listened to that for 7 years now, almost 8. It never changes. And some who do not really understand the issue sometimes get confused. As we talk about this issue, this issue of a balanced budget—and, remember, it is no sin to oppose it. In fact, it may be good that some would oppose it because that adds something to the debate. You have the right to oppose, but you do not have the right to distort the facts.

We are talking about passing a proposed amendment to the Constitution of the United States and sending it to the States for ratification. My friend from Illinois had it right. As Americans watch us, he said, ''Do it.'' Do we have the courage to do it? We have heard all of the arguments. Of course, if common sense is not going to take over, then we have to argue another end of it. Basically, I kind of come from the philosophy on taxation that, yes, a certain amount of Government is needed and desired by most Americans—in fact, I would say all of them. But we still have a responsibility to that earner to allow him or her to earn more and to keep more so they can do more for themselves and their communities. I do not have the right to jerk the future away from young people.

I have a daughter that will graduate from medical school a year from right now. I do not have a right to jeopardize her future to practice her profession. I have a son that has the same kind of a future—a very bright future. But I, as a legislator or citizen do not have the right to jerk that future away from him. Do you know what? I do not think anybody else does either.

You have the right to oppose this amendment. You do not have the right to distort. Last year, Congress passed a budget that would have balanced in 7 years. President Clinton vetoed it. In fact, in order to avoid a balanced budget, he forced a shutdown of the Federal Government—not once, but twice. Congress was finally able to pass the budget for the year, but it fell short of its goal and did nothing, fundamentally, to change the way Government spends the hard-earned money of our citizens.

Eighty percent of Americans favor a balanced budget amendment. And the country is watching right now, this week, to see if this Congress caves in to the President once more. More than any other piece of legislation that we vote on this year, this constitutional amendment will have the longest and the most lasting effect that we will do in this 104th Congress. So I stand here as a supporter of it and ask my colleagues on both sides of the aisle to take a look. Just think, and use your good old common sense, and do the right thing.

President Clinton proved one thing last year: One man can stand in the way of real progress, and he can stand in the way of real reform. Last year, the President pressured six Democrats, who already voted for the amendment in previous votes, to kill the amendment when we had a chance of passage. One vote. It proved that he alone was the man that stood in the way of success.

Ironically, President Clinton used to support a balanced budget amendment to the Constitution. In 1985, when he was a Governor, he boasted about his work with the National Governors' Association, and he said, ''The NGA is on record in a resolution as supporting a constitutional amendment for a balanced budget, something Republicans could never have passed without the help of Democratic Governors, and I was one of them.'' He referred to his own State's constitutional requirement to balance the State budget as his own salvation.

Now, does the President want a balanced budget? He says he does nearly every time he is asked. But I am wondering if his words are supporting his actions. But irrespective of that, do we, as Members of this Congress—irrespective of what the President thinks—do we have the courage and do we have the discipline to pass this amendment and send it to the States?

Well, as I already mentioned, the President rallied the Democrats in Congress to kill the balanced budget amendment last summer. On top of that, only one of the record five separate budgets that President Clinton submitted to Congress even came close to balancing the budget. He vetoed the Republican budget and shut down the Federal Government, not once but twice, and the Republican budget would have created balance by the year 2002.

Is it not ironic today, when we turn on the television and there are the trustees of the Medicare trust fund saying that we were wrong last year in saying that the trust fund will be completely out of money by the year 2002. We were wrong. It is going to be out of money in 2001. We have heard Senator after Senator stand on this floor and say, ''We can take care of it, and we do not need all of these draconian, these extreme measures,'' when actually we were allowing the trust fund to grow at around 7 percent a year. They called that a cut. This is the only town in America where that can happen. And because we did not have the nerve to deal with that situation a year ago, we are now a year behind in taking actions to make sure that the Medicare trust fund is solvent, is strong, and will be there for generations to come. Some chose to stick their heads in the sand and ignore the problem.

If that sort of makes you a little bit mad, whoever is listening and watching, it is supposed to. We did not do our responsibility last year when we were told by the same set of trustees, three of which work for the President in his administration as Cabinet Secretaries—yes; they were on the television today telling us that we are in deficit spending now, and we will continue to be and will be broke and out of money by the year 2001. Despite the President's action, the public debate about the balanced budget has been won.

Look at the polls. Look at the polling. One says that if you love this country, there are two kinds of freedoms, and the basic of all is economic freedom, because there can be no political freedom unless we have economic freedom under our system. We can change the system and all be ruled by a benevolent ruler. Even he operates the Treasury, and we all become servants and subservient to an all-powerful being.

I think when our forefathers put together this great Constitution, I will say that as the debate went on, they would probably, the American people, if that had been televised, they would

have been a little bit cynical about Government then, because there were some great debates.

What did our forefathers do when they put together the Constitution? I will tell you. They probably did not have the great vision of seeing America as it is today, but they had a very, very strong sense of history. And if we learn anything in the study of history, it is that those who forget it are damned to repeat it. When we revive history to make it suit our own taste or to be politically correct, then we are tinkering with the compass because we are going to make some decisions based on history.

Those forefathers were products of a feudal system. They knew that in order for ''free men''—two words—to survive in self-government, it took about three things. It took education, it took discipline, and also it took those who studied history and do not forget it.

I ask my colleagues by voting for a balanced budget amendment now, we are taking one of the many steps that is needed in order to secure a stable future for our children. We do not do anything in this body for immediate action. Maybe some of us do. We cast votes that make us feel good. It is not always good for the Nation, but it makes us feel good. Look what we have done. We do it because the effects of our action here come many, many years later. It is the foundation that was laid by our fathers and our grandfathers that enabled us to do the things today, what we have to do, and we have to protect that heritage and that great history, and pass it on to the next generation. We cannot continue to have runaway deficits and accumulate mountains of debt and expect to remain competitive and financially solvent in today's global economy.

So we stand in support of a balanced budget. It is even more important today. Just think of the technology that we have today—three little inventions, three little inventions that have, in comparison, or relative to this building, brought the world down to the size of a basketball. We can talk and interact with anybody in any other place in the world, wired or wireless, in 5 seconds. Those three inventions are the transistor, the jet engine, and the silicon chip. It changed our whole life. We cannot go back to the old days. We cannot do it. And the only way that we stay a leader in a global economy is if we stay economically solvent.

No other nation has the potential of leading the rest of the world than this country, the only superpower that is left. Yet, we would allow the power to be eroded by not being careful with our funds as we should be. Just because we have a balanced budget amendment does not mean that we are not going to have—my good friend, the Senator from Florida is on the floor, and he is going to have different priorities than I have. He just is. We would expect that, but we can work them out when both of us know that we have to solve problem No. 1 on the ground, and it has to be solved within certain parameters.

My heavens, common sense may take over. Who knows? Sometimes in this town, though, they say there is a vaccine for that. It is called Potomac water.

So I support the balanced budget amendment. I urge my colleagues to support it just from the standpoint that it is like good old Quaker Oats; it is the right thing to do.

Mr. President, I yield the floor.

Mr. BRYAN. Mr. President, I support a constitutional amendment to balance the Federal budget. It is a sound and necessary approach to solving the severe fiscal crisis that is beginning to plague this country year after year.

I believe that the force of a constitutional amendment is needed to mandate an end to profligate spending decisions that have hijacked the economic growth and security of this Nation over the past quarter of a century. Each year, when elected officials debate the Federal budget, responsible spending decisions are buffeted about by the winds of political rhetoric. There is no final arbiter to insure that sound economic decisions are made in the best long-term interest of the country. We need this constitutional amendment to force us to take the proper steps to repair and preserve the economic superiority of the United States of America.

Mr. President, I am concerned about the future of this country, and about what failure to balance the budget today can do to burden the lives of our children and grandchildren tomorrow.

For example, there have been a number of balanced budget proposals proffered in just the past year. The President has offered balanced plans, the House and the Senate have created their own balanced plans, and last week a bipartisan group of Senators offered yet another balanced budget plan. And yet, with all of these alternatives and professed commitment to a balanced budget, the Congress and the President have been not been able to reach agreement on a single one of them. Perhaps we need the force of the Constitution of the United States to give us the courage to stand up, take responsibility, and make the tough choices that balanced budgets require.

Our burgeoning Federal debt is the greatest crisis facing our Nation today. It is devouring our savings, robbing our ability to invest in infrastructure and education, and saddling our children with an enormous bill that will eventually have to be paid. The interest payments on the debt consume dollars that could otherwise go for urgent needs such as infrastructure and education.

In 1980, the cumulative Federal debt was $910 billion. A decade later the debt had tripled, and today it stands at $4.9 trillion. Simply limiting the Government's ability to borrow is not enough to achieve deficit reduction or to control the compounding interest on the national debt. According to the Congressional Budget Office, ''significant deficit reduction can best be accomplished by legislative decisions that reduce outlays or increase revenues.''

If we do not balance the budget today and continue on our path of irresponsible spending, what will happen? Here are a few examples:

In the year 2000, annual interest payments on the Federal debt will grow to about $305 billion—an increase of over 50 percent in just 4 years. Interest payments on the debt will surpass defense spending and become the largest Federal expenditure.

In the year 2012, unless policy changes are enacted, projected spending on entitlement programs and interest on the debt will grow so rapidly that they will consume all tax revenues collected by the Federal Government.

In the year 2012, unless changes are made, the Government could theoretically close all Federal prisons, national parks, the Pentagon, and eliminate spending on research and development, education, roads and bridges and still not have enough savings to eliminate the deficit.

In the year 2030, to bring the deficit down to the current level, the Bipartisan Commission on Entitlement and Tax Reform concluded that either all Federal taxes would have to be increased by 85 percent or all Federal spending programs would have to be cut in half.

When I took the oath of office in 1983 as Governor of the State of Nevada, the Nevada State Constitution required a balanced budget. The necessary, excruciating task of balancing the State budget took strong executive and legislative leadership. Those tough decisions were made, and each year the State budget was balanced.

Nevada is not alone in requiring a balanced budget, in fact, many States across the Nation require Governors to submit, and legislatures to pass, budgets that reconcile revenues and expenditures. It is time that the Congress and the President come together and make the tough decisions that are required for fiscally responsible governance.

History has shown that nothing is more desired and nothing is more avoided than the will to make tough choices. The last time our Federal budget was balanced was 1969.

Mr. President, we are sitting on a time bomb. Our obligation to finance the national debt eats away each year at our ability to address the critical needs of our population. Passing this amendment will signal to the American people that we are concerned about the solvency of this country, and it will demonstrate our commitment to preserving important government resources that are a lifeline for so many of our citizens. I strongly urge the passage of the constitutional balanced budget amendment.

Mr. ASHCROFT. Mr. President, the United States of America was born of

dislike and disgust of taxation. Unfair and burdensome taxation was the impetus for the Declaration of Independence. You would think we would have learned a lesson from this.

Unfortunately not. Government taxes on the American people have reached all time high, choking off economic growth. Working Americans now pay 41.3 percent of their income in taxes—a 1.3-percent increase since President Clinton came into office. We spend nearly as much for interest on the national debt as we spend on the defense budget and 40 cents of every income tax dollar goes to interest. A child born today is destined to pay $187,000 in interest on the national debt during his or her lifetime.

And these astronomical rates are not high enough to meet current spending needs. Future generations could see tax rates of up to 84 percent, if we don't stop this profligate spending.

We have tried over and over again as a deliberative body to stop the cycle of deficit spending. We had the Gramm-Rudman-Hollings Act, then we had Gramm-Rudman II, and then we had the budget deals of 1990 and 1993. Yet we have not been able to get one Senate to hold the next Senate on the path to a balanced budget.

While one Senate cannot bind the next Senate, this Senate certainly shackles the next generation to this generations' debts. The result: the cost of current programs—from which we all now benefit—is being foisted upon the next generation. And that next generation of Americans, who haven't yet earned their first paychecks, can't vote—they have no say in what we are doing. That is obscene; that is immoral; that is un-American.

Beltway robber barons, elected and unelected, are addicted to spending. The only way to end this psychological dependence to pass the balanced budget amendment.

The balanced budget amendment would outlaw deficit spending and force government to balance its books. It would return accountability to the Constitution and restraint on our spending —in short, integrity in our Government. It will rightly return the power of the purse to the people.

The belief we can only control government by controlling its capacity to take our money is as old as the idea of democracy. Money was—and is—the source of the Government's basic power. The tale of history bears testament to this truth. The Magna Carta prescribed that the king could not impose taxes—except through the consent of the great council. Charles I was executed because he tried to govern without seeking the consent of parliament in spending public money.

Congress today doesn't have to vote to raise more taxes in order to spend more money. Instead our legislature takes the debtor's path: spend and beg; spend and plead; spend and borrow. Our current system lets the Government spend on credit and sign the taxpayers' name on the dotted line.

For too long this body has assembled to satisfy the appetites of narrow interests at the expense of the public. The American people are fed up with a Congress that spends the as yet unearned wages of the next generation. Thomas Jefferson was right when he proscribed in 1789, ''no generation can contract debts greater than may be paid during the course of its own existence.''

The balanced budget amendment is not a quick fix. It is real reform that will end deficit spending except in times of war. Constitutional measures that enforce a balance budget have worked at the State level and will work at the Federal level. I know, from my service as Governor in one of 49 States that require a balanced budget. As Governor, I balanced budgets 8 years in a row. Not only did we balance the budget, we put into place a cash operating reserve fund of several hundred millions of dollars. We established a rainy day fund because we knew there would be episodes of fiscal crisis and financial difficulty in the future that we would need to meet. And we knew, since we were required by our constitution to have a balanced budget, that we would need to prepare for it in advance. Experience has shown that State constitutional balanced budget provisions force legislatures and executives to prioritize and cut spending. Passage of the balanced budget amendment would do the same for the Federal Government.

During this debate concerning a balanced budget amendment to the constitution, we have heard frequently and forcefully that there is no need for us to amend the U.S. Constitution. It has been argued the constitution gives Congress the authority to balance the budget—for the Federal Government to live within its means. Mr. President, Congress does not lack authority. Congress lacks self-restraint. Congress doesn't need permission to balance the budget, it needs to be forbidden from doing otherwise. When it's time to stand firm, when it's time to prioritize spending, when it's time to make tough choices—Congress seems to experience a collective collapse of will.

Mr. President, last year you and I and other Members of this Chamber endured a balanced budget amendment debate, and ultimately we fell one vote short. We fell one vote short in March 1995 because a number of Senators reneged on their promise to vote for the amendment. We fell one vote short because six Senators who voted against the balanced budget amendment who voted for it 12 months earlier. We fell one vote short because many of our colleagues said over and over again: ''All we need is the will and the courage, and the determination to balance the budget.'' Well, I am here to tell you that that was just one more lame excuse.

This profligate spending must stop. In 1962, the Federal Government's budget reached $100 billion. By 1971 it had doubled to $200 billion. By 1977, it had doubled again. By 1983, it had doubled again. The budget for next year, fiscal year 1997, will be more than $1.6 trillion—the budget doubled again. Of course, spending has far exceeded revenues, so much so that we have accumulated a Federal debt of over $5 trillion. In fact, we haven't seen a budget surplus for 25 years. And next year the Federal Government will spend around $240 billion just to pay for interest on the Federal debt—that is nearly $1,000 for every man, woman, and child in America.

Mr. President, deficit spending is not only a threat to our prosperity and our children's future, it is the method by which Washington's imperial elite has circumvented the public, the law, and the Constitution. Deficit spending allows beltway robber barons to run this country without regard to the people. Whether it's pork projects or political payoffs, the Washington elite know how to play the game.

That must end. A balanced budget amendment will compel the Members of this body to raise taxes if they want to spend more money—what better way to restrain spending than that. A balanced budget amendment will make clear to all that the special interest is rewarded when the citizen is penalized.

What will a balanced budget amendment mean? Accountability to the Constitution and restraint on our spending—in short, integrity in our Government. It will rightly return the power of the purse to the people.

The balanced budget amendment is not a quick fix, it is real reform and it will be felt. It will be felt first and foremost by an imperial elite who have long run this town. It will be felt by a brood of beltway barons—elected and unelected—who are robbing the next generation of their yet unearned wages. And most importantly, it will be felt by the American people who will have succeeded in restoring their right to self-governance.

Mr. MOYNIHAN. Mr. President, last year I presented three papers to the Senate urging opposition to this constitutional amendment. The first paper argued that the existing deficits were a recent event and marked a sharp departure from the fiscal problems of earlier administrations, which were directed primarily to the problem of a persistent full employment surplus, with its accompanying downward pressure on consumer demand. The second paper related the singular events of the 1980s, which led to huge deficits and a huge debt. The third paper explored the folly and danger of writing into the Constitution decrees concerning fiscal policy which would have been inappropriate to a small 18th century republic, and would be potentially destabilizing to a world power in the 20th century.

In the FY 1973 budget, OMB Director George P. Shultz explained the ''full-employment budget concept'' as follows:

. . . expenditures should not exceed the level at which the budget would be balanced under conditions of full employment.

Which is to say that in the absence of full employment, as was the case in FY 1973, the Federal government should deliberately contrive to incur a deficit equal to the difference between the revenues that would actually come in at levels of underemployment, and those that would come in at full employment. Far from being inevitable and unavoidable, there were points in the business cycle where a deficit had to be created. Otherwise, surpluses would choke off recovery.

The term ''full employment surplus'' had originated earlier. The January 1962 report of the Council of Economic Advisers explained that as the recovery from the recession of 1958 got underway, economic activity grew and so did the revenues of the Federal government. But Congress would not spend the additional revenue. As a result, the recovery stalled. This untoward event was ascribed to ''fiscal drag.''

Beginning in 1980, the Reagan White House and Office of Management and Budget set about creating a crisis by bringing about deficits intended to force Congress to cut certain programs. In a television address 16 days after his inauguration, President Reagan said:

There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance.

Haynes Johnson wrote of this in Sleepwalking Through History: America Through the Reagan Years (1991). I will simply quote a footnote on page 111:

[Stockman's] former mentor MOYNIHAN was the first to charge that the Reagan Administration ''consciously and deliberately brought about'' higher deficits to force congressional domestic cuts. MOYNIHAN was denounced and then proven correct, except that the cuts to achieve balanced budgets were never made and the deficits ballooned even higher.

A balanced budget amendment would undo all that we have learned about economic policy over the past 60 years. There was enormous volatility in economic activity prior to 1945—volatility that would be considered unacceptable today. For example in 1906, output increased by 11.6 percent, to be followed 2 years later by a decline of 8.2 percent in 1908, and an increase of 16.6 percent in 1909. And in 1918, output increased by 12.3 percent to be followed by 3 consecutive years of negative growth including a drop of 8.7 percent in 1921. And then, of course there was the Great Depression. After increasing by 6.7 percent in 1929, output fell by 9.9 percent in 1930, another 7.7 percent in 1931, and then a further devastating decline of 14.8 percent in 1932. After World War II all this changed, following a brief adjustment period, as the country converted from a wartime to peacetime economy. Since then, the largest reduction in output was 2.1 percent in 1982.

In the 1970's I asked Council of Economic Advisers Chairman, Charles L. Schultze, what would happen if we had tried to balance the budget in the middle of the 1975 recession. He reported back that the computers at the Council ''blew up''. GDP—then called GNP—dropped another 12 percent in an economy in which output was already 5 percent below capacity. During the debate on the balanced budget amendment last year, this simulation was repeated by the Treasury Department and by my own staff with the same results. A moderate recession in which the unemployment rate increases by 2–3 percent turns into a major contraction—may I say depression—in which unemployment soars over 10 percent and output falls by 15 percent or more. In the entire post-World War II era the unemployment rate exceeded 10 percent only for a brief 10 months during the 1981–82 recession.

Let us not undo the progress we have already made—progress easily seen if we look at the facts.

Last year, in my third paper opposing this constitutional amendment, I noted:

As a result of the deficit reduction policies we have had three straight years of deficit reduction—the first such string of declines since the administration of Harry S. Truman. Here are the numbers:

FY 1992: $290.4 billion.
FY 1993: $255.1 billion.
FY 1994: $203.2 billion.
OMB 1995 est.: $192.5 billion.
CBO 1995 est.: $176 billion.

With a year of hindsight I confess to being somewhat inaccurate. Remarkably, the deficit for fiscal year 1995 was even lower than projected: $163.8 billion compared to projections of $176 to $192 billion. The fiscal year 1996 deficit will be even lower, resulting in 4 consecutive years of deficit reduction.

And the budget outlook improves almost monthly. While I was on the floor opposing a balanced budget amendment last February, the Congressional Budget Office was projecting a fiscal year 1996 deficit of $207 billion. By August 1995, CBO had lowered its projection to $189 billion. And then again another reduction in December 1995 to $172 billion. Even the latest CBO forecast of $144 billion released last month is outdated. Following new revenue estimates from the Treasury Department, June O'Neill, Director of CBO, indicated on May 20, 1996 that her agency had lowered its estimate of the fiscal year 1996 deficit to $130 billion.

Some will note that the latest estimates incorporate the effects of both an expected fiscal dividend from a balanced budget and legislative actions that reduced discretionary spending.

But the bottom line is even better than expected, so let's give a cheer.

The deficit has been cut by more than 50 percent from $290 billion to about $130 billion in 4 years.

The deficit is now about 1.7 percent of GDP.

And we have a primary surplus—that is, excluding interest payments, revenues exceed outlays.

Adopting a constitutional amendment to balance the budget—which I argued in 1981 in the Wall Street Journal is tantamount ''to writing algebra into the Constitution''—can only jeopardize the remarkable progress we have already made. We can and we will complete the job of balancing the budget without this amendment.

I urge the Senate to once again reject this proposed balanced budget amendment to the Constitution.

Mr. HELMS. Mr. President, the distinguished majority leader, Mr. DOLE, has scheduled for the Senate a reconsideration of the enormously important issue of amending the U.S. Constitution to require that Congress return to the principle of a balanced federal budget.

One of my heroes, Thomas Jefferson, put it this way:

The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves.

That, Mr. President, tells it all, and that is one of the many reasons that I so strongly support the balanced budget amendment. It is indeed wrong—in fact, it is criminal, for Congress to mandate the Federal Government to spend more than it takes in. It is demonstrably destructive to the economy, and ultimately to our society. It is a horrible legacy to impose upon our children and grandchildren.

The Congress has a moral duty to stop the charade of out-of-control deficit spending which has shackled future generations with a debt that causes wage stagnation and anemic economic growth. For too long, the Congress discarded its duty and responsibility, and has shamelessly supported bloated appropriations for political expedience.

For a very long time, this institution has condoned the free-lunch syndrome, which has never existed, and never will. Mr. President, as of the close of business Tuesday, June 4, the Federal debt—down to the penny—stood at exactly $5,139,963,594,008.65, or $19,395.97 for every man, woman, and child in America.

A deliberate debt of this magnitude, knowingly run up by Congress, is bizarre. It is, in fact, a con-game. And that is what the 1994 election was all about: restoring integrity and accountability to Government. To their credit, Republicans in Congress delivered on their commitment when the Balanced Budget Act of 1995 was enacted, cutting Federal spending by $961 billion over 7 years. And although the budget proposed annual increases in spending—over and above the $1.6 trillion appropriated for fiscal year 1996—President Clinton vetoed it because it didn't spend enough.

Mr. Clinton, after having himself proposed a Federal budget that projected deficits as far as the eye could see, engaged in a comical series of proposed budgets that, he asserted, would balance the Federal budget in 10, 7, 9 or 8 years—take your pick. Even the Washington Post declared that the proposed Clinton budget ''relies on gimmicks that almost no one believes would survive.'' This illustrates why it's imperative to have the U.S. Constitution mandating a required balanced budget.

On March 2, 1995, the Senate failed, by one vote, to approve this amendment. All but one of the Republican Senators supported it. But only 13 Democrat Senators supported it, which doomed the balanced budget amendment last year.

Today we have one more opportunity to approve the amendment in this, the 104th Congress.

Again, Thomas Jefferson said it best:

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

Will the Senate heed Jefferson's wise counsel? We shall shortly see.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I appreciate this opportunity to conclude the debate on today of a balanced budget amendment. As the Presiding Officer said in his remarks, and as my friend from Montana reiterated in his, it has been a long day, filled with active debate and some emotion, on this important subject. I do not intend to keep the Senate long with my remarks, but I would like to make a few statements relative to the decision that we will make tomorrow.

As I have in the past, I shall vote for the constitutional amendment to insert into the U.S. Constitution a provision requiring a balanced budget as a fundamental principle of our Nation's public policy. It is unfortunate that we have to vote on a constitutional amendment to force us to do something that we ought to do and that most Congresses throughout the history of this proud Republic have done. However, we have reached the point at which I have concluded that a constitutional amendment will be necessary in order to provide to this Congress and to future Congresses the necessary constitutional backbone in order to maintain a policy of a balanced budget.

What does the passage of a balanced budget amendment to the U.S. Constitution accomplish? The passage of this amendment will not, as the Presiding Officer has stated, place this into the U.S. Constitution. It refers this matter now to the States, and it will be the responsibility of three-quarters of the States through their appropriate legislative process to make a determination as to whether this shall be added to the Constitution. Certainly the passage of this amendment will not result in a balanced budget or the diminishment by even a penny of the U.S. deficit. Rather, this is a statement of an objective and the provision of constitutional methods by which to give some assurance that that objective will be reached. This is not a substitute for the long road of difficult decisions that will in fact be required in order to reach a balanced budget.

This amendment may make us feel patriotic. It may make us feel good. But it is not a cure-all for our budget woes. The budget deficit will not suddenly disappear because of the passage of this amendment.

I reflect on a decision which this Senate made a few days prior to Memorial Day. I was part of a group which has worked over the past several months to develop a balanced budget plan, a plan which, within 6 or 7 years, would bring our deficit into balance and would make those structural changes that would give us some confidence that once in balance, the budget would stay in balance past that 6- or 7-year period. This effort, which has been referred to as the centrist coalition or as the Chafee-Breaux coalition, was a serious effort to develop a proposal which would actually achieve the objective of a balanced budget.

I think in the development of this proposal and in its disposition by the Senate that there are some important lessons. The first of those lessons is that this effort by the centrist coalition was bipartisan. It happened that the final proposal was developed by 22 Members of this Senate, 11 Republicans and 11 Democrats. It was not intended that it be so equally balanced, but that was how it finally evolved. I believe that there is an important lesson here, and that is that almost any serious effort in this Government which is intended to have a sustaining life must be based on a broad foundation of bipartisanship. There is an arrogance and an ignorance which is associated with efforts which assume that one individual or one party can carry a major reform.

It has been said, and I believe correctly so, that the U.S. Constitution was the first time that the basic structure of a government was written with one of its fundamental objectives being that that government should not function efficiently. Our Government was designed to be difficult. Our Government was intended to be such that no government, by its alacrity and by its effective organization, would be able to trample on the rights of minorities or individual citizens. The very fact that it is difficult to accomplish anything with our form of government underscores the importance of starting the process of change with a bipartisan spirit.

So, while there have been many speeches given in the last few hours about the heroic efforts to try to balance the budget which then foundered because of the Presidential veto, I suggest they had no chance of getting to the destination in the first place and were not serious efforts at getting to that destination because they failed the fundamental, initial test of an effort at serious bipartisanship. Our effort, the centrist coalition, was a serious bipartisan effort.

What happened to our effort? Our effort failed. It failed by a vote of 46 yeas and 53 nays. It had 22 Republican votes and 24 Democratic votes, so its essential bipartisanship from the beginning carried through to the final vote. It was good news that the vote was as close as it was. Frankly, I was surprised that there were 46 Members of the Senate who would be prepared to put their names behind the very tough choices that were contained in that centrist coalition.

The bad news was that in fact it did lose. That failure indicated that, for another year, we were not going to have a plan for a balanced budget. It also indicated the gap, the chasm, between the rhetoric and the actions of people who will stand and, with such flourish, indicate their commitment to a balanced budget but, when there is an actual opportunity to vote for a bipartisan bill, do not. This was a bipartisan bill which a significant number of Members of both parties were prepared to support and with some expectation that, if it were actually passed by the Congress, that the President would sign it into law. That it failed is an indication of the gap between rhetoric and the actual tough choices that we have to make.

There have been a number of analogies on the floor in the past few hours. One of those analogies, which I think the Presiding Officer used, was of a hockey stick, to describe that we had an essentially balanced budget for most of our Nation's history and then in the last few years we have gone off the chart, in terms of deficits. If I could use that hockey analogy, and hockey is not a sport that is particularly well known to me, I would say that those who give speeches in favor of a balanced budget are like a hockey player at practice, where the net is empty and all you have to do is take the puck and, with your hockey stick, knock it into the net. If you are sufficiently skilled, that is not a particularly difficult thing to do.

What happens when the actual game starts, when the full teams of both sides are on the ice? Then you might have somebody in the net with the skill of John Vanbeesbrook, who is the goaltender for the Florida Panthers. The challenge comes to be able to score when you have a difficult target to hit.

That is the nature of the challenge we are going to face and which the passage of this constitutional amendment is not going to allow us to avoid.

At some point, whether we pass this amendment or whether we do not pass this amendment, collectively, and in a bipartisan spirit, we are going to have to make some very tough choices. There has been lots of discussion about why we are doing this. We are doing it in order to help the people of America

be able to buy a home, get a job, pay off their student loans. We are doing it because it is our generation's responsibility. A frequently stated reason is we are doing it out of a sense of responsibility to our children or grandchildren. I want to join that chorus.

Mr. President, this happens to be a picture taken of my wife and myself and our eight grandchildren. These three, who are triplets, were born approximately 14 months ago. I am pleased to report that one of those triplets, whose name is Adele Gibson, took her first steps yesterday, and I was there to observe her taking three of those first steps. She is ready to start her life of increased mobility and independence. It is for Adele and her cousins and the millions of other grandchildren of America for whom we take this action.

This amendment will force us to make some of the tough decisions that we have become too accustomed to avoid. The passage of this amendment is not a time to exalt. Passing this amendment is not a victory. We may have, by passage of this amendment—should we be able to get the constitutional number to do so tomorrow—performed the equivalent of the hockey exercise of getting the puck into an empty, unguarded net.

The challenge is going to be when we can do the tough work of scoring against the difficult opponent of inertia, the difficult opponent of special interest, the difficult opponent of people who have developed a set of expectations that are necessarily going to have to be challenged if we are to move in a different course. These choices will be difficult, and many of them will not be politically prudent. However, they must be made.

So, Mr. President, I state again that it is my intention tomorrow to vote for the constitutional amendment which will establish as a fundamental policy of the Government of the United States of America that we will balance our budget. But I do not wish anyone who observes this process, and certainly none of us who will participate directly in it at noon tomorrow, to be under any delusions that we have done some heroic act by voting for this constitutional amendment. We have just stated that we are unable to make the tough choices without the threat of a constitutional crisis in failing to do so and, thus, are prepared to impose the shackles of that crisis upon ourselves and those who will serve here in the future.

We have stated that while we have been unwilling to make the tough choices to date, that with those shackles we will be forced to do so.

So this is a time of sober reflection on our failure rather than exaltation at a temporary success.

I hope that my colleagues will provide the necessary constitutional margin to pass this amendment tomorrow, because without it, I do not see any evidence in our actions and actions as recently as the past 2 weeks that give me cause to believe we will, in fact, make those tough decisions to balance the budget of the U.S. Government, achieve the benefits that will come from that and be faithful to Adele Gibson and the other grandchildren of America.

Thank you, Mr. President.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

TRIBUTE TO BILL COHEN

Mr. DOLE. Mr. President, the State of Maine has a rich tradition of sending independent and thoughtful voices to the U.S. Senate. Margaret Chase Smith and Ed Muskie are just two Senators with whom I have served who have carried on this tradition.

For the past 18 years, that tradition and the best interests of Maine citizens have been very ably represented in this Chamber by our colleague, BILL COHEN.

One thing I have learned about BILL COHEN is that he does not know how to just touch the surface of an issue. If I gave him an assignment, or if he involved himself in a problem, then along with learning everything there is to know about that problem, he also would provide innovative solutions.

Military preparedness, the Central Intelligence Agency, lobby reform, health care fraud and abuse, Medicare, international trade, these are just a few of the countless areas that have benefited from BILL COHEN's intellect and energy.

As my colleagues know, BILL has also found time to publish a number of books, including a very thoughtful look at his first year in the Senate, a spy novel, an account of the Iran-Contra investigation, and a number of volumes of poetry.

BILL's departure from the Senate will leave him with more time for writing, and more time for thinking. And I have no doubt that his writing and his thinking will continue to influence American public policy for many years to come.

SENATOR PAUL SIMON

Mr. DOLE. Mr. President, it is no secret that one regret I will have when I leave the Senate is the fact that we did not send a balanced budget amendment to the States. And I know that regret is shared by many in this Chamber including our colleague, Senator PAUL SIMON. The balanced budget amendment is a cause that Senator SIMON has courageously advanced since his arrival here many years ago in 1985. Perhaps his aversion to deficits and red ink arose from the fact that Senator SIMON began his career at age 19 by editing and publishing a small newspaper.

Whatever the reason, Senator SIMON hit the nail on the head when he stated that allowing skyrocketing deficits to continue was ''a policy of folly.'' If I know Senator SIMON, I know that he will continue to write and speak against this policy of folly until it is changed.

The balanced budget is not the only debate to which Senator SIMON has devoted his considerable intellect and energy. Education reform, the impact television has on our children, and world hunger are just three of the many issues Senator SIMON has embraced during his 12 years in this Chamber.

I will also long remember the support Senator SIMON provided during the battle for passage of the Americans With Disabilities Act. His long and distinguished public career also includes 8 years in the Illinois House of Representatives, 6 years in the Illinois State senate, 4 years as Illinois lieutenant governor, and 10 years in the U.S. House of Representatives. Somehow, this prolific writer has also found time to author 15 books and through all his nearly 50 years of service, from his day as crusading editor until today, he has maintained a spotless reputation for total and complete integrity.

Though we come from different sides of the aisle, I can say without hesitation Senator SIMON's retirement will deprive this Chamber of one of our most thoughtful Members. Elizabeth joins me in wishing he and Jeanne many more years of health and happiness.

SENATOR MARK HATFIELD

Mr. DOLE. Mr. President, in the suite of offices I have been privileged to occupy as Republican leader hangs a picture of Senator Charles McNary of Oregon. Senator McNary served as Republican leader for over 10 years in the 1930's and 1940's, and he served for over 26 years in the Senate.

He was the longest serving Senator in Oregon history until his record was broken by our colleague, Senator MARK HATFIELD. All Oregonians would agree that not only has Senator HATFIELD made history in terms of longevity, he has also set standards in terms of integrity.

Senator HATFIELD and I have served together in this Chamber for over 27 years. In that time, we have agreed on many issues and we have disagreed on many others, but I can say without hesitation that not once in the years we have served together did I ever doubt that MARK HATFIELD was standing up for what he truly believed was right for Oregon and for America.

Senator HATFIELD has devoted himself to many causes in the Senate, including improving Oregon's infrastructure, medical research, and the search for a cure to Alzheimer's disease. Perhaps he is best known for his dedication to the cause of peace, a dedication