number of us had—the Secretary of Agriculture, Mr. Glickman, the farmers who were there, myself—that he would be willing to work now to develop an equivalent price of cheese, so that we could have a reevaluation as to the price of milk. There has been some indication that there has been some manipulation of the price of cheese. It may be that this is a subject which ought to be a matter for a hearing by the Judiciary Antitrust Subcommittee. It may also be that there ought to be a hearing from the Agriculture Subcommittee of Appropriations, or from the Agriculture Committee, on the pricing of milk, taking a close look at the issue of developing an equivalent price for cheese.

I intend, Mr. President, to submit to the Senate a sense-of-the-Senate resolution to urge and/or direct the Secretary of Agriculture to move promptly on this issue of the price of cheese, with a view to having some immediate modification on the price of milk. Secretary of Agriculture Glickman has stated his willingness to do so, recognizing the plight of the farmers but, obviously, requiring a sufficient evidentiary base to be able to make that modification.

So we are in the process now—my staff and I started in mid-morning—to try to make the determination as to the price of cheese in America, because the price established by the so-called Green Bay Cheese Exchange is about one-half of 1 percent, and may well not—in fact, probably does not—reflect the price of cheese across the country.

When we talk about helping the farmer, we talk about a great many items. We talk about increasing exports, which we are working on systematically, we talk about programs to increase cheese consumption at schools on programs purchased by the Federal Government. But the issue of milk pricing is something which requires our attention now.

It is true that the Secretary of Agriculture has a second track to change the price of cheese under a procedure that calls for public hearings and inputs, but that doesn't eliminate the basic authority. The Secretary of Agriculture explained to me that he does have the power to go on a separate track and to unilaterally delete the price of cheese from the Cheese Exchange and to establish an equivalent price for cheese. That is a matter we are pursuing, and I think a sense-of-the-Senate resolution would be a very substantial impetus to move that process along.

So I thank the Secretary for coming to northeastern Pennsylvania. He was up very, very early this morning. He had commitments back in Washington at noontime. I met him at the Scranton Airport shortly before 8 a.m. this morning. So it was an early start for him and for the rest of us and for all the farmers who appeared there. But I do think something material can be done to assist the farmers on this very important issue of milk pricing.

HONORING THE ACKERS ON THEIR 50TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data are undeniable: Individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of ''till death us do part'' seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Wilford and Jerry Acker of Weaubleau, MO who on May 10, 1997, will celebrate their 50th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. Wilford and Jerry's commitment to the principles and values of their marriage deserves to be saluted and recognized.

U.S. FOREIGN OIL CONSUMPTION: HERE'S THE WEEKLY BOXSCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending January 31, the United States imported 7,140,000 barrels of oil each day, 246,000 barrels more than the 6,894,000 imported during the same week a year ago.

Americans relied on foreign oil for 52.4 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian Gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,140,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, February 7, the Federal debt stood at $5,301,813,739,040.73.

One year ago, February 7, 1996, the Federal debt stood at $4,987,177,000,000.

Five years ago, February 7, 1992, the Federal debt stood at $3,797,118,000,000.

Twenty-five years ago, February 7, 1972, the Federal debt stood at $423,588,000,000 which reflects a debt increase of more than $4 trillion—$4,878,225,739,040.73 during the past 25 years.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. ASHCROFT). Morning business is now closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

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

The clerk will report the pending business.

The bill clerk read as follows:

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

The Senate resumed consideration of the joint resolution.

Pending:

Durbin Amendment No. 2, to allow for the waiver of the article in the event of an economic recession or serious economic emergency with a majority in both houses of Congress.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have sought recognition to speak in favor of the balanced budget amendment.

Mr. President, this amendment has come up repeatedly during my tenure in the U.S. Senate, and I have consistently supported the balanced budget amendment because of my deep-seated view that the Congress needs this discipline if we are to balance the budget on a permanent basis. It is a very fundamental principle that people ought to live within their means—if you or I do not, we end up in the bankruptcy court—and that governmental entities must live within their means. The only exception to this issue of living within one's means has been the Government of the United States of America, which goes into further debt each year with deficits of $100 billion or $200 billion, or more, establishing a national debt in excess of $5 trillion.

This issue came into sharp focus for me recently when my wife and I were blessed with two grandchildren. We would certainly never think of imposing our financial obligations on our grandchildren, or spending money on their credit cards for them to pay at some later date. But that is precisely what we have done as a society. We have undertaken a variety of methods to try to move toward a balanced budget with Gramm-Rudman and the so-called automatic sequestrations. That did not work. Nothing has worked, which is why I believe, in the final analysis, we need to move to the balanced budget amendment.

We had the vote last year, coming within one vote of having the amendment pass. The President is opposed to the balanced budget amendment. But I do believe that just the pendency of the amendment has been a very substantial impetus moving the administration, the President, and the Congress to balance the budget without a constitutional amendment.

President Clinton has laid before the Congress and the country what he submits is a plan to balance the budget by the year 2002. But the reality is, upon looking at the fine print, that it is unlikely to achieve that result because most of the cuts are in the last 2 years. When we come to that point, there is the inevitable impetus to eliminate those cuts. But to the extent that the pendency of the balanced budget amendment will move us to balance the budget without an amendment, that is so much to the good. Ideally, it would be preferable if we could balance the budget without having a constitutional amendment. But regrettably, that has not been our experience.

It is always difficult to turn down worthwhile programs for Federal Governmental expenditures, and it is very, very difficult, painful, and really, at the present time, impossible to have tax increases with a Congress that is controlled by the Republicans and, I think, properly declining to even entertain tax increases. So when we do have the mandate of a balanced budget, it is apparent to everyone—it is apparent to all 535 Members of Congress, and it is apparent to our constituents. How frequently have we all heard the cry or the comment of a constituent coming to see us, ''I have a very important program that is meritorious and ought to be financed,'' and, at the same time, insisting that the taxes not go up and that the budget be balanced?

I think it is important, Mr. President, as we go over this balanced budget amendment, that we allow sufficient flexibility for our Government to respond in times of crises or emergency. I share the concern that the distinguished Senator from Illinois, Senator DURBIN, has expressed in offering his amendment. But I think that the underlying resolution covers the problem in the appropriate way by calling for a supermajority, or 60 votes, in order to waive the provisions of the balanced budget in the event that there is a recession, an economic crisis, which requires that. Therefore, I intend to vote against the Durbin amendment.

There has been very considerable comment about whether Social Security ought to be excluded from the balanced budget amendment. After very considerable thought, Mr. President, it is my conclusion that Social Security should be excluded. I say that notwithstanding my recognition of the problems there will be to balance the budget now if we exclude Social Security. But I submit that it is an artificial way of balancing the budget, which says that we ought to make expenditures which are not in excess of our income if we include Social Security, because those funds really are a trust fund to pay Social Security recipients at a later day. So what we are doing is saying we are going to spend more money, which we really can't afford now, by invading the trust fund, and we will put off for tomorrow what we are not willing to face up to today, to find a way to pay the Social Security recipients when the due date arises.

We know very well that the so-called baby boomers will present a charge on the Social Security trust fund at a later date—2020—which we will be unable to pay unless we find some way to raise taxes or some way to make other cuts which are unrealistic in the context of what we might expect at that time. It may be that in crafting a balanced budget amendment, excluding Social Security, we will have to implement it on a schedule which is realistic which will account for excluding those surplus funds at the present time. But when we talked about Social Security initially we were talking about an insurance fund concept. We were talking about setting aside the money in a way where it would be there to pay those benefits at the time when one reached the age for Social Security.

So that it is my very, very strong view that as a matter of sound financing that Social Security ought to be excluded. And this body has responded on many occasions when that issue has been presented. My late colleague, Senator John Heinz, was one of the major exponents for taking Social Security offbudget—not the only exponent but I recall the eloquent speeches which he made. And I recall many sense-of-the-Senate resolutions where we talked about putting Social Security offbudget because it is a trust fund.

I remember well during the tenure of James Baker, the Secretary of the Treasury, when there was an unusual invasion of the trust fund. I took the floor at that time and made a comment that there was really a fraudulent conversion which I believed was the case, and have analogized it to my experience as district attorney of Philadelphia when there was a trust fund and a fraudulent conversion. The people who took the money out of that trust fund were guilty of a criminal offense because, if it is set aside for a specific purpose and the trustee invades the fund for some purpose other than for which it was intended, that is a conversion and an invasion.

So while I believe very strongly that we ought to have a balanced budget amendment, I think if it is to be realistic and not a double set of books that Social Security ought to be kept offbudget.

Mr. President, I think that in constructing a timetable for a balanced budget amendment it is entirely possible to accommodate to the lesser amount of income which we have from Social Security payments in order to see to it that our current income aside from Social Security payments matches our current expenses, and that is the only way to truly have a balanced budget which I think we ought to have. And an amendment is the way to impose the discipline to be sure we will have it for the future.

Mr. President, I thank the Chair. I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague for his willingness to lead off in our efforts to pass the balanced budget amendment. Naturally, I disagree with him on the Social Security issue. But I know that he is a person of eminent qualification and one who does what he believes is right.

I have had many years of opportunity to know the distinguished Senator from Pennsylvania, and I have a lot of respect for him.

Mr. President, today we begin the second week of one of the most important debates that has ever taken place in the U.S. Senate. The subject matter goes to the heart of the Founding Fathers' hope for our constitutional system—a system that would protect individual freedoms with the maxim of limited government.

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

Like some of the provisions of the Constitution, the proposed constitutional amendment, Senate Joint Resolution 1, is an appropriate addition to constitutional limits on the powers of the Federal Government designed to increase the freedom of the people by limiting the freedom of the Federal Government to act in ways that are harmful to the people. It is identical to the balanced budget amendment that was passed by the House of Representatives in the last Congress. A number of our new Members voted for it at that time. It has broad support in the country and among Democrats and Republicans in that we need to ensure a sound fiscal discipline in our budgeting process in order to leave a legacy of a strong national economy and a responsible national Government to our children and grandchildren.

Mr. President, our Nation is faced with a $5.3 trillion—going to $5.4 trillion—national debt that gets worse every year that we run budgetary deficits. The Government is using capital that would otherwise be available to the private sector to create jobs, and to invest in the future of this country. Increasing amounts of capital are being wasted on merely financing the debt because of spiraling interest costs. This problem presents risks to our long-term economic growth and endangers the well-being of our elderly, our working people, and especially our children and grandchildren. The debt burden is a mortgage on our children's and our grandchildren's future.

The total debt now stands at almost $5.3 trillion. By the end of this debate it may very well reach $5.4 trillion. That means every American, every man, woman, and child in this country has an individual debt burden of about $20,000 per person. It took us over 200

years to acquire our first trillion dollars of debt. We have been recently adding another $1 trillion to our debt about every 5 years. While the trends on this front seem to be better, the fact is we are still running sizable deficits every year. And, unless we take prompt and decisive action, those deficits will continue to rise again this year, next year, and year after year. In fact, if you look at the President's budget, he even waits until he is out of office before they have to make the tough decisions to really balance the budget by the year 2002.

Yet, Mr. President, opponents of the balanced budget amendment claim that there is no problem. They repeatedly point to the marginal slowdown in growth in debt over the past few years as though all our problems are solved. They say President Clinton has already dealt with this problem.

They are dead wrong. Only inside the beltway can people claim that when the debt is exceeding $5 trillion and still on the rise that we are on the right track. Everyone on Capitol Hill knows and the Congressional Budget Office has confirmed that we are currently not on a glidepath to a balanced budget, or to the balanced budget that the President may suggest. According to CBO's most recent projections, our 4 years of declining deficits that followed the enactment of President Clinton's record-setting 1993 tax hike will come to a grinding halt this year. What lies ahead is a familiar path of steadily increasing deficits rivaling anything we have ever seen before unless we take action to put us on the road to long-term fiscal discipline and balanced budgets.

As this chart behind me shows, the Congressional Budget Office predicts that under current policies the deficit will begin to rise this year and continue to rise throughout the foreseeable future. The Congressional Budget Office projects the deficit will rise to $124 billion in fiscal year 1997 and continue rising to $188 billion in fiscal year 2002. The deficits just keep rising until in 2007 our annual deficit is projected to be $278 billion. Added up, these deficits will add a total of more than 2 trillion additional dollars to the debt from now—in 1997—until the year 2007.

There is no balanced budget in this chart. And I have to tell you, I doubt that there ever will be without a balanced budget constitutional amendment putting the fiscal discipline into the Constitution that will require us to live within our means. The simple fact is that with every additional dollar that we borrow we throw more coal on the fire of the runaway train that we are all riding on.

The sad reality is shown by this stack of unbalanced budget submissions. The President's budget submission, which promises a path to balance in the year 2002, causes me substantial concern that this pile is just going to keep getting higher.

And this only lists the last 28 years of unbalanced budgets since the last balanced budget in 1969. Actually, there have only been eight in the last 66 years. But the last 28 years have all been unbalanced. Each one of these volumes represents one of those unbalanced budgets during each of those 28 years.

The sad reality is shown by this stack of unbalanced budget submissions. The President's budget submission which promises us a path to balance in the year 2002 just makes it very clear, if you believe in the Congressional Budget Office projections, that this stack is just going to grow that much higher over the next number of years.

For example, the President's new budget projects a modest surplus in the year 2002 but also requires a 75-percent deficit reduction to get there in the 2 years after he leaves office.

Now, get that. Up through the year 2000, this President's budget does not require much sacrifice or much effort to try to balance the budget. But in the years 2001 and 2002, 75 percent of the cuts have to take place, and we all know around here that that is basically impossible to do.

So the game continues, the same game we have put up with for 28 years, and it is pathetic, is what it is. This just indicates more of the same status quo, an avoidance of the tough decisions and deferral of the costs to the next guy, or should I say to our children.

Additionally, the Senate Budget Committee has suggested that recomputing the numbers under CBO's more conservative economic assumptions puts the President's budget off balance in the year 2002 to the tune of an additional $66 billion. So the President's budget that he submitted just last week is not going to balance.

The point is that we cannot yet congratulate ourselves for a job well done. There is hard work ahead for each of us to do, and there is no assurance of success. Based on the sad history illustrated by each of these 28 years of unbalanced budget submissions and the continued resistance of the President to take on the tough choices during his actual tenure in office, success is in serious doubt.

That is one of the reasons why we need a balanced budget constitutional amendment. It has been called an insurance policy that we will get the budget actually balanced in the year 2002 and, more importantly, that we will keep it balanced thereafter.

I would also note that it comes as no surprise that these increases in our Nation's debt mirror increases in Federal spending. The first $100 billion budget in the history of the Nation occurred as recently as fiscal year 1962—that was the whole budget—more than 179 years after the founding of our Republic. It took only 9 years for that figure to double, and in just another 6 years Federal spending had doubled again to $400 billion in 1977. I know, I was here. With another 6 years came another $400 billion increase in the Federal budget, and by 1986 our Nation had seen its first $1 trillion annual budget. Today we face an annual budget for fiscal year 1997 projected to exceed $1.6 trillion, as is the case under the budget recently submitted by the President.

The Federal Government's appetite for spending the American people's money is the engine that has been driving this debt up and up because it has been easier to take the money in the form of a hidden tax like interest costs and future taxes, than in the form of a direct tax.

One of most pernicious effects of the enormous deficit beast is the interest costs required to feed it. Interest on the public debt in 1996 amounted to some $344 billion. That is roughly $50 billion more than total Federal revenues in 1975. In other words, we spent less than $300 billion in 1957. In 1996, just 20 years later, gross interest costs took nearly 25 percent of all Federal revenues and more than half of all individual income tax revenue. And as this chart shows, net interest payments on the debt make up the third largest charge of our Federal budget.

It is the red pie that is taken out of the total pie—the third largest payment in the Federal budget—exceeded only by defense spending and Social Security.

It is really amazing when you look at it: Social Security spending, 22 percent, defense spending is 18 percent, and net interest is 15 percent. And it is going up every year and will go up exponentially unless we do something about it. And yet we have the same people around here year after year saying, ''Oh, let us just exercise our will and let us just do it.'' That is what they said for every 1 of these 28 years of these unbalanced budgets, and that is what they will be saying 10 years from now without any balanced budget, if we do not have the balanced budget constitutional amendment.

Opponents of the balanced budget amendment suggest that we cannot afford to create a constitutional impediment to deficit spending because they believe that balancing the budget will result in decreased social spending.

I do not personally understand the logic of continuing to waste such a large portion of our budget on interest on the rationale that we cannot afford to cut spending. What we cannot afford to do is continue to throw away so much of our budget on interest payments. Think of how much we could do on crime control, defense, disaster relief, health, science, and education if we had $344 billion available next year instead of paying interest against the national debt with that money.

To help my colleagues put this in even better perspective, gross interest on the debt in 1966 amounted to more than the entire defense budget of $266 billion; 99 percent of Social Security payments, $347.1 billion; 64 percent of

all discretionary outlays, $535.4 billion, and nearly 45 percent of all mandatory programs of $784.9 billion.

The $334 billion of gross interest payments on the debt in 1996 could have covered our entire health spending, including Medicare and Medicaid, that is, $293.6 billion, all veterans-related entitlement spending, $18.8 billion, unemployment compensation, $22.6 billion, the cost of Federal law enforcement activities of $8 billion, and we would still have $1 billion to spare.

Last year, in fact, we spent more money on net interest payments on the debt than we did for the combined budgets of the Department of Commerce, the Department of Agriculture, the Department of Education, the Department of Energy, the Department of Justice, the Department of the Interior, the Department of Housing and Urban Development, the Department of Labor, the Department of State, and the Department of Transportation. Just think about that.

Interest on the debt is the fastest growing item in the annual Federal budget. According to the current Congressional Budget Office projections, gross interest on the debt will continue to rise substantially over the next 5 years from $360 billion in 1997, to $412 billion by 2002, and by 2007 just the interest on the debt is projected to be $493 billion.

If we keep going like we are, we are going to be paying almost everything on interest that could be used to solve a lot of problems in our society. This $495 billion is just $50 billion shy of our entire discretionary budget for the current fiscal year.

Over the past 4 years of short-lived deficit reduction, we have paid roughly $1.3 trillion in interest on the public debt. That is more than the Federal Government took in during all of 1994. Without the gross interest on the debt, we would not have had a deficit in 1996. In fact, we would have run a budget surplus of $237 billion.

But we cannot even begin to think about reallocating this money to more productive uses until we begin to reduce our debt. If interest rates go back up, the problem will be increased exponentially. Self-propelled interest costs will continue to eat a larger share of our National Treasury, destroying our choices to fund new programs and eroding our ability to keep the commitments we have already made. This is serious stuff.

And even if we are successful in passing a budget this year that will balance our budget by the year 2002, we will never begin to reduce our debt unless we can provide some assurance that such balanced budgets will become the rule rather than the exception. That is what the balanced budget amendment is geared to do.

Mr. President, both sides will recite lots of numbers and figures during the course of this debate. One such figure is our current $5.3 trillion national debt. But how does one communicate the implications of our staggering debt?

In 1975, before this recent borrowing spree, the Federal debt amounted to approximately $2,500 per person. That was each American's share of it in 1975, and the annual interest charges were roughly $250 per taxpayer. At present, the Federal debt amounts to about $20,000 per person, with annual interest charges that each person in this country, each man, woman, and child in America, has to pay, totaling nearly $1,350 per person, or roughly $2,975 per taxpayer. That is at today's interest rates, which will go even higher if we do not get things under control.

The Congressional Budget Office predicts that in the year 2002, total Federal debt will be more than $6.8 trillion. That means roughly $24,000 of debt for every man, woman, and child in America, with annual interest costs projected to be over $3,100 per taxpayer.

These last figures would mean a nearly tenfold increase in per-capita debt and a nearly twelvefold increase in annual interest charges per taxpayer since 1975. Over time, the disproportionate burdens imposed on today's children and their children by a continuing pattern of deficits could include some combination of the following: Increased taxes, reduced public welfare benefits, reduced public pensions, reduced expenditures on infrastructure and other public investments, diminished capital formation, diminished job creation, lower productivity enhancement and less real wage growth in the private economy, higher interest rates, higher inflation, increased indebtedness to and economic dependence on foreign creditors, and increased risk of default on our Federal debt.

Senator Simon would always make this point: If we keep going like we are going, ultimately we are going to have to monetize the debt—that is, print cheap money—where it will cost you a bushelful of dollars to buy a loaf of bread like it did in Germany in the 1930's, and then write off all the debt on cheap dollars. But the United States of America as we know it will be gone at that point.

Mr. President, this is fiscal child abuse and it must end. But, as I indicated earlier, there is no end in sight. After 4 years of declining deficits—financed partly with the largest tax increase in history—we have not reduced our staggering $5.3 trillion national debt 1 penny. We have only slowed the growth in the national debt.

More important, as my Republican colleagues and I predicted would happen during the debate on the President's 1993 budget package, the Congressional Budget Office now predicts—and if you look at this chart—it now predicts that annual deficits will resume their upward climb beginning this year from an annual deficit of $124 billion in 1997, to $188 billion in the year 2002, and then exceeding $200 billion the next year and reaching a near record $278 billion high in the year 2007. Even OMB's estimates from the President's newly proposed budget, which predict lower debt totals than CBO, project that gross Federal debt will top $6.6 trillion, exceeding 66 percent of our gross domestic product by the year 2002.

That means, according to their own estimates, the Clinton administration's self-proclaimed victory in bringing down the deficit will result in an additional $1 trillion or more being added to the national debt between now and the year 2002.

Mr. President, we do need to do more. It is time for Congress to pass Senate Joint Resolution 1, to permanently restore the fiscal environment in which the competition between tax spenders and taxpayers is a more equal one—one in which spending decisions will once more be constrained by available revenues. The time has come for a solution strong enough that it cannot again be evaded for short-term gain. We need a constitutional requirement to balance our budget. Senate Joint Resolution 1 is that solution. It is reasonable, enforceable, and necessary to force us to get our fiscal house in order.

There are those who oppose the balanced budget amendment because they say that Congress and the President are already committed to balancing the budget by the year 2002. As a matter of rhetoric, that is true; as a matter of what people say, that is true. But as a matter of real world politics, it is clear that the bridge between such rhetoric and reality is a rather long one.

Since 1978 alone, there have been no fewer than five major statutory regimes enacted which promised to deliver balanced budgets. This includes Gramm-Rudman-Hollings. But there has not been a single balanced budget since 1960.

Here are the 28 succeeding budgets. In about every one of these it was promised there would be an effort made to balance it, every one of which is unbalanced right up to today.

Notwithstanding all of these budget plans and the five statutory attempts to require a balanced budget that I have mentioned, the national debt has increased by roughly $4.5 trillion since 1978. In other words, nearly 85 percent of our current national debt has accumulated during the period of time in which Congress has operated within statutory budget frameworks designed to ensure the types of fiscal discipline that would be required under Senate Joint Resolution 1.

While I support the efforts of the past and commend the dedication expressed by leaders of both political parties to reaching a balanced budget, I seriously doubt whether, without the weight of a constitutional requirement to balance the budget, we will achieve balance by the year 2002. Even if we did, there is nothing to prevent future Congresses from yielding to the inherent political

pressures that would lead to renewed deficit spending. We need a constitutional amendment if we are truly committed to solving this problem.

Mr. President, the proposed constitutional amendment will help us end this dangerous deficit habit in a way that past efforts have not. It will do this by correcting a bias in the present political process which favors ever-increasing levels of Federal Government spending.

In seeking to reduce spending bias in our present system—fueled largely by the unlimited availability of deficit spending—the major purpose of Senate Joint Resolution 1 is to ensure that under normal circumstances, votes by Congress for increased spending will be accompanied either by votes, A, to reduce other spending programs or, B, to increase taxes to pay for such programs. For the first time since the abandonment of our historical norm of balanced budgets, Congress would be required to cast politically difficult votes as a precondition to politically attractive votes to increase spending.

The American political process is skewed toward artificially high levels of spending. It is skewed in this direction because Members of Congress have every political incentive to spend money and almost no incentive to forego such spending. It is a fiscal order in which spending decisions have become increasingly divorced from the availability of revenues.

The balanced budget amendment seeks to restore Government accountability for spending and taxing decisions by forcing Congress to prioritize spending projects within the available resources and by requiring tax increases to be done on the record with record votes. In this way, Congress will be more accountable to the people who pay for the programs, and the American people, including our future generations who must pay for our debts, will be represented in a way they are not now represented. Congress will be forced to justify its spending and taxing decisions as the Framers intended, but as Congress no longer does.

Senate Joint Resolution 1 represents both responsible fiscal policy and responsible constitutional policy. Passage of this resolution would constitute an appropriate response by Congress to the desires of the people and the States for a constitutional amendment on this issue.

The Senate must approve Senate Joint Resolution 1, the balanced budget amendment. It is the right thing to do for ourselves, our children, our grandchildren, and future generations, and it will give us back responsible and accountable constitutional Government. The faithful stewardship of public funds that was so prized by our Founding Fathers can be restored for 21st century Americans.

The virtues of thrift and accountability can be rekindled by this very 105th Congress, so I urge Senators to join with me and the other 61 sponsors of Senate Joint Resolution 1 in support of the bicameral, bipartisan, consensus balanced budget amendment which has taken years to develop and for which we have fought for over 20 years.

This is the thing to do. This is the chance to do it. This is the chance to do what is right. I hope our colleagues will do so.

I apologize to my colleague who has been on the floor, who would like to call up an amendment, so I yield the floor to him at this time.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, let me first of all thank my colleague from Utah for his remarks. He has been a real leader on this. He is tenacious; he never, never gives up. I have tremendous respect for his work as a Senator, even though we are in profound disagreement on this question. But I would like to thank him for kind of matching what he does on the floor of the Senate with the kind of words he speaks.

Mr. HATCH. I thank the Senator.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Dr. Rebecca Constantino, who is a fellow in our office, be granted the privilege of the floor during the debate on the amendment I am about to propose.

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

AMENDMENT NO. 3

(Purpose: To state the policy of the United States that, in achieving a balanced budget, Federal outlays should not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 3.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Redesignate section 8 as section 9 and after section 7 add the following:

''SECTION 8. It is the policy of the United States that, in achieving a balanced budget, Federal outlays must not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children.''

Mr. WELLSTONE. Mr. President, let me read this amendment slowly and carefully, because I am hoping to get a very strong vote in favor of this amendment, and I hope it will be an up-or-down vote. This is a pretty important matter amending the Constitution, and if this is going to be done—it may or may not be done—we better do it well, we better do it carefully.

This amendment says:

It is the policy of the United States that, in achieving a balanced budget, Federal outlays must not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children.

What this amendment is saying, and I will give plenty of historical and economic context for it, is that we should go on record and make it very clear that if, in fact, this constitutional amendment to balance the budget is passed, which then locks us into this goal, will make the commitment that we are not going to, as we did in the last Congress, disproportionately cut programs that affect, quite often dramatically, the nutritional or health or educational status of poor children in America.

The reason that I offer this amendment is that I think we need to have some focus on this question. There can be arguments made, and there have been, on whether or not we ought to amend the Constitution. There can be arguments made about whether or not this is a mistake vis-a-vis our fiscal and monetary policy to make sure recessions don't become depressions. There are arguments both ways.

Senator Durbin has an amendment on the floor that says, look, if we need to move forward with an economic plan that puts the budget out of balance during a downturn in the economy, it should just be a requirement of a majority vote. I think that amendment is on the mark.

I see the budgets over the years. There could be an argument of whom to blame. I wasn't here during the decade of the eighties or prior to that time. We can argue it both ways. I think historians are going to write about a piece of legislation which was euphemistically called the Economic Recovery Act which dramatically cut tax rates. I think it became rather regressive, because most benefits went to higher income citizens, at the same time of dramatically increased expenditures in the Pentagon. I think President Bush once called it voodoo economics. All of it was to lead to economic growth. People would have more money with a tax cut, productivity, jobs. It would lead to eliminating the debt. Actually, quite the opposite happened.

That was actually borrowed money and borrowed time. It was politics of illusion. I really appreciate the focus of Senator HATCH on no longer having that illusion and the message from the people in the country that we should get our economic house in order and our political house in order. But what I am asking Senators to do, because I think we really owe it to the people we represent, is to make a commitment that one more time, as we go about achieving a balanced budget, Federal outlays must not be reduced in a manner which disproportionately affects outlays for education, nutrition and health care programs for poor children.

I hope this amendment will not be tabled. I offer this amendment with passion and with commitment to a matter that I think is very important. I think there should be an up-or-down vote, and I hope it will be adopted.

Mr. President, why the amendment? Well, because of recent history. The Center on Budget and Policy Priorities issued a report entitled ''Bearing Most of the Burden: How Deficit Reduction During the 104th Congress Concentrated on Programs for the Poor.'' I will just read a few of their conclusions:

More than 93 percent of the budget reductions in entitlements have come from programs for low-income people. The Congressional Budget Office estimates that legislation enacted during the 104th Congress reduced entitlement programs by $65.6 billion from 1996 to 2002. Of that, almost $61 billion out of the $65.6 billion comes out of low-income entitlement programs, the largest reductions in the supplemental security income program and programs for the elderly and the poor.

Please remember, I say to my colleagues, that one out of every five children in America today is poor. Mr. President, I read an article the other day with great interest of how you, as the Senator from Missouri, have teamed up with other Senators, like Senator COATS, and you have your own commitments to really not turning our gaze away from the concerns and circumstances of one out of every seven Americans, many of them children, but you are committed to doing something.

We might have different ideas of what to do. I think that is commendable, and I know you well enough to know that you have that commitment. What I am worried about is deficit reduction based on the path of least political resistance, because I think that is exactly what we did in the last Congress. That is to say, we are afraid to take on powerful interests, so, instead, what we do is we go after the people who are not the heavy hitters, who are not the big givers, who are not well connected, and those people, all too often, in the Senate are voiceless and they are faceless and they are powerless and they are disproportionately poor children in America.

I hope my colleagues will at least support this amendment. If this passes, it happens one time. Let's get it right. If we are going to lock ourselves into balancing the budget and deficit reduction, let's lock ourselves into humane and fair priorities that we are not going to disproportionately cut programs that affect the educational and nutritional and health care status of children.

Mr. President, other than entitlements, 34 percent of the reduction in nondefense programs that are not entitlements came from nonentitlement programs for people with low incomes. Those low-income people programs accounted for only 21 percent of overall funding, but they were disproportionately cut as well.

Just looking at the 104th Congress, I offer this amendment to make sure that we make a commitment that we are not going to cut such vital programs. Sometimes we are just too generous with the suffering of others. Let's not be too generous with the suffering of poor children in America.

The Concord coalition had this to say. Martha Phillips the executive director, on November 26, 1996:

> Balancing the Federal budget—

And this has been a goal of the Concord coalition—

> and keeping it in balance is critically important, but balance ought not to be achieved principally on the backs of the poor. Every program should be on the budget cutting table. No programs, groups or special interests should be exempt or get a free ride when the budget is being balanced. But neither should the needy be singled out to bear a disproportionate share of the load.

They go on to say—this is the Concord coalition, I say to my colleagues, committed to deficit reduction. The Concord coalition goes on to say, under the able leadership of Senator Rudman and Senator Tsongas, who passed away—a real loss for our country—the Concord coalition goes on to say:

> Even though the 104th Congress, which passed the laws, and the President, who signed them, did not plan to target deficit reduction efforts on programs affecting low income people, that was nevertheless the result of both actions that were taken and those that were not.

(Mr. ROBERTS assumed the chair.)

Mr. WELLSTONE. Mr. President, there is another interesting statement from the Committee on Economic Development. By the way, I would like to congratulate the business community in our country. The Committee on Economic Development over and over and over again, over the last several years, have said, from the point of view of economic performance for our Nation, we must invest in the health, skills and intellectual character of our children. We must do that.

I quote, as a part of a letter that was written November 26, 1996, by the senior vice president and director of research of the Committee on Economic Development:

> Second, in an unfortunate surrender to misplaced ideology and political opportunism, our leaders in both political parties have increased the magnitude of the financing problem by insisting that tax reductions be included in their balanced budget plans.

That was their view. By the way, I think we are going to have to look very closely at some of those budget proposals. My understanding is the Joint Tax Committee, in projecting the majority party's tax cuts over the next 10 years, has identified close to $500 billion in the first 5 years more targeted toward middle-income people and the second 5 years more targeted toward wealthy, high-income people.

What is going to be the offset? Cuts in the nutritional and educational and health care programs for poor children in America? If that was the case, that would be unconscionable. If there was some sort of budget deal that leaves these children out in the cold, that would be unconscionable.

The senior vice president of the Committee on Economic Development goes on to say:

> Third, as a result of the fiscal pressures created by these two factors, the burden of budget austerity has fallen disproportionately on those parts of the budget, and those parts of society, that offer the least political resistance.

Actually, I have been saying that over and over again. I guess we are in agreement. I am pleased to hear them actually state it that way.

For the budget that means that the discretionary annually appropriated programs, including those public investment activities for a society—it quite simply means the poor.

Now the quote:

> As David Stockman observed a decade ago, politics triumphs over policy in seeking out weak clients rather than weak claims.

This amendment asks us not to let politics triumph over policy. This amendment asks us to seek out the weak claims, not the weak clients.

This amendment says we go on record that when we balance the budget, we will not cut disproportionately those programs that affect the health care, nutritional and educational status of poor children. We ought to have 100 Senators voting for that. We can go forward to balance the budget. We can go forward with deficit reduction. But given the way we did it in the last Congress, and the evidence, I must say to my colleagues, it is irreducible and irrefutable that we ought to at least make this commitment.

Mr. President, the Washington Post in an editorial written today had this to say:

> The balanced budget debate is only in part what it purports to be—an argument over the deficit, savings, growth, and the shifting of cost to the next generation. It is also a sharp debate over social policy, conducted in fiscal code. If you decide to balance the budget, the question immediately becomes, at whose expense? The budget is by its very nature a redistributive device. On balance, it tends to move money from people who are better off to those who are not. If you narrow the deficit, will it end up doing more of that, less or about the same?

This editorial goes on to make the argument that if we are going to do it, we ought to do it on the basis of a standard of fairness. We did not do that in the 104th Congress.

This amendment asks the U.S. Senate, in the 105th Congress, Democrats and Republicans, to go on record that if we are going to balance the budget, we are not going to do it on the basis of the path of least political resistance and not going to go after weak clients. We are going to go after weak claims. And we are not going to end up passing budgets that disproportionately cut programs that affect the health, nutritional and educational status of poor children in America.

If I were to get 100 votes, I would feel like I have died and gone to Heaven. I

really would. I am so hopeful that my colleagues will vote for this amendment.

Mr. President, in an interesting poll result, the Committee for Education Funding points out that whereas there is support for the constitutional amendment to balance the budget—and there is. I have been opposed to it. You have to ultimately follow your conviction and vote for what you think is right or wrong. Senator HATCH clearly takes another position, and he votes his conviction. No one would ever say otherwise.

But it is interesting that public opinion polls show—according to the Committee for Education Funding—that 90 percent of Americans support maintaining or increasing Federal support for education. When directly asked if they would support a balanced budget constitutional amendment that reduces funds for education, nearly 70 percent disagreed. So this amendment just asks us to be clear about how we intend to do this.

Mr. President, just a little bit more context. I am going to get a chance to speak on this amendment today, and then I guess we will go back to the Durbin amendment and tomorrow get a chance to speak and then have a vote.

We are, as I said the other day on the floor of the Senate, in many varied ways a model for much of the world. I mean, we should be so proud of our country, the diversity of our country, so proud of our economic performance, so proud of our leadership in the world, so proud, I think, of really helping to create a world where we no longer have to think so much about a nuclear war that could be the end for our children and grandchildren. But there is at least one way in which we are not a model, one area in which I think in recent years we have been moving in the wrong direction. And that is in fulfilling our national vow of equal opportunity. That kind of national commitment is in need of refurbishing and renewal.

I bring this amendment to the floor because more than 35 million Americans are poor. That is one out of every seven citizens. In 1994, of poor children under the age of 6, nearly half lived in families below half the poverty line. That figure has doubled over 20 years. The number of people who work and are poor and work full time, 52 weeks a year, 40 hours a week, and still are poor has dramatically increased as well.

Mr. President, minorities are poorer than the rest of Americans. African-Americans are close to 30 percent, Hispanics at a little over 30 percent, and female-headed households are even poorer, and 44.6 percent of the children who live in such families are poor. In 1994, almost half of all children who were poor in America lived in female-headed households. So what we have here is one out of every five children poor, but it is getting closer to one out of every four children. One out of every two children of color are poor. Unfortunately, we cannot turn our gaze away from this reality, a strong convergence between poverty and race and gender and children in America.

I am asking us to go on record to be for fairness in how we do this deficit reduction.

Mr. President, let me give a few examples of the kinds of programs that I am talking about when I say that we should go on record that we will not disproportionately cut these programs that affect the nutritional health and educational status of children.

Let me start out with the Women, Infants, and Children Program. Let me make a point with my colleagues, because sometimes I am going to give a lot of examples. I am going to talk about women and children. I want to translate these statistics into personal terms.

But, first, as a teacher, I think I have said it before on the floor of the Senate, but I want to say it again. I was a college teacher for over 20 years. I have been in a school in Minnesota probably about every 2 weeks ever since I was elected. It is just crystal clear to me that the most important educational program in the United States of America—you know we talk about higher education. I was a college teacher. It is a big issue. It cuts across affordable higher education, cuts across a broad section of the population that people are very focused on, and it should be.

But as a matter of fact, I think the most important educational program is to make sure that every women who is expecting a child has an adequate diet, rich in vitamins, minerals, and protein. It is just a fact. It is just a fact. The evidence is irreducible and irrefutable and it is medical evidence. If we do not make sure that every woman carrying a child has an adequate diet, all too often her child will be born severely underweight, her child will be born with an impairment that may mean that no matter what we do in our public schools, that child will never have the same chance as probably all of our children, Senators' children, or grandchildren. It is the essence of the American dream. It is the goodness of our country, for us to say that every child, no matter what race or gender or income of family, will have the same opportunity to reach her full potential or his full potential. That is what my father, who was a Jewish immigrant from Russia, taught me about our country. That is the greatness of our country. It is not too much for me to ask my colleagues to go on record that in balancing the budget we will not make any cuts in the most important educational program, the Women, Infants, and Children Program.

In 1996, Mr. President, WIC provided assistance for 7.2 million women, infants, and children. That was about 60 percent of the eligible population. There are about 11 million women and children that are eligible. So, some women and some infants and some children are left behind.

Mr. President, let me talk a little bit about the WIC Program. It was established as a pilot program in 1972 and it was made permanent in 1974. It is administered by the U.S. Department of Agriculture. Who is eligible? Pregnant or postpartum women, infants, and children up to the age of 5 are eligible. Mr. President, how many people does it serve? More than 7 million people get WIC benefits every month, and participation has risen steadily. Children are the largest category of WIC recipients. Of the average 6.89 million people who received WIC benefits each month, 3.5 million were children, 1.8 million were infants, and 1.6 million were women.

Mr. President, this is a program that is a huge priority or should be a huge priority for this Senate. It is a success story. Sometimes we harp on the complexity of it all like we do not know what to do. I am in agreement with every single Senator that says some of these Government programs ought to be reevaluated, some of them do not work well. But from the point of view of decency, of fairness, of justice, of saving money—what is the figure? For every $1 we invest in the Women, Infants, and Children Program, it is $3 less we spend in medical assistance later on.

WIC is a huge success story. The Women, Infants, and Children Program reduces fetal deaths and infant mortality. WIC reduces low birth rates and increases the duration of pregnancy. WIC improves the growth of at-risk infants and children. WIC decreases the incidence of iron deficiency anemia in children, improves the dietary intake of pregnant and postpartum women, and improves weight gain in pregnant women. Pregnant women participating in the Women, Infants, and Children Program receive prenatal care earlier. I think, Mr. President, about every 2 minutes in America a child is born to a woman who had no prenatal care. Children enrolled in WIC are more likely to have a regular source of medical care and are better immunized. Children who receive WIC benefits demonstrate superior cognitive development. WIC significantly improves children's diet. WIC is cost effective.

I am just asking my colleagues to make a commitment that we will not disproportionately cut this program as we move forward to balance the budget because in the last Congress we disproportionately made cuts in programs that affected those citizens who did not have the political clout here, who did not give the big dollars, who are not the heavy hitters, who are not the well connected. This is a distorted priority if we at least do not make a commitment on behalf of these children.

Mr. President, I will give some examples from the Women, Infants, and Children Program, but I want to first of all call attention to my colleagues to a special report in Time magazine February 3, 1997, ''How a Child's Brain Develops and What It Means for Child Care Welfare Reform.'' Mr. President, I

congratulate Time magazine for this issue. I really believe that we will see major change in how we think about our priorities here as a result of the kind of research that Time magazine reports on. Basically, if I had to summarize this whole issue, the conclusion is as follows: If you do not make sure that women expecting a child have an adequate diet, if you do not make a commitment to these children when they are young, if you do not make sure that they do not have not only adequate nutrition and adequate health care, but if you do not make sure that they do not have intellectual stimulation, a nurturing and caring environment—and by the way, Government cannot do all of that. The President knows that. Much of that is up to the family. If you do not make sure that that does not happen, then by age 3 for many of these children, it is almost close to all over; certainly by age 5.

I think that what we are going to see and more of the concern that will come out, and it will be compelling, if we do not make the investment, if we do not do everything to make good things happen at the local and community level, and realizing people need resources to make sure that for these children we invest in the intellect and the character of these children, or many of them will therefore not make it. What a waste that would be for our Nation.

Mr. President, I have said before on the floor of the Senate and today is my day to try and give this context because I think so much of politics is personal, I have learned so much as a grandfather. Because our children are all older and we had our children when we were very young, I forget what it was like. Now when we have the grandchildren over, I have said on the floor of the Senate before, you take a 2-year-old and you watch him or I watch our granddaughter, it is amazing. Being in the same room, in the same house, and every 15 seconds they find something interesting and new. The President is smiling. He may have seen the same thing. What is going on is that these small children are experiencing all the unnamed magic of the world that is before them. We ought to ignite that spark for all of our children. We do not want to pour cold water on that spark, and we have, for too many children. Actually, it does not make much of a difference whether it is my grandchildren or anyone else's grandchildren, they are all God's children. I think it is time for us to move beyond symbolic politics and it is time to stop giving the speech and having the photo opportunities next to the small children unless we are willing to make an investment.

Mr. President, at 23 years old, Elaine became pregnant and soon after she was laid off of her $9 an hour office job. Since she was pregnant she had difficulty finding another job. She did find one at $6 an hour. With little resources, she immediately learned about the Women, Infants, and Children Program which she says is the reason her baby was born healthy and strong. Her initial guidance from the WIC office in Reno, NV, taught her the basic nutritional information. I am just reading from this example. We have collected stories from people around the country. All too often we just speak in statistics here, or strategy or tactics. I want to try and translate this amendment into personal terms as it affects people's lives. Every month Elaine attended nutritional classes and received vouchers for items like milk, cheese, peanut butter, and beans. She said, ''I had no idea what I was supposed to eat and what was right for my baby. The public nurses were all so nice and helpful, I never felt bad. They wanted me to have a healthy baby as much as I did. I knew nothing about babies, like breast feeding and stuff. They taught me all that.'' After Elaine gave birth to a healthy boy, she would take him to the WIC clinic where he was examined.

The same nurses who guided her through the pregnancies guided her through the initial steps of child rearing. Not only did she learn the basics of taking care of her son, but she continued to receive financial assistance. Says Elaine, ''The formula cost $160 a month and I did not have it. WIC gave it to me, and I'm not sure what I would have done without that help.''

Eventually, Mr. President, Elaine returned to her office job at a rate of $9.60 an hour, and she was no longer eligible for WIC, and she should not have been. She now lives independently with her son. ''WIC saved me. I really don't know how I would have survived. It helped me survive on an emotional level and with finances. I was really surprised. I always thought these kinds of programs were for 'low-lifes,' but they were a lot like me. I just had hard luck and needed help. I got it.'' And Elaine's son got it. That is the difference between Elaine's son having a really what we would call successful and full life versus what might have happened to her son if she had not received this assistance.

Is it too much for me to ask colleagues to go on record that we will not disproportionately cut the Women, Infants, and Children Program? Really, we should not cut it at all. This amendment doesn't even ask us to do that. Actually, we ought to fully fund it now. I don't understand some of these proposals here in Washington—some from the White House. When we don't actually fully fund some of these programs, I don't know exactly how we figure out which children go without health care, which children go without the nutritional help they need, which children are not in the Head Start programs. Who makes that decision? We know how we can make a difference and be helpful. We have some proven, credible programs that have worked, that are key to children, key to what we are about as a country. I am just saying, let us at least make a commitment that these programs are not the programs that we disproportionately cut.

Mr. President, let me now move on and talk about the Head Start Program. Mr. President, the Head Start Program is a program that began, as I remember, back in 1965, or thereabouts. It is a program which, in many ways, is not perfect, but it has lived up to its title, which is that we do, as a Nation, just what the program says; we give children from some really difficult and tough circumstances, from low-income families, a head start. That is the goodness of America, what we are about. Yet, Mr. President, in 1996, the Head Start Program reached only 17 percent of eligible 3-year-olds and only 41 percent of eligible 4-year-olds. In the United States, almost 4 million children are eligible for Head Start, because children 1 and 2 could be receiving or participating in this program. But it served just over 800,000 of those over 4 million children. Roughly, 3.2 million children are not being served.

The President's budget proposal says we will, by 2000, 2001, fund Head Start for another 1 million children. I still don't understand how we can make the collective decision not to fully fund it. How do we explain to people in the country, or more important, how do we explain to children?

Jonathan Kozol—and I recommend Jonathan's work—wrote a book called ''Amazing Grace: Poor Children and the Conscience of America.'' He wrote another book called ''Savage Inequalities: Public Education in America.'' His writing is so powerful. In an article he recently wrote for a journal called Tikun, a very interesting journal, he writes at the end:

> Millions of children in sequestered neighborhoods, like the South Bronx, do not know what they have the right to hope for. Their eyes ask questions that you and I and all of us have yet to answer.

Their eyes ask questions that, as Senators, we have not answered. One of those questions is, how can a country, how can a Congress, that purports to love children do so precious little to help some of the children that are the most vulnerable citizens with the direst need?

Mr. President, across the freeway from the comforts of Disneyland is a housing division, a stone's throw from the lavish and affluent hotels that serve tourists. In a corner apartment lives Rene, a lively, exuberant, and bright 8-year-old. She is in the second grade where she is doing well in school. In fact, every morning Rene runs to school excited to learn. Too many of our children are running into the arms of police, rather than into the arms of parents and teachers.

We pay a price for not investing in our children. We pay a price for not investing in poor children in America. Rene attended two years of Head Start, which, according to her mother, was ''a Godsend.'' At Head Start, Rene learned

the fundamentals of schools, such as her colors, the alphabet, and writing her name. More importantly, Rene and her family learned about school. For Rene, learning about school at Head Start meant more than academics. It meant her mother learned about nutrition and eating right. It meant her mother learned how to interact with and talk to teachers. Her mother learned how to prepare Rene for school, things like clean clothes and breakfast. It meant her mother learned about reading to Rene. It meant her mother learned that Rene needed a structure, a set time to eat dinner and to go to bed. Head Start taught this. Learning about school meant Rene learned to interact with her peers. She learned about sharing. She learned how to listen, how to take directions. Rene learned about curling up and being read to. She even learned to brush her teeth. Rene, Mr. President, represents one of the many children who have benefited from Head Start. Said her mother, ''Before Rene got in this program, I knew nothing about what she needed. I was kind of scared for her to go to school. I didn't do so good in school, and I was getting ready for the same with her. Her teachers cared about her and me. They wanted to work with us, too. I knew they cared.''

Remember, Mr. President, that the Head Start teachers who did so much for Rene and began her on the path to school success earn about $17,000 a year. Also, keep in mind that for every Rene that benefited in Head Start, two are turned away. For every Rene that benefited in Head Start, two are turned away.

I am asking Senators to make a commitment with this amendment, in an up-or-down vote, that we will not, in balancing this budget, disproportionately cut programs that affect the educational, health care, or nutritional status of children. WIC is one example, and the Head Start Program is another. I don't think that is too much to ask.

Marcus, a shy and quiet first-grader, finds himself in the principal's office for the third time in a week. According to his teacher, Marcus is either overagitated, annoying other students in class, or else listless and disinterested in the tasks at hand. Marcus usually doesn't understand what is happening in class. He does not yet know all of his colors, his numbers, or the alphabet.

Though many of his classmates attended a Head Start Program and learned the initial steps toward understanding school and learning, Marcus did not. He represents one of the 1.2 million children who, though eligible, could not participate in the Head Start Program.

Mr. President, in Minnesota, my State, only 40 percent of the children who are eligible for Head Start have access to it. In other States it is much lower.

The program near his home was full. Not only was it full but there was a year waiting list when Marcus' grandmother tried to sign him up. Though there was room in another program, it was too far for his grandmother to take him. Instead, Marcus stayed home, sometimes alone, while his grandmother worked. Marcus is conspicuously behind his classmates. While his classmates scurry around the teacher to be read to, he had not yet held a book or had ever been read to. Marcus does not even know how to write his name.

Let me pick up on that.

He had not held a book, and he had never been read to. Why don't we go on record, in all of this haste to balance the budget, that we will not balance the budget on the backs of poor children, and we will not make cuts which would make it impossible for a child like Marcus to have a book read to him in a Head Start Program?

There are a lot of homes that do not have any books at all. I read somewhere that one of the factors that most explains how well children do in school is the number of books that are in the home. Mr. President, there are many homes where the parent or parents can't afford any books. I would just suggest to my colleagues that one of the most important things we could ever do is to make sure that children have access to those books or that someone can read those books and nurture those children and stimulate those children.

Peter Hutchinson, superintendent of schools in Minneapolis, made an excellent suggestion that I am going to try out speaking at the legislature next week speaking about children. Peter Hutchinson, Mr. President, said something that I think is appealing to you; a wonderful voluntary effort. He said, ''You know, PAUL * * *'' and he has two teenagers—''we have all of these wonderful children's books in the home but the children are older now. Why don't we get those books in the other child's home? Let us get those books out of our homes. Let's get bookmobiles and get them into the homes of those children. And let us get them to those Head Start Programs and make sure that all of our children get that stimulation.''

That is what I am talking about today.

Marcus did not know how to write his name nor did he know how to recite the alphabet. In a phrase, Marcus is not a part of the culture of the school. He did not come to school ready to learn. Marcus' teacher is concerned and anxious about him. He is far behind his classmates, and she has little, if any, time to help him catch up. As weeks progress, he falls further behind and is more frustrated. Already Marcus hates school and learning, counting the days until summer vacation. He knows he is different. He knows he does not understand but also knows there is not much he can do.

Here is a child who is utterly defeated. I meet children. I travel the State. I travel the country and I meet with children who are age 10, age 8, who can't look me in the face, who look down. They have no confidence. They don't believe they are going to be teachers. They don't believe they are going to be doctors. They don't believe they are going to be successful business people. They don't believe they are going to be lawyers. They don't believe they are going to be architects. They don't believe they are ever going to be Senators or Representatives. None believe they will ever be President. They have none of that hope. It is gone.

Can't we make a commitment as a Senate knowing full well the importance of family and community? But can't we at least get some resources for the communities and neighborhoods and families so that we can support our children?

I will tell you something. I am absolutely convinced that when historians write about this time period of the decade of the 1980's moving into the decade of the 1990's, the ultimate indictment of our country will be the way in which we have abandoned our children and devalued the work of adults who work with those children. Think about it for a moment.

I am not off the topic. I love to take my grandchildren to the zoo. But if you work at the zoo, you get paid twice the salary, twice the wage, that a woman or a man makes working in a child care center. We pay people who work for the zoo twice as much money as we pay men and women who work with children. What in the world does that say?

When I was a teacher at Carleton College in Northfield, MN, I would meet students, and they would say, ''In all due respect, we do not want to be college teachers. We want to work with these children when they are young, 1, 2, 3, or 4 years of age, because we know that is such a critical time.'' But many of them would then go on and say, ''But we can't. We can't support the family. We would make $6 an hour with no health care benefits.''

What are we saying? Let us dig into our pockets. Let us not spend money on wasteful programs. Let us cut. Let us balance the budget. Let us be fiscally responsible. But, please, let us make a commitment with this amendment that we are not going to balance the budget on the backs of poor children. Please let us invest in certain areas of life in America, starting with our children.

Marcus' teacher said:

I just don't know what could be done for him. I know that he needs a lot of one-on-one attention and love, but I just do not have the time or the resources. Every day I feel him slipping, and, frankly, it breaks my heart. He is a good boy and a smart boy. I feel as if he is being punished for what we did not do for him. I am worried that he will always hate school and suffer until he can leave. He tries so hard. Sometimes I want to cry.

That is what this debate is all about. It is about people. It is about children.

I say to my colleague from Utah that I really believe there can be 100 Senators voting for this. I am not bringing this amendment to the floor because I want to point the finger at other colleagues. I am not bringing this amendment to the floor to force an embarrassing vote. I am bringing this amendment to the floor in good faith and in good conscience really hoping that my

colleagues will support it because, otherwise, I will just tell you, given our track record of deficit reduction based on the path of least political resistance, we are, with this constitutional amendment to balance the budget, going to lock ourselves into very stoic priorities, and we will make these cuts, and I believe in the absence of some commitment, we will make cuts in these very programs that affect these very children.

By August of 1996, in West Monroe, Louisiana, there was already a waiting list for Head Start for August 1997. Zora Cheney has been a Head Start teacher there since 1965. She was there at the very beginning. Not only does she see the need for it, but she lives the success. According to Zora, without Head Start the lives of many children would be in words ''a disaster.''

I visit Head Start programs all across Minnesota. Another outstanding feature is parental participation—high-participation parents—in meeting with the teachers and in talking about the children. This program is a really important investment in poor children.

We get kids here, so many kids here, that need us and would not endure later school years without it. I have seen some kids who come in, and it is obvious they are not cared for enough and that the home family needs help. While Zora's program emphasizes the traditional things that we discuss with Head Start, like building on language, learning shapes and colors and developing social skills, it does so much more. Says Zora, ''We are concerned with everything about that child. We want the parents to learn how to feed them, how to dress them, how to parent them.'' She continued, ''I have had children come to school, and I know they have been sleeping on the floor. I know they need so much at home. We work with other groups. We refer the families to get things like furniture and doctor appointments.'' When asked the most significant contribution that Head Start in West Monroe, Louisiana has made to the community Zora replies, ''For many its the first place that they feel safe.''

I have other examples that I will go through tomorrow, but I just wanted to give some examples of some children, and I am going to be doing this over and over and over again, actually thanks to the people in Minnesota—I am just going to bring to the floor of the Senate the lives of children so that we can get some votes on their behalf because I will tell you something. For example, the Senator from Utah—and this is not meant to challenge him—on these children's issues he is effective and he is a powerful Senator for children. I know that. So I do not feel like I am spitting in the wind when I come out here to speak or I do not think I make a mistake with this amendment. I am just trying to get my colleagues to make this commitment because I know so many of them care so deeply about children.

The amendment says we make a commitment that we will not put into effect disproportionate cuts in programs that affect education—I talked about that—nutritional and health care programs for children.

According to the Childrens Defense Fund, 10 million children, one in seven children in America, are without any health care coverage at all, and I think that close to about a million children a year have been dropped from coverage because actually more and more people are getting dropped from employment-based coverage, or what has happened, employers will cover the adult but they do not cover the children.

It used to be that people could get coverage for everyone in their family. Who are these 10 million uninsured children? Nine in ten, 88 percent, have parents who work. Nearly two in three, 64 percent have parents who work full time. These are children of working poor families. More than three in four, 77 percent, are white. Sometimes we do a little bit too much by way of stereotyping and always assume we are talking about African American people or Hispanics. Two-thirds live in families with income above the poverty level, and more than three in five, 61 percent, live in two-parent families. Each year since 1989—this was the statistic I was struggling for—900,000 fewer children on the average have received private coverage.

I think actually it is real important for me to make this point about what this amendment is talking about and also some of the legislative initiatives that will be taken in this Senate in the 105th Congress. We are talking about working poor families. We are talking about people who are not old enough for Medicare, and even if, by the way, you receive Medicare in my State of Minnesota people do not have prescription drug costs covered and elderly people still live in terror of catastrophic expenses if they are no longer to stay at home and the nursing home costs, or we are talking about families that are not poor enough to qualify for medical assistance. They fall between the cracks. They work, they work hard, they are barely above the poverty-level income and they are not fortunate enough to have an employer that provides them with health care coverage. So their children are at risk. These families live paycheck to paycheck.

What does this translate into? More than half of uninsured children with asthma never see the doctor during the year. More than half of uninsured children with asthma never see the doctor during the year. Many of these asthmatic children are hospitalized with problems that could have been prevented. One-third of uninsured children with recurring ear infections never see the doctor. Many suffer permanent hearing loss. Children with untreated health problems are less likely to learn in school. If you have an ear infection, if you suffer permanent hearing loss, if you are not treated for asthma, if you do not have dental care, if you come to school with an infected tooth, with a tooth with an abscess and you cannot even get dental treatment, you are not likely to do as well in school.

Mr. President, it will actually save money when we invest in children. Each dollar invested to immunize a child saves between $3.40 and, some say, $16 in direct medical costs, and it goes on and on. In every other advanced economy children get better health care coverage than in America.

So, Mr. President, here we have children with undiagnosed vision problems who do not get glasses and do not even see the blackboard. We have children who suffer from asthma, we have children who have ear infections and can suffer hearing loss, we have children who are in pain and discomfort and have trouble concentrating, we have children who are not treated early for lead paint poisoning and these children can suffer permanent mental retardation, and we have 10 million children in America who are uninsured.

Given this shameful statistic, is it too much to ask my colleagues to make the commitment that in our effort to balance the budget we are not going to make any disproportionate cuts that affect the health care status of poor children in America? We are not doing near enough right now.

That is all this amendment does. I am fearful, on the basis of what we did in the last Congress, that when push comes to shove, we will not have a deficit reduction plan locked in by this constitutional amendment to balance the budget based upon a standard of fairness, that we will embark upon once again deficit reduction based upon the path of least political resistance, and those Americans who will disproportionately be asked to sacrifice are the very Americans who cannot tighten their belts any longer—poor children in America. This amendment goes to the very heart of who we are and what we are about.

I do not know. My colleague from Utah may speak to this. Maybe there is a strategy on the other side—not the other side as if we are not friends, but we have majority party and minority party. I am in the minority party—to basically vote against all the amendments. I hope not. And one more time, I really hope that we will have an up-or-down vote on this amendment. I introduce this amendment with respect for colleagues. I think it speaks to a terribly important matter. I really hope that people will vote for it. I really believe most Senators agree that these are not the areas where we are going to make disproportionate cuts. I really think most Senators agree.

Mr. President, I will speak more to this amendment, but for right now I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I wish to express my regard for the distinguished Senator from Minnesota. He is very sincere, and he always means well, and, frankly, I care a great deal for him.

Having said that, I do want to point out that this is a constitutional amendment we are talking about here, and I need to take just a few minutes to respond to some of the comments

that my friend and colleague, Senator WELLSTONE, has made.

Let me begin by saying that I do not know of any other Member of this body more genuinely concerned about the children in this country and particularly those in poverty, unless it is myself. He works hard for these unfortunate people, these unfortunate kids, as do a lot of us, and I give him credit for that. When Senator WELLSTONE speaks on these issues, he speaks from his heart, and we all know that. Regardless of the differences on this amendment, you still have to give him credit for that.

Having said that, Mr. President, the efforts to try to help children by exempting programs that affect them from the balanced budget amendment's purview will have precisely the opposite effect. As a matter of fact, we are throwing their future away unless we pass this amendment. We are saddling them with historic debt that literally is going to cause them to spend the rest of their lives working to get out from under the debt that we in our generation are leaving, or should I say the past generations because it is more than just our generation.

The Senator has circulated a new section 8 that would become part of this amendment if it was passed. Let us have no illusions. Senator WELLSTONE, the distinguished Senator from Minnesota, is not going to vote for this constitutional amendment no matter what happens, even if we accepted this section. But we could not, because this section says:

> It is the policy of the United States that, in achieving a balanced budget, Federal outlays must not be reduced in a manner that disproportionately affects outlays for education, nutrition, and health programs for poor children.

He has circulated a whole number of amendments exempting the Women, Infants, and Children Program, a program I support, Head Start, a program I support, and education positions which I support. His current amendment exempts, as it says here, outlays for education, nutrition and health programs for poor children from disproportionate cuts.

If we care about children in this country—and I know we do; I don't think there is a person in the Senate who would not say that he or she cares—the most important thing we could do is pass this balanced budget amendment. Without it, it is our children and our grandchildren who will inherit the legacy of these astronomical debts, and they are going up by leaps and bounds. It is our children and grandchildren who will be called upon to pay the price for our years of profligacy, and they will pay that price with higher taxes, higher interest rates, fewer jobs, and economic instability. Thus, the amendment that we must support in order to save the children is not one which would gut the balanced budget amendment. To ensure the well-being of future generations, we need to pass the balanced budget amendment. It is the only hope for our children.

One of the things that is difficult for me to understand is why some would argue or assume that exempting certain programs from the balanced budget regime would somehow save or help those programs. Just the opposite is the case. If there is a program worth preserving, and I suggest those programs are, we ought to make sure these programs are funded responsibly and not with rubber checks. What is the point? Exempt a program from the budget so it would be allowed to go bankrupt on its own? Is that what the point is? That is simply the kind of reasoning that has led us to a $5.3 trillion national debt, going to $5.4 trillion in the next couple of months.

Mr. President, several self-proclaimed liberals are making these points as well as myself, notably Representative JOSEPH KENNEDY, among others, the Representative from Massachusetts. They have become staunch supporters of the balanced budget amendment. JOE KENNEDY is one of them because, as a self-professed liberal, he believes and other liberals believe, who are supportive of the amendment, that balancing the budget is the only way to protect and preserve the worthy programs for the needy. We are not doing anyone any good by bankrupting the Government and spending an increasing amount on interest on debt. Representative KENNEDY last week suggested that interest was the primary villain, crowding out good social spending programs. Imagine what we could do with the hundreds of billions of dollars we spend on interest every year?

No, the way to ensure the preservation and stability of critical programs and help the most needy in our society is to foster fiscal integrity. This is not the first time we have seen an amendment that sought to carve out a loophole in the balanced budget amendment, nor will it be the last. But I would like to ask my colleagues to consider what the balanced budget amendment would look like if we really did exempt all of these different parts of the budget because we like some parts better than others. Anything affecting children, gone; seniors, gone; investments, disasters, all manner of social spending, all gone from the amendment if these folks have their way. So what is left? What would those who propose this barrage of exemptions and loopholes leave under the balanced budget amendment? Absolutely nothing. And everybody on this floor has some favorite program, that is what has led us to this morass and this mess. We all would like to save something. We all would like to do something.

I have to say, it is pretty hard to fight against children's programs. I don't know anybody who wants to do that, and if they have to compete, they will compete very well and respectably for their share of the Federal budget. They always have and they will. I have to admit, I wish there was more money for these programs. I wish I could do more for those programs. But the best thing I think I can do for them is pass a balanced budget amendment that puts the fiscal responsibility into this system.

Look, what do they leave under the balanced budget amendment? Nothing? That is what it all comes down to. These kind of amendments tug at the heartstrings of all Americans, and they try to make those who sponsor the balanced budget amendment look mean. But the truth is, if you really care about children, senior citizens, and disaster victims, you will vote for the balanced budget amendment. You will vote for a Federal Government with the fiscal strength to be there for them. You will vote for a balanced budget amendment because, without that, you will never be able to protect these programs and these people. And you will vote for a balanced budget amendment without loopholes such as the distinguished Senator from Minnesota is sincerely advocating here, because everybody deserves a balanced budget amendment. I hope we reject these amendments and pass Senate Joint Resolution 1 as it is before us.

Additionally, I am not clear on the effect of the amendment of the distinguished Senator from Minnesota. This Wellstone amendment states that it is the policy of the United States that, in achieving a balanced budget, there should not be disproportionate cuts to poor children's programs. What is this, a sense-of-the-Constitution resolution? Is that what we put in the Constitution? I don't think so.

I know it is not intended as an insult, but it kind of is, in a way, by suggesting we are not going to do right by our children. The distinguished Senator says we are not doing right now by our children because there is just not enough money. I can agree with that. I can agree I wish we had more money, I wish we could solve every social program there is. But no nation on Earth has ever completely solved them, and certainly no nation that is not fiscally responsible. And ours is the most fiscally responsible Nation in the world, or at least it has been up to the last 60 years.

In the last 60 years—in just the last 28 years, we have had 28 straight unbalanced budgets that are demonstrated by this. We have two piles here, one behind the other. It would be a lot higher than double my size if we put the other pile on top of this one. These are unbalanced budgets over each of the last 28 years. That is only part of it. We have only balanced the budget 8 times in 66 years. No wonder we cannot do enough for our children. No wonder we do not have the money to take care of these social needs. It is going to get worse and the people who are going to get hurt the most are children.

Look at Social Security. When I talk to seniors, there are those who want to

take Social Security out of the purview of the balanced budget amendment, and that will be one of the big votes on this amendment. I talk to seniors. They are concerned about children, too, and they are concerned that most all the social spending now is going towards seniors, and very few dollars are going to children. Part of that is because we do not have a fiscally responsible Congress that has to try and divvy up the money so they work in the best interests of all Americans.

Now, we have had a Congress that just said, ''Just keep borrowing and just keep spending and you can just keep doing that ad infinitum, forever.'' We all know that is not the case. Our priorities do shift from time to time.

Again, I get back to the Wellstone amendment, is this a sense-of-the-Constitution resolution? What does ''disproportionate'' mean? My gosh, do you realize what constitutional authorities would do with a word like that? What does that mean? Does this limit across-the-board budget cutting? Is that what it does? Our priorities shift from time to time, as we do the budgets. Congress has to be free to allocate resources within a balanced budget rule. It has to be free to do that. We cannot write something like this into the Constitution.

How do we decide what is disproportionate? To senior citizens, they might think that spending on children is disproportionate, rather than spending on them. To children's advocates, spending on seniors is disproportionate to what we should be spending on children. We have to battle these things out. That is what we are elected to do. But we need to do it within the constraints of a balanced budget amendment so we really get down to the matter of setting priorities.

I happen to believe if we set priorities, the distinguished Senator from Minnesota will be right in there pitching for the priorities of children, and so will I.

(Ms. COLLINS assumed the chair.)

Mr. HATCH. Madam President, I think we will be able to win on this, to the extent we have the votes to win it.

Furthermore, on this disproportionate business, how do we decide which programs affect children? Do we do it on the basis of program title, or by surveying recipients to see the actual use of the money? Is that how we do it?

Madam President, it is pretty clear that if you put something like this in the Constitution, you create more problems than you solve. It's pretty clear that if you start advocating for any one select part of the budget to be outside the budget, because you want that protected from budgetary restraint, that you are hurting everybody. It's pretty clear if you prefer one group over another, you're going to have a lot of conflict among groups.

If you do that, you darn well better do it within a balanced budget constraint, so the people know what is going on, and not just think the money is going to come from somewhere, which is about the attitude we have had around here for the last 60 years, and certainly for the last 28 years, every year we had an unbalanced budget. And in current years, where we said this is a balanced budget for the first time—give me a break, not one of them has been and nobody has thought any would be.

I have to tell you, I think it is going to be a budget charade this year as well. The President's budget, according to CBO, is already $66 billion in debt, and the budget will be balanced in the year 2002, that is assuming current interest rates, that is assuming current rosy scenarios, that is assuming we continue to have no minor or major recession. All of those things are ifs.

We should reject this and similar amendments and pass the balanced budget amendment that will lead a stronger future for our children and grandchildren away from bankruptcy and debt, which is where we are headed if we don't get smart and do what is right. To exempt anything from the budget is almost an insult to everybody who serves. It is an insult to everybody who serves in the Congress.

We are here to try and do what is right. I believe the distinguished Senator from Minnesota, myself and others, who similarly feel the depth of these problems, will be able to fight very, very well for these particular items in the budget, but within a balanced-budget concept. If we do that, I think we will have more money in the end, more real dollars to help children than we are going to have if we don't pass this balanced budget amendment. So I hope that our colleagues will vote this down.

Just so people will know right off the bat, I probably am going to move to table every amendment that comes up. I don't want anybody to feel badly about it. We think that is the only orderly way to proceed.

Mr. WELLSTONE. Will the Senator yield?

Mr. LEAHY. Madam President, if I might make a comment to the Senator from Utah.

Mr. HATCH. I will be happy to yield for a comment.

Mr. LEAHY. Obviously, he has his right, as any Senator does, to move to table any amendment.

Mr. HATCH. That is what we have always done.

Mr. LEAHY. But I hope no person in the public will be fooled by that. The result is still going to be the same as an up-or-down vote would be.

Madam President, the Senator from Utah has virtually a blood oath from the Republicans to vote against anything that might try to protect Social Security, children, or anything else in this proposed constitutional amendment. So he would have the votes, I assume, to win. But I hope the American public will not think this is a procedural thing. This is very much a vote on the merits on any motion to table that the Senator from Utah might make to defeat an amendment.

He does have an absolute right, as any of us do, to move to table at some appropriate time. I hope he will allow enough time, of course, for debate, but he does have that right. But the vote on that motion to table should be viewed as if it were a vote on the merits.

I further ask the distinguished Senator from Utah how much longer he will take.

Mr. HATCH. I will only be a minute. I will say this, I agree with the Senator. The fact we move to table an amendment doesn't necessarily mean the substance of that amendment or the substance of that vote should be ignored. It is just a procedural way of handling the matter that I think we are going to have to do in an orderly way. But I think the vote will still mean who voted for it and who voted against. I always felt that way. I don't have any problem with that.

I also would just like to say that I don't think there are any blood oaths around here either. I hope some Democrats who have cosponsored and my fellow Republicans will vote to sustain the motions to table, but I don't know of any blood oaths, nor do I know of any all-profound commitments that people have made. I just believe that people know this game is about to come to an end and that this is a chance to pass a balanced budget amendment to put our fiscal affairs in order, and that this is the last chance. This involves both Republicans and Democrats who have worked hard to come up with this consensus amendment in the best interest of our country. I understand there are different sincerely held beliefs on this matter. But in any event, I do not agree with my colleague.

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

Mr. HATCH. Yes, I yield.

Mr. WELLSTONE. I know the Senator from Vermont wants to speak, and then I will, after the Senator from Vermont speaks, respond to some of my colleague's points. I don't understand, I will say to my friend from Utah, he talks about tabling the amendment because this is an orderly way to do it. I don't understand why an up-or-down, yes-or-no vote isn't just as orderly. What is the problem with an up-or-down vote as opposed to tabling? It is just as orderly.

The second thing—I guess it is less a question, and I don't know if my colleague, who is a good friend, meant it in this way—I don't think this is a game. This is less a question than, I guess, a response. I don't think it's a game at all. I don't think it's a game to these children, and it is not a game to me. I just want to be clear about it. It is an amendment offered out of respect. It is an amendment that I believe is profoundly important for our country. It is an amendment I hope Senators will support. It is not a game. It is not a game.

Mr. HATCH. Madam President, it may not be to the distinguished Senator from Minnesota, but I really believe it is time to pass a balanced budget amendment, and this is the context in which this is in.

With regard to tabling, we have always done it and intend to table the amendments if we can, and that is a right that we have. It is not meant to hurt the Senator or his position, it is just a matter of procedural choice, which I—and I just want to make it clear up front—will probably do on all, if not most all, amendments that come before the body on this matter.

I realize the distinguished Senator from Minnesota is very sincere, that he would not bring this amendment to the floor if he didn't mean it and it wasn't meaningful to him. I am not meaning to disparage his amendment at all, other than I think it would be a terrible way of writing the Constitution, putting words in the Constitution that would be almost impossible to define and I think would, basically, gut the constitutional amendment.

Even if we put it in, even if somehow or another we could find some way of putting it in the amendment, I don't believe we would have the vote of the Senator from Minnesota anyway.

To make a long story short, it is one of a long series of amendments that are intended to defeat the balanced budget amendment, and I hope my colleagues will vote to table.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, normally, I would speak in response to this, but I understand the distinguished Senator from Texas needs a few minutes to introduce a bill. Without losing my right to the floor, I yield to my distinguished colleague from Texas.

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

Mrs. HUTCHISON. Thank you, Madam President. I thank the Senator from Vermont.

(The remarks of Mrs. HUTCHISON pertaining to the introduction of S. 294 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mrs. HUTCHISON. Thank you, Madam President.

I yield to the Senator from Vermont and appreciate his willingness to let me introduce this bill on the day the officer is being buried. Thank you.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I should note a couple things from the debate that my good friend from Utah has stated. He said he is in favor of a balanced budget amendment. I know he has been very sincere about that. My difference is I am in favor of a balanced budget. The two are not necessarily the same. We have been voting closer and closer to a balanced budget each of the last 4 years.

We have seen, after the enormous increase in deficits and the national debt that grew up with Presidential budgets throughout the 1980's, for actually 12 years, beginning in the early 1980's straight through 1992, where we saw a tripling of the national debt—I do not want to sound partisan, but I point out those were all Republican budgets and Presidents, Republican Presidents who got virtually every single thing they ever asked for. In fact, the only appropriations bill that President Reagan ever vetoed—the only one—was one that did not spend as much money as he wanted. Yet he had, with his budgets, nearly doubled the national debt. The debt had taken 200 years to build up to the point where he became President. Within 8 years he doubled it. It was nearly tripled by the time his successor, another Republican, finished office.

So we actually built up the debt during that time—we are spending over a half a billion dollars every working day just in interest on that. We would not have a deficit today had there not been so much debt built up during the Reagan and Bush administrations.

In the last 4 years, under President Clinton, the deficit has come down every single year. No President, Republican or Democrat, has done that in my lifetime. I think he ought to get some credit for it. Now he has submitted another budget that will bring it into balance by the year 2002.

We have endured a number of gimmicks, from the dumping of thousands of dollars of cash on the ground to even a debt ticker. Now we have this stack of books being represented as the unbalanced budgets of the last 28 years. They are not the budgets for the last 28 fiscal years. Let us make this very clear. The stack of books over there are not the budgets for the last 28 years. They are not the budgets of the United States at all. The stack of books are a mishmash of documents. Some are proposed budgets by past Presidents. Some are proposed appendices of the proposed budgets. Some are simply analyses of the proposed budgets. Actually, the stack is as much a gimmick as a constitutional amendment to balance the budget is a gimmick—as everyone from the Wall Street Journal, on the right, to newspapers like the Los Angeles Times and the Washington Post, more to the left, have pointed out.

In fact, here is a copy of last year's budget resolution. It is a little tiny thin thing. This, incidentally, brought the deficit down for the fourth year in a row. It is not a very picturesque thing. It is not a gimmick. It is actually something we vote on. And by voting on it, we brought the deficit down.

President Clinton made it very, very clear. All it takes to balance the budget is our votes and his signature; not a constitutional amendment. It also takes some courage on our part.

Many of us have shown that courage over the last 4 years in bringing down the deficit. I am proud to be one of those. I am proud to be one of those who voted against the economic plan that built up those huge deficits in the first place. Because we are willing to cast specific votes is why I support the amendment of the Senator from Minnesota, Senator WELLSTONE.

I share his strong commitment to keeping America's children healthy and strong. He has stated this not just on the floor of this body but in individual talks with Senators. It is a deeply held view on his part. As one who has chosen to protect the lives of those in the next century, I share his view of that. I believe in strong families and a strong family structure in this country. Families prosper only if their children go the bed fed, not when their children go to bed hungry.

Last Congress, we had this Contract With America—or contract on America. It seems like deja vu all over again. If you read the fine print of that contract, as the Senator from Minnesota has, and the balanced budget plan in there, it repealed the School Lunch Act that provides lunch to 26 million children. The Contract With America legislation repealed the WIC Program, special supplemental nutrition program for women, infants, and children, that provides nutritious foods to 6.9 million women and children. That Contract With America legislation repealed the Food Stamp Program, which is a nutritional safety net, a very modest one for 28 million people.

Now we beat back the repeal of the School Lunch Act with the help of the Senator from Minnesota. We beat back the repeal of the WIC Program with the help of the Senator from Minnesota and we beat back the repeal of the Food Stamp Program with the help of the Senator from Minnesota and the Senator from North Dakota and others who were here on the floor today. We beat them back because people saw what was in the so-called Contract With America.

But with the balanced budget amendment you do not see how this is going to be done. Nobody wants to bring up the enabling legislation, the details for future Congresses, or most likely for unelected judges to decide. How can we guarantee—I will ask this question of the Senator from Minnesota, is there any way you can guarantee that we would not repeal the School Lunch Act or the WIC Program or the Food Stamp Program without at least some of the protections of your amendment? Is there any way we can be sure we protect them?

Mr. WELLSTONE. Madam President, the answer is no, absolutely not, on the basis of what was attempted. Also on the basis of some of the cuts made in the last Congress, the evidence is quite to the contrary. The evidence is, in the absence of some assurance and some sort of commitment in spite of all the

speeches made and words uttered, we will make disproportionate cuts in the programs that affect health, nutrition, and educational status of these children.

If the Senator from Vermont would not mind if I go on briefly and respond to some of the comments made by my colleague, the Senator from Utah. First of all, sort of a clarification about how you define ''disproportionate.'' It is pretty simple. Again, the evidence, and I am interested if somebody wants to argue with it, in the last Congress 93 percent of the budget reductions in entitlements came from programs for low-income people. Madam President, 93 percent. All you need to do is figure out the percentage of the overall entitlement programs that are low income and you do not cut by more than that.

We have the same thing with discretionary. You do not have to be a rocket scientist to understand what the amendment says. You cannot dance around it. Second, in all of the amendments we introduced and all the amendments that the majority party is introducing, in this whole constitutional amendment there will be implementing legislation to work out the final details.

Third, Madam President, as to the Constitution and whether you can have policy in the Constitution, I am not a lawyer, but article III says:

> The judicial power of the United States, shall be invested in one supreme Court, in such inferior courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their offices during good Behaviour, and shall, at stated Times, receive for their Services a Compensation which will not be diminished during their Continuance in Office.

It certainly seems as if we have such policies in the Constitution right now.

Madam President, what troubles me the most about the comments of my colleague from the Senator from Utah, first of all, he talks about this amendment giving an exemption. There is no exemption. This amendment just says give them what we did last time. Make a commitment that we will not disproportionately cut programs that vitally affect the nutritional, educational, and health care status of poor children in America. I gave examples of those programs in the way they work and what they mean to children. That is all it says and no more. Senators should be clear on what they are voting on.

Finally, Madam President, and I want to be clear if I could get the attention of my colleague from Utah, I do not want him to think I say this without giving him a chance to respond, but in all due respect to my good friend from Utah, when we talk about bringing the deficit down and real interest rates down, and that is the way to help children, a lot of the children that I have talked about, Senator, do not have that future. If we do not make a commitment that we will make sure that they have adequate diet, adequate nutrition, that they come to school prepared to learn, that they come to school in good health, they are not going to have this future.

For gosh sake, we should not in the name of deficit reduction savage poor children in America today. You do not want an up-or-down vote? You will vote to table. Fine. But this amendment is substantive. It speaks to the very real problem of the deficit reduction based on the path of least political resistance, picking out the most vulnerable citizens. If we do not make a commitment that we are not going to cut these programs that are so vital to poor children's lives—as a matter of fact, we should be investing much more—then these children do not have a future.

Deficit reduction, I am all for. Balancing the budget, we should do it. But instead of focusing on poor children in America, why do we not focus on the subsidies that go to oil companies, tobacco companies, pharmaceutical, big insurance companies, and a whole lot of other corporate welfare? Why do we not focus on the $17 billion over 2 years more than the Pentagon requested wanted for the Pentagon? There are other places to make the cuts, but I say to my colleague from Utah, and I am sorry to say with indignation, this is anything but an abstraction to the children I am talking about.

Your argument about how the best thing for these children is to make sure we balance the budget because real interest rates will come down—by the way, the Federal Reserve ought to bring the real interest rates down right now if everybody is right, I am not sure they are about the Consumer Price Index having overstated inflation, what in the world are we talking about even the possibility of real interest rates going up? They ought to be going down. Above and beyond that point, it does not do the children that I am talking about today one bit of good to talk about balancing the budget in the future when you balance the budget on their backs. That is what we did the last Congress. That is what we did the last Congress.

I am just saying, Senators, we should do this on the basis of some standard of fairness. I still think I can get 100 votes for this. I hope the Senator from Utah tomorrow, after we have a little bit more time for final debate, will not move to table this. I hope he will support it. With all due respect, the evidence does not suggest that with the absence of this assurance we will not make these cuts in exactly these decisive areas of life that so crucially affect the quality, or if we do not make this commitment, the lack of quality of the lives of poor children in America. I yield the floor.

Mr. HATCH. Madam President, I know there are 2 minutes left before we end debate on this amendment. I acknowledge my colleague is sincere. It does not negate the fact we have to live within budget constraints or this country will go down and children will be the first to be hurt. That is why this amendment is so important. You cannot make any exceptions.

If you make exceptions, then it does not become important. It does not work and it will not be the constraint that we need, it will not be the fiscal discipline, that it will make a difference whether this country really continues to be the greatest country in the world or not and whether it can do for children and families what we would all like to do. The best thing we can do is pass this amendment and pass it without exceptions, like my good friend who is very sincere thinks we ought to do.

I just want to bring that to the attention of everybody, that it takes guts to stand up and do what is fiscally responsible, because it is easier to offer spending through all these constituencies then it is to have to make priority choices. This amendment will force us to make priority choices. I think that is critical in any kind of nation that really wants to call itself great.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Madam President, last week I talked about the balanced budget movement from a historical perspective. I discussed the fact that when our country started out as a new nation, policymakers felt a moral and ethical obligation to balance the budget year after year after year, and they did that. However, as time evolved, a process was developed under which programs were funded based on demand. This process produced what are called entitlement programs. It created a blank check. As a result of these entitlements and the corresponding lack of accountability, there is no longer the same concern to balance the budget that existed during the time of the Founders.

I wanted to talk a little bit this afternoon from the perspective of a family man who has grown up in America, from the perspective of a small businessman who has had to start his business from scratch. Those obligations that I faced as a family man and those obligations that I faced as a businessman are pretty much the same obligations that we are facing as a Congress, as the leaders of this country, this great country called America.

Thus far, we have had two amendments presented before this body which, in effect, provide for exceptions to a balanced budget amendment. One is the Durbin amendment, and the most recent one is the welfare amendment. These amendments are unnecessary. We already have a provision to meet emergencies in the balanced budget amendment proposal that is before us. Madam President, 60 percent of the vote in the House and 60 percent of the vote in the Senate, or 261 votes in the House and 60 votes in the Senate, and we will be able to waive the provisions of this amendment to meet those national emergencies.

Madam President, I understand I will have an opportunity later on to continue with some of my remarks and that there is an order on the floor for another amendment.

I will continue my remarks at another time.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the hour of 3:30 p.m. having arrived, the Senate will now proceed to the consideration of the Durbin amendment No. 2, on which there shall be 2 hours of debate equally divided.

Mr. HATCH. Madam President, I yield 8 minutes to the distinguished Senator from Colorado, so he can finish his statement.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. I thank the Senator for yielding. I would now like to finish my comments that I began a few minutes ago.

The Wellstone amendment would provide funding for education, nutrition, and health programs for poor children. So, again, as I was speaking about earlier, I want to talk about this from the perspective of a family man and also a small businessman. Joan, my wife, and I started like most American families. After we got our education, we got jobs. We earned a salary and worked hard to save money so that we could incur our first major debt as a family. For most families in this country, their first major debt is when they purchase a home. They are able to incur that commitment only after they have enough income saved up to go ahead and qualify to buy that first house.

Most families in America work hard to pay down that debt because they understand that if they pay down that debt, then, in effect, they are beginning to free up their resources so that at some later date they can meet the educational needs of their children, the nutritional needs of their children, and they can meet the health care needs of their children. They also, hopefully will be able to save enough of their resources to get their children started out in life. In addition, by paying off that debt, they begin to build up a reserve in their home that they will be able to use in case of emergency.

That is not unlike the situation that we have here in America. That is why it is important that we get deficit spending under control and that we have a balanced budget amendment that will say to the Congress that it can't spend more money than it brings in.

Our debt today is greater than $5 trillion. Every year, for the last 28 years, we have continually added to that debt. We have been going in a different direction than the average American family. If we really want a better future for our children and grandchildren, we do not need to establish more Government programs that will cause the deficit to rise instead of fall. Instead, eliminating the deficit is the most unselfish thing that we can do for our children and grandchildren.

Now, as a small businessman, a veterinarian, when I started out, I had to go to the local banker to take out a loan. The largest portion of that debt went to purchase a building so that I could take care of my clients and their animals' needs. As time moved along, I worked hard to pay down that debt that I had incurred. I knew that the sooner I paid down that debt, the better I would be able to serve my clients because a smaller debt load would begin to free up my resources for other uses. Instead of paying out money on interest, I was able to buy new equipment and bring in more help so that I could take better care of my clients.

I think that these two situations, as a family man and as a businessman, are not unlike what we face as a country. If we, as Members of Congress, face our responsibility as custodians of this country's future, we simply have to eliminate deficit spending. Despite everybody's good intentions, the trend has been in the opposite direction—our national debt has grown larger every year. I think that the most unselfish thing we can do for our children and grandchildren is to eliminate deficit spending and assure them a prosperous future. That is why I am supporting a balanced budget amendment. The only way that we will gather the courage and discipline to address our budgetary problems is if we have a constitutional requirement to balance the Federal budget.

Now, many will argue here on the floor that we need to protect particular programs. And lots of times they will couch their arguments in terms of certain benefits for our children. But what they really want is to save their own jobs and programs. Because additional waivers or exceptions to the balanced budget requirement will preserve the deficit spending status quo, their primary concern cannot really be our children's future. The balanced budget amendment and eliminating deficit spending is the approach that concentrates on providing for our children's future. It is unselfishly saying that we want a better life for our children and grandchildren. That is why I am such a strong supporter of a balanced budget amendment.

I wanted to share with Members of this body my experience as a family man and a small businessman. I don't think that the Federal budget is unlike what the average American family or small businessman faces on a daily basis. They understand the need to eliminate deficit spending, to pay down their debt. I just hope that this body has the same foresight that many American families and small business people in this country have.

I yield back the remainder of my time to the Senator from Utah. Thank you.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

AMENDMENT NO. 2

Mr. DURBIN. Madam President, it is my understanding that under the order of the Senate, there is to be 2 hours of debate, if I am not mistaken, with 1 hour to be controlled by me and the other hour by the Senator from Utah, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DURBIN. Thank you. I yield 10 minutes to my colleague from North Dakota, Senator CONRAD, at this time.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD] is recognized.

Mr. CONRAD. I thank the Chair and my colleague from Illinois.

Madam President, first of all, I thank him for offering the amendment he has put up, which we will be voting on in just 2 hours. I think it is a critically important amendment. Before I discuss that amendment, I would like to talk about what I have heard here today, because I have heard a lot of talk about how we are going to balance the budget. I heard a lot of talk about how we are going to eliminate deficits, and all of it is going to be done with this balanced budget amendment to the Constitution.

I thought to myself, maybe they really don't know that, in fact, this isn't a balanced budget amendment at all, because even if you pass this amendment, the debt will continue to rise. Isn't that surprising? We have heard all of this brave talk about how this amendment is going to balance the budget. We have heard all of this talk about how it is going to eliminate deficits. Yet, if we pass it, and if it is implemented, the debt will continue to rise.

I asked June O'Neill, the head of the Congressional Budget Office, when she came to testify before the Senate Budget Committee, ''What is the deficit this year?'' She said, ''Well, Senator, the projected deficit for this year is $124 billion.'' I said, ''Is that right, $124 billion?'' She said, ''Yes, that's the deficit.'' I said, ''Well, how much is the debt going to go up this year?'' Well, she wasn't sure of the number. I looked it up in a table before I asked the question. I said, ''Well, would it surprise you to find out that the debt, subject to limit, will be increasing $255 billion this year?'' She wasn't surprised by that. Of course, none of us who serve on the Budget Committee are surprised by that.

The difference is that the deficit they are talking about in this amendment and the deficit she was talking about before the Budget Committee is the so-called unified deficit. That is when you put everything into the pot—all the income, all of the outgo, and you call that the unified deficit. The problem with that is, every penny of Social Security surplus is going in. That is about $70 billion this year of trust fund money that they are using to say they have balanced the budget.

That is not a balanced budget. In fact, by law, in the United States that

is not a balanced budget. But they are going to put it into the Constitution of the United States that it is. Is that really what we want to do? Do we want to phony up what is a balanced budget and put a phony description of a balanced budget in the Constitution of the United States? Boy, I do not want any part of that game. Are we going to say in the Constitution of the United States that it is a balanced budget when you take every penny of Social Security surpluses and throw those into the pot and call it a balanced budget? If any private employer in this country tried to take the retirement funds of their employees and put them into the pot to balance their operating budget, they would be in violation of Federal law. That is called fraud. Yet, that is what we are talking about here. Their defense is, ''Well, we are doing it now.'' Yes, we are doing it now. We have been doing it for 13 years. It does not make it right. And it certainly is not something we should put in the Constitution of the United States.

The first question the people of the United States ought to insist be answered by our colleagues on the other side of the aisle is, What budget is being balanced? We need to ask that question, the most basic question of all, because by any serious definition of a balanced budget this amendment to the Constitution of the United States that they are offering is not a balanced budget amendment at all.

This is the description. It says, ''Total receipts shall include all receipts of the United States Government. Total outlays shall include all outlays of the United States Government.'' That seems to make common sense. But the problem is that you are taking all of those trust fund surpluses.

Look at what they are. In 1998, the fiscal year that we are working on the budget, $81 billion of Social Security surplus. Under this amendment that they want to put in the Constitution of the United States, the organic law of our country, they want to take every penny it of it to claim they have balanced the budget. In 1999, $169 billion will be the cumulative surplus by that time of those 2 years; 2000, $263 billion; 2001, $361 billion of Social Security surpluses, every penny of it going into the pot to claim they have balanced the budget. What a hoax. What an absolute hoax to call this a balanced budget. By 2002, $465 billion of Social Security surpluses, and they will have taken every penny, they will have spent every penny, in order to claim that they have balanced the budget.

That does not pass any kind of credibility test. For us to be entrenching that principle into the Constitution of the United States—I thought about this very hard 2 years ago when it came down to my vote. I thought to myself, I don't know what the political ramifications are. I don't know how this will be read. But I know one thing. I am not putting my name on an amendment to the Constitution of the United States, the organic law that has made this the greatest nation in human history, and put my name on an amendment to the Constitution of the United States that says that a balanced budget is one that uses every penny of the Social Security surplus to call it a balanced budget. No. I am not signing up to that kind of deal.

Look at what we are talking about. By the year 2013, $1.8 trillion of Social Security surpluses, and they are going to take every dime and claim they have balanced the budget.

Let me turn now to the amendment of my colleague from Illinois, an amendment that I think is critically important because I think there are three failures to this balanced budget amendment that is before us today. No. 1, it raids Social Security surplus funds to claim balance; No. 2, it does not have adequate provision for a national economic emergency.

Madam President, we know right now that the right thing to do is cut spending and balance the budget, without question. I have spent a great deal of my time offering balanced budget plans in this Chamber. I deeply believe it is the right thing to do to secure the economic future for our country. There is a right way to do it and a wrong way to do it, and unfortunately the amendment before us, the underlying constitutional amendment, is the wrong one; wrong because it loots Social Security trust funds; wrong because it does not have adequate provision for national economic emergencies.

But let me be clear. While it is the right thing to do now to cut spending and balance the budget, that was precisely the wrong thing to do in the depths of the Depression. Cutting spending, raising taxes in the depths of the Depression would only have made that calamity last longer and be deeper. That is the economic reality. And we are passing an amendment here not just for today, not for the next 5 years, not for the next 10 years, but perhaps for the next 200 years. It ought to be an amendment that can stand the test of time. This one, the underlying amendment, fails that test.

The Senator from Illinois, Senator DURBIN, has come to us and recognized that we ought to amend the balanced budget amendment to take account of national economic emergencies.

He is saying that when we get into a situation, especially a depression, this country ought to be able to take fiscal policy that would help this country emerge. The Senator from Illinois has put his finger right on it, one of the key weaknesses of this amendment.

Henry Aaron, director of economic studies at Brookings Institution, says, ''One does not need to be a primitive Keynesian to believe that a requirement forcing tax increases or spending cuts during an economic slowdown could be catastrophic. Yet, the need to mobilize a three-fifths majority, not just in the Senate but in the House of Representatives as well, heightens the possibility that such policies would result because of incapacity to mobilize the necessity supermajority in both Houses.''

Some of my colleagues on the other side who are moving this amendment may say, ''Well, all we have to do is get a three-fifths vote to waive these provisions in the event of a national economic emergency.'' I think that is cold comfort, Madam President. All we have to do is look back at some of the decisive moments in history to see that it isn't easy to get a three-fifths vote in this Chamber. On the eve of World War II we could not get a three-fifths vote to institute a draft. If there ever was a national emergency, it was World War II, and we couldn't get a three-fifths vote to institute a draft. In fact, we couldn't get a majority vote to institute a draft.

Madam President, we don't want to hold the economic future of America hostage at in a time of national economic emergency. That does not make sense.

Robert Solow, the Nobel laureat from MIT, said, ''The balanced budget amendment would force perverse actions by Congress, easily turning a small recession into a big one and a big one into a disaster.''

We ought to pass the Durbin amendment because it makes economic sense. We ought to do that.

This chart shows what we have learned in terms of evening out the economic cycles. This chart shows real economic growth from 1870 to 1995. You can see these wide swings, these wild swings, in economic activity up until about 1950. Then these economic stabilizers that we put in force in this economy eliminated these wild swings that lead to so much pain, so much suffering, and so much devastation. That is what the Durbin amendment addresses. It says let us not eliminate these economic stabilizers. Let us not be in a situation in which we handcuff the American economy in the midst of a national economic emergency. Let us not be in a circumstance in which we cannot do what we know works to eliminate disastrous economic consequences. That just makes common sense.

I hope we will support the Durbin amendment.

I thank the Chair and yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Madam President, the Senator from North Dakota has been very eloquent. The problem is that what he seems to be arguing for is a continuation of the status quo. For instance, on Social Security, at the very time he is arguing that it is immoral and that it is a rape of the trust, that it is a ripoff to keep Social Security within the purview of the balanced budget amendment, he supports a President who is doing exactly that.

That is what the President's budget does. That is what every budget of

every President has done ever since we started the unified budget system. And it just makes little or no sense to take it out of the Federal budget, out of the unified system, because if it cannot stand on its own, which Social Security can, then why would we make any selectivity. The fact is it is a gimmick to take it off budget, and it is a risky gimmick at that. What they are trying to do is really defeat the balanced budget amendment.

Then to argue that we have to take care of economic emergencies, well, what are economic emergencies? I must be able to list at least 3,000 of them right now that could occur to which everybody could argue that the balanced budget amendment does not apply.

It is one thing to argue for the status quo. I have seen 28 years of it. I have been here 21 of the 28 years. And I have to admit I fought for a balanced budget every one of those years, and there have been a number of us who have done so, but we have been in a distinct minority as unbalanced budget after unbalanced budget has been passed.

Now they are saying let us keep the status quo. Even though this gimmick is going to take Social Security off budget and subject to all budgetary matters, we should take it out of the balanced budget amendment, as though Social Security cannot stand on its own. Come on. That would be one of the most risky things we could do. Every item ought to be on budget.

Social Security is the largest item in the Federal budget. It ought to be in the budget. And we can work around the problems that are concerning the Senator from North Dakota and others who argue that. To talk about economic emergencies and try to write that into the Constitution, everybody knows that is a gutting amendment that would destroy the balanced budget amendment.

To say that you cannot get a three-fifths vote is an insult to everybody who believes in this country and who is patriotic and who really believes that the country should go forward. If we have a true economic emergency, we will be able to get the three-fifths vote, and there will be a lot of us who are conservative who will be voting for the three-fifths vote.

The fact of the matter is if it does not measure up, then that three-fifths vote will not be granted. And a lot of these very same people will be saying, ''Oh, this is the most important thing in the world,'' as we go into another year of unbalanced budgets. That is what we have been doing.

I hear these people saying, ''Oh, we can do it. Just do it. Just do it.'' I have heard that for 21 solid years. We have never done it yet in the last 28 years. What makes us think that ''let's do it'' means we are going to do it the next year. The fact is the President's budget is not going to be in balance, according to the CBO; the one he sent us is not balanced. And keep in mind the last 2 years are where all of the budget cuts have to occur in order to be in balance, according to the President, or there will not be any tax relief to the American people.

So, look, we know that these amendments are intended to gut the balanced budget amendment. People who are arguing for them may be doing it sincerely, and I presume they are. But they are people who are not going to vote for this balanced budget amendment no matter what we do. They are not for it no matter what we do. We heard the distinguished Senator from Minnesota. Why, he has four or five major items that he would exclude from any budgetary restraint. There are others who would exclude Social Security from any budgetary restraint. And there are 98 others in this body who would also like to exclude some of their special projects.

The best we can do is work together on the unified budget and face the music and make priority choices within a budgetary constraint system, and if we do that we will save this country, we will protect our children, protect our seniors, protect those who need it, and we can. Otherwise, we are going to monetize the debt in order to stave off bankruptcy, and that means ruining our country, having interest rates going out of sight and inflation through the roof.

We are talking about saving the country right now. That is what we are talking about. With these gutting amendments, if any of them pass, the balanced budget amendment will become a lot less effective.

I yield the floor.

Mr. DURBIN. Madam President, I yield 3 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, just to respond to my distinguished colleague from Utah, the Senator from Utah says, well, it is OK for us to put in the Constitution of the United States a definition of a balanced budget which assumes that you are going to loot Social Security trust funds, and every other trust fund, for that matter, because the President did it in his budget submission.

I say that is a mighty weak defense of a constitutional provision. We are not talking about a statute here. We are talking about the organic law of the United States.

Mr. HATCH. Will the Senator yield on that point, just on that point?

Mr. CONRAD. Let me complete my thought, and then I would be glad to.

Mr. HATCH. If the Senator would.

Mr. CONRAD. Then I would be glad to yield.

The fact is we are talking here about an amendment to the Constitution of the United States. This amendment does not lead to a balanced budget. The debt continues to increase even if this is passed. That is not a balanced budget, No. 1.

No. 2, the President's budget, which is done on a unified basis in the same way as this constitutional amendment, is also not a balanced budget. And I have said that clearly.

Mr. HATCH. Will the Senator yield?

Mr. CONRAD. I have said it publicly, and I have said it privately. It is not a balanced budget, because although this amendment claims balance and the President's budget claims balance, they are taking trust fund money in order to claim balance. That is not a balanced budget. It defies our own law. Our own law says you should not count Social Security trust funds.

Second, the difference between Social Security and other funds is it has a dedicated revenue source. We impose a tax, a regressive payroll tax on the workers of this country and the employers of this country, and that fund is in surplus. And so when you mix it in with everything else, you are taking the surpluses generated by that stream of revenue that is being generated for a purpose. The purpose is to prepare for the baby-boom generation. But all the money is being spent. It is being spent for another purpose. That is wrong. And it is dead wrong to enshrine that flawed principle in the Constitution of the United States.

Mr. HATCH. Will the Senator yield?

Mr. CONRAD. Third point. The Senator from Utah says three-fifths vote, requiring that is an insult to those who serve here. Not at all. It has nothing to do with insults. I could turn that on the Senator from Utah and say his requirement of a three-fifths vote is an insult to democracy. In democracy, majority vote prevails. We do not have supermajorities. I do not choose to do that.

I do not think it is a matter of insult. I think it is a matter of reality. Do we really want to be in a circumstance in which this country faces an economic emergency and we have to have a supermajority vote to respond when we know from our own past that it has been difficult to muster a three-fifths vote. Even on the eve of World War II, to institute a draft, we could not do it. I submit to this Chamber and to the American public, the wiser course is the amendment of the Senator from Illinois.

Mr. HATCH. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I listened to these arguments, and I did not make the argument that we should have Social Security in the balanced budget amendment because the President is doing it. Everybody has done it because it is a unified budget that requires everything to be on budget. And on the other side of that coin, starting about the year 2014 Social Security goes in deep deficit. What are we going to do, keep that off budget so that we do not have to face the music, so we can keep borrowing?

The PRESIDING OFFICER. The 3 minutes of the Senator from North Dakota have expired.

Mr. HATCH. I will use my own time. I am sorry.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. The fact of the matter is, you cannot budget without putting everything on budget and you cannot handle it right. And the President is doing what the Secretary of Treasury said he should do, and that is keep all items on budget. There are 31 trust accounts, at least in the Federal Government. Are we going to take them all off because somebody makes the unfounded allegation that we are ripping off the trust funds? The fact is, the only way not to rip them off is to keep everything on budget. And that is a pretty important point.

I do not see how you can argue to take it off budget. It just makes sense that we face all the music here, not just part of it, and that we do not make any exceptions so that we have to make priority choices if we are going to have a balanced budget amendment.

The Senator is right on one thing and that is this amendment does not require a balanced budget. We can choose not to balance the budget. All we need to do is get a supermajority.

This is not a pure democracy in this country. This is a representative democracy, and the Senate is a perfect illustration of how we do not always have a majority vote. The fact of the matter is, each State has two Senators, regardless of population, and that gives a disproportionate amount of voting power to some States over others.

The House of Representatives is a purer democratic body, and our Founding Fathers in their wisdom understood this. They also would understand, if you are going to do a balanced budget amendment, you have to keep everything on budget. And it still does not rebut my point, which is that this is a gutting amendment. This amendment basically says when we have an economic emergency we can go off budget, the amendment does not apply. Again, I ask you, what is an economic emergency? There is a wide disparity of belief as to what is, and we provide for a way around that by a three-fifths vote, which I think, in a true economic emergency, will be easily obtained here and should be easily obtained here.

In response to the supermajority requirement, the Senator from North Dakota raises the vote on war, a military threat. Senate Joint Resolution 1 provides a lower threshold for votes to waive the balanced budget rule in times of war or national security emergency. With regard to economic emergencies, during the past 15 years Congress has passed emergency unemployment compensation by supermajorities every time but once, and it can be legitimately argued that the once was a time when they should not have. Disaster relief has been enacted by a similar supermajority every time except twice over the last 7 years.

What is wrong with requiring people who have not balanced a budget in 28 years and who keep saying the same things, what is wrong with requiring some fiscal restraint of these people? It is apparent that Congress is not going to live with fiscal restraint unless it is imposed upon them, and the only way we can impose it—after five tries in the last few years of budget restraint by statute, none of which have worked—the only way you can impose it is through an amendment to the Constitution that everybody in this body and in the other body is sworn to uphold. I think it is just that simple.

There is room for legitimate disagreement here, I am sure. I do not mean to imply that my colleagues are not sincere in every word that they are saying. But, on the other hand, I think those of us, the vast majority in this body, who will vote for this are sincere as well. We have seen 28 years of sincerity. People were sincere in trying to get balanced budgets during those years, but they did not do it. The reason they did not do it is because they did not have to do it and it was easy to borrow. It was a lot easier to borrow and mortgage the future of our children than it was to face the music. Our amendment will require we face the music.

I yield the floor and reserve the remainder of my time.

Mr. DURBIN. Mr. President, I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from North Dakota is recognized for 1 minute.

Mr. CONRAD. Mr. President, words do not change reality. You can call it a balanced budget amendment to the Constitution of the United States. It is an amendment to the Constitution of the United States, but it is not a balanced budget. The simple fact remains, if you pass the amendment offered by the Senator from Utah and it is fully implemented, the debt continues to go up. You can say that is a balanced budget but it is not. It is simply not. The reason it is not is because the Senator from Utah is taking every penny of the Social Security trust fund surplus and throwing that into the pot and saying he has balanced the budget. It is not a balanced budget. No private employer could do that. It would be a violation of Federal law.

On the question of three-fifths vote, it is very interesting——

The PRESIDING OFFICER. The minute of the Senator has expired.

Mr. CONRAD. May I have 30 more seconds?

Mr. DURBIN. I yield 30 seconds to the Senator from North Dakota.

Mr. CONRAD. On this question of national economic emergency, it is very interesting that all these arguments about supermajority go right out the window because they themselves provide for a simple majority in the case of a national security emergency but not in the case of a national economic emergency. That is a fatal flaw in this amendment.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I hear the distinguished Senator, but what he fails to say is that we are continuing that system without any restraint if we do not pass the balanced budget amendment. I think the Senator from North Dakota, not deliberately, has made several misleading statements, to some of which I would like to respond.

He says the balanced budget amendment does not balance the budget if it does not exclude Social Security. Of course he fails to mention that in the long run everyone knows Social Security is going to run huge deficits and that it is not always going to run surpluses. This tends to balance out. If we follow his suggestion, we do nothing but continue the current system. His own President is including Social Security because he has to, because it is part of the overall unified budget. By the time today's children are retiring, Social Security will be running annual deficits of $7 trillion each year. Unless we keep Social Security on the budget and make it work and resolve it, in current dollars, it will be a $7 trillion deficit a year.

He also fails to mention that this huge deficit would not count under the Social Security amendment that he supports. The amendment he supports would call this $7 trillion deficit a balanced budget. You talk about hoax; I don't see how anybody can argue that. Yet they do. The fact is, we are in trouble and what are we going to do? Just the status quo? Just keep doing year after year what we are doing; mortgaging our children's future and making it so this, the greatest country in the world, becomes the least great country in the world? That is where we are headed if we do not do something about it.

The Senator from North Dakota also described the balanced budget amendment as looting Social Security. What a half-truth. The balanced budget amendment does not touch one penny in Social Security. That whole argument is nothing more than an accounting preference. The Social Security trust funds will be still invested in the greatest securities in the world, and that is American securities, U.S. Treasury bills, if you will. That is the only thing they can be invested in. That is going to happen whether we pass a balanced budget amendment or if we do not. So, this is a phony argument and, frankly, it would be literally—literally—a risky, risky gimmick to take Social Security out of the major budget because, on the one hand, there are surpluses today, but they are all invested in American securities. Starting about the year 2013, we have huge deficits; not surpluses, but deficits. Should we take it out when we have surpluses and not put it in when we have deficits? No. You keep it in all the time and you work with it and you

do what is right. That is what the Secretary of the Treasury did. That is what he suggested. That is what he said is the right way to do it. By the way, that is also what the President just did in sending up his budget.

So, if we do nothing here, we have business as usual, another, a 29th, year of unbalanced budgets. I would feel a lot better if some of these people who are bringing up these amendments would be voting for the balanced budget amendment. But, no, these are amendments to gut the balanced budget amendment.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, could you please tell me how much time is remaining to me?

The PRESIDING OFFICER. There are 42 minutes for the Senator from Illinois, 38 for the Senator from Utah.

Mr. DURBIN. Mr. President, I thank my colleague from North Dakota, Senator CONRAD, for supporting my amendment and joining in the debate. He has raised two very important issues. One relates to the future of Social Security and its involvement in balancing the budget. The other relates directly to my amendment, to whether a supermajority vote will be required in the House and the Senate in times of a national disaster or a national economic emergency for the Congress to decide to spend more than we have received in tax revenues that year.

The Senator from Utah, the chairman of the committee, has spoken in committee and on the floor. His point is made and made clearly. He believes that Social Security should compete with all the other Federal programs. He believes that it should be there with no special treatment, should not be excluded, should be brought to the debate and treated the same way. I respect his point of view. I disagree with it.

But in order to bring this back to my amendment, I would like to focus on the debate which started last Thursday and continues this afternoon.

Consider this possibility. If we are successful in balancing the budget in fiscal year 2002, as proposed by President Clinton and virtually all of the leadership in Congress, we will applaud, congratulate ourselves and believe, I think rightly, that our economy is in stronger shape. And now let's take a hypothetical.

In the next year, 2003, there is a downturn in the American economy. This is not an extraordinary event. In fact, history tells us that once every 5 years we face such a downturn. So our budget is in balance and the next year, millions of Americans, because of this recession, are out of work; men and women who have been paying Federal taxes, no longer working. Naturally, they are not paying the taxes.

On the other side of the coin, they are men and women who need a helping hand. They are men and women who need unemployment compensation from the Government. They are men and women who may need, in dire circumstances, food stamps to feed their children from the Government. They may also need Medicaid for hospitalization care of their children while they are unemployed from the Government. They may be determined to go back to work and headed for a job training program to get them qualified for another job, that training program coming from the Government. They may decide it is time to get that advanced degree or college degree and need to ask for a loan from the Government. In each of these instances, people who are not paying taxes, working families who, through no fault of their own, are out of work, turn to the Government for a helping hand.

Any economist is going to tell you your books are not going to be in balance that next year. Congress will then have to decide whether in the year 2003, in this hypothetical, we will not have a balanced budget, because we don't want to relegate millions of unemployed Americans to the ash heap of economic history. We want to make certain they have the same chance other families have had to get back on their feet, and that is the purpose of the Durbin amendment.

How will we reach that decision? Under the amendment to the Constitution being offered by the chairman, the Senator from Utah, it would take a three-fifths vote of the House and the Senate, approved by the President in order for us to decide, yes, in the year 2003, we are going to waive the requirements of a balanced budget in order to get the economy moving again, in order to get people back to work, not to risk going more deeply into the recession.

The chairman stands and says this supermajority requirement, this 60-percent requirement, is not unreasonable. Surely, he says, the House and the Senate, faced with this economic challenge, will rise to the occasion, cast partisanship aside, avoid the personalities, rally around the flag, stand behind the families. I say to the chairman and to others of like mind, history suggests it might not be that easy.

In the desk of each Senator is a publication known as the Senate Manual. It contains a lot of information about the rules of the Senate, and it also contains the Constitution of the United States.

I ask the chairman to consider the following: When our Founding Fathers wrote the Constitution, which we are seeking to amend with this resolution, there were 13 colonies organized under the Articles of Confederation. And they said that 9 of the 13 colonies would have to ratify the Constitution for it to go into effect.

Think about this: The birth of our Nation, the creation of the United States of America, and turning to 13 legislatures in 13 colonies, this Constitution was given to them, asking them to be a part of our Federal system.

What if we had given them the Constitution with a supermajority requirement in each of the legislatures? What if we had said to them, ''Just to make certain that you don't do anything rash, we are going to require a 60-percent vote from the legislature of each colony to ratify the Constitution, and it will take 9 of the 13 colonies to do it''?

Mr. President, I am not certain we would be a federal nation today, because if you reflect on the votes actually cast in each of the 13 colonies, you will find, unfortunately, that 5 of the 13 did not meet the supermajority requirement. Only 8 of the colonies would have met the chairman's supermajority requirement.

So, though he believes we can rise to the occasion in economic recession, history tells us that even in the creation of this Republic, a supermajority requirement would have complicated things, slowed them down. I don't know if we would be standing today on the floor of the Senate of the United States of America. It is anyone's guess. But the suggestion that a supermajority requirement is something easy to come by belies history.

What my amendment says is that a majority is necessary to make this decision. So, if we face a natural disaster—the big one in California, a hurricane in Florida, a hurricane in North Carolina—or a national recession, that we will come together as a national legislature and decide for that given year we will waive the requirement of a balanced budget because of a national economic emergency, a national disaster.

The chairman suggests people will abuse this. They are going to call everything a national economic emergency. I don't think so. I think history tells us over the last 4 years, with the Clinton administration, with both a Democratic Congress and a Republican Congress, there has been a real commitment to deficit reduction.

The chairman is standing next to his leaning tower of unbalanced budgets and suggesting to us that this is going to go on forever. But if the chairman would look closely over the last 4 years, he will see they are somewhat different than the other 24 years, because we have come to a bipartisan conclusion that we should and can reduce the deficit in a responsible way.

President Clinton's administration, with the cooperation of a Democratic Congress and a Republican Congress, have brought 4 straight years of deficit reduction. This is the first time that has occurred in this century and far into the last century. So it suggests Congress has the message and has the goal in mind and is moving toward it in the right way.

The chairman has said to us many times, this is something the American people want, a balanced budget, and he

is right, not just by our empirical evidence of visiting our States and speaking to our constituents, but also by sophisticated polling time and again. People come forward and say, ''Let's have a balanced budget.'' But I say to the chairman, I will also add a couple things to that.

If you would ask them whether they want to protect the Social Security trust fund as part of balancing the budget, they want that in an overwhelming way.

If you would ask them whether or not it is right for our Nation to come to the rescue of families unemployed in the midst of a recession, for the Nation to come together to offer things to families to get back on their feet, I think you will find an overwhelming response. Because the bottom line for most American families, whose senses are dulled by all this economic theory rhetoric, is whether or not they are doing well for themselves.

Are people in their households working? Do they have a job? Do the kids have a chance for a bright future? Is our economy expanding, creating good-paying jobs? I think that really is a bottom-line question. In election after election that is the test we are held to.

This amendment does not meet this test. This amendment, by requiring a supermajority vote, says that this Senate of the United States and the House of Representatives will hold itself to such a standard as to question whether or not we can rise to the occasion when there is an economic necessity.

Mr. KENNEDY. Will the Senator yield?

Mr. DURBIN. I would be happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I strongly support the amendment offered by Senator DURBIN to protect jobs for working families. Without it, millions of Americans may well lose their livelihood if adequate steps are not taken to prevent real damage to the economy from the proposed constitutional amendment.

Proponents of the balanced budget constitutional amendment claim that it will help American families. They predict dire consequences without a constitutional requirement to force a balanced budget. But, we know better. President Clinton's budget gets us to balance by 2002, and American families don't need or want to lock themselves into a budgetary straightjacket.

Secretary of the Treasury Robert Rubin and over 1,000 economists have told Congress that the balanced budget constitutional amendment is a mistake. Because the amendment turns off the economy's automatic stabilizers, ''it could turn slowdowns into recessions, and recessions into more severe recessions or even depressions,'' according to Secretary Rubin.

Without the automatic stabilizers, the Treasury Department estimates that the 1990 recession might have led to 9 percent unemployment—instead of 7.7 percent. That would have cost the country over 1 million additional jobs.

The fundamental problem with the amendment is that it requires a balanced budget even in times of recession. The depression of the 1930's was made far worse because Congress repeatedly cut Federal spending and raised taxes trying to keep the budget in balance. This amendment could easily condemn us to repeat that unacceptable history.

Surely, we can't ignore the views of over 1,000 economists who agree that this amendment mandates ''perverse actions in the face of recessions.'' The last time we failed to heed the warnings of the Nation's economists, at the beginning of the 1980's, the deficit skyrocketed and hundreds of thousands of Americans lost their jobs.

Of course, supporters of the amendment say this will never happen. They tell us that if an economic depression is on the horizon, the proposed constitutional amendment allows Congress to waive the balanced budget requirement with a three-fifths vote. But it is reckless for Congress to gamble in this way with the economy.

The Durbin amendment is needed to avert these serious threats to the economy and to American families. Under the Durbin amendment, a constitutional majority could waive the balanced budget amendment's requirements if there is an economic recession or serious economic emergency in the country.

The amendment protects the country during times of military emergency, and it should also protect families during an economic emergency. I urge my colleagues to support the Durbin amendment.

Finally, I want to ask the Senator a question, if I might.

I have listened with great interest to the Senator's explanation. I find it enormously powerful and extremely compelling. After listening to the interpretation of both the balanced budget amendment and the Senator's anti-recession amendment, one has to draw the conclusion that on the one hand Americans who have great wealth will not be significantly impacted by the implementation of the balanced budget amendment during a recession.

The very wealthy do not rely on the kinds of programs that you have mentioned. So their lives will not be adversely affected if this measure is actually put in the Constitution.

On the other hand, as the Senator has pointed out, working families, children of working families, and parents of working families have the greatest risk under this amendment. If I understand the position of the Senator from Illinois, it will be the sons and daughters of working families that will suffer because Pell grants will be cut. It will be the children in Head Start—children of working families—that will have their education put at risk. It will be mothers and fathers of working families who will not receive assistance from job training or job dislocation programs during times of economic calamities. It will be their parents, those who have toiled in the factories, served in the Armed Forces, lifted this country out of depressions, and been the backbone of this Nation, whose Social Security and Medicare checks are put at risk.

I wonder whether the Senator's arguments reach this issue of unfairness inherent to the balanced budget amendment. Because, it seems to me that one group of Americans, those hard-working Americans, have the most to risk. And those that are the wealthiest individuals or the most successful corporations have the least to risk. I wonder whether the Senator agrees with that observation.

Second, if the Senator believes that is true, then what does he believe is the position of the organizations that represent working families.

Where do the workers stand on this? Are they for this? Do they think that their futures are more secure by putting the balanced budget amendment in the Constitution? They say no.

What about those groups that have fought for the rights of children, day in and day out, year in and year out, what is their position? Do they say yes? They say no.

Do those groups that have been fighting to ensure decent health care for American seniors come to us and say, ''This balanced budget amendment is in the best interest of our seniors,'' or do they say, ''Do not pass this measure, at least not without the Senator's amendment?''

I am just interested if the conclusions that I draw from the Senator's excellent argument, particularly as it relates to the adverse impact economic downturns would have on hard-working Americans, is something that the Senator is very concerned about as well.

Mr. DURBIN. I thank my colleague, the Senator from Massachusetts.

I think his point is well taken. I might add this. He has specified various groups that have come forward with reservations about this amendment. He and I both understand that in a time of economic turmoil, economic recession, some of the most vulnerable Americans are not even represented in Washington by a special interest group. They are the working poor, getting up every morning, and going to work, 40 hours a week, struggling to get by, barely beyond the minimum wage, often husbands and wives, sometimes working two jobs, trying to make ends meet, trying to keep their families together.

That is what concerns me. They will be the first casualties in a recession. They will be the ones laid off. They will be the ones who will have to then make a decision about their lives and to get back on track. And what we are saying, I believe the Senator from Massachusetts and I agree, is that at various points in the modern history of America there have been opportunities

for them created through Government programs that have helped.

Oh, certainly they need their own personal responsibility, their own initiative. But the door was there for them to walk through. If that door is bolted shut with the supermajority requirement, these families, the working poor, the groups that the Senator from Massachusetts has outlined, they will be the first casualties. That is why I offered the amendment. I thank the Senator from Massachusetts for speaking on behalf of the amendment.

Mr. KENNEDY. I thank the Senator.

As he has pointed out, the economic issues and strength of our country is really the backbone for all of the hopes and dreams of working families. His amendment goes right to the core issue about what this impact would be at a time of economic cycles. I think anyone that understands the history of the economic strengths and weaknesses of our country would see that we should learn lessons from the historic past.

Unfortunately, this amendment does not benefit from that kind of historical perspective, the underlying amendment. The Senator's amendment certainly does. I look forward to supporting the Senator's amendment. I thank him for bringing this matter to the attention of the Senate today.

Mr. DURBIN. I thank the Senator and reserve the balance of my time.

The PRESIDING OFFICER. The Senator from Utah has reserved the balance of his time.

Mr. HATCH. I would like to recognize the distinguished Senator from New Hampshire, but first let me take 1 minute.

I heard the dialog between the distinguished Senator from Massachusetts and the distinguished Senator from Illinois, and I have to say that I am fully familiar with all those groups. And about 78 percent of the American people—between 68 and 78 percent of the American people—have always been for this balanced budget amendment. They come from all walks of life, from every group. The reason they do is they are deathly afraid that if we do not get this spending under control, the very people that my good friends have been talking about are going to be hurt the most. There is no question about it.

To just keep arguing that we can continue to do business as usual, as has been argued here, that is the biggest joke of all.

I yield 15 minutes to the distinguished Senator from New Hampshire.

Mr. BOB SMITH. I thank my colleague from Utah for yielding and thank him for his strong leadership on this issue which he has done for so many years as we wait to see the long hoped for amendment finally reach passage.

I was somewhat taken by the comments on the Durbin amendment made by my colleague. This is again an effort obviously to weaken the amendment. It is an interesting question about what an economic recession would be. How would one define it? Would it be just a general feeling of anxiety about the economy? Would that be an economic recession?

I might also add, that in difficult economic times you will see areas of the country where certain pockets of the country, certain areas of the country there would be an economic downturn and other areas there may be an economic upswing. So the areas of the country where there is an economic downturn, how do we define where the amendment and when the amendment would kick in?

It is obviously a weakening amendment. It is interesting, Mr. President, that for years and years and years we have heard from the critics, we do not need this amendment. We do not need a constitutional amendment to balance the budget. All we have to do is balance it. We have not done it yet. So I am waiting. And those people who say that we ought to do that, without the amendment, keep offering amendments to weaken what we are trying to do.

This is a very historic debate that we are in today. Not only is it historic in the sense that there have been a number of efforts in the past to have a balanced budget amendment, but it is historic in the sense that if we fail, our children are going to pay the consequences. I think they are going to judge us not in a very kind way if, in the future, in the outyears, if they look back upon this time when we had a chance to deal with this in the Constitution and did not do it.

I am pleased and proud to be on the side of Senator HATCH in this debate. I think he is on the side of the American people. Frankly, not only the American people today, but tomorrow and for many, many years to come. We have had a number of efforts, starting in 1935 in the 74th Congress. That was the first measure designed to require an annually balanced budget, and introduced by a Democrat, Senator Tydings of Maryland. The next year, the first proposed amendment to balance the budget constitutionally was by Harold Knutson of Minnesota, a Republican, in 1936. It was a bipartisan idea, and it began as early as 1935. Since then, we have had some 30 measures that in some form or another have come before this Congress.

The balanced budget amendment is not a Republican proposal. It is a bipartisan proposal. It always has been. Not only have all Senate Republicans cosponsored the resolution, but many Democrats have, as well—not as many as we would like, but many have. We hope we will get the other two or three that we might need.

Senate Joint Resolution 1 was approved by the Judiciary Committee with the support of three Democrats—BIDEN, TORRICELLI, and KOHL. In addition, six other Democrats, BRYAN, GRAHAM, BAUCUS, BREAUX, MOSELEY-BRAUN, and ROBB, as well as Senator KOHL. So we have bipartisan support. This is not a partisan issue. Preserving the United States of America for our children is not a partisan issue.

Former Senator Paul Simon remains a very active and vocal proponent of the amendment and helped to lead the fight here on the floor 2 years ago when it was up on the floor. Perhaps even more recently, the late Senator Paul Tsongas, whom we all knew and respected, who recently passed away, stated: ''What you have here is a sad case of pursuit of self as opposed to pursuit of what is in the national interest. The balanced budget amendment is simply a recognition of that human behavior.'' Paul Tsongas was right.

Secretary of Education Richard Riley was the Governor of South Carolina. He stated:

> I have opposed the amendment in the past, thinking it was a 'political cop-out.' The deficit problem has gotten so bad, that I have now decided to support it.

That is the issue here. It has gotten bad. We have not had the political courage, collectively, to balance the budget. You can say all you want, that we do not have to put it in the Constitution, but while we say that, the debt keeps going up, and it is now $5 trillion. Where do we stop, $50 trillion? When we get to $10 trillion, we will not be able to service the debt because a $10 trillion debt will cost you $1 trillion in interest alone. The entire Federal budget is a little over $1.5 trillion, so two-thirds of the budget will be interest if we continue along this line. It needs bipartisan support, and I am glad that it has it. I hope it has enough.

The last time the Federal Government had a balanced budget was 1969. The total debt was $366 billion. Today, it is $5 trillion. In less than 10 or 12 years, it will be almost $10 trillion if we continue with the current rate of spending.

Yet, we still have those who come to the floor and say we do not need an amendment, we do not need to clutter the Constitution. The Founding Fathers knew what they were doing; they did not put it in there; we do not need it; we can balance the budget. When? Each year that the Federal Government spends more than it takes in, billions are added to the overwhelming weight of our national debt.

Even if we pass this, by the time we get things in order, we will add hundreds of billions of dollars to the debt, Mr. President. In fiscal year 1998, we will pay approximately $1 billion a day—$1 billion a day—in interest on the debt. In the fiscal year 1997, the gross interest we pay to the service of debt will total $360 billion, the second largest expenditure in the entire budget. It is $100 billion more than we spend on defense. Mr. President, $100 billion more than we spend on defense we spend to service the debt in 1997.

What could we have done with all the money we have paid to service that debt? Now, that is a very interesting topic. We get criticized a lot here in the Senate for fantasizing. Let me fantasize about what we could do with all that money.

I came to Congress in 1985. What if we had passed a balanced budget amendment to the Constitution that year and achieved balance in 1990? Imagine what we could have been doing with that money, which by now would have accumulated to $1.7 trillion. We could have built 97 space stations. We could have increased funding for the EPA 261 times. Imagine the potential of crime control programs if the Department of Justice just received 98 times more than this year's level. If we balanced the budget in 1985 and continued the current rate of spending, we could have done all of those things. If you did not like them, fund something else.

What if Congress had balanced the budget in 1970 and kept it balanced? That was the year after we started the deficit spending. What if we actually had a $5 trillion surplus? We could preserve both Medicare and the Social Security Program for our children. Veterans benefits and services could be increased by 116 times. We could provide tax refunds instead of tax increases. Instead of imposing fees to enter our parks, we could increase funding for national parks by 4,000 times.

So when you hear the people come to the floor and say it does not matter, we do not need to clutter the Constitution, that is not cluttering the Constitution. That is a well-needed amendment. Had we done this in 1970—true, we would not need the amendment. That is why we have the amendment process, Mr. President. The U.S. Constitution should be amended only in the gravest of times, only when it is necessary. How much graver can you get than the kind of debt we are passing on to our children? How much graver can you get than a $10 to $15 to $20 trillion debt? That is where we are headed.

It has been changed 27 times, this Constitution. It affects every single Government activity and all Federal spending and touches the life of every man, woman, and child in our Nation, this issue of debt. A constitutional requirement makes it impossible for Congress to shirk its duty to make responsible fiscal decisions. That is what this debate is about: discipline by a constitutional requirement. No copout. You cannot have Senators coming on the floor, giving all these excuses, because it is in the Constitution. So they will have to do it. We may disagree on what we want to cut or what we have to do to balance that budget. We may disagree on that, and we will have that debate, vote, and take our lumps one way or the other, but we have to do it. We have to do it. That is what we have to do now. Congress will have to come up with cures for the Nation's financial woes, not just Band-Aids, and not just words.

In a very few years, Mr. President—I am sure Senator HATCH and others have said this on the floor—in a very few years, interest rates on the debt plus entitlements will equal 100 percent of the Federal budget. That is the good news. The bad news is it is continuing to expand, that interest is consuming more and more and more of that pie, including the entitlement pie, because, theoretically, if we do not stop it, it will consume everything. If you think of your homes, your businesses, you can only go to the bank so many times and then they put the stop on, the cap on the credit card, the cap on your credit, and say, ''Now you have to live within your means,'' that is what this amendment will force this Congress to do.

Despite compelling evidence of the need for immediate deficit control, legislative budget controls have failed to produce a budget surplus since 1969. We tried it with Gramm–Rudman. It sounded good. What happened? When we went to the sequester, when the rubber hit the road and we had to make the decision, we changed the law. We copped out. You cannot change this law. If we pass it into the Constitution, it is constitutional, you have to do it.

Deficit spending is no mystery, although some would prefer it remain so. In fact, on Thursday, the Senator from North Dakota displayed a chart titled, ''We Cut the Deficit in Half.'' While it is true that the deficit projections are decidedly better than the May 1996 estimates, what actually accounts for the rosier outlook? The welfare reform legislation we passed last year had the greatest budgetary impact of any piece of legislation passed by the 104th Congress, according to CBO. This was the bill which President Clinton had to be dragged kicking and screaming to sign. And he apologized for signing it, but he signed it. That is the important thing. In addition, in his recent budget request, the President now proposes to add $22 billion in new spending to that welfare bill. Yet, he wants us to trust legislative remedies. Legislative remedies don't work, folks, because of human nature—the temptation to spend.

With a balanced budget constitutional amendment, we don't have to worry about the whims and indulgences of a President, or Congresses, in years to come. Congress would have to stick to a strict budget just like American families and businesses. We need to pass this amendment. We need to pass it now. We should have passed it years ago. We could have passed it 2 years ago. We lost by one vote. All we are doing, my colleagues, is giving the American people a chance to have this go to their State legislatures so that they, then, can act to either approve or disapprove what we do. We are giving them the opportunity.

Over the last 60 years, total Federal expenditures have increased by more than 800 percent. By 2020, if we do not raise taxes, we can zero out all Federal spending, except interest on the debt, and still not balance the budget. That is why we need it now.

Now, it's interesting that when we think about balancing the budget, we think about it in terms that are perhaps away from home—this big issue balancing the Federal budget, don't spend this or that. Let me give an example. In New Hampshire, my State, the average citizen pays as much as $38,000 more on a 30-year mortgage for an $80,000 home as a result of the budget being out of balance. A student in New Jersey pays almost $9,000 more toward a 10-year loan. In just 1 year, a car owner in South Dakota could save $180 on an average auto loan, if we balance the budget and keep it balanced. The Concord Coalition estimates that the average family's income is $15,000-plus a year lower because of the deficits of the past 20 years. It impacts everyone—whether you work or don't, whether you have children or whether you don't. We can improve wages. We can create jobs. A 2-point cut in interest rates would not only reduce loan payments for families, but it would produce more jobs, perhaps 4½ million more in 10 years. For businesses, a 2-point percentage reduction in rates would lower investment costs and enhance the incentive to invest.

I don't want to have to explain to my children someday, as we look back on this debate, why I stood here and mortgaged away their future. I am standing on this floor today, proudly in the sense that I support this amendment, but in a way ashamed that we have to. A baby born today can expect that over $187,000 of his or her lifetime income will be used just to pay interest on the debt—$187,000.

Paul Tsongas, our former colleague, described Congress' deficit spending as ''generationally immoral.'' He was right. He was right a lot. I wish some of the colleagues on the other side of the aisle would have listened to their former colleague. We must look for a real long-term solution to address the retirement of the baby boom generation and the explosion of entitlement programs that will accompany this shift. We must not push off these disasters and leave them to my children and your children to solve. In simple terms, when we all shuffle off this planet at some time—hopefully, later rather than sooner—you would probably like to leave your assets to your children. Do you sit up at night and dream about leaving them your debts, your mortgage, your car payments? Or would you like to leave whatever you were able to build up as assets?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BOB SMITH. May I have 2 more minutes?

Mr. HATCH. I yield 2 more minutes to the Senator from New Hampshire.

Mr. BOB SMITH. I thank my colleague. The conclusion is that there is a light at the end of this tunnel. You know what stands in the way of that light, Mr. President? About three votes—three votes. Maybe two. Senator HATCH is counting the votes. I haven't been counting them all. But it's two or three votes, two or three U.S. Senators

who are probably on the fence. That is the difference. That is how close it is. We lost it by one vote 2 years ago.

Votes do matter. That is the difference between trillions in more debt and mortgaging our future or not. Senator Rudman, my New Hampshire colleague, said to me one time, ''There are only two things that can happen if we don't stop this insane process. First, we can continue to deficit spend and just cause sheer chaos when we can't pay our bills and go bankrupt. Or, second, we can print more money and sit around with 200, 300 percent inflation.'' We should all think about what that would do to our daily lives.

There is no other option if we don't balance the budget. It is insane. Every American—man, woman, and child—in this country knows it is insane. They know it. You know you would not put up with it with your school board, your business, or your local government, town government; but you let the Federal Government, the Congress men and women spend you into oblivion. There is a light at the end of the tunnel, and I hope that the U.S. Senate and the Senators won't block that light. I hope this month the Senate will show the American people that they are interested in the future of our country and our children. Thank you very much.

Mr. DURBIN. Mr. President, I thank the Senator for his contribution to this debate. I agree with him that there are many leaders in both political parties who come to this issue with complete sincerity. He has noted my predecessor, Senator Paul Simon of Illinois, the late Paul Tsongas of Massachusetts, Warren Rudman, and the list goes on—men and women who have taken the time to analyze this situation and have come to the conclusion that a balanced budget amendment is in the best interest of this Nation.

I respect all of those people, but I respectfully disagree with them when it comes to the specific language of this amendment. There is a reason why the Secretary of the Treasury, Mr. Rubin, after 26 years on Wall Street, came before our Judiciary Committee and testified that absent an amendment, such as the one I am offering today, this procedure that we are enshrining in the Constitution will tie our hands in times of economic emergency and recession. It will turn recessions into deeper recessions or even depressions. We can't justify that, in the name of clinging to the old school language of the balanced budget amendment. The Senator from New Hampshire says we may be within one or two votes.

I say to the Senator from New Hampshire, if we can sit down in a calm, bipartisan way and address two aspects of this balanced budget amendment, the supermajority gridlock when it comes to a national disaster or national economic emergency, and protection of the Social Security trust fund, I would daresay to my friend from New Hampshire that we would not be quibbling over two votes. This amendment would leave the floor of the Senate and the House with the kind of substantial bipartisan majority which would say to the legislatures across America that this amendment is a better one, a better version. But you know what happens in this town, in ''Wonderland, DC.'' Special interest groups get dug in. You can't change a word. If you touch a word of it, you are betraying all of the trust that has been given you. Please, how seldom we rise to amend this Constitution. Should we not do it in a way that is responsible, in a way that meets the requirements of our future?

You know, during the worst days of our budget deficits, during the Reagan and Bush administrations, there were many Members of the House—most are not serving now—that I served with, who used the balanced budget amendment as a figleaf for their fiscal recklessness. They would rush down and vote for these unbalanced budgets. They would lard up their districts. They would vote for big spending here and there. And then, when people said, ''Well, how do you explain doing this when it produces such deficits?'' ''I am for a balanced budget amendment, I want to amend the Constitution, and I want to make it against the law for people to do what I am doing. That shows you how sincere I am.''

Now we are like generals fighting the last war. That mentality, that language, brought to 1997 is what we want to put in and enshrine in this Constitution, saying that the wording and terms are inviolate, ignoring the realities. And, yet, the Treasury Secretary and over 1,000 recognized experts on the economy have come forward and warned us. They have warned us to think twice about this. It may have a surface political appeal. But how on God's green Earth is it going to work?

The chairman spoke eloquently in the debate on Thursday regarding my amendment and said, ''The very purpose of this provision of the distinguished Senator from Illinois is to make a balanced budget amendment easier to waive.'' He went on to say, ''Instead of trying to find ways to avoid fiscal responsibility, we ought to be working toward passing a strong balanced budget amendment that will help us to keep out of recessions in the first place.''

I would like to say to the distinguished chairman of the Senate Judiciary Committee that if he can help us craft an amendment that will abolish recessions in the American economy, I will certainly consider it carefully. But I do not think we gain anything by suggesting that a balanced budget amendment will put an end to the business cycle. With or without this amendment we will someday face a recession, and the question is, How will we respond?

For those who question whether or not this Senator from Illinois will vote for a balanced budget amendment, I have voted for five balanced budget amendments—five versions that protected Social Security, avoided the supermajority gridlock, and addressed important issues that protect the American people particularly in times of recession.

I would also like to make note of another element. Some say that this will lead to irresponsible behavior by the Senate and the House; that, if the Durbin amendment is adopted requiring only a majority vote, the people will exploit this amendment. I do not think the critics have taken a close look. If the critics of this amendment will read it carefully, they will see that, in my amendment, anxiety is not the basis for waiving the balanced budget. They will see that it requires, in fact, specific action by the House and by the Senate for waiving.

First, there must be an economic recession, or a serious economic emergency in the United States.

Second, Congress, must declare that there is such a recession, or serious economic emergency, by joint resolution.

Third, that resolution must be adopted by a majority of the whole number of each House.

Fourth, that resolution must become law, which means it must be signed by the President, or enacted over his veto by two-thirds vote of both Houses.

I do not believe that any future Congress will view this as an escape hatch to ignore the requirements of a balanced budget. If they do, it will be at their own political peril.

I believe that the requirement which I have in my amendment to the balanced budget amendment will require public accountability, a record vote, and the determination by the House and the Senate that, in fact, we do face an economic emergency.

The chairman has also said we do not need the Durbin amendment; that what we need to do is to run a surplus in our Treasury so we have a so-called rainy day fund that we can turn to to take care of working families who have lost their jobs. Unfortunately, the lead witness called by the chairman of the Judiciary Committee to testify on behalf of the balanced budget amendment, former OMB Director James Miller, who is living proof of the redemption of politics, a man who has presided over a series of deficits as OMB Director and now is totally committed to a balanced budget since he no longer holds that position, came before us and said that, if he could change one thing in this balanced budget amendment, he would allow the Federal Government to establish a rainy day fund, or a stabilization fund.

Mr. Miller knows, I know, and I think most do, the language being offered by the chairman in Senate Joint Resolution 1 does not allow the creation of a surplus, or this rainy day fund, to be there when our economy is in need. That, I think, is a serious shortcoming.

Chairman Greenspan of the Federal Reserve Board, a man credited by both

political parties despite controversy of having used monetary policy to stabilize our economy, was testifying before the Budget Committee when I asked him point blank, ''Are you for a balanced budget amendment to the Constitution?'' He said that we should not put ''detailed economic policy'' into the Constitution. I asked him about the automatic stabilizers, the Government coming to the rescue of an economy because of a recession. He said, ''It is far better to have a surplus or rainy day fund.''

I am sorry to tell Chairman Greenspan that the balanced budget amendment before us today does not give us that option. It does not give us that option and, because it does not give us that option, is fatally flawed.

Let me speak to the supermajority vote again. Not only would a supermajority vote result in too many of our predecessors failing to ratify our Constitution but a supermajority vote—think about this for a moment. Think about it in the context of the last 24 months, the last 24 months when this Government was in such chaos and gridlock that we had Government shutdowns. Because of the requirement of a supermajority vote? No. Because of the requirement of a majority vote to extend the debt limit of the United States. Facing the need to pass a debt limit bill simply acknowledging our obligation for debt already incurred, or about to be incurred, we could not do it by majority vote. Without that debt limit extension, Federal law required that the functions of Government stop. The Government was shut down not once but twice for a total of 27 days at the cost to taxpayers of over $1.4 billion for the failure of Congress to muster a majority vote.

Now we hear from the proponents of this amendment, ''Trust me. If we get into trouble, if there is a regional economic recession, if there is a disaster, a Midwest flood, or hurricane in Florida, surely this Congress will come together and do the responsible thing.'' Well, we saw, unfortunately, in recent memory when the Congress did not rise to its responsibility, or rise to the occasion, and allowed these terrible Government shutdowns for lack of a majority vote. And now we are putting in the Constitution of the United States clear language to require a supermajority to respond to a national economic emergency.

The Senator from Idaho, Mr. CRAIG, said on Friday that past Congresses have passed economic stimulus packages in times of recession when they were needed with the necessary 60 votes, including 1993. Unfortunately, his recollection was not accurate. The inability to obtain 60 votes prevented enactment of antirecession legislation in 1993, and even the President's deficit reduction package, which turned out to be a tremendous boost to the economy, passed this body only when the Vice President voted with an ''aye'' vote. By supermajority it never would have occurred, and I am not certain where we would stand today in terms of our economic situation.

I reserve the remainder of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, what we need to do for families is to resist the higher interest costs on the mortgages, student loans, consumer purchases, auto loans, et cetera. If Congress can get its fiscal house in order, more jobs will be created and those jobs will be more secure. If Congress stops borrowing so much, we will have a more stable economy, which, of course, can help us to avoid these economic downturns in the first place. The only way we are going to get there is to quit piling the 29th unbalanced budget and the 30th and the 31st on top of each other.

The fact of the matter is the balanced budget amendment is flexible enough to respond to most needs—in fact, all needs. Put it that way. But it is serious enough to stop Congress from continuing the pattern of borrowing year after year which has kept the economy from growing as well as it could have.

My colleague from Illinois has introduced an amendment that seeks to waive the provisions of Senate Joint Resolution 1 for any fiscal year in which there is an economic recession or serious economic emergency. As such, the Durbin amendment seeks to avoid the three-fifths vote required by Senate Joint Resolution 1 to waive the balanced budget rule. This three-fifths majority was placed in the balanced budget amendment so that a simple majority of the Congress could not run deficits except in important situations—those recognized by a supermajority of the Members. Efforts such as the Durbin amendment would blow a huge hole in the balanced budget amendment.

The terms used in the Durbin amendment is undefined. The determination of an economic recession or serious economic emergency could easily be manipulated by a spendthrift Congress as a way to avoid the discipline of the balanced budget amendment. Thus, the amendment would create a giant loophole that would swallow the balanced budget rule.

Remember, also, that if the balanced budget amendment is waived for a recession, it is waived for all spending in that year. In other words, this amendment would permit deficit spending for any number of wasteful projects that are in no way related to the so-called economic emergency. Just remember President Clinton's 1993 attempt to push through a multi-billion dollar boondoggle under the guise of trying to end a recession which had in fact already ended. In short, Mr. President, if you take your finger out of the hole in the dike, the whole town is going to be flooded.

One of the arguments made in favor of this amendment is that without it, the balanced budget amendment will somehow inhibit the functioning of the so-called automatic stabilizers. Mr. President, I believe the importance of automatic stabilizers has been overstated and, in any case, the balanced budget amendment will not inhibit their functioning. Moreover, the Durbin amendment does not respond to the concerns raised about the automatic stabilizers. It simply allows Congress to avoid the balanced budget rule by a lower threshold.

Just to be clear on what these stabilizers are supposed to do, the notion of automatic stabilizers has to do primarily with the belief that in an economic downturn, there is a decrease in tax revenues and a concomitant increase in unemployment compensation and other welfare payments.

The claim that the automatic stabilizers have moderated the business cycle is based on the assumption that the relative increases in Government spending associated with automatic stabilizers causes automatic, effective counter-cyclical fiscal policy. It is argued that such increased spending is the key to moderating both the depth and length of recessions and that the balanced budget amendment will prevent that spending from occurring.

I believe the characterization of the effectiveness of the automatic stabilizers has been overstated.

When appearing before the Senate Budget Committee just last month, CBO Director June O'Neill was asked a question about the relationship between automatic stabilizers and the apparent moderation in the business cycle over the last half-century. She cited better monetary policy and the Nation's move from away an agricultural based economy, with the inherent ups and downs that go along with agriculture, as factors at least as important as automatic stabilizers in minimizing recessions. Additionally, the move to a service economy and better inventory management practices have reduced the fluctuations associated with inventory overstocks and the factory economy.

Further, a financial markets expert pointed out to the Judiciary Committee that the primary reasons why the business cycle has moderated in recent years are, first, monetary policy, which is controlled by the Federal Reserve Board; and second, the increasing efficiency of private markets, because of better information and other factors. These have nothing to do with automatic stabilizers or fiscal policy.

It is relatively well-recognized that the perceived moderation of the business cycle over recent decades is due to many factors. For example, a December 2, 1996 article in the Washington Post affirmed, ''The success in finally halting the U.S. economic roller-coaster has been the result of many elements * * *''

The Post article cited ''new technologies, the deregulation of many industries, and the increased

globalization of business and finance,'' as some of the most important changes that helped stabilize our economy. Global trade enables us to export what would otherwise be oversupply thus avoiding a bust cycle.

Further, that article quoted Herb Stein, a former chairman of the Council of Economic Advisors, who noted that ''[b]ecause the economy is so big and so diversified and so open to the world economy, a shock would have less impact now.'' Thus, an event that may have sent the country into a recession in 1890 would only be a localized disturbance today.

Another major factor in helping to tranquilize recessions that the Post recognized is that we are no longer on the gold standard. ''After the United States was no longer obligated to defend the price of gold, and the nation's deficits in international transactions could be financed easily by that world capital market, the Fed had far more ability to set interest rates according to the needs of the domestic economy.''

So while these automatic stabilizers may have had some effect, there are clearly many other major factors that have brought our economy to the level of consistency we enjoy today.

Certainly the automatic stabilizers are no justification for balancing the budget only eight times in the last 65 years. Let's face it. Our deficits have not been countercyclical, they have been counterproductive. While business cycles have come and gone over the last four decades, our deficit habit has not. Our deficits are structural and largely permanent, not cyclical.

I also want to note that the notion of a country spending itself out of a recession is now rejected by many economists. One commentator has wryly stated that the theory of spending and borrowing out of a recession ''is the game-plan that propelled Argentina and Bolivia to economic superpower status in the 1970's.'' More recently, Japan has tried to do this and the result has been continued recession and larger debt. On the other hand, a number of the world's up-and-coming countries are enjoying booming economies while keeping their national budget in balance or even surplus. Perhaps we should be more concerned that we do not spend ourselves out of prosperity.

But even if we assume that automatic stabilizers are important, Mr. President, the balanced budget amendment will not impede their use.

The balanced budget amendment in no way prevents us from running a small surplus, which could be used to offset the effects of an economic downturn, thus avoiding a deficit. In fact, a number of experts the Judiciary Committee has heard over the years have suggested we do so. Fred Bergsten, a noted economist and former Treasury Department official, suggests we create a habit of regularly shooting for a small surplus, rather than absolute balance, which will allow us to use fiscal policy within the balanced budget rule better than we can now without it, with chronic, structural deficits.

Even if we drop below an intended annual rainy day surplus, the balanced budget amendment has anticipated this sort of need. A three-fifths vote in Congress will allow the balanced budget rule to be suspended for a year. That way, we have the flexibility to run reasonable deficits if we need to. The three-fifths requirement makes sure that we do not waive the amendment unless it is a true need and not just an attempt to avoid the tough choices.

Some have suggested that the necessary three-fifths will be hard to come by. The history of the votes in Congress demonstrate that in actual circumstances of economic need, the Congress has had little difficulty achieving the vote that would be required under the balanced budget amendment, despite the fact that no such requirement was in place.

The Congress has voted a number of times to extend the emergency unemployment compensation program. During the past 15 years, according to the Congressional Research Service, there is only one instance where the extension of this important program failed to garner a supermajority of votes in either Chamber. Indeed, in many cases even higher supermajority requirements would have been fulfilled. In times of real need, Congress will get a three-fifths vote.

Some have also argued that the Durbin amendment is needed because Congress is too slow to respond to recessions. Well, they are half right. Congress is too slow to respond to recessions. Almost everyone agrees that when Congress tries to spend the country out of an economic downturn, their attempt either has little effect or they make things worse by spending as the economy is already recovering and then sowing the seeds of a future recession.

But the Durbin amendment does nothing to address this concern. It does not speed up congressional action—I'm not sure anything can. All it does is change the vote required from three-fifths to a majority. And since history clearly shows that we get the three-fifths when we need it, all this amendment would do is make it easier to waive the balanced budget rule when we don't really need it.

Finally, Mr. President, when he introduced his amendment the Senator from Illinois told a story about a friend who needed temporary help from the Government in his transition from one job to another. There is no doubt that this is a meaningful and laudable use of our precious resources.

But it seems to me that we do all the working people of America a lot more good if we balance the budget, and thus reduce the number of recessions that they must endure, than if we create a loophole in the balanced budget amendment to allow future Congresses to easily increase the already crushing burden of debt. We ought to be less concerned about when we can spend more, and more concerned about when we must spend less.

Senator DURBIN's amendment seeks to waive the provisions of Senate Joint Resolution 1 for any fiscal year in which there is an economic recession or serious economic emergency in the United States as declared by joint resolution. As such, the Durbin amendment seeks to avoid the three-fifths vote majority prescribed by Senate Joint Resolution 1 in avoiding the requirement that receipts match outlays for any given fiscal year. This three-fifths majority was placed in the balanced budget amendment so that a simple majority of the Congress could not run deficits except in important situations—those recognized by a supermajority of the members. Efforts such as the Durbin amendment will render Senate Joint Resolution 1 useless.

The Durbin amendment is wholly unnecessary. A brief analysis of historical fact will demonstrate that in circumstances of national disaster or economic downturn, the Congress has had little difficulty passing remedial legislation with supermajority support.

The history of votes in this body demonstrates that in actual circumstances of economic assistance for unemployment or disaster relief, the Congress has had little difficulty achieving the supermajority vote that would be required under the balanced budget amendment. The Congressional Research Service helped me do some research on voting patterns in this area. I want to present for you the results of my research because I think it is illustrative.

Let me summarize the results briefly: On the question of responding to economic recessions, the Congress has voted a number of times to extend the emergency unemployment compensation program. During the past 15 years, I count only one instance where the extension of this important program failed to garner a supermajority of votes in either Chamber, based on Congressional Research Service data.

Similarly, in the area of disaster relief, over the past 7 years, I found that in virtually every circumstance, emergency spending bills placed before the House and Senate passed with supermajorities, on the order required by the balanced budget amendment, even though no such requirement was in place.

Let me go into more detail on the unemployment compensation votes. H.R. 3167, which became Public Law 103–152, extended the emergency unemployment compensation program [EUCP] in November 1993. This conference report passed the House with a vote of 320 to 105 and passed the Senate, 79 to 20. The underlying bill achieved similar majorities, passing the House 320 to 105, and the Senate 79 to 20. In March 1993, another emergency unemployment compensation bill passed the Congress and became Public Law 103–6. The

supermajority on H.R. 920 in the Senate was 66 to 33, and the vote in the House was 254 to 161.

In 1992, the House passed the conference report on H.R. 5260, to extend the EUCP, by a vote of 396 to 23. The Senate acted similarly, passing the bill, which became Public Law 102–318, by a vote of 93 to 3. Also in 1992, the Senate passed H.R. 4095 to extend the EUCP by a vote of 94 to 2. The House passed the same bill, which became Public Law 102–244, by a vote of 404 to 8.

In 1991, the House passed S. 1722, to provide emergency unemployment compensation, by a vote of 294 to 127. The Senate passed the same bill, which was vetoed by the President, by a vote of 69 to 30. Similarly, the House passed the conference report on this bill by a vote of 300 to 118 and the Senate passed the measure 65 to 35. Earlier in 1991, the House passed H.R. 3201, to provide emergency unemployment compensation, by a vote of 375 to 45. This measure became Public Law 102–107. The Senater passed it by voice vote. Finally, H.R. 1281 was passed in March 1991, providing funding for the Unemployment Compensation Administration [UCA]. This bill passed the House with a vote of 365 to 43. It passed the Senate by a vote of 92 to 8. The conference report on this bill, Public Law 102–27, passed with tallies of 340 to 48 and 93 to 3, respectively. In 1990, the House passed H.R. 4404, to provide funding for the UCA, by a vote of 362 to 59. The conference report passed 308 to 108. This bill became Public Law 101–302, after passing the Senate by voice vote.

All the way back in 1983, the Senate passed H.R. 1718, to provide funds for the Unemployment Trust Fund. The bill, Public Law 98–8, passed the Senate 82 to 15. Finally, the Senate voted in February 1982 to pass House Joint Resolution 391, to provide funding for the Employment and Training Administration, by a vote of 95 to 0.

What do these vote tallies indicate? They demonstrate that the Durbin amendment is completely unnecessary. During the past 15 years, my research reveals only one instance where a vote to provide unemployment compensation during a period of economic recession did not pass by a supermajority. One time in 15 years. That's remarkable.

Similarly, in the area of disaster relief, Congress has overwhelmingly acted by supermajority votes in responding to crises.

In fiscal year 1995, the House and Senate voted on H.R. 1944, which provided $7.2 billion disaster aid, mostly to help with recovery efforts in Los Angeles from the 1994 earthquake. The bill passed the Senate with a vote of 90 to 7—a clear supermajority. In the House, the bill passed with 276 votes—also a supermajority.

The 1994 fiscal year Disaster Supplemental Appropriations bill, H.R. 3759, received similar treatment. That bill, to provide nearly $10 billion in new appropriation for the emergency expenses of the Los Angeles earthquake, humanitarian assistance and peacekeeping activities, as well as for Midwest flood assistance and highway reconstruction from the San Francisco earthquake, passed the House by a vote of 337 to 74—not really close, was it, to the 261 required for the three-fifths vote. The same measure passed the Senate by a vote of 85 to 10.

The 1993 fiscal year disaster supplemental appropriations bill, H.R. 2667, providing nearly $3 billion for emergency relief from the widespread flooding in the Midwest and other natural disasters, passed the House by a vote of 400 to 27. The Senate adopted it by voice vote.

In 1992, the disaster relief supplemental appropriations bill, H.R. 5132, passed the Senate by a supermajority vote of 61 to 36. The bill provided $2 billion in new budget authority for fiscal year 1992, including funds for disaster assistance and loans to respond to the Los Angeles riots and the Chicago tunnel collapse and subsequent flooding. In the House, the same bill passed by a vote of 244 to 162.

Also in 1992, the defense and disaster supplemental appropriations bill, H.R. 5620, providing $10 billion in grants and loans to help victims of Hurricane Andrew, Typhoon Omar and Hurricane Iniki, passed the Senate by a vote of 84 to 10, it passed the House by a vote of 297 to 124. Finally, the 1992 supplemental appropriations bill passed the Senate with a vote of 75 to 17. This bill provided $8 billion for Operations Desert Shield and Desert Storm as well as other moneys for communities recovering from other natural disasters. The same bill passed the House by a vote of 252 to 162. The conference report passed the House by a vote of 303 to 114.

Last, the 1990 continuing appropriations bill, House Joint Resolution 423, provided disaster assistance generally. This bill passed the House by a vote of 321 to 99, and passed the Senate by a vote of 97 to 1.

During the past 7 years, we have voted many times on emergency disaster funding programs. I count only two situations where a supermajority was not reached—this despite the fact that no supermajority was needed.

The facts are hard to refute. The Durbin amendment clearly has little or no factual basis when compared to the voting record of the Congress. When the situation warrants, either because of economic recession or natural disaster, this body has had little difficulty achieving a supermajority of votes to pass needed spending programs. The balanced budget amendment has the flexibility necessary to respond to true emergencies. Creating loopholes like the Durbin amendment only serve to make deficit-spending as a matter of course easier.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I think the chairman, the Senator from Utah, concluded that automatic stabilizers do have some impact. I think that the chairman would agree with me that for a person who has lost his job or a person who has lost her job, the prospect of turning to the Government for unemployment insurance to continue to keep your family together not only stabilizes your situation while you search for another job but helps to stabilize the economy.

I think the Senator from Utah would agree with me that unemployed workers seeking retraining and additional education to find a job in fact help to stabilize our economy. And that is exactly the point of this debate.

I would concede every point made by the chairman about all of the other stabilizers that have evolved in our economy if he would concede that there is still a legitimate role of specific programs which step in to help the unemployed family.

Let me give you an illustration of this which has been used in this debate before. This is an illustration of the business cycle in America from 1870 forward. The spikes on the top of the line are the good news. That is when the economy was expanding, businesses were growing, farmers were doing well, and jobs were being created.

But every time we dip below this line, we see unemployment, businesses going out of business, farmers quitting, heading to town. And look at these spikes in the economy on the negative side leading up until about 1945 or 1947—much more pronounced, much more dramatic, deeper recessions, depressions, millions of Americans put out of work.

But what happened after the mid-1940's? We see the downturns, but they are barely noticeable in comparison to what occurred before that time.

Automatic stabilizers. The things which the Senator from Utah noted—global economy, monetary policy, so many other things—but what happens are the things I have noted as well. Families out of work had a place to turn. It was no longer survival of the fittest. If you had personal responsibility, if you were held accountable, you had a means to get back on your feet.

Last Thursday, in this debate I talked about my friend, Bob Bergen, who lost his job at the factory in Springfield. Bob came by my house yesterday in Springfield, and we were talking about it. I said, ''Bob, remind me. How did you get out of that factory job?'' which he had been at for 22 years. They closed down the factory, and he got into the business of furnaces and air-conditioning. I said, ''What was the name of the program?''

''The JTPA Program. I signed up for it, and I went to the community college. I took the courses, and when they closed that plant, I was ready to do something with my life.''

JTPA is a Federal Government program. It is one of the automatic stabilizers we have used in the past. To

discount that or dismiss it and say that it has nothing to do with Bob Bergen now in a good business in Springfield, IL, employing his son, I might add, as are so many millions of others, is to ignore reality.

Let me address one other point raised by the chairman.

The chairman says that my use of the term ''economic recession'' is just not precise enough. I call the attention of the chairman to Senate Joint Resolution 1, to his own language, which allows, in section 5, Congress to waive all the provisions of the balanced budget amendment in times that ''the United States is engaged in military conflict which causes an imminent and serious military threat to national security.''

What does it mean? Troops in the field, troops under fire, whether or not we suspect that might occur or it already has? These sorts of things suggest that whatever the language of this constitutional amendment, our implementing legislation is going to have to be there to make certain that it is explained in detail.

At this time I yield to the ranking Democrat, Senator LEAHY.

Mr. LEAHY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Vermont has 7½ minutes.

Mr. LEAHY. Mr. President, I yield myself 3½ minutes.

I do support the Durbin amendment. I stated earlier that I wish it would not be tabled, that we would have a straight up-or-down vote, but I think the American public understands what the vote means.

I was interested in hearing my friend, the chairman of the Judiciary Committee, the senior Senator from Utah, oppose the Durbin amendment last week by saying the proposed constitutional amendment does not need the flexibility of the Durbin amendment in times of economic crisis because we can build up yearly surpluses to handle tough times. The distinguished chairman said:

> The balanced budget amendment in no way prevents us from running a reasonable surplus which could be used to offset the effects of an economic downturn. This surplus would allow us to use fiscal policy within the balanced budget rule better than we can now without it.

Not quite so. The constitutional amendment does not have that flexibility. It is very specific as it is written, and it prohibits this use of a rainy day fund. Indeed, those who support it—proponents' own witnesses before the Judiciary Committee over the course of the last two Congresses—pointed this out and suggested the language be amended to provide for such a rainy day fund. The distinguished Senator from Illinois was present at those hearings this year when they were saying just that.

Fred Bergsten in 1995 and James Miller in 1997, the witnesses brought by the proponents of the constitutional amendment, criticized the language before us for not including the possibility of accumulating surpluses in a rainy day fund. That is what we do to prepare for economic downturns in my own State of Vermont.

So I hope we might pay attention to the Durbin amendment. I hope we might support it.

The distinguished senior Senator from West Virginia, Senator BYRD, challenged the other side to explain the language in this proposed constitutional amendment to say how it is going to work; what do the words mean; what sections do what? In fact, nobody has taken up the Byrd challenge. I urge the proponents to accept the challenge of Senator BYRD, if they can—I suspect they cannot—and say just what the words mean.

If you read the words, they say, ''Total outlays for any fiscal year shall not exceed total receipts for that fiscal year.'' Then they provide for waiver by a three-fifths majority —come on, that is not going to happen. The rainy day fund is out. It would require outlays, specifically, those saved in the rainy day fund, to be expended in a latter year and thereby exceed the total receipts for that fiscal year.

I ask unanimous consent that a copy of a letter opposing the so-called balanced budget amendment for the Coalition for Budget Integrity be printed in the RECORD. This is a coalition of approximately 150 organizations that oppose amending the U.S. Constitution to add a 28th amendment on budgeting. The organizations range from labor unions and children's advocacy groups, to seniors' groups, teachers, religious and secular charities, environmental groups, nutrition groups, and veterans.

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

COALITION FOR BUDGET INTEGRITY,
Washington, DC, February 4, 1997.

OPPOSE THE BALANCED BUDGET AMENDMENT

We, the undersigned organizations, strongly urge you to oppose a balanced budget amendment to the United States Constitution.

The proposed constitutional amendment is not the answer to the nation's economic problems. The proposed balanced budget amendment is likely to damage the economy more than strengthen it. The amendment would require larger spending cuts or tax increases in years of slow growth than in years of rapid growth, precisely the opposite of what is needed to stabilize the economy and avert recessions. The amendment thus risks making economic recessions more frequent and deeper.

A constitutional amendment would also be likely to limit public investments which are critical to long-term economic growth because the amendment fails to distinguish public investments needed for growth from other areas of government spending. The amendment would largely deny the federal government a basic practice that most businesses, families, and state and local governments use—borrowing to finance investments with long-term payoffs.

This amendment has no place in the Constitution of the United States. It would inappropriately draw the judicial branch of government into the determination of fiscal and economic policy. The amendment also undermines the important constitutional principle of majority rule by establishing a three-fifths vote to allow a budget to go unbalanced.

The American public has a right to know how a balanced budget will be achieved before a balanced budget amendment is enacted. Which important programs—education, health care, social security, transportation, job training, environmental protection, housing—will either be dramatically cut or eliminated threatening America's vital interests?

We strongly urge you to oppose the constitutional balanced budget amendment.

Sincerely,

AFSCME.
ACORN.
Advocates for Youth.
AIDS Action Council.
Alliance to End Childhood Lead Poisoning.
Amalgamated Transit Union.
American Arts Alliance.
American Association of Children's Residential Centers.
American Association of Classified School Employees.
American Association of Retired Persons.
American Association of University Professors.
American Federation of Government Employees.
American Federation of School Administrators.
American Federation of Teachers.
American Friends Service Committee.
American Jewish Committee.
American Jewish Congress.
American Postal Workers Union.
American Public Health Association.
Americans for Democratic Action.
Association of Performing Arts Centers.
B'nai B'rith.
Bazelon Center for Mental Health Law.
Bread for the World.
Catholic Charities USA.
Center for Community Change.
Center for Law and Education.
Center for Law and Social Policy.
Center for Science in the Public Interest.
Center for the Advancement of Public Policy.
Center on Budget and Policy Priorities.
Center on Disability and Health.
Center on Social Welfare Policy and Law.
Chicago Coalition for the Homeless.
Child Welfare League of America.
Children's Foundation.
Children's Defense Fund.
Church Women United.
Citizen Action.
Coalition for Low Income Community Development.
Coalition for New Priorities.
Coalition of Labor Union Women.
Coalition on Human Needs.
Colorado Rivers Alliance.
Common Cause.
Communications Workers of America.
Community Nutrition Institute.
Community Service Society of New York.
Consumer Federation of America.
Council of Graduate Schools.
Council of Jewish Federations.
Democratic Socialists of America.
Economic Policy Institute.
Environmental Action.
Environmental Justice Working Group.
Environmental Working Group.
Families USA.
Family Service America.
Food Research Action Center.
Friends Committee on National Legislation.
Friends of the Earth.
Fund for New Priorities in America.
Grassroots Policy Project.

Gray Panthers.
Hadassah.
International Association of Fire Fighters.
International Brotherhood of Boilermakers, Iron, Ship Builders, Blacksmiths, Forgers and Helpers.
International Brotherhood of Teamsters.
International Federation of Professional and Technical Engineers.
International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers.
Laborers' International Union of North America.
Leadership Conference on Civil Rights.
League of Women Voters.
Legal Action Center.
Libraries for the Future.
Lutheran Office for Governmental Affairs, ELCA.
McAuley Institute.
Mexican American Legal Defense and Educational Fund.
Migrant Legal Action Program.
National Association for Visually Handicapped.
National Association of Area Agencies on Aging.
National Association of Child Advocates.
National Association of Community Health Centers.
National Association of Letter Carriers.
National Association of Retired Federal Employees.
National Association of School Psychologists.
National Association of Service and Conservation Corps.
National Association of Social Workers.
National Caucus and Center on Black Aged, Inc.
National Coalition for the Homeless.
National Commission for Economic Conversion and Disarmament.
National Council of Jewish Women.
National Council of Senior Citizens.
National Council on Aging.
National Council on Family Relations.
National Education Association.
National Family Farm Coalition.
National Family Planning and Reproductive Health Association.
National Farmers Union.
National Hispanic Council on Aging.
National Jewish Community Relations Advisory Council.
National Low Income Housing Coalition.
National Minority AIDS Council.
National Neighborhood Coalition.
National Organization for Rare Disorders.
National Organization for Women Legal Defense and Education Fund.
National PTA.
National Puerto Rican Coalition.
National Rural Housing Coalition.
National Senior Citizens Law Center.
National Treasury Employees Union.
National Urban League.
National Women's Law Center.
Natural Resources Defense Council.
Neighbor to Neighbor.
NETWORK: A National Catholic Social Justice Lobby.
Older Women's League.
OMB Watch.
OPERA America.
Paralyzed Veterans of America.
Peace Action.
Physicians for Social Responsibility.
Public Employees Department, AFL–CIO.
Service Employees International Union.
The American Association of University Professors.
The ARC.
The Enterprise Foundation.
Union of American Hebrew Congregations.
Unitarian Universalist Service Committee.
UNITE, Union of Needletrades, Industrial and Textile Employees.
United Auto Workers.
United Church of Christ, Office for Church and Society.
United Food and Commercial Workers Union.
United Methodist Church, General Board of Church and Society.
United States Student Association.
United Steelworkers of America.
United Transportation Union.
Wider Opportunities for Women.
Wisconsin Assembly of Local Arts Agencies.
Women and Poverty Project.
Women of Reform Judaism, The Federation of Temple Sisterhoods.
YWCA of the USA.

Mr. LEAHY. Mr. President, paralleling the position of the 1,060 economists who banded together to oppose this constitutional amendment, the 150 organizations that make up the Coalition for Budget Integrity argue that the proposed amendment is likely to damage the economy more than strengthen it. They note that the amendment would require spending cuts or tax increases at just the wrong times. They are concerned that the constitutional amendment would likely limit public investments by failing to distinguish public investment from Government spending and failing to allow for a capital budget. They correctly observe that the constitutional amendment would draw the judicial branch into the determination of fiscal and economic policy and undercut the constitutional principle of majority rule with supermajority three-fifths requirements to raise the debt limit and waive the provisions of the amendment.

Mr. President, I also want to commend the honesty of Jack Kemp, who appeared yesterday on the NBC News television program, ''Meet The Press.''

Jack Kemp was quite honest in his appraisal of the so-called balanced budget amendment to the Constitution.

Jack Kemp said yesterday on national television:

> I have never been enamored with putting a budget balanced amendment into the Constitution. . . . I would not vote for the Stenholm balanced budget amendment because it clearly is a trap into which, I think, a future Congress would end up keeping taxes high or raising taxes in a recession. . . . It's a recipe for a future disaster for this country.

Jack Kemp said what I believe many Members of Congress privately believe, but are too afraid to say in public.

I believe Jack Kemp was right to speak his conscience and I hope more Members of Congress will follow his courageous lead.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator has 11 minutes, 15 seconds. Who yields time?

Mr. LEAHY. Mr. President, how much time remains to us?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. LEAHY. I withhold the remainder of my time.

Mr. HATCH. I yield 5 minutes to the distinguished Senator from Idaho.

Mr. LEAHY. I give control of our remaining time to the Senator from Illinois.

Mr. CRAIG. Mr. President, let me first of all react to the Senator from Vermont's inclusion of Jack Kemp's remarks of yesterday into the RECORD. Jack Kemp does not support our balanced budget because he feels it is not strong enough in one respect; it does not require the tax limitation that Jack Kemp believes is necessary. Over the years I have debated this at length with Congressman Kemp. He knows that what our amendment does is a substantial movement in the right direction. While I would have liked tax limitation over time, we know that is a vote that cannot be won on the floor of the Senate or the House. That is why we have left tax limitation up to the true limiters, and that is the electorate, to decide if a tax increase should produce a change in the makeup of the U.S. Congress. So we are not going to put our Government on automatic pilot, as would be the subtle insinuation of Senator DURBIN in arguing that, somehow, this amendment is not flexible enough and therefore we need his majority-vote waiver.

Let me talk about putting whims in the budget process, because I believe that is exactly what would be done if you favor the Durbin amendment. It does not require this Senate to make tough choices, and it creates almost an unlimited opportunity for deficit spending. The balanced budget amendment as we have proposed it, and as it has been introduced on the floor of the Senate by Senator HATCH, is flexible enough. It allows deficit spending if 60 percent, or three-fifths of the majority of the Congress, vote that way. If there is a true long-term emergency, the votes will be there to respond to it.

Let me cite some examples. The Senator from Illinois knows these examples. He has participated, as have I, in a fair number of them. From 1962 to the present, there have been 12 economic stimulus packages passed by Congress. All 12 have received three-fifths votes in the Congress. So, every time there was a true emergency and collectively the Senate or the House decided it was just that, the three-fifths majority written into this balanced budget amendment was garnered. In other words, when there is legitimacy, and not just the easy pass go that we have had now for decades upon decades, that has built the stack of unbalanced budgets here on this table, but when it was really necessary, the record clearly shows that the support of three-fifths of the Congress was there.

Of course, there was one so-called economic stimulus package that did not pass at first. We got involved in a

filibuster in 1993 on a so-called stimulus package, but at that time a recovery was already underway. Every economist in the country said, ''We are in a recovery; why are you pumping more deficit spending into the economy and risking a surge of inflation?'' And, of course, we did filibuster, and that deficit spending package failed, largely because it was nickel-and-dime kind of stuff, to build a swimming pool here or paint a mural there or create some kind of make-work somewhere else. It had nothing to do with job training to a great extent, or job creation. Yet some were pushing it, even when economists were saying, ''Yes, in fact, the economy is recovering.''

But even when that first, large bill did not pass in 1993, an overwhelming majority of the Congress still showed compassion for those actually in need; we soon passed a stripped-down bill, which extended unemployment benefits.

While we do not use the word ''emergency'' in the balanced budget amendment, clearly an emergency is whatever three-fifths of the Congress term it is. That is a reasonable test of what is a true emergency. So, those 12 economic stimulus packages that I referred to since 1962 were deemed by the Congress to be important enough to garner the three-fifths vote. Therefore the other day, several weeks ago, when the President said, ''If you had a little flexibility in there for a recession,'' and he was visiting with those of us who were proponents of this amendment, then he ''would show some kind of interest in it.'' I said, ''Well, it is there, Mr. President. You need to recognize that we saw those needs and that is why we put inside the amendment the three-fifths requirement that would be necessary to deficit spend.''

Some have said that recessions are often regional, that there are economic areas within our country that fail to respond to recovery, and that economics shifts occur unevenly. They say, without the Durbin amendment, it would be hard to provide relief in those cases. If that is the case, why has there not been why has there not been a long list of regional recession relief bills that have been defeated? Or that have passed only narrowly? No, the Congress has responded in time of need and that is why all of these bills have gotten the three-fifths vote that we thought was a necessary safeguard for this amendment.

The Durbin amendment is based on a fundamental mistake. Let me repeat that. The Durbin amendment is based on what I believe to be a fundamental mistake. Regularly balanced budgets do not harm the economy, but saying they do is the mistake he makes. He assumes, as does the Secretary of the Treasury, that somehow balanced budgets are dangerous for the economy, or could create or worsen a downturn. And yet economists, liberal and conservative, argue a that balanced budgets will lead to a sustained 2- to 2.5-percent drop in the overall interest rates. They would create jobs and a higher standard of living.

I see that as an economic stimulus. The balanced budget amendment would create economic stimulus. Regularly balanced budgets would help the economy. And yet we still recognized the need for putting into the amendment some flexibility in the case of a recession and Congress needing to respond to it.

The Durbin amendment simply guts the balanced budget amendment. It would let a majority waive the requirement for a balanced budget on a whim. It does not require that there be a real recession, merely that Congress declare one. It would not just allow the amount of deficit spending supposedly necessary or unavoidable because of an economic emergency—it would allow unlimited deficit spending.

If you go back and look at history, you find that economic growth was greater, and average unemployment was lower, during those periods in which budgets were regularly balanced.

In fact, if Congress had passed the balanced budget amendment the first time I voted for it in 1982, the typical family's income would be $15,500 higher today. That is not my number, but was estimated by the Concord Coalition. According to the General Accounting Office, if we balance the budget and keep it balanced, after 20 years, our children's standard of living will be between 7 and 36 percent higher.

Deficits are the problem. The debt is the threat to the economic security of our children, our seniors, and those who are vulnerable to changes in the economy. Former Senator Paul Simon brought in liberal economists who told us that the debt and deficit are so big, deficit spending is now useless as an economic stimulus.

The evidence does not show that balancing the budget makes recessions more severe. Investors Business Daily pointed last week to a 1986 study the National Bureau of Economic Research that said, when you adjust for the different way data were collected before World War II, prewar and postwar recessions did not really differ significantly in length and severity.

While the balanced budget amendment already, with its three-fifths vote requirement, anticipates the need to respond to a serious, long-term economic problem, the Durbin amendment seems concerned with a rapid response to short-term swings. But Congress has a notoriously bad track record when it comes to short-term responses to the economy.

Every economic stimulus or anti-recession bill since 1949 was passed by Congress after the recession was over. But the Durbin amendment still requires Congress to vote to waive the balanced budget amendment—meaning it does not allow a prompt response, just an easy evasion.

The Durbin amendment has nothing to do with so-called automatic stabilizers. The balanced budget amendment already allows for automatic stabilizers. Section 6 of the balanced budget amendment allows for the honest, good-faith use of estimates in legislation that implements a balanced budget. Read the committee report: If Congress makes good-faith, reasonable estimates of receipts and outlays, and then mid-year changes in the economy cause a temporary deficit, that would not trigger a three to five vote. Unemployment benefit checks, for example, would still go out.

The problem is that we now have permanent deficits, in good times as well as bad.

CONCLUSION

We do not need a loophole in the balanced budget amendment—like the Durbin amendment. We need to change the bleak status quo. Our $5 trillion debt—growing by more than $8,000 a second—proves that we have a long-term problem. This stack on the Senate floor of the last 28 unbalanced budgets—14 of which promised balance but did not deliver—demonstrates that this problem requires a permanent solution. If we pass the balanced budget amendment, we will create an economic bill of rights for the 21st century.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HATCH. I yield 1 minute.

Mr. CRAIG. Mr. President, let me draw to a conclusion my debate on this amendment, because I hope that we can table this amendment. I see no reason to write that kind of language into the Constitution. We have given clearly the kind of flexibility that the Congress has needed in the past to respond.

It isn't by accident that we picked three-fifths. When you go back and analyze past actions of Congress and economic stimulus packages that meet the definition of an emergency or what's needed for recessionary recovery, that is exactly what this amendment is designed to respond to. I believe it does, and I hope that our colleagues will join with us in tabling this effort.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I understand I have 4 minutes remaining; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DURBIN. Thank you, Mr. President. I will use this to conclude my remarks.

I want to first thank my colleague, the Senator from Utah, for this debate, for his fairness throughout this debate and the prior debate, though we clearly disagree on a very important issue. I thank him for the fairness with which he has handled this debate and allowed me the opportunity to express my point of view.

I said at the beginning of this debate I don't think there is a more serious vote that a Member of the House or Senate could make, absent a vote on whether the United States goes to war, than a vote on whether we amend this Constitution. When you think that on only 17 occasions in the 205 years, since 1791 have we actually amended this great document, each of us should pause and reflect and make certain that what we bring to the legislatures of this Nation for consideration is the very, very best.

What we are talking about today, I think, is a critically important part of this debate. It is important because, as the Senator from Vermont, who was kind enough to join me in this debate, said, we are talking about the ability of the American people through their Government to respond to an economic emergency.

There are those who would argue we need a supermajority, and history tells us in the last 2 years, the requirement of a majority vote resulted in gridlock and Government shutdown and national embarrassment. I worry that at some future date in the midst of an economic downturn, after this budget has been pared back dramatically to reach balance, when there are people and groups in this town, like hungry dogs on one bone, trying their very best to preserve something, requiring a supermajority vote to step up and help working families get back on their feet could be an invitation to gridlock at a time when those families need us the most.

Mr. President, I close by making a final request to the fairminded, to the judicious chairman of this committee in asking him for one last consideration, and that is that we have the yeas and nays on the merits of this amendment. I think I know the outcome, but let us preserve in this debate an up-or-down vote on this question. Let us give, in the course of this debate, to the American people our best judgment on the merits.

Let us not have this question, I think critical question, masked by some procedural vote that will suggest that this amendment on its face does not merit a yea-and-nay vote in the Senate. I think it does, and I would gladly give that right to any Senator in their effort to improve on a modification of a document which we all value and revere, the Constitution of the United States.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. How much time is remaining?

The PRESIDING OFFICER. The Senator has 5½ minutes.

Mr. HATCH. Mr. President, I will only take a few minutes. I want to thank the distinguished Senator from Illinois for the kind way he has conducted himself on this amendment. He has a wonderful personality. He did a very good job in our committee, and I think he has done a very good job here on the floor.

In all honesty, his amendment would drive huge loopholes into the balanced budget amendment and make it, basically useless, because almost anybody could claim almost any type of event as an economic emergency. That would trigger his amendment and do away with the balanced budget amendment.

There is one thing I would like to clarify. My good friend from Vermont talked about Fred Bergsten. Fred Bergsten suggested we shoot for a small annual surplus to be used during the course of each fiscal year. Mr. Bergsten is a Keynesian who believes fiscal policy will work better if the cycles are above the zero balance line rather than below. The fact the past surpluses accumulated in past years cannot be used without a three-fifths vote puts a lock on our savings, so such savings will not be used willy-nilly. But the best use of surpluses will be to pay down our debt. If Congress decides to use accumulated surpluses, it will be easier to get a three-fifths vote to use savings than to borrow, and that is the point I am making.

Let me just conclude with the thought that the Durbin amendment is an unnecessary loophole that would, basically, make the balanced budget amendment, once a part of the Constitution, very ineffective. Congress can respond appropriately to real needs, but we need the increased protections of Senate Joint Resolution 1 to protect future generations.

I worry about our children and our grandchildren and their children. I worry about whether people are going to have good jobs in the future. I worry about whether it is going to take a bushel barrel of dollars to buy a loaf of bread. I worry about whether we are going to monetize this debt, as the distinguished liberal Democrat Senator from Illinois, Senator DURBIN's predecessor, Paul Simon, has always said will happen. If we monetize this debt, this country, as we know it, will be gone, because people will no longer believe in the credit of the United States. If we inflate our economy to pay off our huge national deficits and debt, we are ultimately going to wind up where we will have inflation that would eat every working person's lunch every day.

If you really love the poor, if you really love senior citizens, if you really love our children and grandchildren, if you really love the future of this country, then we can't have loopholes like this blown into the balanced budget. We have to stand up and vote for a strong balanced budget amendment. It is difficult, I have to admit. It makes life a little more difficult for us as Members of Congress, but don't you think it is time to end these unbalanced budgets? Here are 28 of them, the last 28 years, and without this amendment, it will go on forever and our children's future will be gone.

I yield back the remainder of my time.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I move to table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment offered by the Senator from Illinois [Mr. DURBIN]. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Pennsylvania [Mr. SANTORUM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 35, as follows:

[Rollcall Vote No. 7 Leg.]

YEAS—64

Abraham	Faircloth	McConnell
Allard	Frist	Moseley-Braun
Ashcroft	Gorton	Murkowski
Baucus	Graham	Nickles
Bennett	Gramm	Reid
Biden	Grams	Robb
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Bryan	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith, Bob
Chafee	Hollings	Smith, Gordon H.
Coats	Hutchinson	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kempthorne	Thompson
D'Amato	Kyl	Thurmond
DeWine	Lott	Warner
Domenici	Lugar	Wyden
Dorgan	Mack	
Enzi	McCain	

NAYS—35

Akaka	Feinstein	Leahy
Bingaman	Ford	Levin
Boxer	Glenn	Lieberman
Breaux	Harkin	Mikulski
Bumpers	Inouye	Moynihan
Byrd	Johnson	Murray
Cleland	Kennedy	Reed
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Torricelli
Durbin	Landrieu	Wellstone
Feingold	Lautenberg	

NOT VOTING—1

Santorum

The motion to lay on the table the amendment (No. 2) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT—AMENDMENT NO. 3

Mr. LOTT. Now, Mr. President, I ask unanimous consent that at 2:15 on

Tuesday, February 11, there be 60 minutes of debate, equally divided, in the usual form prior to a vote on or in relation to the Wellstone amendment No. 3, and following the expiration or yielding back of the time, the Senate proceed to a vote on or in relation to the Wellstone amendment.

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

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, for the information of all Senators, there will be no further votes this evening. It is my understanding that Senator BOXER intends to make a statement relative to the constitutional amendment. Also, the President of the United States will be visiting with congressional leaders tomorrow on the Senate side of the Capitol—in fact, in the President's Room just off the floor of the Senate Chamber. Therefore, it is my hope that when the Senate convenes following the weekly policy party luncheons, there will be a short time agreement for debate prior to a vote on or in relation to the Wellstone amendment regarding underprivileged youth. Members should expect a vote relative to the Wellstone amendment in the 3 o'clock timeframe tomorrow. Also, the Senate could be asked to confirm the nomination of Congressman RICHARDSON to be Ambassador to the United Nations. Therefore, a rollcall vote is expected with respect to that nomination.

I thank my colleagues for their cooperation.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Thank you very much, Mr. President. Before he leaves the floor, I would like to personally thank the newly elected Senator from Illinois, Senator DURBIN, for his leadership on this extremely important amendment that he offered the Senate, which would have made this balanced budget amendment a much more attractive amendment to the people of Illinois, to the people of California, to the people of all of our States—to the Nation.

A very interesting poll just came out in the February 9 edition of The Los Angeles Times, some people, when asked in the abstract, said they would support a balanced budget amendment to the Constitution, under any circumstances. However, about 39 percent of the people polled said they would not support the balanced budget amendment if it could mean cuts in areas that they overwhelmingly approve of, such as Medicare, Social Security, and Medicaid.

I learned at a very early age from my parents what it was like to live through a depression. There was no safety net then in the 1930's, and people were literally committing suicide because there was no safety net. They didn't know what they were going to do for their families, and they were absolutely filled with despair.

We have learned a lot since then, and Senator SARBANES, with his charts, has shown us that we learned a lot since the Great Depression, and that we have the ability to soften those recessionary periods. Yet, in this inflexible amendment that is before us, it would take a supermajority, Mr. President, to act on behalf of the American people. Now, I did not come here to this great Senate to have my hands tied in the case of a recession, a depression, or a natural disaster.

I want to thank my friend from Illinois for raising that issue as well. He has gone through the Midwest floods, as I have gone through the California floods, earthquakes, and fires, and there but for the grace of God goes every single one of us in this Chamber. And if we cannot act as a majority, without the requirement of a supermajority, to meet the needs of the people, then what are we doing here?

By rejecting this amendment of the Senator from Illinois, which he was so eloquent in explaining, I truly believe that this amendment, as it stands, is dangerous. It is dangerous for our people.

Mr. SARBANES. Will the Senator from California yield for a question?

Mrs. BOXER. I am delighted to yield to my friend.

Mr. SARBANES. The Senator made reference to this earlier, and I think the very able Senator from California is on to an extremely important point here. I want to illustrate it with this chart.

The PRESIDING OFFICER. Senators in the rear of the Chamber will cease conversations. Take the conversations outside the Chamber.

The Senator from California is recognized.

Mrs. BOXER. Mr. President, what we are talking about here, because we have voted down this extremely important amendment, is, how are we going to act in this U.S. Senate to ease the pain of people during recessions or other economic emergencies. People who are jobless, who have no health insurance or who can't afford to pay their rent?

I am happy to yield to my friend.

Mr. SARBANES. Well, as the Senator has noted, as economists across the country have commented, and as the chart beside me shows, since World War II we have been able to ease the business cycle because we experience automatic stabilizers during an economic downturn. We start running deficits because we are not collecting taxes and we are paying out unemployment. If you try to balance the budget, or if you are required to do so by constitutional amendment during an economic downturn, you are going to return our economy to these boom-and-bust cycles that we experienced throughout the first part of this century and we are going to lose the ability to have this kind of movement in the business cycle, which is much better for our people.

The Senator is absolutely correct. With this amendment, we are going to be dooming ourselves to going back and turning economic downturns into recessions and recessions into depressions, as the Senator has pointed out.

Mrs. BOXER. Exactly. I would say to my friend that you have to learn from history. If we can't learn from history, we are doomed to fail the people. Some of us have heard about these depressions from our parents. Look at the Senator's chart. We can clearly see what has happened since World War II. We have spared our people from the deepest, darkest days of recession and depression.

By rejecting the amendment offered by the Senator from Illinois, which would have given this U.S. Senate and the House the ability to act without requiring a supermajority in times of recession, this becomes a very radical amendment to the Constitution.

Does my friend not agree?

Mr. SARBANES. I agree absolutely with that. We at the moment have the best unemployment situation in 20 years; the best performance on inflation in 30 years. We have now brought the deficit down as a percent of the gross national product to the best ratio in 25 years. We are making progress on all of these fronts. We have the strongest economy in the world.

People come in with this radical notion of amending the Constitution of the United States. All we need to do is continue to make the hard decisions that are made with respect to the budget. It is one thing to balance the budget. Those are the tough decisions. Those are the ones we ought to make and not put an amendment into the Constitution of the United States which is going to deny us the ability to deal with economic downturns and recessions when they occur. The amendment they are talking about putting into the Constitution of the United States does not abolish the business cycle. It does not eliminate economic ups and downs. Yet with this amendment, we run the risk of going back to economic cycles with very deep downturns when our people are really suffering through depression. We have not had that since World War II. And I for one don't want to go back to it.

Mrs. BOXER. I want to thank the senior Senator from Maryland for his leadership on this. I have the honor and privilege of serving with him on the Banking Committee, where he is the ranking member, and on the Budget Committee, where we serve together. So we have a chance to debate and discuss these issues. A great privilege it is always to have the participation of my friend from Maryland because he brings such insight.

I say to my colleague that he and I have voted for balanced budgets in the past. That is why this amendment debate is really a figleaf. As my friend pointed out, it does not do one thing to balance the budget.

I am going to show some most extraordinary newspaper articles which

have appeared as editorials or as op-eds. The writers of those articles call this balanced budget amendment what it is—a technique for people to say, ''Oh, I voted to balance the budget,'' even though in many cases these colleagues didn't vote for the one budget in 1993 that my friend from Maryland and I voted for along with a bare majority of the Senate which has set this country on a course of 4 years of declining deficits and has set this country on a course of economic prosperity. We have far to go, but we are moving in the right direction. The vote that mattered, I say to my friend, was the vote that we cast, the tough vote—and some people lost their seats because of it—that made the actual changes in budgetary policy which has cut this deficit from $290 billion when George Bush left office to where it is today at about $107 billion. That was the tough vote.

This vote is an easy vote. We are just setting the stage for the States to call conventions in order to ratify the amendment. And even if it is approved by the States, in the end, there is a real possibility that there will be a disagreement and the courts will be called upon to try to resolve the situation.

So it makes no sense. That is why 1,100 economists condemn the balanced budget amendment as unsound and unnecessary. I know that this statement has been quoted time and time again.

I see that my friend is on the floor now with some very important numbers. I am happy to yield to him.

Mr. SARBANES. I want to support the very perceptive statement of the distinguished Senator from California about the reduction in the deficit subsequent to the enactment of the 1993 budget, which, as the Senator pointed out, was passed on the tie-breaking vote of the Vice President.

In 1992, the deficit was $290 billion. We have brought it down 4 years in a row. It is now at $107 billion. Four years in a row we have had a steady decline in the deficit. We brought it down from $290 billion to $107 billion, and, as a percent of our gross product, the deficit has dropped from 4.9 percent in 1992 to 1.4 percent in 1996. The last time the deficit was this low as a percent of our gross domestic product was in 1973. This is the best performance in 23 years in reducing the deficit as a percent of our gross domestic product. This is a very good record. We are going to continue the progress. We are going to continue to bring the deficit down, both in absolute terms and as a percentage of our GDP.

Let me show you a chart which compares what we have succeeded in doing in this country and what is happening in the other major industrial countries.

This chart compares various nations' deficit as a share of GDP. The United States is now at 1.4 percent. Here is Japan, 3.1; Germany 3.35; Canada 4.2; France 5; the United Kingdom 5.1; Italy 7.2. We have the best performance of any of the major industrial countries.

We have an economy now with 5.4 percent unemployment, the best unemployment in 20 years. We are at less than 3 percent inflation, the best inflation performance in 30 years. The deficit of 1.4 percent of GDP, the best since 1973. That is a vertical comparison with our past performance in this country.

Then we look to see how we are competing with other countries. This chart shows we have the best performance of any of the G–7 countries. This economy is working. We ought not now to take this, as the Senator has described it, radical step of trying to amend the Constitution of the United States and perhaps dooming ourselves in some future crisis to be unable to confront the economic circumstances of the time. As the Senator has pointed out, that is what these over 1,100 economists across the country are saying.

I thank the Senator.

Mrs. BOXER. I thank my friend and colleague.

I think the record is clear. We are making progress, and what we ought to be doing now is debating how we make further progress. Instead we are spending many, many hours discussing an amendment to the Constitution which does not one thing to continue this progress.

These economists, including 11 Nobel laureates in economics from Stanford University, the University of California at Berkeley, New York University, Carnegie-Mellon, Yale, and MIT—you can't have a better group of people who know what they are talking about. Some of what they say is, ''We condemn the proposed balanced budget amendment to the Federal Constitution. It is unsound and unnecessary.''

I received a degree in economics many years ago, and I know that economists choose their words carefully because economics is not an exact science. As a result, economists try very carefully to measure their tone and measure their words. So when you have 1,100 economists signing on to this, and using the word condemn, this is serious business. Now, maybe there are colleagues in the Senate who could stand up to some of these people and tell them they are incorrect, but I have a hard time believing that.

Let me sum up what they said. And it just parallels what the Senator from Maryland has shared with us.

> The amendment is not needed to balance the budget. The measured deficit has fallen dramatically in recent years from $290 billion in '92 to $107 billion—

They say:

> The deficit is 1.3 percent of gross domestic product, a smaller proportion than that of any other major nation.

The Senator from Maryland has said this very same thing. They go on to say:

> Congress and the President can reduce the deficit to zero, balance the budget or even create budget surpluses without a constitutional amendment.

These 1,100 economists close by saying:

> There is no need to put the Nation in an economic straitjacket. Let the President and Congress make fiscal policy in response to national needs and priorities as the authors of our Constitution wisely provided.

Now, Mr. President, I am so honored to be in this Senate representing the largest State in the Union. It truly is an honor. I am humbled by it. I am humbled by our Constitution. And so I think we need to be pretty humble when we think of how we are going to vote on this. I think we have to be humble. I think we have to look at what the experts tell us. I think we have to look at the facts as they have been laid before us by my friend from Maryland. Our economy is moving in the right direction.

Having a balanced budget amendment to the Constitution would in fact put us in a straitjacket, would in fact tie our hands, would in fact make it very difficult for us to get out of an economic crisis when we may have to temporarily go out of balance while we take care of it.

Let me ask a question of my friend from Maryland, who is still in the Chamber.

In his State he has been fortunate not to have had the number of natural disasters that I and the people of my State have had to face. He knows this place, however, because he has been here a long time, and the people of Maryland keep sending him back for a reason—because he is wise. So I ask my friend, under this amendment as it is proposed—and particularly since this Senator DURBIN's recession amendment was defeated—California was in a horrible recession, the worst in the country. We moved from an economy that was heavily supported by jobs in the defense sector, to an economy without the great dependence it once had on defense sector jobs, and we had a very hard time. We made investments that softened the blow but still it was tough. Then we got hit with an unbelievable earthquake called the Northridge earthquake. Because the Federal Government acted swiftly, because we could act without having to have a supermajority, we were able to pump $11 billion into the California economy to rebuild the infrastructure. We are rebuilding the universities. We are rebuilding hospitals. We are rebuilding people's lives.

I say to my friend, I will offer an amendment to waive the requirements of a supermajority in case of natural disasters such as earthquakes, fires, floods—where people are homeless and in trouble.

Under the amendment as it stands now, however, if any State had a disaster like that which occurred in California, with $11 billion of damage and people hurt and suffering, does my friend believe we could get the required supermajority to act swiftly?

I have very grave doubts about it, because I have seen us have a hard time even getting 51 votes. I ask my friend,

would he want to be here representing a State that had a disastrous flood or earthquake or any other natural disaster and have this amendment in place which requires a supermajority?

Mr. SARBANES. The Senator from California asks a very appropriate question. In a sense, she answered it right at the end with the observation that she herself has, as I have, seen instances in this Chamber when we were scrambling to get a simple majority in order to provide disaster relief to one or another State in the country that had been devastated by a natural disaster. And many Members said, ''Well, we don't really want to do that. Yes, it's a difficult situation, but we don't want to make this response.''

I have seen the very able Senator from California personally work the floor of the Senate in order to try to get a majority vote in order to respond to what her State had been stricken with, and she was successful, I must say. But suppose you had to get a supermajority in order to do it. Past experience does not bear out the assumption that you can just get a supermajority willy-nilly. In the past, we have had to scramble simply to get a majority.

The amendment contains a provision that states that you cannot raise the debt limit unless you have a supermajority, and obviously unless you can raise the debt limit and borrow additional funds, you are not going to be able to respond to the disaster, and particularly not respond to it immediately, which is often what is required. But time and time again in this Chamber I have seen the leadership sweating bullets in order to get a simple majority in order to deal with a debt limit issue. So it just defies past experience for Members to stand here and say, ''Oh, we will get the supermajority.'' As the Senator from California has pointed out, it is tough enough to get the majority, the simple majority.

Mrs. BOXER. I give my friend an example. The San Francisco earthquake, Loma Prieta, which was way back, we are still rebuilding from, I say to my friend. And we had a freeway go down, just a disaster, and we got the funds to rebuild the freeway. About 2 years ago on the floor of this Senate a Senator said we have to back off this because we are building it in a different fashion and it is costing too much money.

I stood up as one of the two Senators from California and explained that if we rebuilt it the same way it was prior to the earthquake, it would fall down again. We had to put a little more into it to make sure that the structure was as safe as possible—to ensure that the residents traveling on the freeway would be safe.

Well, I won that vote, but I have to tell you it was close, I say to my friend.

Under this constitutional amendment, there is no way I could have done that because it would have required a supermajority—we would have needed to be out of balance for a short period of time because of the unanticipated funds required to respond to the disaster. And I say to my friend that, if any State experiences a multibillion dollar disaster, unless you can come on the floor and convince colleagues to cut other programs, you are going to be in deep trouble. That is the other reason why this is a very, very radical amendment.

I want to say to my friend, I so appreciate his participating in this discussion. It means a lot to me that he is here. As a matter of fact, it reminds me of one time out in California when he was at a forum with me, when most people had gone home. It was a situation very similar to tonight.

But I want to say to my friend, as we sit on the Budget Committee together, there is one figure who comes before the Budget Committee that my colleagues on the other side of the aisle just think is the best. They credit this person with everything good about the economy, and his name is Alan Greenspan. I think Alan Greenspan is doing a good job. I sometimes disagree with him, but overall I think he has done a good job. Where is Alan Greenspan on this constitutional amendment to balance the budget? Let me say—I am not going to read his whole statement, but I think this sums it up:

> As a consequence, what I am concerned about is that it is very difficult to implement technical economic policy through the Constitution. I don't like the idea of embodying concrete economic issues in the Constitution, which is going to have to stay in the Constitution for 50 or 100 years or more.

So I find it really interesting that on every single economic issue, my colleagues on the other side of the aisle—who all support this amendment; I do not think there is one of my colleagues on the other side who is going to vote the other way—have abandoned Alan Greenspan's leadership, where they have followed him down every other economic road. Again, I ask my colleagues to be a little humble on this. We do not have all the answers. None of us has all the answers. But, certainly, if you are going to walk away from someone who you think has been right on target, keeping inflation under control, keeping the economic recovery going, and he is telling us not to do this, it seems to me fairly arrogant to disregard it.

I would like to share with my colleagues what I think is a terrific editorial that appeared in the Los Angeles Times. As a matter of fact, it is so good I am going to read you most of it. I honestly think this says it the way it is. It speaks for me.

> Balanced Budget Plan: Looks, 10; workability, zero.
>
> This seductive idea won't stand up under close inspection.

Here is what it says:

> No. 1 on the legislative menu of the new 105th Congress is a Republican-backed constitutional amendment to require a balanced budget by the year 2002 and every year thereafter. What could have more first-glance appeal? But amending the Constitution, despite the political symbolism, is not the way to go about controlling government spending.
>
> On Tuesday, President Clinton voiced his strongest opposition yet, appropriately characterizing the proposed amendment as a ''straitjacket'' that pays little regard to the vagaries of the economy. For instance, it would not provide the flexibility needed to deal with recessions . . .

My friend and I from Maryland, we have gone through this, I think, in a detailed way. It says:

> . . . it would not provide the flexibility needed to deal with recessions, when Federal funding might have to rise as revenues drop. The proposal would allow suspension of the balanced budget requirement only if three-fifths of each House approved. That's not much of an escape valve, considering how long it takes Congress to act on most problems . . .

We know that. It takes us time to gear up around here, as the President is going to learn as he enjoys his stay in the Senate. So, in time of recession, we are often behind the curve as it is. We come in the second quarter, after the recession.

> The amendment, pushed through the Senate Judiciary Committee on Thursday, generally fails to spell out how a balanced budget would be achieved. The difficult decisions on what spending to cut or how to raise revenues are not addressed but simply are left to future Congresses—and everyone knows how difficult and seemingly endless budget negotiations can be in the Capitol . . .

The article closes by saying:

> The amendment—which will be put before the States' legislatures if it wins approval in the House and Senate—has drawn opposition from a broad spectrum of economists and fiscal experts. It should. The amendment is irresponsible governance, fiscally reckless and a false political star.

The Los Angeles Times is not known for such strong language. It is very measured. The editorials are very measured. So let me repeat that:

> The amendment is irresponsible governance, fiscally reckless, and a false political star.

The last article which I want to mention comes from the USA Today, on Monday, February 3, 1997. The headline reads:

> This is cheap political grandstanding. There is an easier way to balance the budget: Just do it.

''Just do it.'' It says, ''Balance The Budget? Yes. But An Amendment? No.''

So, whether it is our worry about being in a straitjacket when there is a recession or a natural disaster, or whether it is our worry about the Social Security trust fund—which absolutely will be hit if an amendment does not carry the day to exempt it—or whether it is our worry about Medicare—all of these areas are at great risk if we continue with this proposal, which has been condemned by 1,100 economists. Editorials all over the country have pointed out that passing a balanced budget amendment to the Constitution is just not a wise thing to do.

We can and must balance the budget. I voted for six balanced budgets. I am very proud of that. I am proud to see the deficit coming down. It is a serious matter. I hope, however, my colleagues will have the courage to walk away from an idea that seems wonderful on its face, but if you look behind the door, you will see the pitfalls there.

I thank you, Mr. President, for your kind courtesies. I thank my colleague from Maryland for participating in this discussion with me. I hope, as we go down the road on this debate, we will have some more colleagues step away from this at-first-glance politically popular idea and realize that it will put us in an economic straitjacket with no way to respond to recessions or other economic emergencies or crises. So it is putting us into a straitjacket which can only harm the people.

To close: ''Balance The Budget? Yes. But An Amendment? No.''

There is an easier way to balance the budget: Just do it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We are on the Wellstone amendment, No. 3.

Mr. SARBANES. I thank the Chair. Mr. President, I commend the very able Senator from California for her very fine statement. She clearly understands the pitfalls that are involved in a balanced budget amendment and, I think, has spoken eloquently to the issue. She has also spoken with a very deep personal knowledge of the situation confronting her and her State when she has had to deal with these natural disasters. I simply want to underscore, again, for those who say, ''well, we will easily get a supermajority in order to waive the provisions of this amendment in an emergency situation,'' that I saw the Senator working literally day and night just to get a majority in order to deal with a natural disaster and, as she pointed out, coming up with close votes in order to do it.

She succeeded, which is very much to her credit and reflected her very effective advocacy. But had a supermajority been required, she would have fallen short. So I want to thank her for her very strong statement.

Mr. President, I know it is late into the evening, and I am not going to take long, but I want to take just a few minutes to speak to the issue before us, and I hope at a later point to make a longer statement.

First of all, I want to point out, as we deal with this amendment to amend the Constitution to require a balanced budget, it is very important to understand that the budget we are talking about balancing, the U.S. budget, does not have a capital budget to it. Everyone gets up and says, ''well, the State governments do it, the local governments do it, private individuals do it, corporations do it, why shouldn't the Federal Government do it?''

None of those other entities balance a capital budget as well. They all provide for capital budgets that are financed by borrowing. That is what State governments do. They have a requirement to balance the operating budget, but they then sell bonds. Why do States and municipalities issue bonds? Why is there a municipal bond market? Because they borrow in order to fund the capital budget.

We don't have a capital budget at the Federal level, and anyone who is really serious about trying to write requirements into the Constitution, which, by the way, I think are extremely difficult to do because you can't provide for every contingency, but if you had any degree of seriousness, would first provide for a capital budget. You would set capital investments apart and say, ''all right, we recognize we make investments in the future and we capitalize them, and we borrow to fund the capitalization.''

That is what people do when they buy a home. Although it is said that everybody has to balance their budget, people don't balance their budget every year. It is wise and prudent financial policy, if your income is adequate to the task, to borrow in order to buy a home, to borrow in order to buy a car.

If individuals had to operate under this amendment's balanced budget requirement, the vast majority of people in this country would not be able to buy an automobile and they would not be able to buy a home, because they couldn't produce the cash with which to make the full payment in the year they incur the obligation, which is what this amendment is requiring of the Federal Government.

So that is the first point to make. You are talking about trying to balance a budget that includes within it your capital expenditures, instead of setting them aside and funding the capital expenditures through a capital budget, which is financed by borrowing and which makes prudent economic sense. After all, the highway or the building is going to last you for 20, 30, 40 years, and it makes sense to borrow, to amortize it over that period of time and have the use of it right from today out into the future.

The second point I want to make about the balanced budget amendment is in the post-World War II period, we have used what are known as automatic fiscal stabilizers in order to ameliorate economic downturns. When the economy begins to go soft, the Federal budget automatically shifts toward deficit, for two reasons: First, people are losing jobs, and because they are no longer working, they are not paying taxes into the Treasury; therefore, the revenues into the Government decrease. This happens automatically. We don't take any action around here for that to happen. It just occurs. Because people are no longer working, they are no longer earning, and those people, at least, are not paying taxes into the Treasury.

Second, at the same time, automatically expenditures increase, because we pay out unemployment insurance. If you have been working, you become unemployed, you are entitled to draw unemployment insurance. So those payments go up.

The consequence of those two things happening—and there are other transfer payments also that go up in the course of an economic downturn or a recession—the deficit widens. But that deficit serves to cushion the economic downturn, because it helps to sustain purchasing power in the economy that would otherwise go into decline. Cushioning occurs because by providing unemployment insurance, you help to hold the economy up and to check the downturn.

Now, that happens automatically. It doesn't require a conscious decision. If the recession is bad, we often then go on to make conscious decisions here about ways to try to bring the economy back. But under normal circumstances, this cushioning is sufficient to moderate the economic downturn.

Because we have followed this policy essentially since the end of World War II, we have been able to check the boom-and-bust cycle of our economy, which we had previously been experiencing. Of course, that is a very good thing, because you don't put your economy and your people through the absolute wringer of a major economic downturn.

The fact of the matter is, as the economy goes soft, you begin to run these deficits. If you try to offset the deficit, either by cutting spending or raising taxes or a combination of the two, in an economic downturn, you would only drive the economy further down. The economy, the business cycle is swinging downwards, and if you compound that swing by a policy of trying to eliminate the deficits which arise from that downturn, you only make the downturn worse, and we have experienced that in our history, during the Great Depression.

This is why these automatic stabilizers are so important, and this is why, in many respects, this amendment is so dangerous.

This chart beside me measures real economic growth from 1870 to 1995, and it shows the ups and downs in economic growth in our economy, beginning in 1870 and running through until 1995. The essential thing the chart shows is that since World War II, we have essentially been able to avoid deep economic recessions or, indeed, depressions.

One of the reasons—not the only reason, but one of the reasons—we have been able to do that is because we have had these automatic economic stabilizers which have kept the economy from coming down into deep negative growth. Only a couple of times have we actually had a downturn that took us into negative growth. Most of the time we get movements, they remain in the

positive level, and, as you can see, we have not in recent history experienced the kinds of deep moves we experienced pre-World War II.

That is why the Secretary of the Treasury, Secretary Rubin, in testimony before the Judiciary Committee about this amendment to the Constitution, said he was fearful that what it would do is turn an economic downturn into a recession and a recession into a depression.

Amendment supporters say, ''Well, if that happens, we'll get a supermajority around here, we will waive the provisions of the Constitution, and we will take action.''

There are a number of difficulties with that response. First of all, the automatic stabilizers work automatically. No one has to recognize there is an economic downturn. Often, we don't see an economic downturn is happening until much later, until it is well into its cycle.

Only a few years ago, Alan Greenspan thought the economy was doing well and said so. Later, it turned out that at the moment he said that, the economy was already into a downturn, but it wasn't recognized, it wasn't seen. Later, when all the figures came in, we went back and saw that we had already gone into a downturn. This amendment is going to cost us these automatic fiscal stabilizers that operate without the need for congressional action, and that cushion a recession that we might not even know to exist.

Second, we have a lot of arguments around here about whether we have a downturn, how serious a downturn is, how you have to respond to it.

Franklin Raines, the Director of OMB pointed out the other day before the Budget Committee that a lot of our difficulties are regional depressions, not national depressions. Much of the country might be doing all right, but a region of the country may be in severe trouble and needs help in order to address the situation in which to find itself.

Of course, then it is going to be extremely difficult to get a supermajority because most communities will not be experiencing a recession or downturn and their representatives will not want to waive this provision.

I can remember during the administration of President Bush when we tried to act on extending the unemployment insurance. It took us months, months, months, and months before we were able to do it. And all the time the economic downturn was getting worse. As a consequence, all the time we were falling further and further behind the curve.

The fact of the matter is, is that the earlier you can act, and particularly if you can act automatically, through stabilizers, the quicker you can check the downturn. If the downturn gains momentum, begins to build up steam in that direction, the amount of corrective action that has to be taken in order to turn it around is much greater. The prudent thing is to act early on, because then you do not suffer as much damage because you do not go as deep into the decline.

But this balanced budget amendment is a virtual guarantee that that kind of early action will not be taken and that we will always be playing catch up with the economic cycle.

The many distinguished economists who have spoken out, and to whom my very able colleague from California has made reference, have focused, amongst other things, on this aspect of the situation. We ought not to give away lightly the benefits that have come to us by developing effective fiscal policy to help restrain the movements of the business cycle. We have not eliminated it. I assume my colleagues who are pushing this amendment do not for a moment suggest they somehow have figured out a magical way to eliminate the business cycle. But we have developed policies that have ameliorated the business cycle.

I do not want to go back to these deep declines in the economy. We ought not to be in the situation where, as in the 1930's, we would rue the day that we denied ourselves the capacity to respond to that kind of an emergency so that we actually had to experience something approximating economic devastation before we were prepared to take action.

Why would you do that? Why would you want to do that? Is the economy not working well? Let us look at that issue for just a moment.

The unemployment rate today is 5.4 percent. It has been down in the low range of 5 percent now for many months. It is a very good performance. The last time we had a performance anything like that over a sustained period of time was 20 years ago.

What about the inflation rate? The inflation rate is under 3 percent. It has been there now for the last 4 or 5 years—about or under 3 percent. The last time we had a performance on the inflation front that was that good was 30 years ago.

So we are doing very well on unemployment and inflation.

We have created 11.5 million jobs over the last 4 years. Other countries envy us in terms of what we are doing. But, amendment proponents say, we still have a problem with the deficit? What about the deficit? Let us take a look at the deficit.

Are we making any progress on reducing the deficit? Can someone contend that we are not making any progress on the deficit-reduction front and, therefore, we need a constitutional amendment, as risky and as radical as it might be, in order somehow, some way to compel some kind of action? We should note, however, that the amendment does not curb the deficit at all? You are still going to have to make the budget decisions with respect to the budget—your spending and tax decisions with respect to the budget. Have we been doing that already?

In 1992, the deficit, in current dollars, was $290 billion. Since then, we brought the deficit down in each of the succeeding 4 years. The deficit now is $107 billion. And the President has submitted a budget plan that will eliminate the deficit by the year 2002.

Some have criticisms of that plan. Others praise it. I think it is a pretty good plan but it is not written in stone and it is up to the Congress to deal with it now in consultation with the administration. But in any event, there is a plan to bring it down and eliminate the deficit by the year 2002.

I think the President has pretty good credibility in putting forward this plan on the basis of his record.

We ran large deficits in the 1980's and into the early 1990's. It was not just the administration that did that, the Congress was complicit in it as well. After all, you do not get a budget unless we in Congress pass it. Although I do want to point out that through those 12 years, in all but 1 year the budget passed by the Congress had a lower deficit figure than the budgets submitted to the Congress by the administration.

In other words, in every year but one the Congress was able to do a tighter budget than what the administration had submitted to the Congress. Had we passed the administration's submitted budgets, as proposed to us, the deficits would have been larger, not smaller. We did not increase the deficits. We in fact lowered the deficits.

But now in the last 4 years we have made this very impressive progress and we are on the path to a balanced budget. The way you make this progress is you make decisions on the budget each year. None of this progress was made because there was an amendment in the Constitution. And if you put an amendment in the Constitution, the progress still will not be made.

The progress can only be made when you vote the budgets, when you make the spending and the tax decisions that are contained within the budget, the consequences of which then give you your deficits or your balance. That is when you make the decisions. And we have been making hard decisions, particularly the 1993 economic plan, which passed this body on the tiebreaking vote of the Vice President.

A lot of people criticized that plan. People said ''Oh, this is going to have devastating consequences on the economy.'' It was a combination of spending cuts and some tax changes. But what it produced was a reduced deficit and an economy that has worked exceedingly well over the last 4 years, an economy that other countries look at with a great deal of envy.

These are the absolute figures on reducing the deficit. Let us look at the measure of the deficit as a percent of the gross national product, which is a very important measure. It enables us to compare with our own performance over time and with other countries. Because as you strengthen your economy, you can bring your deficit down and it

becomes a smaller percentage of the GDP and becomes easier to handle. It is like an individual's situation. If he has more income, he is better able to handle the deficit. If his economic strength grows more rapidly than the deficit he is trying to handle, then he gets stronger and more able to pay off the debt.

Let us look at that. This is what has happened. In 1992, the deficit was 4.9 percent of GDP. That is not a good figure. I am prepared to state that right at the outset. The European Community now, which is trying to move toward monetary union, has established some benchmarks which it is pressing the 15 members of Europe to abide by in order to achieve the monetary union. And one of them is that deficit, as a percent of GDP, be under 3 percent—under 3 percent. That is the benchmark they have set out.

In 1992 we were at 4.9 percent. As this chart beside me shows, we brought down our deficit as a percentage of GDP to 4.1 percent in 1993, 3.1 percent in 1994, 2.3 percent in 1995, and 1.4 percent in 1996. That is the best performance since 1973, 23 years ago. It is a better performance than all but 3 of the 15 members of the European Union, three of the smaller countries—Luxembourg, Denmark, and Ireland. Our projections out into the future are very positive; according to these projections, we will do even better than 1.4 percent in the future.

So we are making very significant progress toward a balanced budget. We really are on the right track. The real place we ought to be focusing on is on the budget process and the decisions that will be made with respect to spending programs, tax programs, tax subsidies, tax expenditure issues, and so forth.

Further, our performance of 1.4 percent deficit as a percent of GDP is better than any of the G7 countries, the major industrial countries in the world.

I was at a Joint Economic Committee hearing this afternoon where Chairman Stiglitz of the Council of Economic Advisers was presenting the economic report of the President. He talked about how nice it was now to go to international meetings with the performance of our economy and be able to hold out as an example to other countries what we are doing.

Look at this chart beside, which compares the deficit as a share of GDP for each of the G7 nations. Here is the United States, down to 1.4 percent. We have a game plan now, by the year 2002 to close that out completely. Now, I know we will have arguments here about the game plan, but I think it is credible. It could be changed, it could be different. I think it is credible. I think it represents a bona fide effort to close this out.

Look at this comparison: Here is Japan with 3.1 percent deficit, Germany, 3.5 percent; Canada, 4.2 percent; France, 5.0 percent; the United Kingdom, 5.1 percent. Italy is 7.2 percent. If you make the comparisons, if you do a vertical comparison over our history, we have the best performance now, deficit as a share of GDP, since 1973. That is how we stack up in terms of our past record. If you do a horizontal comparison with other countries around the world, this is how we stack up. Any way you look at that, that is a pretty good performance.

Now, let me finally address one other point about this amendment. I want to address this assumption here that you can simply get these supermajorities almost by the wave of the hand if you have any kind of serious problem confronting you. Now there are two kinds of supermajorities required in this proposed resolution, Senate Joint Resolution 1—either a majority of the total membership of the body or three-fifths of the total membership of the body, what they call the whole number of the House. Now, what the ''majority of the whole'' requirement means is in the Senate you would have to have 51 votes—although there is some argument, legally, about the role of the Vice President's vote in this process, an interesting debate that shows you the complexity of this proposal and its potential for complications. That question has never been resolved. Then there is the three-fifths supermajority requirement, which of course in this body would be 60 votes.

I want to make historical reference to one critical vote in the House, which in a historical sense we can look at and say, ''Well, that was a critical vote in the history of this country. That was really a national crisis, and clearly Members should have recognized it and should have acted accordingly. That is the kind of situation which, if it arises again, we certainly would be able to get these supermajorities provided for in this Senate Joint Resolution 1.'' In 1940 the U.S. Congress, on the urgings of President Roosevelt, provided for a draft for 1 year, because President Roosevelt saw the war clouds that were gathering in Europe and felt the United States needed to undertake preparation for what might be coming. A year later, of course the issue arose, since it was only for a year, about extending the draft. We are now talking about the fall of 1941, only shortly before Pearl Harbor. The President asked the Congress to extend the draft so that we could continue this program of military preparedness because the war clouds were even darker and more ominous.

The issue was so close in the House of Representatives that Speaker Rayburn, exercising a very rare prerogative of the Speaker, took the floor of the House at the close of the debate to urge extension of the draft. The vote on that issue in the House was 203 to 202, so under the Constitution it carried. You had a quorum present, had a majority of those voting, carrying it 203 to 202. Mr. President, 203 is—and was not then—a majority of the whole number of the House of Representatives, which would be 218 today, and it is certainly not three-fifths of the whole number of the House. These are the two supermajorities required in this resolution.

Now, there you were with a crisis situation which certainly, looking back at it historically, you would have said, ''Well, obviously, those Members of Congress will recognize what the country is confronting and vote to carry this forward.'' They barely did it. They cast a vote that would not have worked under the supermajority requirements contained in Senate Joint Resolution 1.

I think those who say of course we will achieve supermajorities are being much too sanguine. The amendment says that the debt limit shall not be increased without three-fifths of the whole number. We can hardly put together simple majorities in Democratic or Republican administrations to achieve this goal. I have voted in this body to lift the debt ceiling in Republican administrations at the request of Republican Presidents and Republican Secretaries of the Treasury because I felt obviously we had to do that. We could not put the credit of the United States at risk. But those votes have been exceedingly close and they have not come anywhere near meeting the supermajority requirements contained in this Senate Joint Resolution 1. No wonder the Secretary of the Treasury has voiced his apprehension that we might risk a default on the debt and hurt the creditworthiness of the United States through the passage of this amendment to the Constitution.

Mr. President, I urge my colleagues to think long and hard about this amendment. It is a very radical proposal. It has a lot of surface appeal, as my colleague from California pointed out when she quoted the editorial in the Los Angeles Times. The easy vote is obviously to be for it, as most people upon hearing it say it is a good idea. You really have to go into it and examine it very carefully and appreciate the real way you bring the deficit down is to make the budget decisions, not to amend the Constitution of the United States.

I yield the floor and 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. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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