

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

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

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

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

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

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

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

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

#### RECESS

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

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

#### BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

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

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

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

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

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

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

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

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

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

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

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