

us leave a legacy of which we can be proud, a legacy that will ensure for future generations the rights and privileges that we have been so fortunate to enjoy.

The balanced budget amendment is also a chance to restore some needed trust, to prove that the Congress can stand for something other than defense of its own power and its own privilege.

Mr. President, I will have, obviously, many opportunities to speak further on this issue. It is a critical one. We will spend a considerable amount of time dealing with it. There are obviously divisions of opinion as to how we should get from here to there. I look forward to speaking and participating on this issue in the days ahead.

Mr. President, I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I have listened to the closing words of my distinguished friend from Indiana, Mr. COATS. Speaking for myself, I do not want to leave my children and my grandchildren the legacy of a crippled Constitution. I believe that the balanced budget amendment, if adopted, would be an irresponsible act that would cripple this Nation's capacity to cope with the economic problems of the 21st century and beyond.

Does the Senator wish me to yield?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I wonder if the distinguished ranking member of the Appropriations Committee will yield to me for the purpose of making a statement on another issue for approximately 7 or 8 minutes.

Mr. BYRD. Mr. President, as for myself, I have no problem with yielding to the Senator. I do know that Senator BUMPERS has been waiting patiently to speak, and there are others who wish to speak.

I ask unanimous consent that I may be permitted to yield to the distinguished Senator from Montana for not to exceed 8 minutes without losing my right to the floor.

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

The Senator from Montana.

Mr. BAUCUS. Mr. President, I very deeply thank the Senator from West Virginia and the Senator from Arkansas, Senator BUMPERS, who I know wishes to speak.

I ask unanimous consent to speak as in morning business.

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

BUTTE, MT

Mr. BAUCUS. Mr. President, today I begin a series of statements about a place that is very special to me, the city of Butte, MT. These statements will focus on Butte's economy, its people, its quality of life, and other special attributes of Butte.

I will begin today by discussing the recent history of Butte's economy.

Butte, MT, is 1 of 13 communities across the Nation under consideration for a new microchip manufacturing plant to be constructed by Micron Technologies.

Now, Butte and Micron may seem to have little in common; after all, why would one of the Nation's leading high-technology companies want to set up a shop in an old western mining town like Butte?

Yet, if you scratch just below the surface, Butte and Micron have a lot in common. Thanks to the basic American values of hard work, patriotism, ingenuity, competitiveness, both Butte and Micron have grown and prospered over the past 10 years. And Micron has done this without shipping jobs overseas.

Many of their managers have told me, with great and justifiable pride, that their corporate philosophy is to grow jobs not overseas but in America. It is exactly that kind of loyalty that has helped the people of Butte rebuild their economy after the loss of the largest employer more than a decade ago.

For over a century, the business of Butte was mining. Butte's first settlers called it "the glittering hill." Later, Butte would be known as the "mining city." At first, it was silver and gold but primarily copper.

While the mining industry flourished, Butte grew and prospered, and some in Butte got very wealthy. Many others made a hard but a decent living in the mines. During the early part of this century, Butte's population rose to nearly 100,000 people, about the same size as today's Billings, MT, our largest city.

With copper prices falling in the 1970's, Butte's once mighty mining industry began to slowly taper off.

Then it happened. The mines closed. This January 7, 1983, headline, a replica, a mockup of the Montana Standard, reads like a death sentence for Butte: "Butte Mining to Stop." There is a big stop sign; a death sentence for Butte, MT.

Hundreds of jobs were lost, direct jobs; over \$32 million in annual payroll disappeared; over \$1 million in yearly tax payments to the local government were lost, and Butte lost a big chunk of its identity—mining. The "mining city" became the "former mining city."

Butte's chief executive at the time was a good friend of mine named Don Peoples. Don told the local paper:

It's like being told that a patient has a terminal illness. You first feel frustration, anger and then sit back and determine how you fight on.

Don's reaction of the news was typical of the spirit, optimism, and loyalty that helped make Butte such a special place.

Yet, there were a lot of other people, most of whom, by the way, do not live in Butte, who counted Butte out. They thought Butte was destined to become

nothing more than a very large ghost town on the western landscape.

But were they ever wrong. Perhaps they underestimated the teamwork and the ingenuity of Butte's leaders, people like Don Peoples, Harp Cote, Joe Quilici, Bob Pavlovich, J.D. Lynch, Judy Jacobson, Fritz Daily, Evan Barrett, Bob Gannon, and Jack Lynch. And I know they underestimated the thousands of other hardworking Montanans who were still proud—fiercely proud—to call Butte their home.

These people were not about to pack up and leave. They were determined to stay in Butte and build a better life for themselves and their families, and they did it. By working together and creating a probusiness environment, they made Butte of 1995 a great economic success story.

There is much, much more to the Butte of 1995 than mining.

The Montana technology companies have earned Butte international recognition as a center for the development, testing, and marketing of new environmental technologies. They have done it themselves in Butte.

Montana Power Co., based in Butte, operates one of the most dynamic utility and energy businesses in the Nation.

Butte's Montana Tech turns up on any list of the best engineering and science schools in the country. For instance, in a survey of college presidents recently published in U.S. News and World Report, Tech, Montana Tech was voted the top ranked small college science program in the Nation—top, No. 1.

Hundreds of new small businesses have grown up and prospered in Butte.

Well, 12 years have now passed since the mines closed. Mining has come back to Butte. With the development of Montana Resources several years ago, Butte can again rightfully call itself the mining city.

In short, if Micron is looking for a good place to do business, Butte is the best place. Its industrious people are the perfect match for Micron's record of growth and productivity.

Over 30,000 Montanans from Butte and southwest Montana have signed petitions urging Micron to locate in Butte. I can only add my voice to theirs by expressing my fervent hope that Micron will become Butte's next economic miracle.

I thank the Chair, and I thank the Senator from West Virginia.

I yield the floor.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

Mr. BYRD. Mr. President, today we continue one of the most important debates in the history of the Senate. The debate involves whether to change the basic, fundamental, organic law of this Nation forever, and for the first time

to write fiscal policy into the Constitution of the United States—for the first time, amended only 27 times in its history. The Constitution of the United States is one of the most brilliant, uplifting, and inspired documents ever written by the hand of mere mortals. It has served as a model for other nations, nations that are struggling to emulate the American genius and ensure a government that allows maximum freedom for its people, and yet also fairly imposes the strictures of the rule of law.

Such a document, with its carefully weighted checks and balances, its beautiful guarantees of freedom and liberty, its eloquent preamble of 52 words, and its visionary flexibility has inspired and guided this great Nation of ours for generations.

Now the decision to preserve it for our future generations rests with this body—100 men and women sworn to support and defend this marvelous Constitution against all enemies, foreign and domestic. And the decision rests with us. The buck stops here. I have taken that oath 13 times in the last 48 years—to support and defend the Constitution against all enemies, foreign and domestic. I have administered the oath of office on a good many occasions to several of my colleagues, and I have considered it an honor and a privilege to do so.

This body has a solemn responsibility to debate the proposed amendment carefully, fully, thoroughly and with diligence. Nothing on the Senate's agenda is as important as this proposal. It is the most important decision that will be made in this Senate this year. And if, which God avert, this amendment is adopted, it will prove to have been the most important amendment, the most important change to the Constitution since the Constitution became effective 206 years ago, and it will be the first time out of 27 times that an amendment has been adopted to damage this inimitable document.

Nothing on the Senate's agenda, as I say, is as important as is this proposal. So I say that no politically crafted, so-called Contract With America—you have heard about that, the Contract With America, the so-called Contract With America. Let me show you my contract with America. Here it is, the Constitution of the United States. It cost me 15 cents. There it is—15 cents. Any Senators who wish to get similar copies may do so from the Government Printing Office. It only costs a dollar even at today's prices.

So this so-called Contract With America, which I did not sign on to, and which just sprouted up like the prophet's gourd overnight, during the last election, should not drive this debate or crowd out the thorough consideration of this proposed constitutional amendment.

We have a duty to air all sides before the public, lest there be any misunderstanding about what is being proposed. If we are to adopt this most serious of

alterations to our Constitution, let us not do so without telling the American people exactly what the change will mean to them. Let us not do so without telling the American people exactly, to the very best of our ability, what the change will be to them, the American people.

The debate may be at times tedious. It deals with concepts and truths which are not usually on the public radar screen. But it is our responsibility to focus the public, if we can, on this issue which is so fundamental, so fundamental to the future of our Nation.

And so it is my hope that the Senate and its Members will concentrate their fractured attention spans, clear the decks, and listen to and participate in this extraordinary debate. Now, this is no ordinary bill. It is no mere amendment to a statute. This is the supreme law of the land about which we are talking. We are talking about amending the supreme law of the land, the Constitution of the United States, the supreme law of the land, the guarantor of our freedoms and the freedoms of generations of Americans which we are considering here on this Senate floor. We are considering an amendment to write into the Constitution for the very first time language dealing with fiscal policy. That is a subject which the framers of the Constitution, in their wisdom, left for the decisions of the elected representatives of the people in this body and in the other body.

I hope that we will be guided by at least a limited wisdom of the Framers. There is a kind of pretense that one can read between the lines in this amendment, namely that the statesmen of today are wiser than those Framers of the Constitution who acted 208 years ago to submit to the States for their ratification the great document. I hope that we will reread the solemn oath that we all took when we were sworn in. I hope that Members will listen to their consciences and resist the political winds that have already blown through the other body.

Now is the Senate's time to shine. It can fulfill the task before us, with faithfulness to its purpose, by an exhaustive review of the impact of this proposal. Nothing we do during our collective service in the Senate will ever be more important than this task which is before us today, the task of examining, scrutinizing, dissecting, and hopefully rejecting this constitutional amendment.

The people hopefully will remember one truth as they watch and as we engage in this historic debate; that is, that there is no disagreement over the goal of getting to a balanced budget by reducing the Federal deficit. This debate, however, is about tampering with the United States Constitution in such a way as to mandate a zero deficit each and every year for the life of this Republic—for the life of this Republic—not just for a few years, but for centuries. Who knows? This is an extreme and serious remedy, indeed.

We can change a statute a month after it is enacted, 2 weeks after it is enacted, or a year after it is enacted. A statute can be repealed by the same Congress that originally enacted it. But not so with an amendment to the Constitution. Once this surgery has been performed, once the frontal lobotomy has been done, it will be very difficult to undo if we do not like the consequences.

That is why as much should be known about this proposal as possible, including a blueprint for exactly how the proponents would get the budget into balance by 2002. If that blueprint cannot be produced, then the American people should be aware from the outset that the amendment may be a sham and a cruel hoax by politicians looking to curry favor by making promises that they cannot keep, and by using the Constitution—this Constitution of the United States—as cover for their singular lack of courage.

Public service should mean more than that. The welfare of the people should mean more than that. And the Constitution of the United States must surely mean more than that.

Mr. President, I have heard the great name of Thomas Jefferson invoked time and time again during this debate by some of those who support this constitutional amendment on the balanced budget. Thomas Jefferson was not one of those at the Constitutional Convention. Thomas Jefferson was not one of the 39 signers of the Constitution. He was a Minister to France at the time that the Constitutional Convention was underway.

We all know that a failure of the Congress under the Articles of Confederation to provide the Nation with a responsible financial system was the principal stimulus to the drafting of the Constitution. That was one of the things that was wrong with the Congress under the Confederation, one of the things that weakened the Continental Congress.

The First Continental Congress met on September 5, 1774. The Second Continental Congress met in 1775, and it continued until 1781, in which year the Articles of Confederation were created, and the Congress under the Confederation continued to exist until 1789, when this Republic, created under the new Constitution, came into being.

One of the principal reasons why it became clear that the Congress was ineffective under the Confederation was the fact that its financial system was really a paralyzed system, one in which the Congress had to depend upon the States for their good will and their support in coming up with the funds that were levied against them. The Congress had little power. It had to requisition moneys from the States, and the moneys were not always forthcoming.

So, it was decided that there would have to be a new form of Government,

and a new Constitution was thus written. There were also problems with regard to commerce between and among the States. All those things came into focus and made clear the need for a new Constitution and a new form of Government. That Constitution, therefore, was written during those 116 days that occurred between and including May 25 and September 17, 1787.

Jefferson did not help to write that Constitution. Jefferson was not at the Constitutional Convention. So why invoke his name? This notion that today's populace should not be able, by borrowing, to burden future generations with debt was never seriously considered by the convention. Such an amendment to the Constitution was never submitted to the people.

Jefferson was President of the United States from 1801 to 1809. Why did he not suggest or recommend that such an amendment be submitted to the people by the Congress? He had the opportunity to do it. Why did he not do it?

I think we have to recognize a limitation as to what we are willing to include in the Constitution by recognizing that there is a vast gulf between what might be considered a Utopian Constitution and what it might contain, and what a Constitution in the real world can achieve.

One should never underestimate the price of making promises that even a Constitution might not be able to deliver.

Thomas Jefferson took no part in the debates, as I have said, of the 1787 Convention that produced the Constitution. He was in France. He did not return home until October 1789. The Constitution had already gone into effect on March 4, 1789.

A month previous to his return home from Paris, Jefferson wrote the celebrated "The Earth Belongs to the Living" letter, and he wrote it to James Madison. In that letter, Jefferson argued that "no generation can contract debts greater than may be paid during the course of its own existence," and Jefferson calculated such a period to be about 19 years. We would calculate it to be a longer period these days.

James Madison, though, is generally recognized to be the Father of the Constitution. Here it is in my hand, the Constitution of the United States. This is not the so-called Contract With America; this is the Constitution of the United States. That is my contract with America.

James Madison is generally agreed to have been the Father of the Constitution of the United States. He continued to explain that "the improvements made by the dead form a charge against the living who take the benefit of them." In other words, the improvements made by those of this generation, who years hence, would be dead. The improvements made by the dead form a charge against the living generations hence, who will take the benefit of those improvements. Continuing, Madison said, "Debts may be incurred

for purposes which interest the unborn, as well as the living"—This is not ROBERT C. BYRD talking; this is James Madison. I was not there when this Constitution was written. I did not have a thing to do with writing it. But it is my contract with America. Madison said: "The improvements made by the dead form a charge against the living who take the benefit of them. Debts may be incurred for purposes which interest the unborn, as well as the living; such are debts for repelling a conquest, the evils of which may descend through many generations."

Madison's view, therefore, was that "debts may be incurred principally for the benefit of posterity." Jefferson said, in essence, we should not pass debts on to our children and grandchildren. But Madison took the other view—the better view, in my judgment—that "debts may be incurred principally for the benefit of posterity."

I think greater weight should be given to Madison's view than to Jefferson's more abstract idea, written from the distant European shores. Particularly compelling is Madison's salient observation of the year 1790, namely, that "the present debt of the United States"—in 1790—"far exceeds any burdens which the present generation could well apprehend for itself." Even in 1790, the next year following the flowering of this new republic, under the new Constitution.

Madison believed in the "descent of obligations" from one generation to another. "All that is indispensable in adjusting the account between the dead and the living," he wrote, "is to see that the debts against the latter do not exceed the advances made by the former." As I stated earlier, Jefferson later became President. Why did he not propose a constitutional amendment? Why did he not lead an effort to propose a constitutional amendment to carry out the "Earth Belongs to the Living" theory? Say what you want; he did not do it.

To the contrary, in 1803, Jefferson encountered an unexpected offer from France to purchase the Louisiana Territory. Although he felt that he lacked clear constitutional authority to act, Jefferson accepted the offer—and I am glad that he did—and incurred a public debt to pay the required \$15 million. Where did he get the money? He borrowed it from English and Dutch banks. Grappling with this contradiction now, Jefferson said in 1810 that the question was "easy of solution in principle, but somewhat embarrassing in practice," and then Jefferson went on to suggest that the "laws of necessity" were sometimes higher than the written laws of government and concluded that it would be absurd to sacrifice the end to the means. I think he did the right thing.

I have no doubt that, once the American people are better informed on this question before the Senate, the judg-

ment of the American people will be sound.

Talleyrand, who dominated the politics of Europe for 40 years—he was Prime Minister of France, who served under Napoleon—said there is more wisdom in public opinion than is to be found in Napoleon, Voltaire, or all the ministers of State, present and to come.

(Ms. SNOWE assumed the chair.)

Mr. BYRD. But, Madam President, it has to be an informed public opinion. It has to be an informed public opinion.

And that is, more than anything else, why the Senate is the premier deliberative body of the world today. It is the forum of the States and the forum of minorities, and a forum in which there is unlimited debate, the right of unlimited debate, only to be shut off by a cloture motion adopted or by a unanimous consent agreement.

I happen to believe that the American people are not fully informed as to the ramifications of this snake oil constitutional amendment which would mandate—mandate—a balanced budget every year from now until kingdom come; every year.

Madison, in Federalist Paper No. 63, said:

*** so there are particular moments in public affairs when the people, stimulated by some irregular passion, *** or misled by the artful misrepresentations of interested men, may call for measures which they themselves will afterwards be the most ready to lament and condemn.

Now he was talking about the Senate. That is what Madison was talking about. Go look at the Federalist Paper No. 63. He was talking about the Senate.

"In these critical moments," he said, "how salutary will the interference of some temperate and respectable body of citizens in order * * * to suspend the blow meditated by the people against themselves until reason, justice and truth can regain their authority, over the public mind."

Madison was talking about the Senate.

"What bitter anguish" he said, "would not the people of Athens have often escaped if their government had contained so provident a safeguard against the tyranny of their own passions? Popular liberty might then have escaped the indelible reproach of decreeing to the same citizens the hemlock on one day and statutes on the next."

That was Madison, the father of the Constitution, talking about the Senate. William Ewart Gladstone—who was prime minister four times under Queen Victoria—referred to the U.S. Senate as "that remarkable body, the most remarkable of all the inventions of modern politics."

Madison was talking about the Senate, referring to it as a body of "temperate and respectable" citizens who might interfere and "suspend the blow meditated by the people against themselves" in a time of partisan political

passion, "until reason, justice, and truth can regain their authority over the public mind."

That is why we have the Senate. That is why we are here to debate these issues.

Madam President, for more than a week now I have listened with great fascination as some of the proponents of the balanced budget constitutional amendment have laid out every conceivable reason as to why we should adopt this measure. If I did not know better, if I did not certainly think I knew better, I might be convinced by all of the rhetoric that the amendment is the silver bullet cure-all for everything that ails the country. But I do know better, and, more importantly, the American people will know better, too, if only they can be fully informed on the matter.

Unfortunately, left unsaid in all the pro-amendment talk has been one of the most important parts of this, what it will really amount to, what it really amounts to in my judgment will be an immense fraud: the people's right to know how implementation of the amendment will affect them. How will the adoption of this amendment affect you, Mr. and Mrs. America, you and your children and your grandchildren?

And, contrary to what some may think, the public does have a right to know how they will be affected. The people have a right to know how spending cuts on the magnitude of \$1.5 trillion over the course of a 7-year span will impact their lives and the lives of their children.

The fact that the public is beginning to understand that they are going to be hit and hit hard can be seen in the results of a recent nationwide survey. Last week, the American Association of Retired Persons released a poll, conducted by the Wirthlin Group during the last week of January, which showed that 75 percent of the American people want to know the details of what will have to be cut to balance the budget before the amendment is voted on. Notice, I said "before the amendment is voted on."

So, as will be seen by this chart here, the American people are saying, "Spell out the cuts." Spell out the cuts.

Three out of four Americans, according to this poll that was released by the American Association of Retired Persons last week, three out of four Americans want to know, Madam President, where, oh where, we intend to come up with \$1.5 trillion and they want to know it before the vote on this fiscal pie-in-the-sky proposal takes place.

Even more amazing than those overwhelming numbers, though, is that the support for the radical idea of knowing the details ahead of time runs across party lines.

The chart to my left plainly states that 68 percent of the Republicans polled by the Wirthlin Group want to know what will be cut first before Congress passes the balanced budget

amendment. Seventy-seven percent of the Democrats want to know. Eighty-three percent of the independents want to know. Want to know what? What will be cut first?

They want to know first, before we adopt any such amendment, they want to know the figures that will be cut.

These results of the poll show that the argument over the people's right to know is not a partisan argument. It is not, as some have suggested, simply a way of delaying a vote on the balanced budget amendment. Sixty-eight percent of the Republicans polled do not believe that it is simply a way of delaying the vote. Seventy-seven percent of the Democrats polled do not believe it is just a way to delay the vote. They want to know what is in the amendment. Eighty-three percent of the independents do not believe it is just a way to delay the vote. They want to know what is going to be cut.

It is not, as some have suggested, simply a way of delaying a vote on the balanced budget amendment. On the contrary, the people's right to know is a very real issue that must be confronted. In reality, Madam President, none of the Members should be surprised by the poll results because the American people are not reckless.

People know, for example, that before they buy a house, they need to ask whether or not the roof leaks. They know that before they buy an insurance policy, they should read the fine print to see exactly what it covers. And they know if they want to cut the amount of fat and cholesterol in their diets, they should read the label on the foods that they buy at the supermarket.

The people take the time to think about what they are being asked to buy. They consider all of the pluses and all of the minuses of what they are judging. They do not run out willy-nilly and lay down their money without asking for the details of what they are about to purchase. They do not take it on faith that what they are being told is the full story. They ask questions. They ask questions. They expect to be given clear and honest answers to their questions.

Now that the American people are asking questions, now that they are asking the details of the \$1.5 trillion magic pill that will shrink the deficit without pain or suffering, are they going to be ignored? Is the American people's right to know going to be ignored? By refusing to honor the public's right to know, the proponents will, in effect, be telling the American people that we here in Washington know what is best.

"Take it on faith," is what the American people are being told. "Trust us. Trust us. Do not press us. Do not press us for all of these messy details." Is that what Senators think the public was telling Members last November? Do Senators honestly believe the message out of the last election was that the American people want Members to

pass legislation in such a hurry that we do not tell the American people the ramifications?

Does anyone think that the public is happy with being kept in the dark on this \$1.5 trillion scam? In my view that is what it is, unless we tell them, let them look under the hood, unless we tell them what is on the label, unless we at least put a label on this bottle. If anyone thinks that, then they should think again. The American people have a right to know the details behind this amendment. They have a right to know whether or not their children are going to be able to get a student loan, whether or not the national parks in their State will be closed, whether or not the National Institutes of Health will be able to continue with breast cancer research, whether or not they will see fewer cops on the beat in their cities, whether or not the Federal Government will continue to offer financial help with highways and water treatment plants in their communities. People have a right to know.

Nearly everyone is making promises, as I listen, promises that Social Security will not be cut under the balanced budget amendment. There will be amendments offered to exempt Social Security, we hear, and promises made to protect Social Security from cuts. I do not want our senior citizens to be misled. Taking the Social Security trust fund off the table does not totally ensure our elderly citizens from the devastation of this amendment. Taking the Social Security trust fund off the table simply means that even more pressure for cuts falls on Medicare and on other programs that help the elderly, such as Meals on Wheels.

Moreover, there are backdoor ways, backdoor ways of getting at Social Security even if it were to be taken off the table. One such idea which is being explored, I believe by our Republican friends, is to recalculate the way we measure cost-of-living increases in order to help to reduce the deficit. That proposal, that recalculation, would actually mean a reduction in inflation adjustments for taxpayers' standard deductions and personal exemptions on their income tax form. Those changes, then, would result in both a cut in Social Security benefits and a tax hike to the recipients of Social Security benefits. So Social Security recipients should not rest easy, even if the trust fund were to be emptied.

Social Security recipients will not be protected. The mammoth cuts that will have to be made under this balanced budget amendment, even if Social Security were to be taken off the table, will mean that state taxes and local taxes will likely go through the ceiling so that States can pay for some of the essential services which the Federal Government no longer will be able to provide.

The elderly, along with everybody else in the Nation, will see their incomes eroded by higher taxes in the

States. The elderly will be hurt by this balanced budget amendment, whether or not the trust fund is exempted. And I say make no mistake about that.

Additionally, I do not want to see a kind of generational and interest group warfare set up by the enactment of this amendment. There will be interest group and generational hand-to-hand combat the like of which we have never seen if this amendment is adopted, and the warfare and sniping will worsen if Social Security were to be exempted.

A recent study shows that 26 percent of the children under 6 years old live in poverty in the United States. Do we want to set up a situation that forces Members to choose between helping the elderly and helping the children; helping the elderly and helping the grandchildren of the elderly?

What about pitting the elderly against their grandchildren? What about pitting the elderly against the veteran? Certainly, we should not want to see that. Many senior citizens also receive veterans benefits. This amendment sets one American against another, one interest group against another, and would tend to force severe across-the-board cuts under the guise of fairness. Instead of using our judgment, instead of looking at what could and should be cut, Senators would likely buckle under competing interest group pressure, put the blindfolds on, and enact sweeping, meat-ax cuts on all programs.

That would be bad public policy. But if that is to be the policy, then the elderly, the veterans, the mayors and Governors, the parents and grandparents of the children and everybody else in America, including the Members of this body, need to know now, in order to be able to make an informed choice about the wisdom, or the un wisdom, of this constitutional amendment.

Did the Senator ask me a question?

Mr. HOLLINGS. I thought you completed your comments. I will wait.

Mr. BYRD. I say to my able friend, I will not go longer than another 5 minutes at most. The Senator has been sitting here waiting. I did not see him sitting back there because this chart is between the two of us. If the Senator will indulge me just another 3 or 4 minutes.

Mr. HOLLINGS. I have been enjoying it.

Mr. BYRD. I thank the Senator.

Mr. President, the American people have a right to know these things, and while many of them come to the floor to speechify on the need for a balanced budget amendment, over the past 5 years we here in the Congress have already cut more than \$900 billion from the deficit. In the Budget Enforcement Act of 1990, Congress cut \$482 billion from the deficit. We followed that effort with \$432 billion worth of deficit reduction in 1993—without, I would note, the help of many of those who favor a balanced budget amendment. And each and every one of those dollars

of deficit reduction, Mr. President, was cut without—without—a constitutional amendment. What was required to do the job then, and what will be required to do the job in the future, was putting a budget plan out here on the Senate floor, getting down to business and discussing the pros and cons of the proposed cuts in full view of the American public, and then voting up or down.

Yesterday, we were treated to several hours of bashing of the President's budget by the proponents of this constitutional amendment to balance the budget. But I hope that no one will be confused by those transparent attempts to obscure the central point of this debate. That point is that the American people need to know how the proponents intend to get to a perfect budget balance by the year 2002, and they need to know it before their Senators vote on the amendment. The President has submitted his budget. He does not support a constitutional amendment to balance the budget by 2002; therefore, it is not incumbent upon him to produce a budget that does so. He will not even have a chance to sign such an amendment or veto such, constitutional amendment, because that amendment goes straight to the States if we in the Congress approve it, God forbid. The President is largely a mere observer in this process. The decision to amend the Constitution is a decision that is reserved for the Congress and for the people of the several States.

But the President's budget is a useful illustration of one thing. Budget balance, or even a continuing glidepath to deficit reduction, is difficult to achieve if tax cuts are part of the equation. Be that as it may, I believe that the President has given us an honest budget, even if I personally do not agree with it. I do not believe he has cooked the numbers. We have seen plenty of that in the past. He has held the deficit steady, even though health care costs will grow by more than 9 percent a year for the next 5 years. And I believe that we could have had a continuing glidepath of deficit reduction if the tax cuts had been dropped from the President's budget.

But, the President has put his cards on the table. What about the amendment's supporters? They say that they are in favor of this so-called constitutional amendment, but they refuse to show their cards. And, worse, they propose to start on the road to this constitutional amendment with a gigantic tax cut—one that dwarfs the administration's modest proposal, by something like three to one. Just last week, the staff of the Joint Committee on Taxation estimated that the revenue loss to the Treasury, if the Republican tax cuts are enacted, would be almost \$205 billion over 5 years. Even that figure is somewhat misleading because the tax cuts which the proponents are suggesting are back-loaded. Taking the back-loading into account, in the fifth

year alone, revenue losses would be some \$69 billion.

But, the proponents claim that, not only can they pay for these tax cuts with spending cuts; they can cut even further and get the budget to balance by 2002. So far, the proponents will only make vague promises about what they will not cut. They have listed Social Security, defense, and interest on the debt as items that will not be touched. Those three items together make up a little over one-half of the Federal budget. To get to budget balance by 2002, the proponents would have to cut the remaining Federal budget by about one-third. The largest category of spending in the half of the budget that is to be on the chopping block are the health care programs. Medicare and Medicaid amount to about one-sixth of all Federal spending. These same health care programs, Medicare for the elderly and the disabled, and Medicaid for the poor, are also the fastest growing programs in the half of the budget which the proponents propose to cut.

So why do the proponents not stop talking about what they will not cut and tell the American people what they will cut? It is popular to say Social Security is off the table. But how about telling the American people what is left on the table? Medicare is on the table. State and local grants are on the table. Why not tell the Governors and the mayors and the elderly about the cuts that will be necessary for budget balance by 2002? Veterans pensions, civilian and military retirement pensions, highway grants, environmental cleanup, WIC, education—all those items are left on the table. Why do the proponents not show down? This so-called balanced budget amendment is their idea, not mine, not President Clinton's. So, let us hear how the proponents intend to deliver. Let us know how the proponents plan to enact giant tax cuts, protect Social Security from any cuts, protect defense from any cuts, pay the interest on the debt and still get the budget into balance by 2002. The silence from the proponents about the specifics of how we get to budget balance is positively deafening. Why is that? Will someone please tell the American people why we are not laying out a plan for their scrutiny? I can only say what I believe. I believe that we are hearing nothing from the proponents because it cannot be done, or because they will not do it.

We are already required to project the deficits for at least 5 years out. Why can the proponents not project the plan for this amendment, as it will affect the American people, 7 years out? I believe that we are hearing nothing from the proponents because they don't really want the American people to know.

Tax cuts, coupled with removing Social Security, defense, and interest payments from any consideration for spending reductions, make balancing

the budget by 2002 without totally de-stating the economy of this Nation and the 50 States, is mission impossible.

Let us not tell the patient that he is going under the knife for cosmetic liposuction—lipo comes from the Greek, *l-i-p-o*, meaning "fat"—when, in fact, we all know that he will wake up with most of his intestines and part of his stomach missing. Let us not sign on to this contract with evasion. We hear so much about the so-called Contract With America. This is a contract with evasion and deceit. Unless we tell the American people how we intend to get the budget to balance by the year 2002 before we vote, this amendment amounts to little more than a contract with deceit. The Senate would have to be infected with the virus of collective madness to adopt this contract with deceit and evasion.

But as the poll shows, the American people have caught on to this unbecoming ruse, and they are not going to let us get away with it. Passing the buck is a political cop out. In the case of the constitutional amendment to balance the budget, the buck stops right here.

Madam President, I ask unanimous consent to insert in the RECORD at this point an article from the Wall Street Journal of today, titled "GOP Tax Cuts Are Seen Costly Over 10 years," which states that the GOP tax cuts would cost \$704.4 billion over the next decade.

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

[From the Wall Street Journal, Feb. 7, 1995]
GOP TAX CUTS ARE SEEN COSTLY OVER 10 YEARS

NEW CONGRESSIONAL ANALYSIS FINDS LOSS OF REVENUE REACHING \$704.4 BILLION

(By Jackie Calmes and Christopher Georges)

WASHINGTON.—Even as Republican lawmakers lambasted President Clinton's budget for its failure to slash federal deficits, a new congressional analysis put the cost of their promised tax cuts at \$704.4 billion over the next decade.

That analysis yesterday from Congress' nonpartisan Joint Committee on Taxation, whose estimates are the basis for Republican legislation on taxes, closely parallels the Clinton administration's own earlier finding, which many GOP leaders criticized at the time. Now both have found that the revenue loss from the proposed tax cuts would balloon in later years far beyond the five-year estimates of \$200 billion that Republicans previously have cited. The Treasury Department last month put the cost of the Republican tax cuts at \$725.5 billion through fiscal 2005.

Although Republicans in Congress have vowed to offset the five-year cost through \$200 billion in matching spending cuts, the effort has proved such a struggle that the House isn't expected to act on the package until at least mid-March. Only afterward will it turn to drafting a budget aimed at slashing deficits. While Congress bases its budgets on five-year outlooks, the new 10-year forecast for the tax cuts is pertinent given the Republicans' current push for a constitutional amendment mandating a balanced budget by 2002.

Meanwhile, at a news conference on the president's budget, Senate Majority Leader Robert Dole said "the administration has

given up" on the deficit, a realization that "will certainly help our cause to get enough votes for a balanced-budget amendment." The Senate is in the second week of debate on the amendment.

President Clinton and his advisers yesterday defended their budget after it was released as one that would reduce the deficit gradually if measured as a percentage of the gross domestic product, the total value of goods and services produced in the country. "There is no magic amount of deficit reduction that you need," Budget Director Alice Rivlin told reporters. "We now have a deficit that's under control and coming down in relation to the size of the economy."

"The best way or the most obvious way to do additional deficit reduction," Ms. Rivlin said, "is the one that we talked so much about last year, namely, controlling the out-year costs of health care." She described the administration's decision to essentially ignore health-care reform in this year's budget as a tactical one. The president still wants to work with Congress to slow the growth in the cost of health care and to improve access to health care, she said.

The budget projects a deficit of \$196.7 billion, or 2.7% of GDP, in fiscal 1996, which begins Oct. 1. If Mr. Clinton's proposals were adopted by Congress and if the economy performs precisely as the White House projects—two unlikely outcomes—then the deficit is projected to be 2.7% of GDP the following year and to fall to 2.4% of GDP in fiscal 1998. But it would remain around \$200 billion a year for the foreseeable future.

The new White House economic forecast published in the budget shows that the administration thinks the Federal Reserve is finished raising interest rates. The president's economic advisers anticipated the increase of one-half percentage point in short-term interest rates that the Fed engineered last week, but they don't foresee any further boosts, chief White House economist Laura Tyson said.

BALLOONING COSTS

The congressional committee previously estimated that the Republican tax-cut proposals would cost \$203.9 billion in the first five years. But over 10 years, the reductions would cost the Treasury more than three times as much because the cost of some proposals balloon in the future. GOP proposals to reduce capital-gains taxes would lose \$170.3 billion over 10 years—up from \$53.9 billion in the first five years. The Treasury projects similar revenue drains, of \$60.9 billion in the first five years, and \$183.1 billion over 10.

The similarity of the Treasury and Joint Committee findings—and particularly those on the much-debated capital-gains proposals—provides striking evidence that the new GOP-controlled Congress hasn't significantly departed from longstanding procedures for measuring the impact of tax changes. For years, some Republicans had vowed to overhaul those procedures to reflect their belief that tax cuts boost revenues through economic growth, rather than lose revenues.

Two GOP proposals that are shown to raise revenues over the first five years would become revenue-losers after that period, as Treasury had found. One, to liberalize the existing deductions for individual retirement accounts, would raise an estimated \$2.2 billion through 2000 but then increasingly lose revenue—for a total of \$23.9 billion over 10 years. Early on, the new proposal would encourage taxpayers to transfer existing IRAs into new "American Dream Savings Accounts," but they would have to pay taxes on the amount transferred. After five years, however, savers could withdraw money from the new accounts tax-free.

WRITE-OFF PROVISION

The second provision, liberalizing write-offs for capital-intensive businesses' plant and equipment, would raise \$16.7 billion over the first five years but lose \$88.8 billion over 10 years. The early gain comes because the proposal would create less generous write-offs for the first years of an investment, in exchange for more generous write-offs later. The Treasury found an even larger loss from this "neutral cost recovery" provision—\$120.4 billion over a decade.

The Treasury says President Clinton's tax cuts for the middle class would cost \$62.7 billion over five years and \$171.2 billion over 10 years.

Although many private forecasts anticipate further increases in short-term interest rates, last week's employment report has led some to conclude that the Fed won't raise rates much more than it has already.

"They'll be wrong on interest rates, but not by much. We'll get one more rate hike from the Fed this year," Elliott Platt, an economist at Donaldson, Lufkin & Jenrette, said of the White House forecast. The Fed has increased short-term rates three percentage points in the past year.

The economic forecast in the budget says the unemployment rate, now at 5.7% of the work force, will climb to 6% by the fourth quarter of this year. But the president's Council of Economic Advisers has already changed its mind and now predicts that unemployment will range between 5.5% and 5.8% over the rest of the decade.

NEW OR HIGHER FEES

Nearly all the significant features of the president's budget were leaked over the weekend. Among the details in documents released yesterday are a number of new or higher fees, including some on small-business loans and pesticide registration. The president also proposes:

To levy a border-crossing fee of \$3 a vehicle and \$1.50 a pedestrian, with discounts for those who cross the border frequently.

To fund the Commodity Futures Trading Commission with a 10-cent fee for each round-turn transaction on commodity futures and options contracts.

To charge federal employees for parking, but only where the agency heads decide to do so.

To raise about \$1 billion over five years by requiring the Federal Deposit Insurance Corp. and the Federal Reserve to assess fees from state-chartered banks they regularly examine. The fees would be calculated according to the size of the banks; those with assets of less than \$100 million would be exempt.

To submit a plan to raise \$4.8 billion over five years by expanding Federal Communication Commission authority to auction off more of the radio spectrum or to levy new user fees.

To collect fees from medical-device makers that are seeking Food and Drug Administration product approvals, using the money to hire more staff to speed reviews.

Mr. BYRD. I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Chair.

Madam President, there is an old axiom in the court of equity that is he who seeks equity must do equity; he who comes into the court of equity must come with clean hands. We have

had many chants and claims in recent days calling on Members to submit a balanced budget.

Two weeks ago, with that equitable axiom in mind, I did exactly that. I felt that I lacked standing in this so-called court of the U.S. Senate to demand that my colleagues submit a budget blueprint that I had not submitted myself.

Two weeks ago, I included it in the RECORD and attempted to highlight certain realities of our present fiscal situation. The reality is that balancing the budget in a 7-year period requires \$1.2 trillion in spending cuts.

The other reality was that the savings from entitlement reform would not be enough to balance the budget. Clearly, we must try our best to slow health costs and reform our welfare system. Likewise, we can save some Federal dollars by reviewing supplementary security income as Mort Zuckerman suggested in last week's U.S. News and World Report.

But putting these reforms in place costs money. Anyone who argues that they can set up a work program for welfare recipients, care for their children, and reap large savings is whistling Dixie. Likewise, in reforming in health care, our focus has been on slowing the growth of overall spending rather than cutting back on existing funds. President Clinton's commitment to health care reform has already led to marketplace reforms in my own State of South Carolina. In fact, not too long ago the chairman of the board of one of the largest employers in my State said, "Fritz, you keep on debating that health reform package up there, because whatever happens is healthy. Rather than seeing increases, I am now getting a 10 percent decrease in premiums for coverage of my employees."

So while the President has done a magnificent job in encouraging the marketplace to make reforms, we are still a long way from getting on a realistic path to a balanced budget. In

short, to stop the hemorrhaging in interest costs, spending cuts as well as taxes are necessary.

I ask unanimous consent, Madam President, to include once again in the RECORD this particular document which lists the budget realities and a potential list of discretionary spending cuts.

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

SENATOR HOLLINGS ON TRUTH IN BUDGETING

Reality No. 1: \$1.2 trillion in spending cuts necessary.

Reality No. 2: Not enough savings in entitlements. Yes, welfare reform but job program will cost; savings questionable. Yes, health reform can and should save some, but slowing 10 percent growth to 5 percent—not enough savings. No, none on social security; off-budget again.

Reality No. 3: Hold the line budget on Defense—no savings.

Reality No. 4: Savings must come from freezes, cuts in domestic discretionary—not enough to stop hemorrhaging interest costs.

Reality No. 5: Taxes necessary to stop hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	-19	-38	-58	-78
Spending cuts	-37	-74	-111	-128	-146	-163	-180
Interest savings	-1	-5	-11	-20	-32	-46	-64
Total savings (\$1.2 trillion)	-38	-79	-122	-167	-216	-267	-322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on the debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Does not include billions necessary for middle class tax cut.

Mr. HOLLINGS. Here is a list of the kinds of nondefense discretionary spending cuts that would be necessary now as a first step to get \$37 billion of savings and put the country on the road to a balanced budget:

Nondefense discretionary spending cuts	1996	1997
Cut space station	2.1	2.1
Eliminate CDBG	2.0	2.0
Eliminate low-income home energy assistance	1.4	1.5
Eliminate arts funding	1.0	1.0
Eliminate funding for campus based aid	1.4	1.4
Eliminate funding for impact aid	1.0	1.0
Reduce law enforcement funding to control drugs	1.5	1.8
Eliminate Federal wastewater grants	0.8	1.6
Eliminate SBA loans	0.21	0.282
Reduce Federal aid for mass transit	0.5	1.0
Eliminate EDA	0.02	0.1
Reduce Federal rent subsidies	0.1	0.2
Reduce overhead for university research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Dept. funding and end misc. activities	0.1	0.2
End P.L. 480 title I and III sales	0.4	0.6
Eliminate overseas broadcasting	0.458	0.570
Eliminate the Bureau of Mines	0.1	0.2
Eliminate expansion of rural housing assistance	0.1	0.2
Eliminate USITA	0.012	0.16
Eliminate ATP	0.1	0.2
Eliminate airport grant in aids	0.3	1.0
Eliminate Federal highway demonstration projects	0.1	0.3
Eliminate Amtrak subsidies	0.4	0.4
Eliminate RDA loan guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate untargeted funds for math and science	0.1	0.2
Cut Federal salaries by 4 percent	4.0	4.0
Charge Federal employees commercial rates for parking	0.1	0.1
Reduce agricultural research extension activities	0.2	0.2
Cancel advanced solid rocket motor	0.3	0.4
Eliminate legal services	0.4	0.4
Reduce Federal travel by 30 percent	0.4	0.4
Reduce energy funding for Energy Technology Development	0.2	0.5
Reduce Superfund cleanup costs	0.2	0.4
Reduce REA subsidies	0.1	0.1

Nondefense discretionary spending cuts	1996	1997
Eliminate postal subsidies for nonprofits	0.1	0.1
Reduce NIH funding	0.5	1.1
Eliminate Federal Crop Insurance Program	0.3	0.3
Reduce Justice State-local assistance grants	0.1	0.2
Reduce Export-Import direct loans	0.1	0.2
Eliminate library programs	0.1	0.1
Modify Service Contract Act	0.2	0.2
Eliminate HUD special purpose grants	0.2	0.3
Reduce housing programs	0.4	1.0
Eliminate Community Investment Program	0.1	0.4
Reduce Strategic Petroleum Program	0.1	0.1
Eliminate Senior Community Service Program	0.1	0.4
Reduce USDA spending for export marketing	0.02	0.02
Reduce maternal and child health grants	0.2	0.4
Close veterans hospitals	0.1	0.2
Reduce number of political employees	0.1	0.1
Reduce management costs for VA health care	0.2	0.4
Reduce PMA subsidy	0.0	1.2
Reduce below cost timber sales	0.0	0.1
Reduce the legislative branch 15 percent	0.3	0.3
Eliminate Small Business Development Centers	0.056	0.074
Eliminate minority assistance, score, Small Business Institute and other technical assistance programs, women's business assistance, international trade assistance, empowerment zones	0.033	0.046
Eliminate new State Department construction projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and other international exchanges	0.119	0.207
Eliminate North-South Center	0.002	0.004
Eliminate U.S. contribution to WHO, OAS, and other international organizations including the U.N.	0.873	0.873
Eliminate participation in U.N. peacekeeping	0.533	0.533
Eliminate Byrne grant	0.112	0.306
Eliminate Community Policing Program	0.286	0.780
Moratorium on new Federal prison construction	0.028	0.140
Reduce Coast Guard 10 percent	0.208	0.260
Eliminate Manufacturing Extension Program	0.03	0.06
Eliminate Coastal Zone Management	0.03	0.06
Eliminate National Marine Sanctuaries	0.007	0.012
Eliminate climate and global change research	0.047	0.078
Eliminate national sea grant	0.032	0.054
Eliminate state weather modification grant	0.002	0.003
Cut Weather Service operations 10 percent	0.031	0.051
Eliminate regional climate centers	0.002	0.003

Nondefense discretionary spending cuts	1996	1997
Eliminate Minority Business Development Agency	0.022	0.044
Eliminate public telecommunications facilities, program grant	0.003	0.016
Eliminate children's educational television	0.0	0.002
Eliminate National Information Infrastructure grant	0.001	0.032
Cut Pell grants 20 percent	0.250	1.24
Eliminate education research	0.042	0.283
Cut Head Start 50 percent	0.840	1.8
Eliminate meals and services for the elderly	0.335	0.473
Eliminate title II social service block grant	2.7	2.8
Eliminate community services block grant	0.317	0.470
Eliminate rehabilitation services	1.85	2.30
Eliminate vocational education	0.176	1.2
Reduce chapter 1, 20 percent	0.173	1.16
Reduce special education, 20 percent	0.072	0.480
Eliminate bilingual education	0.029	0.196
Eliminate JTPA	0.250	4.5
Eliminate child welfare services	0.240	0.289
Eliminate CDC Breast Cancer Program	0.048	0.089
Eliminate CDC AIDS Control Program	0.283	0.525
Eliminate Ryan White AIDS Program	0.228	0.468
Eliminate maternal and child health	0.246	0.506
Eliminate Family Planning Program	0.069	0.143
Eliminate CDC Immunization Program	0.168	0.345
Eliminate Tuberculosis Program	0.042	0.087
Eliminate Agricultural Research Service	0.546	0.656
Reduce WIC, 50 percent	1.579	1.735
Eliminate TEFAP—administrative	0.024	0.040
Commodities	0.025	0.025
Reduce Cooperative State Research Service 20 percent	0.044	0.070
Reduce Animal Plant Health Inspection Service 10 percent	0.036	0.044
Reduce Food Safety Inspection Service 10 percent	0.047	0.052
Total	36.941	58.402

Note.—Figures are in billions of dollars.

Mr. HOLLINGS. Madam President, we have heard a lot in recent days about a simple way to balance the budget—the so-called 3 percent growth approach—which the Senator from Texas spoke of last week. But let's look at the facts. According to CBO,

the budget is growing annually at about 6.2 percent or by \$94 billion. Thus, if you plan to cut that in half to 3 percent growth, that is \$46 billion. But wait, we all agree Social Security is off the table and will grow by \$18 billion next year. Similarly, we will have to pay the interest costs on the debt which will increase by \$25 billion next year. Kick in the last \$3 billion to try and hold the line on defense spending and you quickly see that there's not much left of that 3 percent. While seductively simple, this approach fails to spell out the impact on the American people. If the 3 percent is used up, what is the effect on Medicare and Medicaid programs, education, and law enforcement?

The glidepath that I have put before the Senate requires \$37 billion in spending cuts for the first year. It meets that target by listing some 80 spending cuts that I do not think for a minute would ever pass on the floor of the Senate. In addition to cuts in discretionary programs, I also included a list of possible entitlement programs to pick and choose from that was circulated earlier this year by Senator GREGG of New Hampshire.

We tried such budget cutting exercises before. Give credit to Senator DOMENICI, who was chairman of the Budget Committee in 1986, when he offered an amendment to adopt President Reagan's budget cuts. Do you know how many votes they got? Fourteen, fourteen votes.

Last year, on the House side, Congressman Solomon corralled together a list of cuts that had been recommended by various groups. He put them all together and came up with \$700 billion in cuts over 5 years. Do you know who voted against it? Congressman KASICH. Do you know who voted against it? Speaker GINGRICH. Do you know how many votes they got? Seventy-three out of four hundred and thirty-five.

Madam President, you have to face the realities and I think one stark reality is the one stated by the House majority leader who feared that coming forward with specific spending cuts would cause members knees to buckle. That is the truth.

I have come to the floor this afternoon to say a word about those who are blaming President Clinton for not doing anything about the deficit. If there is one fellow who had nothing to do with this deficit, it would be President William Jefferson Clinton. He came from Arkansas up to Washington, and he inherited fiscal chaos.

I do not mean to sound rude. I mean to sound factual and to give you the reality of the situation. Yesterday, we honored our distinguished past President, President Reagan, on his birthday. We gave him a birthday present but he has given us a birthday present. That birthday present is an increase in taxes of a billion a day. It is the biggest tax increase in the history of this land.

I constantly hear about the largest tax increase. We were there, this particular Senator, and Senator Mathias on the other side of the aisle at the birth of Reaganomics. Eleven of us voted against the massive tax cuts that some called a riverboat gamble. President Bush called it voodoo economics.

But the fact of the matter is this Senator voted against the tax cuts of Reaganomics and for the spending cuts. Only three Senators who voted against the tax cuts but for spending cuts: Senators BRADLEY, Mathias, and myself.

So we have positioned ourselves with some kind of credibility on trying to balance the budget. When they talk about the biggest tax increase in history, we only have to refer very quickly, Madam President to—and I was going to at length, but I only just refer to it—the article by Judy Mann in the Washington Post entitled “Fiddling With the Numbers.”

I ask unanimous consent that it be printed in the RECORD.

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

FIDDLING WITH THE NUMBERS

(By Judy Mann)

Gov. Christine Todd Whitman, the Republican meteor from New Jersey, had the unusual honor for a first-term governor of being asked to deliver her party's response to President Clinton's State of the Union message last week.

And she delivered a whopper of what can most kindly be called a glaring inaccuracy.

Sandwiched into her Republican sales pitch was the kind of line that does serious political damage: Clinton, she intoned, “imposed the biggest tax increase in American history.”

And millions of Americans sat in front of their television sets, perhaps believing that Clinton and the Democrat-controlled Congress had done a real number on them.

The trouble is that this poster lady for tax cuts was not letting any facts get in her way. But don't hold your breath waiting for the talk show hosts to set the record straight.

The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Here is how the two compare, according to Bill Gale, a specialist on tax policy and senior fellow at the Brookings Institution. The 1993 act raised taxes for the next five years by a gross total of \$268 billion, but with the expansion of the earned income tax credit to more working poor families, the net increase comes to \$240.4 billion in 1993 dollars. The Tax Equity and Fiscal Responsibility Act of 1982, by comparison, increased taxes by a net of \$217.5 billion over five years. Nominally, then, it is true that the 1993 tax bill was the biggest in history.

But things don't work nominally. “A dollar now is worth less than a dollar was back then, so that a tax increase of, say, \$10 billion in 1982 would be a tax increase of \$15 billion now,” says Gale. In fact, if you adjust for the 48 percent change in price level, the 1982 tax increase becomes a \$325.6 billion increase in 1993 dollars. And that takes it the biggest tax increase in history by \$85 billion.

Moreover, says Gale, the population of the country increased, so that, on a per person basis, the 1993 tax increase is lower than the

one in 1982, and the gross domestic product increased over the decade, which means that personal income rose. “Once you adjust for price translation, it's not the biggest, and when you account for population and GDP, it gets even smaller.”

He raises another point that makes this whole business of tax policy just a bit more complex than the heroic tax slashers would have us believe. “The question is whether [the 1993 tax increase] was a good idea or a bad idea, not whether it was the biggest tax increase. Suppose it was the biggest? I find it frustrating that the level of the debate about stuff like this as carried on by politicians is generally so low.”

So was it a good idea? “We needed to reduce the deficit,” he says, “we still need to reduce the deficit. The bond market responded positively. Interest rates fell. There may be a longer term benefit in that it shows Congress and the president are capable of cutting the deficit even without a balanced budget amendment.”

Other long-term benefits, he says, are that “more capital is freed up for private investment, and ultimately that can result in more productive and highly paid workers.”

How bad was the hit for those few who did have to pay more taxes? One tax attorney says that his increased taxes were more than offset by savings he was able to generate by refinancing the mortgage on his house at the lower interest rates we've had as a result. The 1993 tax increase did include a 4.3-cent-a-gallon rise in gasoline tax, which hits the middle class. But most of us did not have to endure an income tax increase. In 1992, the top tax rate was 31 percent of the taxable income over \$51,900 for single taxpayers and \$86,500 for married couples filing jointly. Two new tax brackets were added in 1993: 36 percent for singles with taxable incomes over \$115,000 and married couples with incomes over \$140,000; and 39.6 percent for singles and married couples with taxable incomes over \$250,000.

Not exactly your working poor or even your average family.

The rising GOP stars are finding out that when they say or do something stupid or mendacious, folks notice. The jury ought to be out on Whitman's performance as governor until we see the effects of supply side economics on New Jersey. But in her first nationally televised performances as a spokeswoman for her party, she should have known better than to give the country only half the story. In the process, she left a lot to be desired in one quality Americans are looking for in politicians: honesty.

Mr. HOLLINGS. Madam President, I quote:

The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Because when you cut all the revenues on the one hand and then you increase all the spending on the other hand, rather than growth, growth—“growth.” That is what they are trying to come up again with. It is the same act, same scene, same players, same disaster, in this Senator's opinion. When they come up with that growth, instead of growing out of the deficit, we have grown into the worst deficit and debt, saddling us with interest costs.

Madam President, in 1981 the gross interest cost on the national debt with President Reagan—of course, he had nothing to do with that one because

that one was already made up by President Carter. But, incidentally, President Carter cut the deficit that he received from President Ford, and President Lyndon Johnson gave us a balanced budget. So I have been around when we have been cutting deficits and when we balanced the budget in this Government.

But President Reagan came to town and he was elected on the promise that, "I am going to put this Government on a pay-as-you-go plan." He said, "I am going to do it in a year." When he got to town, he said, "Oops. This is worse than I ever thought. It is going to take 2 to 3 years to do it." He cut back, and never increased that interest cost of \$95.5 billion.

I am listening to the other side of the aisle and the blame game on President Clinton about what he said and what he is doing. President Reagan said that he was going to balance the budget in a year and not add to the interest costs. Rather, he has the interest up to \$339 billion, according to CBO, and that does not take into account the increase by Alan Greenspan, the Federal Reserve, here this past week.

So it is going to be about \$350 billion, \$352 billion—\$1 billion a day. That is what it is. The interest cost cannot be avoided. It has to be paid. There are two things in life: Death and taxes. It has to be paid. But interest cost is interest taxes. You get absolutely nothing for it. The deficit this year is only conceived to be \$176 billion by CBO. We would have a \$67 billion surplus if President Ronald Reagan had not given us that birthday present of the biggest tax increase.

So here they come to town and talk about "taking a walk," "white flag of surrender," and on "life supports." I know Speaker GINGRICH gives out to the troops the right expressions around here to make on the 7 o'clock news. But that does not take over the facts. The facts remain that we are in one heck of a fix financially, and you cannot do it without taxes.

On that score, do not blame President Clinton. President Clinton came and struggled in his first year as a freshman President for a \$500 billion cut in the deficit, and there was not a soul talking about taking walks. They squatted, sat in the chair fixed, on both sides of the aisle, and would not move, would not give a vote. Then after he did that, he went about health care reform. And in health reform, yes, he recommended Medicare cuts. But he said, "I have to get health reform with it." Now they blame him.

Do you know why they blame him, Madam President? It is very interesting. Because they put out the alternative budget, the "GOP Alternative: Deficit Reduction and Tax Relief." This was last year.

You cannot get anything out of them this year except the blame game and the catchy phrases they are putting out here, and now the "white flag of surrender" and "taking a walk."

"GOP Alternative: Deficit Reduction and Tax Relief; Slashing the Deficit, Cutting Middle Class Taxes."

I ask unanimous consent that it be printed in the RECORD.

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

The Republican Alternative Budget will reduce the deficit \$318 billion over the next five years—\$287 billion in policy savings and \$31 billion from interest savings. This is \$322 billion more in deficit reduction than the President proposes and \$303 billion more in deficit reduction than the House-passed resolution contains.

Moreover, the GOP alternative budget helps President Clinton achieve two of his most important campaign promises—to cut the deficit in half in four years and provide a middle-class tax cut. The GOP plan:

Reduces the deficit to \$99 billion in 1999. This is \$106 billion less than the 1999 deficit projected under the Clinton budget.

Even under this budget federal spending will continue to grow.

Total spending would increase from \$1.48 trillion in FY 1995 to more than \$1.7 trillion in FY 1999.

Medicare would grow by 7.8-percent a year rather than the projected 10.6-percent. Medicaid's growth would slow to 8.1-percent annually rather than the projected 12-percent a year growth.

It increases funding for President Clinton's defense request by the \$20 billion shortfall acknowledged by the Pentagon.

Provides promised tax relief to American families and small business:

Provides tax relief to middle-class families by providing a \$500 tax credit for each child in the household. The provision grants needed tax relief to the families of 52 million American children. The tax credit provides a typical family of four \$80 every month for family expenses and savings.

Restores deductibility for interest on student loans.

Indexes capital gains for inflation and allows for capital loss on principal residence.

Creates new incentives for family savings and investments through new IRA proposals that would allow penalty free withdrawals for first time homebuyers, educational and medical expenses.

Establishes new Individual Retirement Account for homemakers.

Extends R&E tax credit for one-year and provides for a one-year exclusion of employer provided educational assistance.

Adjusts depreciation schedules of inflation (neutral cost recovery).

Tax provisions result in total tax cut of \$88 billion over five years.

Fully funds the Senate Crime Bill Trust Fund, providing \$22 billion for anti-crime measures over the next five years. The Clinton budget does not. The house-passed budget does not. The Chairman's mark does not.

Accepts the President's proposed \$113 billion level in nondefense discretionary spending reductions and then secures additional savings by freezing aggregate nondefense spending for five years.

Accepts the President's proposed reductions in the medicare program and indexes the current \$100 annual Part "B" deductible for inflation. Total medicare savings would reach \$80 billion over the next five years.

Achieves \$64 billion in medicaid savings over the next five years, by capping medicaid payments, reducing and freezing Disproportionate Share Hospital payments at their 1994 level.

Achieves additional savings through reform of our welfare system totaling \$33 billion over the next five years.

Repeals Davis-Bacon, reduces the number of political appointees, reduces overhead expenditures for university research, and achieves savings from a cap on civilian FTE's.

Mr. HOLLINGS. I will not read it all. I want to be accurate:

The GOP plan:

Accepts the President's proposed reductions in the medicare program and indexes the current \$100 annual Part "B" deductible for inflation. Total medicare savings would reach \$80 billion over the next five years.

And then:

Achieves \$64 billion in medicaid savings

... So you see, that was \$144 billion in savings that the President did not stand over them for to ride on.

I saw my distinguished chairman of the Budget Committee on the House side throw a duck fit. Cover it. Oh, no. He got caught off base. He was the one in December, I say to the Senator from Utah, who said: "We are on a roll. I have to meet the press, right here." He said: "We have three budgets now. When that is done, Alan"—he is talking to Alan Murray. He says, "at the same time, we are going to move onto the glidepath of zero now." Who is taking a walk? That was December, one for January, one of three budgets; we are moving, we are going, and where is his?

That is what the Senator from West Virginia wants. That is what this Senator wants. I put up mine. We ask that they put up theirs. This rings in my ears when they say take a walk, when they talk about the largest tax increase in the history of the Government. We are suffering from the largest tax increase. That is why, with all the spending cuts, even in entitlements, on the SSI, some of the programs, and domestic discretionary, try it on for size. You are going to need tax increases in order to get on top of this monster. You are going to need tax increases.

I recommended a 5-percent value added tax. I disagree with President Clinton. I think the need of the hour is just that, to get physically sound, put us on a pay-as-you-go basis and a Marshall plan for the United States. We have 40 million in poverty. We have 10 million homeless, sleeping on the streets of America. We have 12 million hungry children. We have the cities, dens of violence and crime; the land is drug infested. And we have the biggest deficit in the balance of trade. That age group between 17 and 24, 73 percent of that age group cannot find a job out of poverty. They are the hope of the land.

We need now, with the fall of the Wall and the sacrifices to occur in order to keep the alliance together, to sacrifice for ourselves. We need a 5 percent value added tax; \$180 billion could start paying down the deficit, the debt, take care of health costs, and get the country moving with respect to women and infants feeding, Head Start, and title I for the disadvantaged. Biotechnical research at NIH, they are

cutting. They are all going around being proud to cut. I do not believe in dismantling the Government.

I got the first triple A credit rating of any State from Maryland around to Texas. So I have been down the road. We know how to pay our bills. I have said time and again we need more South Carolina-led Government than Washington Government in South Carolina.

So I go along with my Republican colleagues on that particular score. But when they come around here now and they say, about welfare and pulling the wagon—that is another one. Pulling the wagon. The idea is, of course, that we here are pulling the wagon and the welfare people are all squatting in the wagon. We are all in the wagon and nobody is pulling it, except maybe the Japanese who are buying the bonds. Yes. Get trade policy, and try to go against Japan. If the Chinese want to get out of this soup that they are in on CD's, tell them to buy a few Treasury bills and the Secretary of Treasury will come over and say, "I am sorry. We didn't mean to talk. We have a special relationship."

We are in the hands of the Philistines because we have to sell those bonds to finance this debt. That is what is going on. They all know it. We are all in the wagon to the point of \$1 billion a day, and nobody is pulling it. So let us get away from that particular expression. But they do not want Government and everything else.

Another thing, then I will close. But I have to refer to this because I have the greatest respect for, and I have worked very closely with the distinguished Senate majority whip, TRENT LOTT of Mississippi.

Senator LOTT said, "Nobody, Republican, Democrat, conservative, liberal, moderate, is even thinking about using Social Security to balance the budget."

Absolutely false. They are not thinking about it; they are working on it. When I was buddied up with the distinguished Senators from Texas and New Hampshire in Gramm-Rudman-Hollings, I talked to Senator GRAMM, and the first page he gave me was an across the board cut entitlements including Social Security. I said, "PHIL, I can tell you now that is a nonstarter. You will not get a single Democrat, including me, that is going to vote for that one." So, we exempted Social Security and discretionary spending on one side and defense on the other. I knew he was particularly anxious to cut Social Security. I am particularly unanxious to cut any kind of Social Security because it pays for itself. If you want a contract for America, let us pull out the 1935 contract for the senior citizens of America. As a result of that agreement, taxes are paid, put in a trust fund, and they want to violate it.

On July 10, I offered the Social Security Preservation Act before the Budget Committee. There were 20 yeas with the Senator from Texas [Mr. GRAMM] voting nay. Then, the distinguished

Senator from Texas came along last year and introduced his Balanced Budget Implementation Act on February 16, 1993, at page S1635, and I read: "Exclusion from budget. Section 13301(a) of the Budget Enforcement Act of 1990 is amended by adding at the end thereof the following: This subsection shall apply to fiscal years beginning with fiscal year 2001."

I put section 13301 into the Budget Enforcement Act because I did not want to use the Social Security funds. We put it into statutory law by almost a unanimous vote on this floor. There were only two dissenters, but we had 98 others who supported it. But the Senator from Texas, in his own budget there, is proposing it.

Madam President, it is against the law to cite the deficit using the Social Security trust funds, but Members of Congress and the White House violate it at every level. I cannot get them to enforce the law. I do not want to go along with any constitutional amendment that violates that law, because I am talking about truth in budgeting. That is how we passed Gramm-Rudman-Hollings.

I could go on, Mr. President, but I want to yield. I will tell you, this off-Broadway show generalities and percentages fails to tell the American people the true facts about the fiscal crisis we face. I challenge them, or anyone on this side of the aisle, or on any aisle in any House, to give me a 1-year budget that only grows by 3 percent.

Republicans can continue to give us the gamesmanship and the percentage arguments, but let us cut out this blame game. There is one thing we cannot charge William Jefferson Clinton with and that is the responsibility for the deficit. He came up with a plan to cut it \$500 billion during his first year. The second year he has proposed terminating 131 programs and consolidating 271 programs into 27. He has not left much for "President" DOLE, if he ever takes over this budget in Government.

I do not believe in dismantling the Government. I think we live in the real world and we have to come out here and quit dancing around the fire. Let's end the argument and provide the American people with a 1-year budget that has only a 3-percent increase and puts Government in the black. They cannot do it without taxes.

I thank the Senator from Minnesota for yielding time, and I thank the Senator from Utah.

Mr. WELLSTONE. Mr. President, the distinguished Senator from Utah may want to speak.

Mr. HATCH. I notice the Senator from Minnesota is trying to get to an appointment. So why do we not proceed. If I could ask some comity, I know the Senator from Arkansas is waiting, too. Senator SPECTER would like to speak. I will defer my remarks until later if we can go to Senator SPECTER for a few minutes after the distinguished Senator from Minnesota, and then to the distinguished Senator from Arkansas; is that OK?

Mr. BUMPERS. Yes.

Mr. HATCH. I ask unanimous that be the case—first the Senator from Minnesota and then the Senator from Pennsylvania and then the Senator from Arkansas and perhaps myself.

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

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

The PRESIDING OFFICER. The Senator from Minnesota [Mr. WELLSTONE] is recognized.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Senator from Pennsylvania be allowed to speak for several minutes—he has a plane to catch—after which I would go forward with my remarks.

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

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank my colleague from Minnesota for yielding for a few moments. I am about to join colleagues in going to St. Louis for an event in honor of Senator Danforth. I appreciate this time.

NOMINATION OF DR. HENRY FOSTER, JR., TO BE SURGEON GENERAL

Mr. SPECTER. Mr. President, I urge my colleagues in the Senate to withhold judgment on Dr. Henry Foster, Jr., the nominee for Surgeon General, until we know all the facts. I do not believe that performing a legal medical procedure should be a litmus test for confirmation for Surgeon General of the United States.

According to news reports, Dr. Foster flatly denies what purports to be a transcript of his statement that he performed "a lot of amniocentesis and therapeutic abortions, probably near 700."

I am very much concerned about allegations that Dr. Foster misrepresented his record. If the issue is veracity and character, that may be a basis for disqualification. If the facts support Dr. Foster's statement that he has "performed fewer than a dozen pregnancy terminations, all in hospitals, and were primarily to save the lives of women or because the women had been the victims of rape or incest," then his status looks much stronger, although the White House still has to answer for its representation that he had performed only one abortion.

If some wish to deny Dr. Foster confirmation because he has performed any abortions, then I believe the Senate should debate and carefully consider whether a nominee should be disqualified where he has performed a