

desk before, as I stand here today, to say I think many good points have been made by those who do want to protect the Social Security trust fund. And I wish to do that also. I have said that even if the coming constitutional amendment would be passed without such protection, at least this Senator very likely would not ever agree to raid the Social Security trust funds. My only appeal is that possibly there is a way we could sit down and work together to come up with some type of arrangement offering proper guarantees to the logical protection of the Social Security trust fund which I think have been outlined very effectively and precisely by many of my colleagues who have spelled out this matter in this Chamber.

Let me put it another way, if I might, Mr. President. I would be willing to sit down with anyone, any group, any combination of groups to see if we could factor in some type of workable compromise which would get us the 67 votes that are necessary, and I think we should try to get, to proceed to have a constitutional amendment to balance the budget and then refer it to the States.

So I would simply like to ask, Mr. President, if there is any way that we could assure—and under those conditions I might vote with my colleagues who are offering the Social Security amendment, if I could have the assurance of some of those who are proposing the amendment that they then would turn around and be one of the 67 votes we need to pass the constitutional amendment.

Putting together 67 votes in the Senate on this issue is going to be a very difficult task. From the counting that I have done as of now—it is not infallible because I think there is some shifting going on, but it would appear to me very likely, if we had the vote today, the final vote on sending a constitutional amendment to the States by the Senate would fail.

Given that concern of mine, I would simply say to my colleagues on both sides of this issue, and both sides on the many other issues that are likely to be brought forth on this matter: Let us try to work together. I do not think anyone has the wisdom, the knowledge, the intellect to be able to solve all of these problems. As a body of 100 people who are charged to represent their constituents and the people of the United States as a whole, I just hope we can get together. I think there are many of us who share the goal. All of us do not—

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

Mr. EXON. Mr. President, I ask for 1 additional minute.

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

Mr. EXON. I hope we can maybe come together on some kind of compromise, some kind of understanding that does not so weaken and change the constitutional amendment to balance the budget that it will not work.

Last but not least, whatever we do, I think we must—we have the obligation to go far further than we have as of now, to explain how difficult this will be, and the sacrifices that probably every American is going to have to make to get it accomplished.

I outlined in a speech 10 days ago some of the major concerns in this area, that I would reference as a part of my speech. That might be referred to.

Mr. President, I call for cooperation to get a balanced budget amendment passed by the Senate. That is most important of all.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. I thank the Chair.

(The remarks of Mr. KOHL pertaining to the introduction of S. 274 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT REQUEST

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of the original joint resolution to be offered by Senators SIMON, BREAUX, and others regarding Social Security, and that during the consideration of the Senate joint resolution, no amendments be in order and debate be limited to 2 hours to be equally divided in the usual form. I further ask that immediately following the conclusion or yielding back of the time, the Senate proceed to vote on the resolution without any intervening debate or motion.

Finally, I ask unanimous consent that immediately following the disposition of the Senate joint resolution, the Senate resume consideration of House Joint Resolution 1.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, I respectfully object to the leader's request.

The PRESIDING OFFICER. Objection is heard.

The Senator from Nevada.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

AMENDMENT NO. 236

(Purpose: To protect the Social Security system by excluding the receipts and outlays of Social Security from the budget)

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself, Mr. DASCHLE, Mr. DORGAN, Mr. CONRAD, Mrs. FEINSTEIN, Mr. FORD, Mr. HARKIN, Mr. HEFLIN, Mr. GRAHAM, Mr. KOHL, Mr. BAUCUS, Mrs. BOXER, Mr. HOLLINGS, Ms. MIKULSKI, and Mr. LEAHY, proposes an amendment numbered 236.

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

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

The amendment is as follows:

On page 3, line 8, after "principal," insert "The receipts (including attributable interest) and outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund used to provide old age, survivors, and disabilities benefits shall not be counted as receipts or outlays for purposes of this article."

Mr. REID. Mr. President, this amendment is being offered on behalf of the Senator from Nevada, Senator REID, and Senators DASCHLE, DORGAN, CONRAD, FEINSTEIN, FORD, HARKIN, HEFLIN, GRAHAM, KOHL, BAUCUS, BOXER, HOLLINGS, MIKULSKI, and LEAHY.

Mr. President, this is a very simple amendment. It really is. It will take some time during the next few days to talk about this amendment. But it is an amendment to determine what we are going to do about Social Security. In effect, this amendment excludes from the balanced budget amendment the Social Security trust fund as it relates to the old-age pension aspect thereof.

Mr. President, I rise in support of the balanced budget amendment. If Social Security is excluded, I will vote for the balanced budget amendment. As a veteran of a number of debates in this body on this issue, I am fairly well versed on persuasive arguments for the balanced budget amendment. There are people who I have heard—including my friend, the senior Senator from Utah—over the years make very, very persuasive arguments why it is important that this country have a more sound fiscal policy and why it is necessary to have a balanced budget amendment. Some would say in debating this issue—that is, whether we should include Social Security or exclude it from balanced budget amendment—that it is a very painful vote, and it perhaps is. This body would be forced to make a determination as to whether or not the proceeds of Social Security, and the old-age pension aspect thereof, would be excluded from this balanced budget amendment when it would become part of the Constitution.

Mr. President, we have all been called upon as legislators, and those who served as Governor or Lieutenant Governors in States or mayors of cities, to make decisions that are difficult sometimes. I remember one of the most difficult decisions I had to make as a Senator in this body, which I was relating to my friend, the senior

Senator from New Mexico, and my colleague, the junior Senator from New Mexico, regarding whether a stealth wing should be taken out of the State of Nevada. We had spent the taxpayers' money in this country—about one-half billion dollars—building the secret air base in the deserts of Nevada to test this very exclusive weapon, which was the Stealth fighter bomber. There came a time when it was no longer secret, and therefore the Pentagon made the decision that they would move this Stealth fighter wing from Nevada to New Mexico. It was a difficult decision. It involved many, many jobs, several thousand jobs, something that was very important to Nevada. But I made the decision that, if the GAO would tell us that it would save this country money to move that wing and that we would be just as secure, I would not object.

The General Accounting Office came back in a relatively short period of time with the report that it would save money and we would be just as strong as a nation if this wing were moved to New Mexico. I swallowed hard and watched the wing move to New Mexico without raising a hand to stop it.

Yesterday, I received a call from some of my friends in Nevada that the President's budget called for the elimination of a facility we have—the Bureau of Mines—in Reno doing research. There are not as many jobs, but a job is a job.

These are some of the things we have to make decisions on, and it appears to me that it is sound fiscal policy to consolidate. And perhaps that is the best thing for the country to do. We all have to make tough decisions.

This amendment is a tough decision. If we ever are going to balance the budget of the United States, there will have to be a series of very difficult decisions made as to how we will do that. This is different than a simple statute that we are going to amend. It is different because we are talking about not passing a law; we are talking about amending the Constitution of the United States.

Over the years there have been in this and the other body about 4,000 attempts to amend the Constitution. As we know, very, very few have been accomplished. This is not one of those amendments that is done for press releases to be sent home. This is not an attempt made to satisfy a certain constituency. This is a serious attempt to put language in the Constitution of the United States that would force us to balance the budget. We all know that we have the legal authority to balance the budget right now. But over the decades we have not done a very good job doing that, and, therefore, a majority of the people of this body feel that we should amend the Constitution of the United States to include in there a provision mandating a balanced budget. I say a majority. I think we do not know yet that there will be a supermajority; that is, 67 votes to make this a part of

the Constitution. I say now as I have said before, if Social Security is excluded, I will be one of the 67. If it is not, I will not.

I emphasize the U.S. Constitution because, Mr. President, it is unlike States balancing their budgets. In the State of Nevada, for example, we just completed the construction of a new State building in Las Vegas. That building cost about \$400 million. But, no, that is not a part of the budget that is talked about every year as being a balanced budget in the State of Nevada. The reason that it is not is because they have bonding authority. Many capital expenditures are taken off budget.

This amendment that we have before this body is more stringent than the laws and the constitutions of most all States. Most all States, as I mentioned, do not balance their budgets as they say they do because there are capital expenditures which are off budget.

This amendment has no smoke and mirrors. If this amendment passes, everything will have to be balanced. This will be much different than when most of us handle our personal lives. If we own a home, we make payments on it. Most of us, if we have a car, we make payments on the car, refrigerators, things of that nature. But, if this amendment passes, this will not do that. This is not a smoke and mirrors amendment by any stretch of the imagination.

Mr. President, I think that it is important that we recognize that budgeting decisions, assuming we are working on a balanced budget amendment, will necessarily include all of our operating expenses and all of our capital expenditures. That is the legislation that is now before this body.

So I repeat, with all due respect for States that say they balance their budgets, ours would be honest and truthful budgeting. I think more so than has ever been done at any level of government. Senate Joint Resolution 1 guarantees a balanced budget. It does not spell out how we will get there, and I am disappointed that the amendment that we just voted on a couple of hours ago failed. I think it would have been nice had that passed. I think it would have given the American public a glidepath of how we are going to arrive at the balanced budget by the year 2002. But that is not what happened. We were only able to get 44 votes.

The amendment to the Constitution that is pending before this body is a rule without any exceptions. I believe this balanced budget amendment will ultimately pass because the American people want it to pass. Indeed, Mr. President, according to a recent ABC-Washington Post poll, well over 80 percent of the American public wants a balanced budget amendment to pass. However, when these same people were asked in a subsequent poll, would they want the budget balanced by using Social Security trust funds, the answer was a resounding 90 percent no.

Mr. President, I offered this amendment about a year ago. At that time, I did not know that the American public felt about this the way they did. Had any of us known, there may have been a lot of other people offering the amendment. But we have learned subsequent to last year that the American public feels very strongly about protecting Social Security. I raise this issue not because decisionmaking should or ought to be guided by the polls. I believe it should not be, and I think we in political life—at the Federal, State, and local level—follow the polls too much. As my staff will tell anyone who will listen, I am not a believer in polls. Very, very infrequently do I do polling.

Rather, I raise this issue because much of the rhetoric in the balanced budget debate revolves around carrying out the demands of the American people. How often have we heard someone say that the American people are demanding passage of the balanced budget amendment and Congress ought to pass it? Well, I think in that same breath we should recognize that they are also demanding action to guard against unilateral raiding of the Social Security trust fund to balance the Federal budget. Passage of the amendment that is now pending before this body is the only sure-fire assurance that such action will not occur.

Mr. President, we have heard a lot of promises being thrown around during the balanced budget debate. It should not come as a surprise to anyone that in this Chamber and in the other body individuals have said that they will fight against any cut of Social Security. We have some special interest groups that are saying the same. That is to be expected. There seems to be universal agreement that Social Security should not be used to balance the budget. This agreement, I believe, transcends party lines. Democrats and Republicans alike support protecting Social Security.

I have found it interesting to read the CONGRESSIONAL RECORD, Mr. President, to see what others are saying about Social Security. When this debate transpired in the other body, I believe it was on the 25th of January of this year, a number of people said a number of different things. I had the pleasure of being able to serve in the other body for a couple of terms and found it a most enjoyable experience. I say that the turnover there has been significant, and I do not know a lot of the people that now serve in that body.

However, Mr. President, one of the men that spoke on this issue, one of the Members of Congress that spoke on this issue is the Congressman that replaced the former chairman of the Ways and Means Committee, Congressman Rostenkowski, by the name of FLANAGAN. Here is what he said, among other things:

The committee shall do nothing to increase Social Security taxes or reduce benefits to achieve that goal.

That is, balancing the budget. That is what he said.

We have another Congressman by the name of FUNDERBURK, who stated:

The balanced budget amendment will protect Social Security because there will be no more borrowing from the trust funds, which truly protect our Nation's retirees.

Mr. Hayworth stated:

One of the previous speakers was quite correct to point out that before there was this contract—

Meaning the Contract With America that we hear so much about.

there was enacted a solemn contract with the American people, and we call that Social Security.

Mr. Wamp indicated:

We can achieve a balance without touching Social Security. Our party and our leadership are on record opposing cuts in Social Security, and so am I.

Mr. CHAMBLISS, from the eighth district of Georgia, said:

Mr. Speaker, let us send a message of assurance to seniors of this great Nation.

He, of course, is referring to Social Security not being touched.

Mr. ENGLISH of Pennsylvania said:

At a time when some are talking about a new covenant, we should signal our intent to protect Social Security for those who participate.

Mr. YOUNG of Florida—and I did not have the pleasure of serving with any of the Members I have mentioned until now. I served with Mr. YOUNG of Florida. He said, on January 25 of this year:

It reaffirms what I have long said and supported, that in reducing the Federal budget deficit we should look to cutting spending in those areas which are driving our Nation deeper into debt. That certainly is not the Social Security trust fund, which actually runs an annual surplus—last year \$61 billion.

I could go on with other statements about how Members of the other body talked about the balanced budget amendment. They do not want Social Security to be affected by the balanced budget amendment. They are right. It should not be.

What my amendment does, Mr. President, is put into writing what we have now only as an oral promise. This disagreement that is the subject matter of this debate seems to center on how best to protect those trust funds. I believe that if I were trying this case to a jury of my peers, the jury would return a verdict in favor of this amendment in a matter of minutes. This would not be one where the jury was hung up or one where they deliberated a long period of time. I would suggest that the debate clearly favors, and will favor, the amendment that the Senator from Nevada has offered, along with 14 of his colleagues.

Why, Mr. President, do we need to express exemption? Very simple. Anything less would be insufficient. If we want to take this off budget and exempt it from efforts to balance the budget, it must be done in a binding fashion. I suggest that burying it in implementing legislation, as was suggested last week in another debate, is

like passing a sense-of-the-Senate resolution; it has no binding effect. It makes us feel good but, essentially, it is a nonbinding resolution. This language will specifically exclude Social Security.

I also submit, Mr. President, that we will hear some debate here on this amendment that will be offered by the senior Senator from Alabama. He, having been former chief justice of the Alabama Supreme Court, is a person who has had long experience on the Judiciary Committee of the Senate and somebody we look to for legal advice. He is the Judiciary Committee's legal scholar. He is going to tell this body why this amendment is essential. If we do not have this amendment—you will hear from the Senator from Alabama—Social Security must be included in the receipts that will be necessary to balance the budget.

Hiding a Social Security exemption in implementing legislation, as I said, is like playing a shell game with the American people. It is the proverbial smoke and mirrors trickery. It is the fig leaf that we have heard so much about, or whatever other words that you can connote that is a coverup. That is what, in effect, implementing legislation would be.

Some want to have their cake and eat it, too. They want to say, "Well, we are going to protect Social Security, but we are also going to vote for the balanced budget amendment." I am not going to do that.

Some want to be able to go home and tell their constituents that they voted against touching Social Security. And they may even get by with it for a year or two, but it will not be long, because you will have to go after Social Security. And we know that, even if it is more than a sense-of-the-Senate resolution but a statute that says you want Social Security, you have the argument from my friend from Alabama, the senior Senator, but you also have the argument that there is no place to go. You would have to do that.

So, it sounds good, but it is really not what I believe is factual.

So I predict the majority of the American people will see through this what I believe is a charade and recognize this proposal, in fact, in implementing legislation is offered as a real fig leaf.

I want people within the sound of my voice to understand a little bit about the history of Social Security.

Mr. President, I first learned about Social Security as a little boy. I was born and raised in a very small town in the southern tip of the State of Nevada, a place called Searchlight, Nevada. When I grew up, it was a town of less than 250 people. A lot of the Reids lived there. We made up a significant number of the people that lived there. One of the Reids that lived there during that period of time was my grandmother. Her name was Harriet Reid. She was born in England.

My grandmother—I can picture her very clearly in my mind's eye, even

though she has been dead for many years—was a very short woman and very, very fat. She had trouble walking, and to do her work was very difficult. She had raised eight or nine children.

Now, Mr. President, I was a little boy in the late 1940's, but my grandmother got, every month, her old age pension check. That is what she called it, "My old age pension check." That check gave my grandmother, Harriet Reid, it gave her dignity, it gave her independence. Even though she had children that would help her, that check was a message to everyone that she could make it on her own. She deserved to make it on her own. She worked hard.

So I see Social Security in the eyes of my grandmother. And I believe that this amendment is offered on behalf of Harriet Reid and other grandmothers and grandfathers to be.

I believe it is important that we understand the reasons for placing this exemption on this balanced budget amendment. My reason, as I have just explained, stems from personal reasons and a deeply held conviction that the integrity of the Social Security system will be violated unless we do this.

(Mrs. HUTCHISON assumed the Chair.)

Mr. REID. In 1935, Social Security passed. It passed, Madam President, because the American people wanted it to pass. It was really at that time, perhaps, an experiment. We did not know if it really worked, but it did work.

I believe we have heard a lot about the Contract With America. I think that most all the items that my friends are talking about with the Contract With America are good and will help the country.

But let us be realistic. The real, valid first contract with America was Social Security. That program has been in existence for 60 years. That is the real contract. And it is a contract that has worked and we should do everything we can to protect the Social Security trust funds.

We should do that, Madam President, not only for the Harriet Reids of the world, but also for those children that are now in their beginning years, because we need to provide security for them in their old age, also.

President Roosevelt and Members of Congress recognized in 1935 that by financing the program by earmarked payroll taxes, we would ensure that a future President and Congress could not morally or politically repeal or mutilate the character of the program.

Interestingly, Madam President, President Roosevelt's fears were realized in the early part of the 1980's, when there were attempts made to make sweeping cuts in Social Security. Those cuts were repulsed by Congress. But Congress came back right away, came back quickly and solved the problems that they were having with Social Security.

It was truly a bipartisan commission—Claude Pepper, the man who was known for protecting Social Security; Tip O'Neill, President Reagan, all these people got together and figured out a way to save the Social Security old age pension. And they did a good job. Social Security was not damaged in any way. It was renovated. It was revamped.

And we are now celebrating the benefits of that, recognizing that last year there was over \$60 billion in surplus, this year over \$70 billion in surplus, and those surpluses will continue to increase.

So the arguments for defending the Social Security trust funds are rooted in the history of the program and that is what is truly unique about our Social Security system. I believe that, in part, it is because of the structure of the system that Social Security is really like a contract. This is not a giveaway program. This is not welfare that Social Security recipients receive. But, in fact, the employers and the employees pay in about 12.5 percent of their salary to put into a trust fund so that they have some moneys in their later years. So, it is their money. They have earned it. They have paid their dues. They have played by the rules.

And if you want to know why those of us in Government refer to this as the so-called third rail of politics, that is why. People trust that their funds will be there upon their retirement. It is understandable why so many are willing and have fought so hard and so long to maintain the integrity of this trust fund.

As they used to say in an old advertisement—I believe it was Smith-Barney, or one of those companies that sells stocks and bonds—they make their money the old fashioned way, they earn it. That is, in effect, what Social Security recipients do and have done.

So our obligation as Members of Congress is to recognize the contractual nature of the system and take the necessary steps to honor that agreement.

Madam President, our contractual obligation to the people of this country as it relates to Social Security is similar to the obligation—of course, our obligation is on a much larger scale—that I had when I practiced law.

I had to set up a separate trust fund to put my clients' money in. When I did that, I could not draw any of that money out for anything other than my clients' needs. I could not pay my rent, could not pay my car payment, house payment, rent on the office. I could only use those moneys for my clients. I had a fiduciary duty to my clients to protect those moneys.

While lawyers, people who work in banks, and insurance companies recognize the consequences of a fiduciary duty, attorneys are well aware of the consequences they face for breaching this duty.

Any person who violated this fiduciary trust, if they were an attorney,

would be disbarred. If they were an insurance agent, they could have their license taken away. A real estate agent, the same thing. Or they could go to prison. They could go to jail. We have an obligation to protect the integrity of the Social Security trust funds. We, too, have fiduciary duty to protect the integrity of these funds, not only as I have mentioned for the seniors of this country, but for all working men and women.

Madam President, what is this word we are throwing around—fiduciary duty? What does it mean? Why does it describe Congress' role in maintaining the Social Security trust fund? I thought it would be educational to me—and it gave me an opportunity to look at one of my old law books—to talk about from a level perspective, what is a fiduciary duty? It means a person holding the character of a trustee with respect to the trust and confidence involved in it and the scrupulous good faith and candor which it requires; a person having a duty created by his undertaking to act primarily for another's benefit in matters connected with such undertaking. This came from Black's Law Dictionary.

It explains that a breach of fiduciary responsibility would make the trustee—and that is what we are—liable to the beneficiaries for any damage caused by such breach.

So, Madam President, what penalties do we face for breaching this duty? I am sorry to say, not much. I will not be disbarred. I will not have a complaint filed against me with the National Bar Association. The only opportunity that someone has to get back at a Member for breaching our fiduciary duty is in the ballot box.

I think they need more protection. I think there needs to be more stringent control of the Social Security trust funds than somebody saying, "If you violate your fiduciary trust, we will vote against you."

My amendment expressly exempts the Social Security trust fund from any calculation of Federal deficit. Absent an expressed exemption included in the constitutional balanced budget amendment, we, the guardians of the Social Security trust fund, will be in breach.

Unfortunately, Madam President, for the tens of millions of beneficiaries who have paid into this system most all their working lives, they will have no remedy. They can have recourse at the ballot box. Sometimes that comes too late. That will not compensate them in dollars for their lifelong contribution to the Social Security trust fund if we, in effect, raid this fund to balance the budget. It certainly will not help their retirement. The cold, hard fact of the matter is the beneficiaries have a right, but are without a remedy, to ensure that that right is enforced.

I have said the real contract with America is Social Security. And it is like a contract. There are many good

reasons why the protection of the Social Security trust fund is so important to all Americans. Social Security is a unique Government program. The program is not, however, difficult to comprehend. Yet its simplicity, I think, Madam President, masks the strong undercurrents of emotions so often espoused when discussing this Social Security system.

People feel so strongly about this issue. Why? Because it involves a contractual agreement that they know that they have with the Government. The Government and the American people. That is the contract.

How many Members have been at town hall meetings where people stand up and say, "Are you going to protect Social Security?" How many times have people stood up at Social Security meetings and they say, "I am not on welfare. I have worked hard all my life. I want to be able to draw my Social Security. Are you going to protect that?"

Why is it a contract? This is a word that has been thrown around by people in Government and pundits over the last several months. If we stop and think about it, Social Security, I repeat, is best described as the true contract with America. It is a contract, or, in other terms, an agreement, that benefits all Americans.

I have mentioned how we pay into that system. I have mentioned how people who receive that money are not receiving a Government giveaway. They are not collecting money for no reason. I am sure that no one enjoys the Social Security payroll deductions that we suffer through on our paychecks. It is a lot of money. There is an understanding that in many ways this produces a greater good. We are, in effect, building. We are being forced to build a nest egg provided for us in our golden years. That does not seem to be stretching the point at all.

To attack Social Security as another Government giveaway program is a straw man. It is a self-financing, self-sustaining, publicly administered contributory retirement program. This program requires personal sacrifice. Through the Federal Insurance Contributions Act, which we call FICA, workers are required to contribute, as we have talked about, 6.2 percent, which is matched by another 6.2 percent by the employers, for 12.4 percent. That is a lot of your paycheck.

By law, the funds are required to be held by the Federal Government in trust. The key to understanding this system, however, rests in the recognition that all of these dollars that are amassed, the billions and soon to be trillions of dollars do not belong to the Federal Government. They are contributions workers and employers are paying in and the workers expect to get back.

Our role as Members of this august body is to ensure that there be a continued vitality of these funds. I believe, in this respect, our greatest obligation is to ensure that retirees receive their

just compensation. That could apply to people who are 5 or 6 years old. We have to ensure that they receive their moneys, as we do someone that is presently drawing Social Security. I say again that unless we expressly exempt the Social Security trust funds from any calculation of Federal deficit, we may not be able to meet that obligation. Social Security, Madam President, does not contribute to the Federal deficit.

Throughout this debate we have talked about rights and obligations, both present and future. I support a balanced budget amendment to the Constitution of the United States because I believe that we have an obligation to do a better job of balancing the budget than we have been doing. This obligation is owed importantly to future generations of future Americans.

The balanced budget amendment must ultimately provide for a government to act in a more fiscally responsible manner. If we do not handle this amendment properly, and my belief if we do not exclude Social Security, we will be not only violating a fiduciary violation that we have, we will be fiscally irresponsible. We must not, through this amendment, loot the Social Security trust fund in order to eliminate the Federal deficit. This is not fair to the generation which has paid into the system their entire lives, nor is it fair to the generations in the future that will pay into the system their entire lives.

In short, because Social Security does not contribute to the Federal deficit in any way, it should not be used to eliminate the Federal deficit.

Madam President, we have a chart here. I referred to it as the Government looting chart, and we have another entitled the same. There have been some who have suggested that the Social Security trust fund should be referred to as the Social Security slush fund. But without name calling, we will look at this chart. This chart shows the surpluses as they will accumulate until the year 2002, significant amounts of money, over \$700 billion.

We can look at this chart in a different way. It will accomplish the same fact and perhaps it is a little more graphic, Madam President, to see the dollar amounts here.

What we would do is show it in this manner. This is how those funds are going and should be allowed to accumulate. If we do not have an exemption—that is, if my amendment does not pass—in 2002 we will pull this chart out and it will be all white because the moneys will have been used to balance the budget. That will be a shame.

There is no question that the Social Security trust fund surpluses are masking the true size of the deficit. In 1995—that is this year—we will take in about \$70 billion more than we pay out in benefits out of the Social Security trust fund.

By the year 2003, Social Security will be running surpluses far in excess of

\$100 billion a year. By not exempting Social Security in the constitutional balanced budget amendment, the smoke and mirror games of Congress would simply hide the true deficit problem. Again, the key here is that to the extent that Social Security does not add to the deficit, it ought not be used to eliminate it.

I, again, refer to this chart that shows what should accumulate, if nothing else happens, in the next 7 years and the amount of money, Madam President, that will accumulate during those 7 years in dollar amounts—over \$700 billion, almost a trillion dollars. That should not be used to balance the budget.

I stated an hour ago on this floor, and I will state again, some have said, “We will have implementing legislation that we are not going to do it,” and in the House what they did, they had a concurrent resolution saying, “We won’t affect Social Security. Why won’t you just accept it as our word?” I say that every person who voted for that in the House of Representatives, they certainly have no intention, I hope, of raiding the Social Security trust fund, but the resolution they passed is meaningless.

Why am I concerned about Social Security? I am concerned about Social Security because that is where the money is, that is where we have looked before to help balance the budget. I repeat, Willie Sutton, a famous bank robber, got out of jail and they asked him, “Why did you rob banks?” And he said, “That’s where the money is.”

Social Security is where the cash cow is for this Government. Funds are running in surplus. We have an obligation to protect that cash cow so when people draw down on the Social Security trust fund, they will be able to have a check rather than an IOU.

If we do not pass this amendment, this really is a case of robbing Peter to pay Paul. Further raiding will certainly occur unless we protect this trust fund.

In the late seventies and early eighties, Congress changed the way Social Security was financed. I mentioned that—Claude Pepper, Tip O’Neill, President Reagan. The change was a result of Congress’ recognition of the large demand on the system that would be created.

I should include that the Republican leader was in on that. He was at that time the majority leader of the Senate. This change is the result of Congress’ recognition of a large demand on the system that would be created by the retirement of the baby boomer generation. Accordingly, the Social Security system was changed from a pay-as-you-go system to a system that accumulated large surpluses now to prepare for the vast increase in the number of retirees later.

Unfortunately, rather than saving these large surpluses, Congress has used them to finance the deficit. This fiscally irresponsible behavior is put-

ting us on a collision course toward catastrophe.

Madam President, during the Vietnam war, for the first time, the Social Security moneys were used to mask the deficit being developed as a result of that very unpopular war. So we have had experience in Congress of using Social Security moneys to mask the deficit.

In the year 2012, Social Security—maybe a little after that, maybe 2015, maybe 2020—Social Security is going to have to start drawing down. We need to accumulate these huge surpluses now for payout later. I served on the Entitlement Commission, a bipartisan group that was charged to look at entitlements, chaired by Republican Senator Danforth and Democratic Senator KERREY from Nebraska. We all know that Social Security is going to need some adjustment, but let us do it on the basis of Social Security, let us do what we have to do with Social Security, and not have it when we get around to needing to do something and there is no money there.

The problem we are facing is clear. Unless we begin saving Social Security surpluses, unless we begin addressing the needs of the system as it stands on its own, we will be leading, I believe, to financial Armageddon. That is where we are going if we do not exempt Social Security from the balanced budget amendment.

Specifically exempting Social Security does not mean that we are sweeping under the rug, under the carpet, any problem. In fact, we are making the situation very clear. The situation is this: We want to balance the budget; we want to exclude Social Security trust funds. We are saying the reason we need a balanced budget amendment is because we are not strong enough, we do not have the courage to do what we have the right to do under the law presently.

If we are saying that, and that is one of the reasons that is being put forth and has been put forth for a long time as to why we need a balanced budget amendment, it seems to me that that same logic would dictate that, Members of Congress, you had better protect Social Security because otherwise you will not have the courage not to spend those moneys. It would be a lot easier to spend Social Security surpluses than to raise taxes or to cut programs.

So we are not sweeping anything under the rug. In fact, we are making very apparent what our problem is.

There are few people who will deny that Social Security has some problems that we need to take care of in the long run, but it is in the long run not the short run. Including Social Security in a balanced budget amendment may further exacerbate its already identifiable problem. How should we treat Social Security under the Federal budget?

Congress has been struggling with the problems associated with Social

Security for many years. Historically, however, Madam President, there seems to be strong congressional intent to protect Social Security. An example of this is how Social Security is treated in the Federal budget.

In 1990, Congress excluded Social Security from calculations of the budget and largely exempted it from the procedures for developing and controlling the budget. Its removal from the budget has not changed how its funds are handled.

Since Social Security's inception, its taxes have been deposited in a Federal Treasury and expenditures have been paid from the Treasury. The surplus is credited to trust funds.

As I have already mentioned, Social Security has not always been considered off budget. In 1969, Social Security and other programs that operated through trust funds were counted officially in the budget. It was a tax book-keeping gimmick. This was done administratively and not by an act of Congress because we did not have a budgetmaking process at the time. Today, there is strong speculation that the reason it was placed on budget is the reason I have already stated, that in 1969 when the Vietnam war was escalating and it was costing a lot of money, we needed to mask that deficit.

There were new changes in how Social Security was treated under the budget in 1974. Under the Congressional Budget Impoundment and Control Act, Congress adopted procedures for setting budget goals through passage of an annual budget resolution. Like the budgets prepared by the President—like the one that we received yesterday or the day before—these resolutions were to reflect a unified budget that included trust fund programs such as Social Security.

By the late seventies, Social Security, as we already talked about, faced some new financial problems, and Congress had to deal with the increasing cost to the program. So in 1980, 1981, and ultimately in 1983, there were benefit cutbacks. At the same time, though, the Federal budget deficit remained very large. There was growing concern that the cuts in Social Security were being proposed for budgetary purposes rather than for programs that needed to be maintained.

Congress responded to these concerns by passing a series of measures in 1983, 1985, and 1987. In addition to other things, we made Social Security a more distinct part of the budget. Points of orders were allowed to be raised against budget bills containing Social Security changes. This was a large step forward.

By the end of the eighties, Social Security began realizing surpluses, as we talked about earlier today. As a result, Congress passed the Omnibus Reconciliation Act of 1990. This excluded Social Security from the calculations of the budget and exempted it from procedures for controlling spending.

The 1990 Budget Enforcement Act put an end to abuse of Social Security

trust funds by declaring them off budget.

I think it is interesting to note, Madam President, that that legislation to exclude Social Security trust fund calculations from deficit calculations passed by a vote in this body of 98 to 2. That is not a close call. This body went on record in October 1990 to exclude Social Security trust funds from the deficit calculations by a vote of 98 to 2.

Putting Social Security on budget contradicts clearly Congress' intent. It is clear that Social Security's treatment under the Federal budget has been complex; I acknowledge that, and at times confusing; I acknowledge that, but Congress has recognized that it is a misuse of the Social Security trust fund to place it on budget. It is a misuse because it jeopardizes the integrity of the program.

Now, off-budget status of these funds is clearly set forth in the 1990 Budget Act that notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts or deficit or surplus for purposes of anything we deal with regarding money, in effect. So it is difficult to examine this section plus the 98-to-2 vote and House Joint Resolution 1, the underlying legislation that is before this body, and not conclude that Social Security is being placed back on budget.

Let me tell you why I say that. We are going to have a chart here, Madam President, that will show what House Joint Resolution 1 says. And if you look at that, it says in section 7 and section 8:

Total outlays for any fiscal year shall not exceed total receipts for that fiscal year.

That is about as clear as it can be, that this should not be exceeded.

Does this not necessarily include Social Security? If so, does this not run against Congress' historical treatment of Social Security off budget? Would it not overturn Congress' recent decision to confirm the off-budget status of Social Security? This overturns the vote we took by 98 to 2 to keep Social Security from any way of determining what the deficit is. I respectfully submit that the underlying legislation will force Congress and the President to include Social Security in balancing the budget. I believe that any court reading this all-inclusive language would have to conclude that Social Security would be on budget and thus fair game for being used to balance the budget.

The only way to guarantee the integrity of the Social Security trust fund is to exempt it from this balanced budget amendment. We would not have to worry about any of these questions if we passed the balanced budget amendment and excluded Social Security. That is the amendment now pending before this body.

I believe this would be consistent with Congress' previous actions including the 98-to-2 vote in October 1990. It

would be a reaffirmation of Congress' intent to guarantee the integrity of the trust funds.

Conversely, the absence of an expressed exemption would result in inclusion of the trust funds in the calculation of the deficit. It would yield a radical departure from Congress' longstanding defense of the integrity of the trust funds. I do not want to be a part of that. We must exempt expressly Social Security to ensure that that fund is maintained in its entirety. So that there is no ambiguity, every Member of this body needs to support the specific exemption for Social Security. It is the only way we can ensure that there will not be an injustice perpetrated on the American people.

I also want to preempt something that I know will come up because I have heard some comments on this floor about this, that my amendment will create a loophole in the Constitution.

That is poppycock. That is diversionary. It will do no such thing. This amendment is narrowly drawn. It is an exemption that applies to a readily identifiable program. So do not be fooled by those who scream and shriek and yell and say you are placing the statute in the Constitution. Once it becomes part of the Constitution, it is no longer a statute.

If we are all in agreement that Social Security should not be included for purposes of balancing the budget, then where better to enshrine the commitment than in the amendment itself. The fact is there is no other alternative. If we leave this out of the balanced budget amendment, it will go on budget. That is a fact. It will assuredly be looted, and that is a fact.

Exemption in enabling legislation is insufficient protection. There are some opponents who have stated on this floor previously and who will argue that they, too, oppose balancing the budget by including Social Security trust funds. They believe and they will state that the proper place to address this issue is in implementing legislation. Let us think about that. We have a constitutional amendment that scholars like the senior Senator from Alabama and others say, if it passes as it is written, Social Security will have to be part of the balance. It will not be discretionary with the Congress. It will have to be used to balance the budget.

But let us assume that we are not going to use that, we are not going to present that argument. What we are going to say is that we are going to have a statute that will say you are not going to touch Social Security.

Well, you have two problems. One, it does not supersede what is in the Constitution that says you must include it. And secondly, that statute can be changed any time. We can pass a bill in this body today and we can repeal it tomorrow. We can pass a bill in this

body today and change it next year, the year after. So implementing legislation will not do it.

I respectfully suggest that passing a balanced budget amendment to the Constitution is unprecedented. They are talking about offering my amendment as being unprecedented. All we are dealing with in this body until we dispose of this balanced budget amendment is unprecedented. This is the first time we have put fiscal policy in the Constitution. So we better get it right.

It is unprecedented to place our Nation's fiscal policy in our Constitution. If we are going to do so, we must recognize that Social Security is also part of our Nation's fiscal policy. We are binding ourselves to a commitment that will require drastic changes in the immediate future. As a matter of equity, as a matter of fairness, we cannot bind ourselves to a commitment that puts at great risk a trust fund that millions of Americans have paid into all their working lives.

Advocates of addressing this issue in enabling legislation contend that the trust funds will be adequately protected if we proceed statutorily. This, Madam President—I do not know how to say it any differently—is not true. What about future Congresses?

If my friend who is managing the bill today at this time, the junior Senator from Utah, gave me his word he would not violate Social Security, I would take him at his word. He is a man of integrity. But what about his successors? They are not bound by any statement that he makes or any oath that he takes or any commitment he makes. The fact is this resolution as it is presented in this body presents no protection for Social Security. The only way to give it protection is to vote for this amendment that is presented by the Senator from Nevada and 14 others. Assuming, though, that those who say they are going to protect it follow through on their words, there is nothing to prevent, as I have already indicated, another Congress from coming along and amending the statute that they have already passed to say you cannot use Social Security.

I believe that there are some who are going to go after Social Security. I know it to be the case. I was on a national program yesterday with former Senator Tsongas, and he candidly stated Social Security moneys should be used to balance the budget.

It is unfortunate but true, there are some who believe, to paraphrase our former colleague, Senator Goldwater, that extremism—this is a play on words on something that Senator Goldwater said on one occasion, that: Extremism in defense of balancing the budget is no vice.

I do not believe that. Some do.

As I mentioned, I am in favor of balancing the budget. However, a line in the sand must be drawn on the issue of Social Security. I am willing to go back to the people of the State of Nevada and say I voted against a balanced

budget amendment because it did not exclude Social Security. I believe in the integrity of the Social Security System enough to take that chance. I believe if we do not do that, we are taking a chance on Social Security, and that is not a chance I want to take. I believe if we do not separate Social Security, it would put us on a road toward undermining one of the most fundamental agreements we have with the American people. Again, we can only avoid this by passing the amendment before this body.

Advocates of a rigid balanced budget amendment say, "Trust us. We will take care of Social Security in the implementing legislation." I have been through that. It will not happen. You cannot do that in the enabling legislation or in the implementing legislation. What if a challenge is made a few years down the road and the court looks into congressional intent? What will they see?

If my amendment is defeated, a court will probably make the determination that Congress intended Social Security to be kept on budget. Why? Because specific proposals to exempt Social Security were voted down. They would not even have to look at the implementing legislation. Congressional intent would be evidenced by these votes. That is why it is even more important that this amendment pass. A vote against it sends the courts a message that congressional intent was to allow Social Security to be included in the budget.

It would appear we all agree, I hope—I should say the vast majority agree. We know over 90 percent of the American public agree that Social Security should be exempt from the balanced budget amendment. There are a few, including Republican strategist William Kristol, who conceded the other day on Fox Morning News that there should be an inclusion of Social Security to balance the budget. But the record of support for protecting Social Security is overwhelmingly bipartisan in spite of Mr. Kristol and in spite of Mr. Tsongas.

Again, I think this may well be due to the recognition that Social Security represents an unbreakable contract with the American people. This also explains why the issue is considered to be the third rail of politics.

I do not wish to impugn the statements of those who publicly state they oppose touching Social Security but are unwilling to support an express exemption. They are Members of the freshman class in the other body, and I read the names of some of them, who are literally trampling over themselves to announce their opposition to including Social Security in the budget. The strong rhetoric emanating from the mouths of many should be matched, I believe, by unconditional support for legislation that expresses their concern.

The only thing we have had that will exempt Social Security from this bal-

anced budget amendment is the amendment that is being offered by the Senator from Nevada with 14 others.

Those who are watching this debate should not be under any illusions. There is a significant difference between exempting Social Security in the balanced budget amendment and exempting it in the enabling legislation. The former means you get a new car, fully loaded with all the warranties. The latter is like buying a used car without even looking under the hood.

My point, then, is that this is not some arcane legal distinction. Exempting Social Security in the enabling legislation is not without merits. What it offers is protection of a political kind, and I can understand that. It is a fig leaf for those who wish to publicly defend Social Security, and I understand that. They know as far as perceptions are concerned, supporting this fig leaf allows them, perhaps, to have their cake and eat it, too.

My friend, the senior Senator from Utah, mentioned on this floor last week that he supported this because placing an exemption in the amendment itself would result in the creation of an enormous loophole. He suggested if my amendment were included, the balanced budget amendment would not be worth the paper it is printed on. Senator HATCH, the senior Senator from Utah, I know what a fine trial lawyer he was. I know, in trying cases, sometimes the best defense is a good offense. I recognize that is probably what my friend from Utah was doing.

I disagree with his statement. I disagree with this, and respectfully suggest it is just the opposite. The real loophole would be created unless this issue is addressed in the amendment. It is a loophole that will allow future Congresses to loot the Social Security trust funds. The only thing that will not be worth the paper it is written on is the Social Security cards that American workers carry around with them. The real Contract With America, the Social Security agreement we all participate in throughout our working lifetimes, will be worth very little. If you really want to close the loopholes, if you really want to ensure the continued viability and value of the Social Security System, then you will support the amendment expressly exempting Social Security.

To accept anything less is an attempt to pull the wool over the eyes of the American public.

I do not think many people will be hoodwinked by these types of maneuvers. I am confident they will recognize this enabling legislation for what it really is, and that is something to cover, a fig leaf. The stakes are very high here for people who are involved in these programs. To understand the importance of this debate, we have to move forward beyond all our talk of the Constitution and all the legal arguments associated with this debate. I

am referring now to senior citizens and the groups that represent them.

I have here a number of letters from various groups, advocating on behalf of senior citizens. I have here a letter from the National Alliance of Senior Citizens. This letter states, among other things: "On behalf of the National Alliance of Senior Citizens, this letter is to express our strong support for the Reid balanced budget amendment."

This was written last year. I have here a letter from the American Association of Retired Persons. They, too, Madam President, state their support. The American Association of Retired Persons believes the amendment I am offering is a step in the right direction. They are opposed to the balanced budget amendment. But they recognize that a step in the right direction is my amendment.

We also have the Committee to Preserve Social Security, which strongly supports legislation that is now before this body.

The American Association of Retired People states that, "We applaud your commitment to protecting Social Security." This letter is addressed to me.

We also have a statement from the National Committee to Preserve Social Security, and they state without reservation or hesitation that this amendment should be passed.

These three letters that I have referred to from these interest groups represent millions of senior citizens. I respectfully suggest that we should listen to what they are saying in behalf of their constituents. These people who are receiving these benefits are playing by the rules. Their lifetime of labors went into making this Nation the envy of the world not only for today but for generations past. They have contributed to the Social Security System throughout their lives, and they do not deserve to have the rug, in effect, pulled out from under their feet.

For many of our Nation's seniors, Social Security is the sole source of their income. For some it is supplemental, but for many it is all they have. We have all had instances where seniors are depending on Social Security, and literally every penny is of importance to them. We have been through the debates where we have had seniors who are depending on Social Security who are eating cat food, who are really desperate for money. We must protect this Social Security trust fund. The contribution made by employers and employees is something that we must protect.

Madam President, I am not going to go into a lot of detail. I have already told my friend, the senior Senator from Utah, that I spread on the RECORD on a previous occasion my remarks about the seniors' coalition. If in fact the seniors' coalition gets involved in this debate, I will refer in more detail to the seniors' coalition, and I will reserve the right at some subsequent time to seek the floor to talk about

them, if necessary, in some detail, a group that does not truly represent the seniors of this country.

Madam President, I voted in favor of the amendment that was just defeated because I would like to have known where these cuts are going to come from. I, in fact, cosponsored the amendment that was put forward by the Democratic leader.

I am concerned, however, for a balanced budget. As of today we have not seen the hard numbers of evidence of a working formula for getting us into balance. But I am willing to accept that. It was an up-or-down vote, and we lost. But I am not willing to accept a defeat of this amendment unless I can certainly spread on the RECORD of this body that I cannot, in good conscience, support a balanced budget amendment that includes Social Security moneys to balance the budget. Without a detailed formula, I have no idea what is going to happen to Social Security. So why not just exclude it?

Without a detailed formula, there is no guarantee that a restricted enforcement of the balanced budget amendment will not result in the wholesale looting of the Social Security trust funds. I believe there will be no choice but to lose the trust funds. In the absence of the details, I suggest emphatically that it is even more imperative that we expressly exempt Social Security from the balanced budget amendment. Without truth in budgeting, we are placing at risk the entire Social Security program. Promises are not sufficient. We are talking about amending the U.S. Constitution. Promises will always be preempted by the Constitution, and that is why my amendment ought to be supported.

I repeat that 1935 was the beginning of this Contract With America, the original contract with America. We have established in the Social Security legislation a trust fund that must be protected. We have a fiduciary relationship. We have an obligation of trust to make sure that those moneys are collected and that they are disbursed for the purposes for which they were collected. Social Security does not contribute one iota to the Federal deficit.

Mr. President, I ask unanimous consent to include Senator FEINGOLD as a sponsor of this amendment.

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

Mr. REID. Mr. President, there are these huge surpluses that are building up in the Social Security trust fund that I believe we must protect. Failure to save the surplus could undermine Social Security. We must be concerned how Social Security is treated in the budget. We know that just a few years ago we, by a vote of 98 to 2, said we are not going to put Social Security in any of the problems we have with deficit spending. We cannot reverse that now. That would be unfaithful on our behalf. We would be unfaithful. Social Secu-

rity will be treated very stringently in this budget. That is why it is important that Social Security be excluded.

I see in this Chamber the junior Senator from South Carolina, a man with a wide range of experience, who was Governor of a State. He understands budgeting. If our side had seniority, he could be chairman of the Budget Committee as we speak; a man who I remember when running for President talked about budget deficit problems, many years ago. He is someone who has a lot of wisdom about numbers. But I would bet, although I am not certain, the great southern State of South Carolina would have the ability when they balance their budgets to have some things off budget. They can have some capital expenditures that are done through bonding at the State level.

Mr. President, this budget, if it passes, likely will not have a capital budget in it. It is, therefore, all the more important that we protect Social Security because this balanced budget amendment that is before this body is the strictest I have ever seen. It is a lot stricter than most everyone treats their own budget because in your own budget you have your house off budget. You make payments on that. You have your car off budget. You make payments on that, and the refrigerator and other large items. They now have programs where you can have your children's education off budget. You can make payments on that.

So this balanced budget amendment that is now pending before this body—and I accept it—is going to be very stringent and tough. But let us exclude Social Security because putting Social Security on budget contradicts congressional intent. Expressed exemption is the only guarantee. Exemption in the enabling legislation simply is insufficient.

We must do this to protect the integrity of the Social Security trust fund. We have heard a great deal about our responsibilities, Mr. President, to future generations. All of us are aware of our moral obligation to provide our children and our grandchildren with a healthy economy free of debts, especially which they did not incur.

This, in part, is why I support the idea of amending the Constitution to balance the budget. Another obligation we all share, however, is to ensure that we provide for the younger generation of yesterday, or, more accurately, today's senior citizens. We must ensure that they too be treated in an equitable manner. We honor their lifelong sacrifices of honoring the Social Security agreement we made, the original contract with America. We honor their sacrifices by ensuring that the trust funds they paid into all their working lives are not used for other purposes. We must honor their sacrifices by exempting the Social Security trust fund from the balanced budget amendment.

I plead with my colleagues to listen to the debate that will ensue in the

next couple of days, and to have this vote take place not only with your heart, but with your head. The Social Security trust fund should be exempted from the balanced budget amendment.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I have listened to my colleague from Nevada give his statement, and tell us again and again and powerfully of his commitments to protect the Social Security trust fund.

As I have listened to him, I have come to the conclusion that there could be nothing more devastating to the stability and the future of the Social Security trust fund than the amendment offered by the Senator from Nevada. I will share that reasoning with you.

I know that is not his intent. I know he is acting out of the purest of motives. But I must say as strongly as I can in response to what he has said that the route he is suggesting that we go in an effort to support the Social Security trust fund is indeed the most dangerous way we could possibly go, if we in fact want to preserve that trust fund.

Before I give that detail, let me make this comment about the overall debate. I remember last Congress the then-majority leader, the Senator from Maine, Mr. Mitchell, made one of his typically well-reasoned and eloquent statements in defense of the purity of the Constitution. He reminded us all that we were taking an oath to uphold and defend the Constitution when we entered this body, and he said in a pleading voice: Do not do anything that would jeopardize the Constitution. You are writing into the Constitution—I am paraphrasing rather than a direct quote—you are writing into the Constitution matters that should be left to policy, that should be left to legislation, and you are changing the nature of the Constitution, which is our basic law, by proposing this amendment. He pled with us not to do that, on the basis of sound constitutional theory.

Frankly, Mr. President, I was somewhat moved by the majority leader in that case, and I found myself questioning whether or not we really did need to amend the Constitution to get this taken care of. I have talked about how I resolved those differences at another time on the floor, so I will not repeat them here. But I find it very interesting that when we had, as the principal reason why we should defeat this amendment last year, the plea to keep policy matters out of the Constitution, we now have before us, as the principal thing that we must do in order to make this amendment viable, an amendment that writes policy matters into the Constitution, that flies right in the face of the advice of the former Senator from Maine, Mr. Mitchell, when he was opposing this 2 years ago.

We are going to write statutory language into the Constitution if we adopt the Reid amendment and it gets ratified by the States. I think that is foolish. I think that changes the nature of the Constitution tremendously and, as I say, I think it is tremendously dangerous to Social Security. Why? Well, I have before me the language of the Reid amendment, and let us read it. It is very simple, very straightforward. It says:

The receipts and outlays of the Federal old age and survivors insurance trust fund and the Federal disabilities insurance trust fund used to provide old age survivors and disability benefits shall not be counted as receipts or outlays for the purpose of this article.

My colleague, the senior Senator from Utah, has already talked about the inappropriateness of writing into the Constitution titles of existing legislation. Let us assume for just a moment, however, that that is an appropriate thing to do. I do not believe for a moment that it is, but let us assume that it is. Then we say, all right, "the funds used to provide old age survivors and disabilities benefits shall not be counted for the purposes of this article."

Mr. President, what is a survivor? The answer to that is very clear. A survivor is whatever Congress says it is. So if we want to, in the language of the senior Senator from Nevada, use the implementing language of statutes to change the system, Congress can change the definition of survivor and be within the Constitution and loot the trust funds. Suppose Congress says a survivor, for the purpose of this amendment, is anyone who is alive. You have survived and, by definition, therefore, we can give you any benefit we want out of this fund and we are not violating the Constitution, we are not violating the Reid amendment to the balanced budget amendment. Congress can define a survivor as anyone who is over 21. Congress can define as a survivor anyone who has a driver's license and who has lived for 6 months after having driven. Having driven with some teenagers, I can accept that definition. Maybe you are a survivor if you stay alive for 6 months after receiving your license.

Disability benefits. Mr. President, what is a disability? The answer is very clear. A disability is whatever Congress decides a disability would be. So Congress could decide, as indeed some groups in our society already have, that to be a woman is a disability in our society. Therefore, the money that is in this fund which under the Constitution is to be used for disability benefits can be spent on behalf of women and not men. There are others who will then say, oh, no, it is not a disability to be a woman, it is a disability to be overweight. So we are going to use the money to take care of everybody who is fat. No, it is a disability if you are too short. It is a disability if you are too tall. We have the

American With Disabilities Act that outlines a whole bunch of disabilities, none of which are currently covered under Social Security or the disability insurance trust fund. If you are in a wheelchair, we are going to use the funds out of this fund to take care of you. We are going to use these funds to buy you a wheelchair or build you a ramp in your house, or whatever it is Congress decides to do.

Mr. President, obviously, the examples I am giving are outlandish; I realize that. I make the point to show that there is, in fact, no restriction whatsoever on future Congresses to make whatever outlandish definitions they may choose. The one we think we all know is old age. What is old age? Old age is whatever Congress says it is. Right now, Congress says old age is 65—unless you happen to be a Federal employee with a sufficient amount of service to your credit, and then you can retire at age 50. Suppose some future Congress says that old age, to keep it all straight, is 50. We can go into the Federal disability insurance trust fund and the old age and survivors insurance trust fund and we can take that money to do things for anybody who is 50.

The Senator from Nevada has said implementing legislation will not do it, we can pass a bill to change it. Yes, we can pass a bill to change the definitions that are under this proposed amendment, and we can, if we want to, gut the Social Security trust fund any time we want to. To hold out to somebody the promise that passage of the Reid amendment will guarantee that Social Security will never change and will never be in jeopardy is to hold out a promise that is false. To hold out that idea, which is well-intentioned, Mr. President, frankly, is misleading.

The Senator from Nevada tells us that this is narrowly drawn and says that it will preserve the Social Security trust fund because it is narrowly drawn. I have not gone to law school, so I suppose I cannot argue with him in legal terms. But I do understand the English language, and I do believe that which I have said demonstrates that it is not narrowly drawn; indeed to the contrary, it leaves the door wide open for future Congresses to do all of the things that the Senator from Nevada suggested that some future Congress might do. He said if we just leave it as it is, future Congresses could raid the fund. That is true. Future Congresses could also abolish it. That is true. Future Congresses could, under his amendment, say that there will be no taxes connected with and no outlays made from the Federal old age and survivors insurance trust fund and cut it off at that point and leave these lines a dead letter in the Constitution. Future Congresses could do all of these things. There is simply no assurance in the Reid amendment that future Congresses will behave as he believes they will.

Now he has said to us—and I accept it in the spirit in which it is offered—that

those of us who say we do not want to attack Social Security in the present circumstance are acting in good faith and have good motives. And I am grateful to him for his willingness to accept our good faith. I accept his good faith.

But he raises the specter of future Congresses acting irresponsibly. And I suggest to you, Mr. President—indeed, I am convinced, Mr. President—that if future Congresses do decide to act irresponsibly, they can do so just as easily under his amendment as they can now. And, indeed, in the matters I have pointed out, they have a greater temptation to do so if the Reid amendment is adopted, because all they need to do, as I have said, is change the definition of a disability, change the definition of a survivor, change the definition of old age, and they have those funds then available to them to do with whatever they see fit.

Mr. President, I would like to return to the basic issue that I raised in the beginning before I got that specific about the Reid amendment. I wanted to be specific about the Reid amendment because of the time and care with which he took to address his argument and I wanted to respond as quickly as I could.

Let us go back to the comments that I recall being made by the then majority leader, George Mitchell, when he pleaded with us not to fool around with the Constitution on this matter, when he told us, in effect: We can do this by statute. If we had the political will, we could balance the budget without changing the Constitution. Why do we want to put a policy matter, a normal legislative issue, into constitutional language?

Well, Mr. President, I have been troubled by that argument, as I have said. I was moved by Senator Mitchell and his comments in that regard. I have such tremendous regard and respect for the Constitution that I think it should be amended only rarely and only in extremis.

I agree with the argument that we could do this without a constitutional amendment requiring it. Why am I, therefore, standing here as a convert to the balanced budget amendment and defending it?

I have resolved this issue in my mind from this analogy.

As you know, Mr. President, and as Members of this body probably get tired of hearing me say, I am a businessman and I come out of the business environment. That is where I get most of my analogies.

When a business is established, the first thing that is required, at least under the laws of the States where I have established businesses, is the filing with the State authorities of the bylaws. The bylaws lay out in clear pattern the constitutional authority, if you will, of the business. It says what management can do and cannot do. It lays out the structure. Just as the Constitution of the United States says

there will be two Houses of Congress and how many Members there will be in each House, two from each State for the Senate, by population for the House, and so on, the bylaws of the business say how many members there will be on the board of directors, what the power of the board of directors shall be, and so on and so forth.

It is never contemplated in the bylaws that the organizers of the business will lay out a specific business plan. That is left up to management. The idea is always that annual projections will be made by management. Management will be held accountable. Management will have to file appropriate accounting reports. Management will have to file tax returns and do all of the other things. The bylaws of the business say how management is to operate, but never get into the specifics of the business plan.

What we are talking about here is an amendment to the bylaws. And, once again, we find a disconnect, we find an interesting paradox. We are being told, on the one hand, we cannot adopt this particular bylaw—this particular amendment to the Constitution—unless it is accompanied by a detailed business plan, stretching out for 7 years, giving to the last dollar everything that will be done.

If you were to say that to an organizer of business, “We are going to require you, before you amend the bylaws of the corporation, to give us a 7-year business plan showing how you will operate under this new amendment,” management would resign. It would say, “Under no circumstances can we live with that kind of a requirement.”

Now, what is this bylaw saying? Is it indeed a policy statement that belongs in the area of management that should be kept out of the Constitution?

We are hearing a lot of concern over the three-fifths requirement; over the requirement that Congress has to vote three-fifths if it is going to have a budget that is not in balance. And we are being told, indeed, I have been told in hearings before the Joint Economic Committee by Members who are opposed to this amendment, “No business in the world would ever adopt anything like the balanced budget amendment. No business would ever put its management in that kind of a straitjacket where a minority could block the business plan.”

Well, I said in the Joint Economic Committee, and I repeat here, I think I know something about business, and I can identify plenty of businesses who do indeed put themselves into this kind of circumstance.

Again, the analogy, Mr. President: Suppose you had a business and it adopted as one of its bylaws that the business could not go into long-term debt without the approval of 60 percent of the members of the board of directors. That would not be an unusual kind of circumstance. The shareholders would feel they would be more pro-

tected if the members of the board had to come up with not just a majority to put the corporation into debt but a supermajority to put the corporation into debt. That would be an appropriate bylaw. If it were adopted, eyebrows would not go up.

Indeed, I have served in circumstances where the board of directors did not require a supermajority before going into an area of long-term debt, they required unanimity. That is unusual, but it exists. We are not asking for that here.

We are simply saying the board of directors—in this case, the two Houses of Congress—must have a sufficient level of support to gain 60 percent of both Houses before that board of directors will allow the corporation to increase its long-term debt, a very reasonable requirement in a set of corporate bylaws.

So, once again, the arguments come in and they do not connect with each other, the first one saying, “You shouldn’t be putting anything like this in the Constitution at all.”

“Why?”

“Because this is something that is taken care of through legislation.”

And then there is the other argument, saying, “Oh, no; you should not adopt this amendment unless it has legislation in it.” The two simply do not match.

Then the statement, “Oh, you cannot adopt this balanced budget amendment until you give us all of the details.” And then, back on the first amendment, “But the Constitution is not the place where you talk about details.”

What comes through to me, Mr. President, is that these arguments that are being raised against it have the flavor of an old story that I remember where two neighbors in a frontier circumstance were meeting. The first neighbor said to the second: “I have some work to do around my place. I have dropped my ax on a rock and it cut a chip out of the blade of the ax and it is worthless to me. I would like to borrow your ax to help me break up some wood.”

The second neighbor thought for a minute and said, “I am sorry, I can’t loan you my ax. I need it to shave with.” The first fellow went away. After he was gone, the wife of the second fellow said, “What did you tell him that for? That is a silly excuse. You do not shave with your ax.” And he said “Well, I didn’t want to loan it to him because I was afraid I wouldn’t get it back. But I didn’t want to offend him so I did the next best thing.”

I think many of the arguments that are being raised are, in fact, being raised because some of the people raising them really do not want to put the Government in a circumstance where it is forced to confront the reality of a balanced budget discipline. But rather than offend their voters by being upfront about it, they are looking around for excuses like, “I’m going to use the ax to shave with.”

Now, I do not suggest that that is the case with my friend from Nevada. I think he genuinely and with good intentions supports this amendment and believes that it would, indeed, help save the Social Security system. I hope I have made it clear that it would not save the Social Security system from the things that he has suggested.

Now, Mr. President, we will address the basic question of whether or not balancing the budget makes sense. There are those who say this is one of those mirages that is always in the future and no matter how far you move toward it, you never get to it. The balanced budget will always be in the future; we will never, ever, want to do it.

I have spoken about this before, but I return to it because it is the fundamental question underlying this whole debate. As I have said, I am a reluctant convert to this debate. I am very reluctant to make changes in the Constitution. I look back on our history and say we have gone for over 200 years without a balanced budget amendment. We have done just fine. Why do we need it now?

Further, I accept the idea that it does come close to introducing legislative and policy issues into the Constitution rather than dealing strictly with fundamental law. I hear all those arguments. I am sympathetic to many of them. I come to the conclusion that we must have a statement in our basic bylaws—in our case, in our Constitution—that says we will resist the historic destabilizing influence in all democracies. The Senator from Arizona [Mr. KYL] quoted the historian who said that democracies ultimately disintegrate when the people discover that they can vote themselves largess. That is, when people discover that they can use their power in a democracy to use Government power to pay themselves more than is really there, they ultimately destroy their country.

We are not at that point yet. But we are beginning to get so far down that road that I am getting nervous. We need a statement in the Constitution that says we will not do that. Thomas Jefferson was afraid of that. That is why he raised the balanced budget amendment as an idea back in the beginning. They shied away from it. As I say, we have gone for 200 years without needing it. But we are getting there and we are getting there more and more as we go down this slippery slope to entitlements.

Mr. President, I suggest that we can have entitlements and we can have a balanced budget. The two can coexist. But it will take a redefinition of the word "entitlement" in order to get America there.

Let me share this observation that comes out of my personal experience. I hesitate to raise it, lest some misunderstand its source, but I raise it nonetheless because commentators outside of Utah who have had no religious backing to their point of view have raised it. I think, therefore, it is appropriate.

I want to talk briefly about the welfare program of the Church of Jesus Christ of Latter-day Saints, of which I am a member. We have an entitlement as members of the church under the welfare program. Any member of the church who falls in need is entitled to receive help from the church. As an official of the church, I have been involved in dispensing that help. I have seen how it works. I have given vouchers to members of my congregation who turned those vouchers into food and clothing. I have signed checks to members of my congregation who have turned those checks into rent payments or money for their children or other vital necessities in their lives.

If anything should ever happen to me, I am entitled to go before my church leaders and say, "I want some food. I want some clothing. I want some cash to take care of my shelter." I am entitled to that as a member of the church if I need it. That is the qualifying phrase to that—entitled. I am entitled to it if I need it.

Where does the entitlement come from? The same place that the Senator from Nevada spoke of—the people who pay into Social Security. I am entitled to that from my church because I have gone down to the cannery on my own, without being paid for it. I have canned peaches. I have cut up pears. I have peeled tomatoes. Frankly, I did not do it very expertly, to be sure, but I have done it, and my family has done it. I have gone to the farm out here in Maryland and I have worked on the farm and I have shoveled hay and I have shoveled what was politely called "used hay."

I have participated in the programs, and that has created for me a sense that I am entitled. I would walk in and face my Mormon bishop without a moment's hesitation and say to him, this is what has happened to me. I am in need. I am entitled to help. And I would walk out with my head held high. If I received that help I would not consider it charity. I have paid into that. I have contributed to it. I am entitled to receive it.

The difference between that attitude and what we have going on in the Government is this. What is happening to the entitlement programs in the Government is we are saying, "You are entitled to it whether you need it or not."

We are in the midst of a baseball strike. We see baseball players whose average salary is \$1 million a year. One of those baseball players could receive disability insurance even if his contract continued to pay him \$1 million a year, because under our program he is entitled to it. And because we provide it for him, we cannot provide it in the degree, perhaps, that we should to other people who need it far more.

We have reached the point where we have said, "You are going to be paid back out of your own funds in the name of entitlement programs, Government largess, if you just vote for us."

This is the pattern that has been established years ago. No one Congress is solely responsible. No one Member of Congress is solely responsible. It has built up over the years. It has gone forward over the years.

Eventually we get into a circumstance where people are saying, "I want mine. I want it now." You look at them and say, "Wait a minute, you do not need it. Why do we not save that for someone who does?" And they say, "I want it because I am entitled to it whether I need it or not."

That, Mr. President, I think, is the key to getting the budget under control. Yes, we have to cut defense. Yes, we have to get rid of the waste, fraud, and abuse in the Government. Yes, we have to have leaner and tighter departments. Yes, we have to do a whole number of things to get the Government smaller.

But if we learned nothing from the entitlement commission—and Senator KERREY of Nebraska has courageously and honestly and forthrightly portrayed this in his statements that have been reported clearly in the press—we have learned that if we do not get the overall entitlement monster under control, we will succumb to the fate that was outlined for us by that historian. Democracy fails when people discover they can vote themselves largess, and when we get in that context and in that circumstance, we are going to be in trouble.

How do we deal with it? As I say, I have come to the conclusion, after thinking it through, that the way we deal with it is to put into our basic bylaws—in our case, our Constitution—a statement that says we will not go down that road. I am not sure that if I were acting alone I would have drafted the balanced budget amendment as it is currently worded. The democratic process requires that we all get together and we get a consensus or we at least get a majority as to how it is done.

I might argue with this phrase or that phrase, but I cannot, finally, argue with the notion that it does, indeed, belong in the Constitution.

Indeed, I have come to the conviction that it belongs nowhere else, because if the Constitution is going to lay down the fundamental concepts of our country and what we believe, it is going to lay down our fundamental rights as individuals in this country and the fundamental structure of our Government in this context; it is flawed and diminished if it does not have in that list of fundamental structural patterns and fundamental rights a statement that says we will not allow the Government to spend ourselves into bankruptcy.

I can think of nothing more fundamental. I can think, as I say, of no place more logical for that statement to be than in the Constitution.

So, Mr. President, I have wandered from responding to the senior Senator

from Nevada and his amendment, which is before us, to an overall statement of the underlying resolution that is before us and given you my reasons as to why I am in support of that.

I conclude by returning to the issue that is directly before us and summarizing, once again, my conviction that adoption of the Reid amendment would create the temptation on the part of future Congresses to do the very thing that the senior Senator from Nevada is concerned about: That it would create the temptation for future Congresses to give us legislation that would raid the Social Security trust funds.

He said our successors are not bound. Absolutely our successors are not bound. Our successors might easily decide to redefine what is a survivor, redefine what is a disability benefit, redefine what is old age in such ways as to use those trust funds for virtually any purposes.

My colleague, the senior Senator from Utah, Senator HATCH, calls this a giant loophole. The senior Senator from Nevada refers to that as poppycock. I will let the two senior Senators argue that one back and forth on a semantic level, but I find myself persuaded that the language in the Reid amendment does, indeed, provide such wide latitude for future Congresses that I would come down in agreement with my senior colleague from Utah that it would, indeed, be a huge loophole through which future Congresses could drive gigantic appropriations if they were so inclined.

So, Mr. President, I leave the issue with these observations and trust that they will have contributed something to this particular debate. I yield the floor.

Mr. MOYNIHAN addressed the Chair. The PRESIDING OFFICER. The Senator from New York [Mr. MOYNIHAN] is recognized.

Mr. MOYNIHAN. Mr. President, I would like to speak briefly to the amendment that has been offered by my good friend and colleague, the Senator from Nevada, Senator REID, which states that receipts, including attributable interest and outlays of the Federal old age and survivors insurance trust fund and the Federal disability insurance fund, shall not be counted as receipts or outlays for the purposes of this article—that being the proposed amendment to the Constitution.

In what I hope will not be the outcome of this debate, which is to say the Senate approving such an amendment to the Constitution, at the very least, the Reid provision provides hope for the Social Security system. It is a slim prospect, given the extraordinary fiscal turmoil and tumult, that will follow the adoption of this proposed amendment to the Constitution. But it does declare the interest of the Congress and then of the States in the preservation of Social Security, an issue which becomes—in my time in the Senate, I have seen one fully-agreed-upon, solidly financed, well-administered pro-

gram, the most successful social program in the 20th century go from being a given to being a problem and to being problematic. We refer to it as an entitlement.

I make the point that the very able majority leader of the House, Mr. ARMEY, corrects us all when he says it is a “fiduciary responsibility” of the Federal Government, which is to say these funds are not ours to dispose of as we will. We hold them in trust. They are called trust funds.

The revenue stream will continue in surplus—cash surplus—until the year 2012, as we now expect. We can add a year, plus or minus; there is that possibility. Social Security began as a pay-as-you-go system in the depth of the 1930 depression. That you take more out of the economy than you put in seemed to be unwise and it would have been, and we had difficult consequences even so.

The 1937 recession was probably, in part, triggered by the 1935 payroll tax. But in any event, near a half-century goes by and the Social Security amendments of 1937. Seeing the peculiar demography of the baby boomers and their eventual retirement, that great increase in births that followed the long, slow level of the 1930's and the Second World War, we put in place a partially funded system. I was a member of the Finance Committee. I was a member of the committee on conference.

We put in place, Mr. President, a cash surplus which, over the period, would extend—to give you a sense of the proportion, it would buy the New York Stock Exchange. It still flows in cash surplus and will for the better part of 15 to 20 years, in prospect. So great praise and thanks to the Senator from Nevada for his effort in this regard—reserving always the point that I would like to make at some time that the amendment itself is a huge mistake that I hope we will not make.

Mr. HOLLINGS addressed the Chair. The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, let me compliment our distinguished colleague from Utah. He certainly attracted my attention when he spoke of the Mormon Church. I had the distinct pleasure, with a group of Senators, of visiting with his revered father, former Senator Wallace Bennett, to the Mormon Temple here in Washington, DC.

Various members of my staff have been members of the Mormon Church. Their dedication and hard work have been a tremendous inspiration to me. A female staffer of mine was making good money, but left to fulfill her 2-year commitment to the church by going overseas. She paid for her own transportation and, at a very young age, solicited membership for the church for 2 years. I would have hesitated allowing my daughter to do that, but she did and did it with courage and commitment.

So I have the greatest respect for the comments of the Senator from Utah,

but I do find them in some measure strange.

For example, when he claims that the Reid amendment creates a loophole by allowing Congress to redefine the word “survivor.” If that is true, can't we change what is an “outlay,” what is a “receipt,” what is an “estimate,” what is “appropriate legislation”? These phrases are already in House Joint Resolution 1, the joint resolution proposing a balanced budget amendment to the Constitution of the United States. All of the terms in the underlying joint resolution can be changed. There is no question about that.

The balanced budget amendment to the Constitution is really proposed as a sort of gun to the head of the Congress to bring about discipline. As experience has told me and much to my dismay, Mr. President, it brings about creativity.

This morning at the Budget Committee I had the pleasure of questioning the distinguished Director of the Office of Management and Budget, Dr. Alice Rivlin. I noted that Dr. Rivlin, as the Director of our Congressional Budget Office, had been the one individual who more than any other gave integrity and credibility to the budget process. She did an outstanding job then, and I think she is doing an outstanding job in the Clinton administration. But I noted that even with her watchful eye, there is a penchant in budget process for creativity.

For example, in the President's budget, the majority of proposed tax cuts are paid for by cuts in discretionary spending. Under existing budget law, tax cuts can only be offset either by tax increases or by entitlement cuts. Thus, the President's budget would cause OMB to initiate a sequester.

Additionally, the President's budget counts the sale of assets as receipts. Under procedures that the Congress uses in scoring, using assets sales to comply with pay-as-you-go laws subjects a budget resolution to another point of order.

Third, the President's budget artificially adjusts the discretionary caps upward for inflation and then claims savings by lowering the caps to their existing levels. In contrast, the Congressional Budget Office in the past has not interpreted the law in this way and may not recognize these savings.

Lastly, the reestimation of Medicare and Medicaid outlays in the President's budget seems overly optimistic. In fact, their estimate by 2000 is \$54 billion less than the level projected by CBO. In raising these issues, I am not trying to criticize the President's budget, I am merely trying to talk about the slippery game of budget estimates from a standpoint of experience.

When the distinguished Senator from Utah cites Jefferson, it brings to mind another quote by James Madison in *The Federalist Papers*. He said:

But what is government itself but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself.

Thus, 207 years ago, Madison saw the very evil that brings us to the floor of the Senate today. We are out of control. I congratulate my distinguished colleague, the Senator from Nevada, Senator HARRY REID. He brings up an important and absolutely necessary amendment to this joint resolution.

As Governor of South Carolina, I had to struggle to balance the budget. I knew in the early days that industry was not going to come from New York and invest in Podunk unless our fiscal house was in order. We had to pay the bills. I put in a device which was the forerunner of Gramm-Rudman-Hollings whereby expenditures had to be within receipts with quarterly reports to the Governor. If we failed to meet these targets, we would cut straight across the board. With this discipline, I got the first AAA credit rating of any State, from Texas right on up to Maryland.

Since then I have continued to work in the vineyards. In 1984, I ran for President on the "FRITZ freeze," as many called it. My colleague, Senator Alan Cranston, ran on the nuclear freeze. We had to tell him that down home in South Carolina, they thought that the nuclear freeze was a dessert.

The people of America know what is needed in our land. If you talk to your pollster, they scream:

"Oh, don't bring up deficits. The people don't want to hear about it. It is confusing. There's no story. They're not interested."

Thus, we have tax increases that no one wants to speak about—a tax increase of \$1 billion a day on automatic pilot. The debt has gone up to \$4.804 trillion. Before long, it will be \$5 trillion. The gross interest cost for 1995 will be \$339 billion and by next year will surpass \$1 billion for every day.

There are two things you cannot avoid. One is death and the other is taxes. As far as this Congress and this Senate and this Government goes, you cannot avoid those interest costs. They are the first thing off the table that we spend.

Incidentally, I might well mention that the gross interest cost in 1981, when President Ronald Reagan was elected, pledging to balance the budget and put us in the black in 1 year, was \$95 billion. As I said earlier, it is now in excess of \$339 billion. If you subtract it, you have \$244 billion added to the interest costs. The deficit this year has been scheduled for \$244 billion. Thus, without this tremendous overhang of debt, the Federal budget would be in balance.

The Republicans talk about promises. If the distinguished former Presi-

dent had carried through on his promise, we would not be in this pickle. He came to town and said: "Whoops, I never realized it was as bad as this. I cannot do it in a year. It is going to take 2 or 3 years." that is how we moved from 1-year to 3-year budgeting. Gramm-Rudman-Hollings pushed us out to 5-year budgets. And now, you ought to talk about creativity. Now, in the balanced budget amendment we are talking about 7 years. The next Congress will talk about 10 years.

Mister President, HARRY REID, the Senator from Nevada, has a very, very important provision here—one that sheds some light on the enormous challenges we face in balancing the budget. I started down this road of a balanced budget amendment with the distinguished Senators from Texas and New Hampshire in Gramm-Rudman-Hollings. That was a balanced budget amendment. We got a majority of the Democrats on 14 up-and-down votes to go along with the Republican leadership at that time in 1985. We reduced the deficit in the first full year of Gramm-Rudman-Hollings from \$221 billion down to \$150 billion. We were supposed to reduce the deficit further by increments of \$36 billion. But then, we began to stray from the targets until in 1990 we did away with fixed targets.

Likewise, a balanced budget amendment to the Constitution does not give discipline; it gives creativity. That is the hard experience of this gentleman.

Now, I wish to yield. I wish to hasten along because really the authority on the subject of Social Security, none other than our senior Senator for New York, Senator MOYNIHAN knows the subject intimately. He has a tremendous sense of history, which I admire.

He and I realized that many were tempted by the tremendous surpluses in the Social Security trust fund. So the distinguished Senator from New York authored, even though I offered it as an amendment, in the Budget Committee and in later in the Chamber, what we called a Social Security Preservation Act—take it off budget. In 1990, we had a vote in the Budget Committee, and the vote was 20 to 1, the 1 being my leader under Gramm-Rudman-Hollings, Senator GRAMM from Texas.

I can say advisedly I was not surprised, because I went to Senator GRAMM in the initial stages of Gramm-Rudman-Hollings when his initial proposal was to cut all entitlements including Social Security.

I said, wait a minute. No. 1, you are cutting the program that we just voted the taxes to pay for. It is paid for and is in the black. No. 2, it breaches the trust that we created in 1935 and that we have represented to the senior citizens of America. I am not going to breach that trust, and furthermore, you will not get a single Democratic vote to sequester Social Security.

We got him to change his tune on that point. But when he voted against my amendment in the Budget Com-

mittee, and when he introduced his own legislation to balance the budget, he went back to his former position. On February 16, 1993, he introduced legislation which, in one pertinent section, read:

Exclusion From Budget, Section 13301 of the Budget Enforcement Act of 1990, as amended, by adding at the end thereof the following: "This subsection shall not apply to fiscal years beginning with fiscal year 2001."

He had taken the section that I enacted into statutory law by a vote of 98 to 2 and attempted to change it in order to use the trust funds to lessen the chore of balancing the budget.

We act like we are not the Government. It is like the San Francisco 49ers coming into Miami, running up into the grandstand, and hollering, "We want a touchdown, we want a touchdown."

It is incumbent upon them to get down on the field and score the touchdown. It is incumbent on Members of Congress to stop the charades.

So, when the distinguished majority whip, the distinguished Senator from Mississippi, just 2 days ago says, and I quote, "Nobody—Republican, Democrat, conservative, liberal, moderate—is even thinking about using Social Security to balance the budget."—I say, respectfully: False.

The experience of this Senator is Members of Congress will try to find a way to use these funds. If you do not include this amendment in the balanced budget amendment, you have effectively voided the Hollings statute. That is the statute on books this minute. But I have found out the hard way now, after 5 years, that it is sometimes easier to get a statute on the books than to get people to follow it. It is like old John Mitchell, the Attorney General, used to say, "Watch what we do, not what we say." That is the situation we are in.

So I would say to my colleagues that I strongly support the Reid amendment. It is very simple. It is very clear. We have a contract, as of 1935. It is an original contract predating Speaker GINGRICH's Contract With America. We have one of Roosevelt's contracts for America, back since 1935, that we must honor.

Before I close, Mr. President, I ask unanimous consent to have printed in the RECORD this document, including the different cuts, spending cuts and receipts and all for the 7-year budget.

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.

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 USTIA	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
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

Nondefense discretionary spending cuts	1996	1997
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
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. Mr. President, I ask the Senator from Utah to come forward, or any Senator to come forward with a 1-year budget that puts us on a glide path to zero. Earlier today, Re-

publicans were berating Dr. Rivlin, the Director of the Office of Management and Budget for her lack of budget cuts in the President's 1996 budget. But back on December 18, when they were feeling real bullish, Mr. KASICH, the distinguished chairman of the House Budget Committee now, said: "In January we will really spell this out. In January I am going to bring to the floor a revised budget resolution." Further down he says: "We will provide spending savings. You already have outlined them. In the menu list we already have two or three budgets."

They did not care about President Clinton or what the Director of the Office of Management and Budget was even thinking about. And then he continues:

When that is done * * * at the same time we are going to move on the glidepath to zero * * * We will take the savings by cutting spending first and we are going to put them in the bank so nobody across the country, nobody on Main Street, no one on Wall Street is going to think we are going to do is we're going to give out the goodies without cutting government first.

So I look in the bank, in the lock box. And there is one thing I find, Mr. President. I have the lock box that the chairman of the Budget Committee referred to. But the only thing it contains so far are a pile of Social Security IOU's.

Mr. President, let us do like Madison admonished, let us begin to control ourselves. We can begin.

As President Reagan said: If not us, who? If not now, when?

I yield the floor.

Several Senators addressed the Chair.

Mr. D'AMATO. Mr. President, I know my distinguished colleague, the senior Senator from New York, is waiting to speak. I think he is going to yield me up to 10 minutes?

The PRESIDING OFFICER. The Senator from New York.