

Vegas to honor those dedicated to enhancing the quality of life for many people in the Silver State. I would like to extend my thanks and appreciation to the devoted professionals involved in this occupation for their commitment and service. Chiropractors have made many Nevadans' lives better through their practice.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION.

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

The legislative clerk read as follows:

A joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States.

The Senate resumed consideration of the joint resolution.

Mr. WELLSTONE. Mr. President, I know that my colleague, Senator KERREY from Nebraska, has come to the floor to speak.

I ask unanimous consent that, after he speaks, it then be in order to call up a motion.

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

Mr. WELLSTONE. I thank the Chair.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, this debate is about amending the U.S. Constitution. If we approve the proposal as offered by the distinguished Senator from Utah and others—as the House already has—it will be up to the States of this country to ratify or reject what would become the 28th constitutional change in 206 years.

The Constitution of the United States represents the greatest democratic achievement in the history of human civilization. It—and the self-evident truths which are its bases—has guided the decisions and the heroic sacrifices of Americans for two centuries. Its precepts are the guiding light and have been a shining beacon of hope for millions across the globe who hunger for the freedoms that democracy guarantees. It has served not only us, it has served the world, as well.

It is not, Mr. President, a document, therefore, to be amended lightly. Indeed, my strongest objection to this proposal is that it does not belong in our Constitution; it belongs in our law.

In addition to this argument, I also intend to suggest that the political will to enact changes in law to balance our budget—which was missing from many previous Congresses—now appears to be here.

In fact, I wish the time taken to debate this change in our Constitution

was instead spent debating the changes needed in the statutes that dictate current and future spending. This does not mean, Mr. President, I agree with those who have complained about the length of time we have spent on this proposal. This complaint is without merit.

This great document should not be amended in a rush of passion. It is evident from the Constitution itself that its authors intended the process of amendment to be slow, difficult, and laborious. So difficult that it has been attempted with success only 17 times since the Bill of Rights. This document is not meant to be tampered with in a trivial fashion.

As I said, the proposed 28th amendment to the Constitution is intended to affect the behavior of America's congressional representatives. In that regard, it is unique. Except for the 25th amendment, which addresses the issue of transfer of power, other amendments affecting the behavior of all Americans by limiting the power of Government, protecting public freedoms, prohibiting the majority from encroaching on the rights of the minority or regulating the behavior of the States.

This would be the only amendment aimed at regulating the behavior of 535 Americans, who the amendment assumes are incapable of making the difficult decisions without the guidance of the Constitution's hand. That theory is grounded in the assumption that Congress and the public lack the political will to balance the budget.

Specifically, the proposal contains 294 words. It would raise from a simple majority to three-fifths the vote necessary in Congress for deficit spending. It would set a goal of balancing our budget by the year 2002.

The amendment empowers Congress to pass legislation detailing how to enforce that goal, but does not itself specify enforcement measures. The only answer to the question of what will happen if Congress and the President fail to balance the budget is that nobody knows. The only mechanism our country has for enforcing the Constitution is the courts. So the amendment's ambiguity prevents the serious possibility of protracted court battles which give unelected judiciary unwarranted control over budget policy.

The proponents of this amendment sincerely believe our Constitution needs to be changed in order to force Members of Congress to change their behavior, which supporters argue they will not do because they are afraid of offending the citizens who have sent them here in the first place. On that basis there is a long list of constitutional change they should propose, including campaign finance reform, lobbying reform, and term limits, just to name a few.

Mr. President, I support the goal of a balanced budget, and have fought and am fighting and will continue to fight to achieve it. However, desirability of a goal cannot become the only standard to which we hold constitutional

amendments. Constitutional amendments must meet a higher standard.

The Constitution and its 27 amendments express broadly our values as a Nation. The Constitution does not dictate specific policies, fiscal or otherwise. We attempted to use the Constitution for that purpose once, banning alcohol in the 18th amendment, and it proved to be a colossal failure. Fundamentally, we should amend the Constitution to make broad statements of national principle. And most importantly, Mr. President, we should amend the Constitution as an act of last resort when no other means are adequate to reach our goals.

We do so out of reverence for a document we have believed for two centuries should not be changed except in the most extraordinary circumstances. We have used constitutional amendments to express our preference as a Nation for the principles of free speech, the right to vote and the right of each individual to live free.

The question before Members today is whether the need for a balanced budget belongs in such distinguished company. While I oppose this amendment, Mr. President, I understand the arguments for it. I have had the privilege of serving here for 6 years and I am entering my seventh budget cycle as a consequence. Every time the President of either party, since I have been here, has sent a budget to this body it has been greeted with speeches and promises and rhetoric about the need to balance the budget. And each time, those speeches and promises and rhetoric have been greeted with votes in the opposite direction.

Many of those whose judgment I most respect in this body support this amendment, including the senior Senator from Nebraska, whose reputation as a budget cutter needs no expounding by me. I am sympathetic. Clearly something is wrong with a system which so consistently produces deficits so large.

The question for me is not whether something is wrong, but precisely, what is wrong? Do we run a massive deficit because something in the Constitution is broken? Were the Founding Fathers mistaken in assigning the elected representatives of the people the task of setting fiscal and budget policy? And is a constitutional amendment, as opposed to a statute requiring a balanced budget, the only workable solution? If the answers to these questions were yes, then a constitutional amendment in my judgment would be appropriate. But my answer in all three of these questions, is a resounding no.

If, on the other hand, the problem lies in the behavior of the 535 individuals whose actions produce the deficit, as opposed to the document that governs it, then a constitutional amendment is both an inappropriate and ineffective means for balancing the budget. If a simple statute rather than an

amendment will work, we should leave the Constitution alone.

Supporters of the amendment note we tried statute in 1985 in the form of the Gramm-Rudman-Hollings law and that law failed miserably. Therefore, the argument goes, a more powerful tool than ordinary statute—in other words, constitutional amendment—is necessary. The assumption, apparently is that a constitutional amendment mandate would provide the legal and the political cover needed to cast the tough votes in a climate in which the political will for doing so does not exist.

But the fact is, Mr. President, Gramm-Rudman-Hollings failed not because it was a statute as opposed to an amendment, but because the political will to balance the budget did not exist in 1985. Gramm-Rudman-Hollings set deficit targets to set up on a glidepath, a term we are hearing again today, to achieve zero deficits by 1991.

The deficit target for 1986 was \$172 billion. We end up \$222 billion in the hole. President Reagan's budgets did not even meet the Gramm-Rudman-Hollings targets in that year, much less a balanced budget. And even though Gramm-Rudman-Hollings provided the legal and political cover for deficit reduction, neither Congress nor the President has the stomach for it. Now we are attempting to find in the Constitution what we could not find in ourselves.

I believe, Mr. President, that 1995 and 1985 are two very different times. I have heard the American people say loud and clear in this last November election that not only does the will to balance the budget exist, it thrives. We all know that the political will to balance the budget exists today to a much larger degree than it did in 1985. In fact, there is much more enthusiasm than existed even in 1994. The political dynamic has changed in this Congress. I believe the political will now exists to make the tough choices.

To illustrate this change, consider our attitude toward spending cuts today. A year ago when a bipartisan coalition of Senators offered and fought for an amendment which would have cut \$94 billion in spending over 5 years, the administration argued against it, saying our economy would enter a recession. But since the election, Mr. President, the same administration opponents are scrambling to propose cuts that are larger than the ones that they opposed just a little over a year ago.

There are far more Senators and Representatives today who are prepared to vote for spending cuts than there were last year. And there is evidence of a willingness to form bipartisan coalitions in the beginning to tackle the problem, including our most politically charged problem, Federal entitlements.

So I say that after the rhetoric for and against this amendment is over, let Senators get to work to show Americans we have the courage this amend-

ment presumes that we lack. While it is true that the President's recently submitted budget does little to reduce the deficit, the stomach for the tough choices does exist in this body. If the appeal of a balanced budget amendment is simply the legal or political cover it provides for the tough choice, a statutory change would provide the same cover. If the presumption behind the amendment is that the political will to balance the budget does not exist, then make no mistake, those who lack that political will can find a way to circumvent this amendment.

An amendment to the Constitution of the United States is a powerful weapon, not one to be taken lightly. This weapon can be disarmed with 60 votes in the Senate, only 9 more than it takes for deficit spending today.

And beyond all the legal maneuvers, there is no cover for tough decisions but the courage to make them. So I simply am not convinced a balanced budget amendment is necessary. It assumes a structural flaw in our Constitution that prevents the 535 Members of Congress from balancing the budget. In fact, there is no such flaw in the Constitution. To the extent such a flaw exists, it is in the 535 Members of Congress themselves, not the document that governs us.

The fact is, we can balance the budget this year if we wanted to, and we can by statute direct the Congress to balance the budget by 2002, 2003, or any other date that we choose.

Furthermore, I believe this debate is misdirected. The balanced budget amendment tells us what to do over the next 7 years but ignores the following 20, the years which ought to command our attention.

A balanced budget by the year 2002 still ignores the most important fiscal challenge we face: The rapid growth in entitlement spending over the next 30 years. The year on which we ought to be focused is not 2002, but 2012 when the baby boomer generation begins to retire and places a severe strain on the Federal budget.

Our biggest fiscal challenge is demographic, not constitutional, and the amendment before us does not and cannot address it. Unfortunately and conveniently, this demographic challenge is kept from our view, not by an incomplete Constitution, but by a budgeting process that discourages long-term planning.

The budget the President sent us tells us what to do for the next 5 years—5 years, Mr. President. The balanced budget amendment tells us what happens over 7 years. Five- and seven-year spans are completely inadequate when the most difficult budget decisions we need to make deal with problems we will face 20, 25 and 30 years down the road, when the aging of our population propels entitlement spending out of control.

The most important recommendation of the Bipartisan Commission on Entitlement and Tax Reform is that we

began to look at the impact of the budget over 30 years, rather than just 5 or 7. The reason that our country looks very different and our current budgets look very different viewed over that span is, as I said, not one of our Constitution, not, indeed, even one of our statute, but one of demographics.

We can see the trend in the short-term. The big four entitlement programs—Social Security, Medicare, Medicaid, and Federal retirement—will consume 44 percent of the budget this year. Mandatory spending will consume 65 percent. By 2000, it will be 70 percent. By 2005, the number is 78 percent. Those numbers, Mr. President, are straight from CBO. If we project further, we see that by 2012, mandatory spending plus interest on the national debt will consume every dollar we collect in taxes. By 2013, we will be forced to begin dipping into the surplus of the Social Security trust funds to cover benefit payments, a practice that will go on for no more than 16 years before the trust fund goes bankrupt in the year 2029.

These trends have nothing to do with the Constitution, political will or pork barrel politics. They have to do with the simple fact that our population is getting older while the work force gets smaller. My generation did not have as many children as our parents expected and, as a consequence, the system under which each generation of workers supports the preceding generation of retirees simply will not hold up much longer.

Indeed, long-term entitlement reform, coupled with a reasonable reduction in discretionary spending, including defense, would reduce interest rates dramatically and achieve the goal of this amendment without tampering with the Constitution.

In this context, I need to address the role of Social Security in this debate. I have heard speaker after speaker come to the floor on both sides of the issue and announce their support for this program. I agree with them all. Social Security is one of the most, if not the most, important and successful Government programs we operate. Social Security should not and, indeed, does not need to be used to balance the budget. However, we cannot ignore the fact that Social Security will start running a deficit in 2013, due, as I mentioned earlier, to the retirement of the baby boomer generation and the fact that more retirees will be drawing from the trust funds while fewer workers contribute to it.

The general fund currently borrows against the surplus, and when Social Security begins running a deficit, the decisionmaking capacity of future Congresses will be limited, because large amounts of the general fund will have to be used to repay the money we are borrowing from the trust fund today. That situation will tempt future Congresses to run Social Security in deficit if it is exempted from deficit calculations. That development would, of

course, only further jeopardize the program.

Even today, our decisionmaking capacity is already limited by the growth of entitlement spending. In 1963, a little more than 30 years ago, spending on entitlements and interest on the national debt consumed 30 percent of our Federal budget. This year, entitlements and net interest will devour 65 percent. The present budget assumes 66 percent for next year and by 2000, the number will be 70 percent.

Mr. President, that is the problem that we face. That is why we are forced year after year after year to come and cut domestic discretionary programs, whether it is defense or nondefense. The pressure is coming from entitlement programs that are consuming a larger and larger percent of our budget inexorably by the year 2013, it will be 100 percent, converting the Federal Government into an ATM machine.

The result is a question of fairness between generations. Today there are roughly five workers paying taxes to support the taxes of each retiree. When my generation retires, there will be fewer than three workers per retiree. Unless we take action now, the choice forced upon our children will be excruciating. Continue to fund benefits at current levels by radically raising taxes on the working population or slash benefits dramatically.

Finally, Mr. President, as we debate this amendment, I hope we keep our eyes on a larger prize in blind reference to the idea of a balanced budget. Our goals should, in my view, be economic prosperity. I support deficit reduction as a means to that end. Deficit reduction is important not as an abstract ideal but as an economic comparative. I believe in balancing the budget because it is the surest and most powerful way to increase national savings. And increased national savings will lead to increased national productivity which in turn will lead to higher standards of living for the American family.

There is no short cut to savings and no substitute that will get results. Increased national savings mean lower long-term interest rates and increased job growth in the private sector. The balanced budget amendment assumes that a balanced budget is always the best economic policy. A balanced budget, Mr. President, is usually the best economic strategy, but it is by no means always the best strategy for this country. Downward turns in the economy complicate the picture. Downward turns will result in lower revenues and higher spending so there will be times, although very few of them, when a strict requirement for balancing the budget harms the economy by requiring the collection of more and more taxes to cover more and more spending in an economic environment which makes revenue collection more difficult in the first place.

As I say, I believe those times are few and far between. But the Constitution is too blunt an instrument to distin-

guish between good times and bad. The American people hired us to do that job, not to cede it to a legal document that cannot assess the evolving needs of our economy.

The bottom line for me as we debate this amendment is whether it moves us toward achieving the correct goals and whether, if it does, we need to amend the Constitution to get there.

My answer to the first question is mixed. I believe a balanced budget is an important goal, but only as a component of an overall economic strategy which recognizes that skyrocketing entitlement spending is the most serious fiscal challenge we face.

My answer to the second question is more certain. I believe that once we set those goals, we can achieve them by statute or, more importantly, by changing our own behavior rather than changing the Constitution. My respect for this document precludes me from voting to tamper with it when I am not convinced that we must. This proposal for a 28th amendment does not command for me the same reverence in which I hold the 1st amendment or the 13th or the 19th and, therefore, Mr. President, while I will continue to fight for its admirable goal, I will vote no on the balanced budget amendment. I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that it be in order for me to call up motion No. 3 at the desk and that it be considered as one of my relevant amendments.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Reserving the right to object, Mr. President, if I might, it is my understanding that there are two unanimous consent requests which deal with two amendments of the Senator from Minnesota. I wonder if I might make those requests and see if they are suitable to the Senator from Minnesota, and we can proceed in that manner.

Mr. WELLSTONE. Mr. President, that will be fine with me.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. WELLSTONE. I do.

UNANIMOUS-CONSENT AGREEMENTS

Mr. KYL. Mr. President, I ask unanimous consent that Senator WELLSTONE be recognized to call up his motion dealing with homeless children; and that time prior to a motion to table be limited to the following: 45 minutes under the control of Senator WELLSTONE; 15 minutes under the control of Senator HATCH; and that following the conclusion or yielding back of time, the majority leader, or his designee, be recognized to table the Wellstone motion; and that that vote occur at 3 p.m. today.

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

Mr. KYL. Mr. President, I ask unanimous consent that immediately fol-

lowing the disposition of the Wellstone motion dealing with homeless children, Senator WELLSTONE be recognized to call up his filed motion No. 2, and that time prior to a motion to table be limited to the following: 45 minutes under the control of Senator WELLSTONE, 15 minutes under the control of Senator HATCH, and that following the conclusion or yielding back of time the majority leader or his designee be recognized to make a motion to table the Wellstone motion, and that vote occur in the stacked sequence to begin at 3 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MOTION TO REFER

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, I thank the Senator from Arizona and I thank the Chair.

Mr. President, let me for my colleagues—

The PRESIDING OFFICER. Will the Senator suspend for just a moment while the clerk states the motion, please.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] moves to refer House Joint Resolution 1 to the Budget Committee with instructions to report back forthwith House Joint Resolution 1 in status quo and at the earliest date possible, to issue a report, the text of which shall be as follows:

"It is the sense of the Committee that in enacting the policy changes necessary to achieve the more than \$1 trillion in deficit reduction necessary to achieve a balanced budget, Congress should take no action which would increase the number of hungry or homeless children."

Mr. WELLSTONE. I thank the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the clerk. The motion is self-explanatory, it is very reasonable, and it is very important.

What this motion says is not that we should delay the vote on the balanced budget amendment. We will have that vote. This is not a part of that constitutional amendment at all. This is just simply a motion which says we will go on record through the Senate Budget Committee that in whatever ways we move forward to balance the budget, whether this constitutional amendment is passed or not—there is really no linkage here—we will go on record, and I would like to again now go through the operative language, it is the sense of the Senate to the Budget Committee:

That in enacting the policy changes necessary to achieve the more than \$1 trillion in deficit reduction necessary to achieve a balanced budget, Congress should take no action which would increase the number of hungry or homeless children.

That is what this motion says. One more time, it is not an amendment to this constitutional amendment. It does not put off the date that we vote on this amendment. I simply ask that the Senate go on record through the Budget Committee that if this amendment passes or even if this amendment does not pass, we will take no action which would increase the number of hungry or homeless children.

Mr. President, I have been in the Chamber from the beginning of this session with just this amendment which has received, I think, 43 votes. I do not understand why the Senate is not willing to go on record on this question.

Mr. President, this motion is essentially a statement by the Senate; it is a request to colleagues, Democrats and Republicans alike, that we speak boldly and we speak directly, as we understand children are the most vulnerable citizens in this country.

Every time I hear one of my colleagues talk about how we have to reduce the deficit—and by the way, sometimes people get confused between annual deficit and this huge debt we have built up—and that we cannot put this deficit on the shoulders of our children and our grandchildren, the best thing we can do for the children of our Nation is to balance the budget, I say to myself, fine, I agree. I am a father. I am a grandfather. But what about the vulnerable children in the United States of America today?

Why cannot the Senate go on record—it is a sense of the Senate—that we certainly understand as we go forward with deficit reduction we will not do anything which would increase hunger or homelessness among children in our Nation. Is that too much to ask? What possibly could be the reason for voting no?

Senators are talking about how we have to balance the budget for the sake of the children of the future. How about the lives of children living now? How about children right now who happen to be among the most vulnerable group in this Nation?

The context is important. The Food Research and Action Center in 1991 estimated that 5.5 million children under 12 years of age are hungry at least one day a month in the United States of America. Second Harvest estimated that, in 1993, emergency food programs served 10,798,375 children. The U.S. Council of Mayors found that, in 1994, 64 percent of the persons receiving food assistance were from families with children. Carnegie Foundation, late 1980's—68 percent of public schoolteachers reported that undernourished children and youth are a problem in school. By the way, I talk to teachers in Minnesota who tell me the same thing.

Children are among the homeless in this country and indeed families with children are a substantial segment of the homeless population. The U.S. Council of Mayors estimates that, in

1994, 26 percent of the homeless were children, based upon requests from emergency shelters. That is a pretty large percentage of the homeless population. And, in 1988, the Institute of Medicine estimated that 100,000 children are homeless each day.

Mr. President, what does it mean that children are hungry? In comparison to nonhungry children, hungry children are more than three times likely to suffer from unwanted weight loss, more than four times as likely to suffer from fatigue, almost three times as likely to suffer from irritability, and more than 12 times as likely to report disease.

Mr. President, let me discuss the context one more time. I have been in this Chamber from the beginning of this session with this basic proposition, either in amendment form, or now, in the most reasonable form possible; as just a motion, a sense of the Senate that would go to the Budget Committee. It is not a part of the constitutional amendment. This motion merely has us going on record that as we move toward a balanced budget, which we are all for as well as deficit reduction, we are not going to take any action that would increase the number of hungry or homeless children in America. Will the Senate not go on record supporting this?

I hear Senators say that they are going to make these cuts; that is the best thing they can do for our children and our grandchildren. What about these children? One out of every four children in America is poor.

Children's Defense Fund came out with a study last year—this data is accurate and I wish it was not. I wish this was not the reality. One day in the life of American children, three children die from child abuse. One day in the life of American children, nine children are murdered. One day in the life of American children, 13 children die from guns. One day in the life of American children, 27 children, a classroomful, die from poverty. One day in the life of American children, 63 babies die before they are 1 month old. One day in the life of American children, 101 babies die before their first birthday. One day in the life of American children, 145 babies are born at very low birthweight, less than 5.5 pounds—yet the House of Representatives yesterday voted to block grant and cut Women, Infants and Children programs. Cut nutrition programs—that was the vote in the House yesterday.

One day in the life of American children, 636 babies are born to women who had late or no prenatal care. One day in the life of American children, 1,234 children run away from home. One day in the life of American children, 2,868 babies are born into poverty. One day in the life of American children, 7,945 children are reported abused or neglected. One day in the life of American children, 100,000 children are homeless.

I hope my colleagues are not bored by these statistics. These are real peo-

ple. These are children in the United States of America. These children, all of these children, are our children.

Moments in America for children? Every 35 seconds a child drops out of school in America. Every 30 seconds, a child is born into poverty, every 30 seconds a child is born into poverty. Every 2 minutes a child is born low birth weight. Every 2 minutes a child is born to a woman who had no prenatal care. Every 4 minutes a child is arrested for alcohol-related crime. Every 7 minutes a child is arrested for drug-related crime. I have given this figure before: Every 2 hours a child is murdered and every 4 hours a child takes his or her life in the United States of America.

Mr. President, I received a letter from Ona. I do not use last names because I never know whether citizens want to have their names used or not. Ona is 8.

My name is Ona and I go to public school and I'm 8. My class has 26 kids in it and only three of them, Iman, Jasmin, and me bring lunches to school. Twenty-three kids in my class depend on the school lunch and now you want to cut those programs. Which do you think is more important, cutting the debt or having poor helpless children having nothing to eat? Senator, that's not right because almost my entire class depends on school breakfast and school lunch, and if you cut these programs they will starve. How do they explain to a starving child, oh, we are cutting the debt. It will be good for you.

She is 8 years old. How come my colleagues do not get this?

How do they explain to a starving child, oh, we are cutting the debt. It will be good for you. Life is already hard enough for us with pollution, crime and disease. I hope you change your mind.

Ona, you do not have to ask me to change my mind. And she is so right.

Some of my colleagues say this is just a scare tactic. Prove me wrong. I will give you a chance at 3 o'clock today to prove me wrong. "This is just a scare tactic." Who is kidding whom? Look at the headlines:

"House Panels Vote Social Funding Cuts."

"Republicans Trim Nutrition, Housing."

Washington Post, front page story:

House Republicans, wielding their budget-cutting axes more forcefully than at any time since taking power, yesterday proposed slashing some \$5.2 billion of spending approved by previous Democratic Congresses * * *.

Included in the lengthy list of cuts voted out by five appropriations subcommittees during a hectic day of meetings were rural housing loans, nutrition programs for children and pregnant women * * *.

Let me repeat:

* * * nutrition programs for children and pregnant women, spending on urban parks, and assistance to the poor and elderly for protecting their homes against the cold.

That is right. They want to eliminate LIHEAP, Low-Income Home Energy Assistance Program. I have spent time with families in Minnesota—it is a cold weather State—who depend on

LIHEAP. You are going to cut their energy assistance so they have a choice between heat or eat?

It is time to get a little bit more real with people in this country about what this agenda translates into. Another headline, "House Panel Moves To Cut Federal Child Care, School Lunch Funds." Washington Post, Thursday, February 23, 1995.

I have been saying that this would happen from the beginning of the session and I have had people on the other side of the aisle say we are not going to do that. "We care as much about children as you do." Prove me wrong. You get a chance to vote on this today.

The article reads:

After a full day of beating back Democratic amendments to restore the programs or soften their impact on welfare recipients, Chairman William Goodling said his committee will complete work today on a bill that will abolish the school breakfast, lunch and other nutrition programs for women and children and replace them with a block grant to the States.

The Republican measure would freeze the amount of money given to States for child care at \$1.94 billion a year, the current level. Representative George Miller [who is right] charged that because the number of needy children is expected to increase, the freeze would cut off child payments for more than 377,000 children in the year 2000.

By contrast, funding for the school lunch and nutrition programs would be allowed to grow by \$1.87 billion over 5 years. But committee Democrats said this was grossly inadequate and would fall \$5 to \$7 billion short of what is needed.

It is block granted but it is bait and switch. It is block granted with cuts and, in addition, it is no longer an entitlement. So during more difficult times such as recession, if there are additional children who now need the assistance, those who are receiving assistance will have their assistance cut or some will be cut off the support. It is simple.

"House Moves To Cut Federal Child Care, School Lunch Funds."

"House Panels Vote Social Funding Cuts, Republicans Trim Nutrition, Housing."

Including the Women, Infants, and Children Program.

I have had some colleagues say to me this is just a scare tactic. But it is not. Because this is precisely where the cuts are taking place.

Mr. President, may I have order in the Chamber?

The PRESIDING OFFICER. The Senator will suspend until the Sergeant at Arms has restored order in the galleries, please.

The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I wish that I did not have to come to the floor with this motion.

I wish that this was not real. But the evidence is crystal clear. All you have to do is look at the state of children in America today. They are the most vulnerable citizens, the most poor. I am just saying to my colleague, can we not

go on record that we are not going to pass any legislation or make any cuts that will increase hunger among children?

Then I look at what has happened on the House side. They are cutting nutrition programs—the very thing that my colleagues over here said we will not do. And what people now say is do not worry about the House. The U.S. Senate is a different body, and it is. We are more deliberative. We do not ram things through. We are more careful. But now what I have to say to some of my colleagues is two or three times I have come to this floor and asked you to please go on record that we will not do anything that would increase hunger or homelessness among children. And each time, you voted no.

Mr. President, The Children's Defense Fund that reported on where this balanced budget amendment will take us—I do not have the chart I usually have with me. But, roughly speaking, if you include in this package the baseline CBO projections plus tax cuts, which do not make a lot of sense when you are trying to do deficit reduction, broad-based tax cuts, plus increases in the Pentagon budget, it is about \$1.3 trillion that needs to be cut between now and the year 2002.

Mr. President, if Social Security is off the table—and it should be—if you are going to have to pay the interest on the debt and if military spending is going up, then it is pretty clear what is left. When you look at what has been taken off the table and what has been left on the table, it is crystal clear that you are going to have to have, about 30-percent cuts across the board. It may be that veterans programs will not be cut 30 percent. I hope not. But you basically have higher education; you have Medicare and Medicaid; you have veterans; and you have these low-income children's programs.

Yesterday in the House, they are talking about cutting the Women, Infants, and Children Program, and the school lunch program. They are talking about eliminating the low-income energy assistance program. That is for low-income people in cold-weather States like Minnesota. I visited with those families. These issues are real to them.

But when Senator FEINGOLD and I came out on the floor of the Senate last week, and we had a very reasonable motion, that the Senate would go on record through the Budget Committee that we will consider \$425 billion of tax expenditures, many of them loopholes, deductions and outright dodges for the largest corporations and financial institutions in America, they voted it down.

So I understand what the Children's Defense Fund understands, that on present legislative course, this is where we are heading: By year 2002, 7.5 million children lose federally subsidized lunches, 6.6 million children lose their health care through Medicaid, 3 mil-

lion children lose food stamps, and 2 million young children and mothers lose nutritional assistance through the WIC program. This is a very destructive way to ensure that our children are not burdened by debt.

May I repeat that? This is a very destructive way of assuring that our children will not be burdened by debt, to cut into the very nutrition programs that benefit children right now who are so vulnerable in the United States of America, all for the sake of making sure that our children in the future are not burdened by debt.

I wish my colleagues were as concerned about the children right now as they are about the children in the future.

Mr. President, I might ask the Chair how much time I have remaining.

The PRESIDING OFFICER. The Senator from Minnesota has approximately 20 minutes remaining.

Mr. WELLSTONE. I thank the Chair.

Mr. President, if the Senator from Utah is interested in responding, then I will yield the floor for a moment and reserve the rest of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague.

Mr. President, I ask unanimous consent that Senator BYRD be recognized to call up his amendment No. 301 following the remarks of Senator HOLLINGS today, and that time prior to a motion to table be limited to the following: 45 minutes under the control of Senator BYRD, 30 minutes under the control of Senator HATCH, and that following the conclusion or yielding back of the time, the majority leader or his designee be recognized to make a motion to table the Byrd amendment, and that vote occur in the stacked sequence beginning at 3 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATCH. I thank you, Mr. President. I thank my colleague from Minnesota.

Mr. President, we are now—let me take a few minutes—in our 25th day since this amendment was brought to the floor. Twenty-five days have expired since we started debating the balanced budget amendment. As you can see, I have added one more day, the 25th. This red line all the way from there over to here happens to be the baseline of \$4.8 trillion, which is our national debt. It is \$18,500 for every man, woman, and child in America, plus it is going up every day. Each day that we have debated this balanced budget amendment, I just want the American people to understand that our national debt has gone up \$829 billion. We are now in the 25th day, and our national debt has been increased since we began this debate \$2.736 billion.

I do not care who you are. You have to draw the analogy between Rome

under Nero, as he fiddled while Rome burned. Fortunately, we do have a vote next Tuesday. We will decide this one way or the other, whether we are going to put a mechanism into the Constitution that will force Members of Congress to at least look at these details and do something about it. We will make it more difficult for them to spend more and to take more. It does not stop them, but it certainly makes it more difficult.

What I have to say is that predicted opponents of the balanced budget amendment are trotting out a series of sympathetic Government beneficiaries and attempting either to exempt them from the balanced budget amendment or use them to argue against not just the amendment but indeed against balancing the budget at all.

Mr. WELLSTONE. Mr. President, will the Senator yield?

Mr. HATCH. Yes.

Mr. WELLSTONE. The Senator understands that this is a motion. It is not an amendment to the constitutional amendment to balance the budget. This has no linkage. This is simply a sense-of-the-Senate to the Budget Committee that when it comes to balancing the budget, we will go on record that we will not increase the number of hungry and homeless children. That is all this motion says.

The Senator speaks to that, and that is why I asked the question.

Mr. HATCH. I understand. This motion, in my opinion, is just another in a parade of exemptions which the opponents of the balanced budget amendment have tried to tack on. I know the Senator is sincere. I have worked with him ever since he has been here. He has a great deal of sincerity with regard to the people who are in difficulty and have difficulty, and especially the homeless. But I think, in that sense, it is just as inappropriate as the other motions that have been brought to the Senate.

Mr. WELLSTONE. Will the Senator yield?

Mr. HATCH. Yes, I will be happy to yield.

Mr. WELLSTONE. Mr. President, does the Senator understand that this is not an amendment to the constitutional amendment and, in that sense, it is not an exemption? It just simply asks us to go on record, through the Budget Committee, that we will not do anything that would increase more hunger or homelessness among children. Does the Senator understand that?

Mr. HATCH. I do.

Mr. WELLSTONE. That is all I am asking.

Could the Senator tell me, does the Senator know, during this period of time, how many more hungry or homeless children there have been in the United States of America?

Mr. HATCH. I do not think anybody fully knows.

Mr. WELLSTONE. But is it not interesting that we do not know what we do

not want to know. Why do we not know?

Mr. HATCH. I disagree with the Senator that I do not want to know. I think the Senator knows my whole career has been spent helping those who are less fortunate.

Mr. WELLSTONE. The Senator does. I certainly do understand that. That is why I asked the Senator from Utah, who is probably one of the Senators I consider to be a really good friend.

Let me ask the Senator, why is this an unreasonable proposition, given the headline "Republicans Trim Nutrition, Housing," what is going on on the House side right now, and given the fear of so many of the people that are working down in the trenches with children, that we both admire, about where these cuts are going to take place?

This is not an amendment to the constitutional amendment. This is just a sense of the Senate. Why is it so unreasonable, since we will have the vote on Tuesday—no more delay—why is it so unreasonable for me to ask the Senate to go on record that we will not make any cuts that will increase hunger or homelessness among children? Why does the Senator from Utah not support this, since he cares about this certainly as much as I do, and others?

(Mr. KEMPTHORNE assumed the chair.)

Mr. HATCH. Let me try to answer the Senator.

Mr. President, the Founders gave Congress the power to spend money. They did not go on record as being opposed to action which would increase the number of homeless children or any other budget policy issue. They understood that the Constitution establishes the processes and the procedures under which our Government operates or would operate from that point on. Which policy choices may be made under those procedures do not belong in the discussion of the great principles of our Constitution.

We are talking about a constitutional amendment that could save our country, because our country, as we can easily see, is going more and more into debt to the point where interest against the national debt is now consuming 50 percent of all personal income taxes paid every year.

Now, I know my colleague is concerned about the homeless—so am I—and so many others, from child care right on through to people with AIDS.

I testified yesterday in favor of the Kennedy-Hatch Ryan White bill, which, of course, provides money for the cities with hardcore AIDS problems. So I feel very deeply about these issues.

But I feel very deeply that those moneys are not going to be there if we keep running this country into bankruptcy. And if we think we have homeless people now, wait until you see what happens as that interest keeps going to the point where it consumes all of our personal income taxes. It is now consuming half of the personal in-

come taxes paid in America today. We are going up, as this balanced budget amendment debt tracker shows, as this debate continues. We are already up to \$20 billion, almost \$21 billion, in the 25 days that we have debated this amendment.

Now, Mr. President, I am concerned about it. Of course, we will do what we think is best for the children of America and for the homeless of America. But the least thing we can do for them is to pass the balanced budget amendment so they have a future, so that Members of Congress, most of whom are altruistic and want to do good for people, have to live within certain means, have to live within the means of this country.

You know, if you think about it, if we pass the balanced budget amendment, then I think we will have an answer to the question why a child born today will pay an extra \$100,000 in taxes over his or her lifetime for the debt that is being projected to accumulate in just the first 18 years of that child's life. And there will be another \$5,000 in taxes for every additional \$200 billion deficit.

Mr. President, our President has sent us a budget that for the next 12 years projects \$200 billion deficits a year. That is billion, with a "b." Every year that happens, these children's taxes will go up \$5,000 more. They will become more tax debt owing, \$5,000 more for each year there is a \$200 billion deficit. So if it is 12 years, that is \$60,000 more on top of the current \$100,000 they are going to be saddled with because of the way we have been handling situations.

Mr. President, most Government programs have beneficiaries with some political popularity or power or attractiveness. And that is why they receive benefits in the first place. But this kind of thinking, that we should spend for these worthy beneficiaries whether we have the money or not, is precisely why we have the colossal national debt that we do.

And I am just pointing to the balanced budget amendment debt tracker, which just shows the 25 days of increased debt, \$21 billion so far.

The power of the tax spenders has always been built on appealing to an attractive, narrow interest and that power has always outweighed the more diffused interest of the taxpayers and of our children, who cannot yet vote whose moneys we are spending in advance.

Mr. President, this is business as usual, and it is what the balanced budget amendment is designed to end. The purpose of the balanced budget amendment is to ensure that Congress takes into account increased taxes, stagnant wages, higher interest rates, and the insurmountable debt that we will leave to our children if we keep spending the money that we do not have.

The parade of special interest groups embodied by so many of the amendments which have been offered against this balanced budget amendment, including this one, is to take the focus off our children's future and put it on the short-term interest of another, perhaps worthy, special interest group. There are thousands of special interest groups in our country. I wish we had enough money to take care of all of them and to do it in a way that would give them dignity and would help them to find their own way, would empower them to be able to make something of their lives. There is no question that all of us want to do that.

But we are never going to do it—we are going to have more homeless, we are going to have more children bereft of what they need, we are going to have less of a future for them—if we do not pass this balanced budget amendment and get this spending under control.

Make no mistake, those who keep bringing up these amendments for special interest groups, who are needy and whom we all want to help, in order to kill this amendment by 1,000 cuts, I think their efforts ought to be rejected. And that does not mean that they are not sincere or they are not good people or they are not trying to do their best.

I find no fault with my friend from Minnesota in worrying about those who are homeless. I do, too. But if we are really worried about them, then let us get this country's spending practices under control so that this country's economy is strong so we can help them. I am willing to do that, and I have a reputation around here for trying.

I think the Senate should get on with its business of weighing each of the interests presented to make choices among all the worthy programs within the constraints of the revenues we are willing to raise, like reasonable economic actors.

Our problem today is, because we do not have a balanced budget amendment, people do not care how much they spend of the future of our children. They can feel very good towards themselves that they are compassionate and considerate of those who need help. But what they do not tell is the other side of that coin—that all of us are going to need help in the future if this country's economy becomes less than what it is, and it has no other way to go if we do not start getting our spending under control.

So I suggest that, in spite of the sincerity of my friend from Minnesota, we vote down this amendment, as we have had to do, in order to preserve this concept of a balanced budget in the Constitution.

This is our last chance. This is the first time in history, the first time in history, that the House of Representatives has had the guts, as a collective body, to get a two-thirds vote—which is very, very difficult to do—to pass the balanced budget amendment.

The reason they have is because of the budget-courageous Democrats and

Republicans who decided the country is more important than any special interest. And that we have to get the country under control and spending practices under control if we are really going to help the special interests, many of whom are worthy interests.

On the one hand, I commend the distinguished Senator for his compassion and his desire to help people. On the other hand, I have difficulties with those who have brought up these amendments because every one of these amendments would make the balanced budget amendment less important.

I reserve the balance of my time.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I find the remarks of my good friend from Utah to be very important. I want to come back to a couple of basic points because I really believe that the vote on this motion is a real moment of truth here.

First of all, Mr. President, this is not an amendment to the constitutional amendment to balance the budget. That is not what they are voting on.

This motion just says that we go on record we will not take any action which will increase the number of hungry or homeless children. It is that simple. I did not say we should balance the budget. I did not say we should not have serious deficit reduction. We have to make choices. It is a question of whether there is a standard of fairness. I want the Senate to go on record.

Second of all, Mr. President, my colleague from Utah talked all about the Constitution, and therefore this is no place for a discussion of hunger and homelessness among children, because it is a different order of question. I might remind my colleague that the Preamble of the Constitution says: "We, the people of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquillity, provide for the common defense, promote the general Welfare." I would think that children are a part of how we promote the general welfare. Do not tell me that being on the floor of the Senate and talking about children does not have anything to do with the founding documents of our Nation. We talk about promoting the general welfare, I assume that includes children.

The third point, Mr. President, I heard my colleague use the words "special interest" more than once. Children are special interests. We are all for the future, and we are all talking about we want to make sure that our children and grandchildren do not have to carry this debt. How about the children now?

Now, Mr. President, I do not have such a fancy chart but the facts remain. Every 5 seconds a student drops out of school; every 30 seconds, a baby is born into poverty; every 2 minutes a baby is born at low birthweight; every 2 minutes a baby is born to a mother

who had no prenatal care; every 4 minutes a child is arrested for an alcohol-related crime; every 5 minutes a child is arrested for a violent crime; every 7 minutes a child is arrested for a drug crime; every 2 hours a child is murdered; every 4 hours a child commits suicide.

I spoke about 100,000 homeless and 5 million hungry children earlier.

I hear my colleague talking about our generosity. We cannot talk about our generosity. We have abandoned many children in the United States of America. I might add we devalued the work of many adults that work with those children. That is what these statistics say. And now, rather than investing more in our children, we are cutting programs.

Three children die from child abuse; 1 day, 9 children are murdered; 1 day, 63 babies die before they are one month old; 1 day, 101 babies die before their first birthday; 1 day, 145 babies are born at very low birthweight. And I can go on and on.

Mr. President, why do we not juxtapose these figures, these statistics about children in America today, with the headlines in the Washington Post, "House Panels Vote Special Funding Cuts, Republicans Trim Nutrition, Housing"; "House Panel Moves To Cut Federal Child Care, School Lunch Funds." I do not really think my colleagues can have it both ways.

Let me get right down to the essence of this motion. We have these figures. We have the Children's Defense Fund which has been the organization most down in the trenches with children. I have State-by-State variations. I could read from every State—Idaho, Minnesota, Utah—about the projected cuts, because we know there will be cuts in these programs. We have to cut somewhere.

Now, I came on to the floor of the Senate during the Congressional Accountability Act, and I had an amendment that came from Minnesota that essentially said before we send the balanced budget amendment to the States, let Senators lay out where we will be making the cuts. It was voted down. The minority leader, Senator DASCHLE, had a similar amendment. It was voted down.

My colleagues will not specify where they will make the cuts, but when Senator FEINGOLD and I said how about oil company subsidies, pharmaceutical subsidies, or \$425 billion in tax holes, loopholes, deductions, and sometimes outright dodges, would we consider that in how we would balance the budget? No. That was the vote.

My colleague from Utah says we have to make difficult choices. That is true. I am for cutting the Pentagon budget. I do not think military contractors are in a position where they cannot afford to tighten their belt. They are not being asked to tighten their belt. Nor

are we going after tax dodges and loopholes and deductions, and we have a bidding war on tax cuts. So there we have \$1.3 trillion. We will not specify where we make the cuts, but we know what is left.

I am saying to my colleagues, we cannot have it both ways. Do not, one more time on the floor of the U.S. Senate, say to me or say to children in this country, that this is just a scare tactic. I wish it were just a scare tactic. Or this is just a political strategy to get people on record.

What I am saying to my colleagues is, is it too much to ask that we go on record saying to our Budget Committee, as we go forward with deficit reduction and as we go forward to balancing the budget which we are all for one way or the other, we go on record, we are not going to do anything that will increase hunger, homelessness among children? Know why my colleagues will not vote for this Mr. President? Because that is what we are going to do.

The reason my colleagues will not vote for this is because that is precisely what we are going to do.

I do not understand for the life of me why I cannot get the U.S. Senate on record on this very fundamental basic question. We cannot go forward with deficit reduction. I do not want to let colleagues say he is just doing this motion because he is not in favor of deficit reduction. That is not true. I voted for huge deficit reduction. I want to see all sorts of cuts. I would like to see the oil companies tighten their belt. I do not hear anything about that. But, no, I do not want to see the most vulnerable citizens being hurt.

Mr. President, I have heard a couple of colleagues talk about the last election. And the people voted for change. People voted for change, but not this kind of change. There is too much goodness in the United States of America to cut nutrition programs and school lunch programs and child care programs, all in the name of deficit reduction. That is not where people in the United States of America want to see the cuts. My colleagues need to understand that.

So, Mr. President, I come out here determined because I have a real sense of trepidation. I know what is going to happen with these programs. I know the majority leader was out on the floor saying we care as much about children as the Senator from Minnesota. I know my colleague from Utah says that.

I now say prove me wrong. Prove now this afternoon that this is just a scare tactic. I want to be wrong. Prove this afternoon that this is just some political strategy. Let us go on record, Democrats and Republicans alike, that we are serious about deficit reduction, we are serious about balancing the budget, because I think we all are. And what we are going to do is go on record this afternoon, not with an amendment to this constitutional amendment—

that is not what this is. This is just simply a motion to go on record that when we make these cuts, we are not going to do anything to increase hunger or homelessness among children. I do not understand why I cannot get 100 votes for it.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE. Mr. President, if the Senator from Utah is finished with his remarks, I will be pleased to yield him some of my time if he needs it, or I will yield back my time.

Mr. HATCH. I will be happy to agree to that, to yield back time on both sides. And then the votes are to be stacked, as I understand it, beginning at 3.

The PRESIDING OFFICER. The vote is scheduled to occur at 3 o'clock.

Mr. HATCH. Then I yield back the remainder of my time.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HATCH. Mr. President, is it appropriate for me to table and ask for the yeas and nays with the understanding that the vote not occur until 3, or should we just wait until then?

The PRESIDING OFFICER. First we must announce the result of the request for the yeas and nays.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President, I move to table the amendment and ask for the yeas and nays, with the understanding that it will not be voted upon until 3 o'clock.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur beginning at 3 o'clock today.

Mr. WELLSTONE. For a few moments, I will suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HATCH. Mr. President, while we are waiting for the next amendment, let me just say a few words about the impact of the deficit on the average American.

We need to stop talking and start working on getting our fiscal house in order by passing the balanced budget amendment and working together to balance the budget.

The American people want and need us to do this. Our large national debts and the yearly deficits that help it grow hurt real people, average working people all over the country—every-

body. Continuing down the path we are on will only make matters worse for all of us and all of our children and grandchildren.

Recently, the Washington Post ran an article by James Glassman, who I believe did an excellent job of stating in an understandable way how and why the deficit hurts the average working American. He called his discussion the "Plain English Guide to the Federal Budget," and it began with the sage assertion that "big deficits can make you poor."

That is it in a nutshell, Mr. President. For all of those of you who are listening to the debate, you should know this and tell your Senators that you want them to pass the balanced budget amendment to stop making you poor. "Big deficits can make you poor." Mr. Glassman explained, "they tend to retard the growth of the private sector, raise interest rates, and weaken our economy."

That is exactly why we need the balanced budget amendment, because Congress' fiscal madness is destroying the ability of the working American to make enough money to survive.

Every year, hard-working Americans pay the price for our profligacy. The tax foundation has calculated that in 1994, the average American worked from January 1 to May 5 just to pay his or her taxes. They did not get to keep 1 cent of the money they earned until May 6. Put another way, in an 8-hour work day, the average American works the first 2 hours 45 minutes just to pay his or her taxes. This is bad enough but that is not the end of the story.

The increasing Federal debt will force us to raise taxes to astronomical rates just to keep the country solvent. The National Taxpayers Union has estimated that a child born today will pay on average \$100,000 in extra taxes over the course of his or her lifetime just to pay for the interest on the national debt which accumulates during the first 18 years of that child's life. Just think, by the time a child becomes old enough to vote, there will already be a \$100,000 tax bill looming on his or her horizon if we do not get it under control, and that is only to pay the interest on the debt accumulated in that child's first 18 years.

The National Taxpayers Union has also determined that for every year we endure another \$200 billion deficit, it costs the average child over \$5,000 in additional taxes over his or her lifetime—every year we do that. Mr. President, the budget submitted by President Clinton, as I have said earlier, projects \$200 billion deficits for each of the next 5 years, actually each of the next 12 years. By conceding defeat on deficit reduction, President Clinton is condemning every child in America just over the next 5 years to an additional \$25,000 in extra taxes—in that child's next 5 years.

When a child born this year is 10 years old, in fiscal year 2005, the CBO's conservative projections show that the

deficit will top \$400 billion, more than twice today's levels. That year alone, this child will be socked with a \$10,000 tax bill just to pay interest on the deficit—that year alone. The debt will reach nearly \$6.8 trillion or 58 percent of our GDP. Now, that is the CBO, the Congressional Budget Office, Economic and Budget Outlook for fiscal year 1996 to the year 2000.

But the bad news about the debt does not end there either. The Competitiveness Policy Council has shown that the rising budget deficits have led to a 15 percent decline in real wages in the last 15 years, and the National Taxpayers Union has further calculated that in the next 45 years, unless we get our spending under control, after-tax incomes will rise over the total 45 years by a cumulative meager \$125. That is all we will gain over 45 years is another \$125.

Mr. President, these deficits are strangling middle-class Americans throughout our country. How can people be expected to bear the burden of stagnating wages and higher tax bills and rates? We simply cannot continue blindly down this road to economic oblivion.

Why act now? Why? Because so much is riding on our vote. Next Tuesday, this is going to be the most important vote in the eyes of many in this century.

If we do not act, just think of the fate we are leaving to our future generations. As Senator DASCHLE said last Congress when he voted in favor of the balanced budget amendment, "We are leaving a legacy of debt for our children and grandchildren."

Every child born in America today comes into this world, as I have said, over \$18,500 in debt. That is what they are born with, and that is growing.

In President Clinton's fiscal year 1995 budget, it was estimated that for children born in 1993, the lifetime net tax rate will be 82 percent. The net tax rate is the estimate of taxes paid to the Government less transfers received, if the Government's total spending is not reduced from its projected path and if we do not pay more than projected. The 82-percent figure for our children stands in stark contrast to the 29 percent net tax rate for the generations of Americans born in the 1920's and the 34.4-percent net tax rate for the generation born in the 1960's. Now, that comes right out of the Clinton administration 1995 budget generational forecasting. That is this administration.

It took our Nation 205 years, from 1776 to 1981, to reach a \$1 trillion national debt. It took only 11 years to quadruple that figure. Today, the national debt stands at more than \$4.8 trillion. Citizens of other nations, like Argentina, Canada and Italy, have faced stagnant and lower living standards when their governments ran up huge debts. Our future generations face higher interest rates, less affordable housing, fewer jobs, lower wages, and a loss of economic sovereignty.

Now, we must get Government spending under control. The only way to do that is to change the way Congress does business with a permanent unavoidable rule. That rule will be the balanced budget amendment that we are debating here—bipartisan consensus, Democrat-Republican amendment. It will force Congress to consider the costs as well as the benefits of every program in the Federal Government. We will lower the unbelievable amount of Government spending and bring the deficit under control.

All other attempts to balance the budget have failed and failed miserably. We went through all of the statutes that we have tried to use. Every one of them has failed. Every year the debt grows relentlessly, sapping the life out of the American economy as it does. Under the President's latest plan, the debt will grow another \$1 trillion in the next 5 years. This is not an attempt to reduce the deficit. It is a recognition that unless we change the budget process to eliminate Congress' spending bias, it is impossible to reduce the deficit.

Mr. President, we now have the opportunity to make a historic change. We can pass the balanced budget amendment and preserve the future for our children, our grandchildren, and this country. So I urge my colleagues to support the balanced budget amendment so that we and our children will have a prosperous tomorrow. As we have said, every day while we talk about the debt, we leave our children and our grandchildren in debt a shocking amount, \$829 million each day. This must end and it must end soon.

Mr. President, let us stop talking and start acting to bring this country to fiscal sanity. Let us pass the balanced budget amendment and send it to the States for ratification and get along on this business of balancing the budget.

In just the 25 days we have been debating this amendment, our national debt has gone up almost \$21 billion, and it is going up every day right on through February 28. I am hoping there will be a liberation day February 28 when this balanced budget amendment passes, and it will be the beginning of liberation and freedom, more freedom than ever before because it will mean that Congress will have to get spending under control and live within its means over a period of time. This balanced budget amendment will be the mechanism by which we will get Congress to do that which it should have been doing all of these years.

We have only balanced the budget once in the last 36 years, and I suggest, Mr. President, that this is our time to really strike out and do what is right and liberate Americans from the crushing burden of national debt and these deficits that occur every year.

I notice the distinguished Senator from Minnesota is prepared to go ahead, so I will yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I will shortly call up my motion. I, first of all, just want, in the debate time we have, to respond to some of the words of my colleague from Utah.

Mr. President, as far as liberating the people of this country, we have, roughly speaking, a CBO baseline of \$1 trillion plus we have to cut to reach a balanced budget by the year 2002. Then for reasons that escape me, there have been proposals to raise the military budget by some \$82 billion over 5 years plus—not cut, increase. Then in addition—all of it has to do with, I guess, political popularity—there has been a bidding war on tax cuts. So what we are saying to people is we are going to balance the budget by 2002, but we are going to increase the Pentagon budget and, by the way, one of the ways we can balance the budget is by cutting your taxes more.

That is pretty amazing. But, by the way, Mr. President, this is a foolproof formula for political success in the very short term. That is to say, we can say to people in the country, "We call on you to sacrifice. What we would like for you to sacrifice by way of deficit reduction is to let us cut your taxes further." It is not surprising people say we would be pleased to make that sacrifice. Of course it does not work out that way. That adds to the deficit.

So when I hear my colleague talk about liberating people, I want to be clear. This is the credibility gap. We have heard on the other side of the aisle, roughly speaking, about \$277 billion of budget cuts, to reach \$1.481 trillion worth of cuts. That is a pretty huge credibility gap. Over and over again some of us have tried to get everybody to be honest and straightforward about where these cuts are going to take place. For a while at least a good many of us talked about how our State legislatures should know what cuts are going to be made. I was on the floor with a resolution that came from my State. The State wanted to know how these cuts would impact Minnesota. We talked about: Legislatures should know, people in the country should know. But we do not know. We are voting for this balanced budget amendment without our own Budget Committee laying out any kind of projections.

The reason I mention all this is that people may agree in the abstract but not in the specifics. For example, we have no separation of capital budget from operating budget. My family does not cash flow our mortgage. We do not cash flow the car we buy. Families separate capital budgets from operating budgets. Over 40 legislatures do but we do not.

Then in addition we were not willing to specify where the cuts would take place. We were not willing to take Social Security off the table in terms of what might be considered deficit reduction. And we are going to raise the

Pentagon budget. And we are going to have tax cuts. And we do not want to touch any of the subsidies that go to large oil companies or all the rest.

We will see whether people feel liberated. I guess the way we are going to get from \$277 billion to \$1.481 trillion is to cut Federal child care, school lunch programs, and to cut child nutrition programs. By the way, that is not what people in the country are for. There are a whole lot of other choices we can make instead. So I just want to remind my colleagues I think it is not so simple as it seems.

MOTION TO REFER

Mr. WELLSTONE. Mr. President, I now call up my motion No. 2, which has been previously filed and is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] moves to refer House Joint Resolution 1 to the Budget Committee with instructions to report back forthwith House Joint Resolution 1 in status quo and at the earliest date possible, to issue a report, the text of which shall be as follows:

"It is the sense of the Committee that in enacting the policy changes necessary to achieve the more than \$1 trillion in deficit reduction necessary to achieve a balanced budget, Congress should take no action which would result in significant reductions in assistance to students who want an opportunity to attend college."

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, this is not an amendment to the constitutional amendment. This has nothing to do with the vote Tuesday. It is not linked to this constitutional amendment, but it does make it clear that the Senate should go on record that we will take no action that will result in significant reductions in assistance to students who want the opportunity to attend college.

Just yesterday the House Appropriations Subcommittee for Labor-HHS slashed a student aid grant program, an education program for dropouts and homeless people, and the vocational education grant program. Please remember all those who signed the Contract With America have signed a document that says they intend to support cuts in student aid.

This motion really comes from my own background as a college teacher. So many of us talk about the importance of doing a good job of representing the middle class. My prior amendment dealt with hungry and homeless children. I think they are a very special interest. They do not have a lot of people lobbying for them here. But now I really am talking about the middle class. I would just like to say to my colleagues, there really is nothing more important that we could do to do well for the people we represent, including middle-class people, than to make sure, through good public policy, that higher education is affordable.

What this amendment says is we go on record we are not going to take any

action that will result in reductions in assistance to students who want an opportunity to attend college. I do not think that is too much to ask.

I was a college teacher for 20 years and I had an opportunity teaching—I guess you could say 5 generations of students. You know, you count them 4 years at a time. I had an opportunity to see how a spark of learning, if ignited, can take a student from any background to a life of creativity and accomplishment. The worst thing we could do would be to pour cold water on that spark.

We always talk about higher education as key to a successful economy, to a literate, high morale, trained work force. That is true. I also think John Dewey, the great educational philosopher, was right that higher education, for that matter K-12 education, is critical to representative democracy because we have to have men and women who can think on their own two feet, who have conceptual tools that they can use to understand the world that they live in and who understand the courses of action that are available to them to contribute to our country and to their communities.

But if you talk to families in Idaho or Minnesota or Utah or Wyoming, I know that listed among their top three concerns is how are we going to be able to send our sons and daughters on to college? I want to be very clear. I spend a lot of time on campuses and all too often I will meet students who sell their plasma at the beginning of the semester to buy a textbook. Let me repeat that. All too often I meet students who sell plasma at the beginning of the semester to buy their textbooks. All too often I meet students who are working 40 hours a week while going to school—that is not uncommon. That is why it takes many students 6 years to complete their undergraduate work rather than 4 years.

I think the nontraditional students have become the traditional students. Students are no longer out of the "Brady Bunch." They are no longer 19 years of age and living in the dorm. I think almost the majority of students are older, they have gone back to school, many of them are single parents, many of them have children. It is terribly important that we go on record that we will not take any action that could result in significant reduction to assistance to students who want an opportunity to attend college.

I do not think that is too much to ask.

I remember a gathering at Moorhead State, Moorhead, MN. A student said to me, in front of everyone, "You know, my mother and father, they told me that the college years would be the best years of my life."

Then he looked at a really crowded forum. He looked at everybody, and he hesitated, and he said, "These are not the best years of my life. I am working three minimum-wage jobs, 40 hours a week, and trying to go to school. These

don't feel like the best years of my life." This whole question of how we make higher education affordable is key to what our Nation is all about, which is a nation of opportunity for every person from every background.

The total cost of attending a 4-year public institution averages about \$7,600 a year. The average cost to go to a 4-year private institution is around \$16,000 a year. Tuition alone has increased more than 120 percent over the last 10 years.

Mr. President, today I am going to be formally requesting of the General Accounting Office that they do a study of the increase in tuition costs, the magnitude of it, and the way it affects our young people, or not so young people.

At this cost, higher education is out of reach for many middle-class families. For the 1993-94 academic year, students borrowed a record amount, \$23 billion, from federally guaranteed loan programs, and the average loan exceeded \$2,700 annually. By the way, understand that because the whole ratio of grants to loans has shifted to the loans, students graduate in enormous debt when they are getting ready to start out their life.

I feel very, very lucky. It was just a matter of accident of when I was born that I was able to go to the University of North Carolina. Above and beyond wrestling, and I think I had some academic scholarship, I was able to receive a National Defense Act low-interest loan because I was going to go into education. I did not graduate saddled with that kind of debt. But that is not the case today.

Krista—I will not use her last name—is a sophomore who will be graduating from community college and going to Mankato State University to get a B.A. She is 24 years old and married. She writes:

I do not receive State or Federal grants, nor do I receive any scholarships. In order to pay for my 2 years at a community college, I had to take out over \$5,000 in student loans. Last year, I was receiving help through the State Work-Study Program. When that was cut, I suffered again. I realize that part of education is receiving some debt and that it should not be a free ride. But neither should it be a weight tied around my neck. So I ask that whatever decision you make, you consider that many students like myself are choking with this weight.

Congress should go on record. We will not do anything that will result in significant reductions to students who want an opportunity to attend college. Is that too much to ask; that we go on record on this basic question that affects a huge, broad section of the population?

As I said earlier, the typical student these days is not the Brady Bunch kid who graduates from high school and goes straight on to college: 45 percent of the student bodies these days are over 25 years of age; 45 percent of the students are over 25 years old. In fact, nearly 20 percent of all students are

older than 35, and many of them are single parents.

Mr. President, many of them are students of color. And by the way, we want to talk about, with welfare reform, single parents being able to be on their own and going to school.

It has to be affordable. We cannot be cutting these grant programs and low-interest loan programs. But we are going to. You bet we are going to, because there is no other way we can get to \$1.481 trillion by 2002. We know it. I hear discussion about we want to take this debt burden off the shoulders of the young. What are we doing to the young right now?

Denise, from a suburb of Minneapolis, writes:

I am a 29-year-old single parent, currently enrolled as a junior at the University of Minnesota. Because of the excellent support of financial aid and other programs, I have been successfully maintaining a 3.76 GPA.

That is pretty good. That is out of 4.0.

Before returning to school, from the time my son was 6 weeks old, I worked as a medical assistant making \$9 an hour. Without the needed assistance, the rug would be pulled out from under me. I cannot make it otherwise. Don't cut grant and loan assistance that would deny me my opportunity to pursue my higher education and my dream in life, Senators.

That is what Denise writes.

Sandra, from St. Louis Park, another suburb:

I am devastated at the idea of any financial aid cuts. Not only would I need to drop out of college—I am a sophomore—but it would leave me with only two options. First, I could obtain an entry-level position; second, I could remain a public assistance recipient for awhile. At any rate, the best I could do for myself and my son in society is to maintain at the below-poverty level.

I faced these obstacles after a miserable divorce, which left me without home or money or even credit to plan for the future. I have goals not only for myself, but to be allowed to contribute and replace whatever I have used. By the time I graduate in 1997, I will be financially independent. Likewise, I am setting an example for my son to achieve independence and pride, which are invaluable to our society.

Sandra is saying to us: Senators, please, when you do your deficit reduction, and I want you to, and you go to balance the budget, whether this amendment is passed, please do not make any significant reductions in higher education programs that would deny me my opportunity to attend college.

Our Federal commitment to higher education should be strengthened, not cut. But we are going to cut it. In 1990, about 5 million students received Federal student aid under one or more Federal programs. In the 1993-94 academic year, about 3.8 million students received Pell grants, 4.5 million received Stafford loans, 991,000 received supplementary education opportunity grants, 697,000 received Perkins loans, 713,000 received Federal work-study awards, and 650,000 received State student incentive grants.

Most of this financial aid is based upon need. Pell grants are targeted to the neediest students and the campus State programs give financial aid offices the flexibility to respond to unique student needs. And they are needed. These programs help low-income and middle-income families. Of the Pell grants awarded to dependent students, those who are financially dependent on their parents, 41 percent go to students with families with incomes less than \$12,000 a year and 91 percent go to students with families of incomes below \$30,000. This is a critical lifeline program. Among Pell recipients who were financially independent, 73 percent have incomes below \$12,000 a year.

I could go on and on. Let me just assure you that all the low-interest loans and on campus work-study programs are all targeted toward students that come from low- and moderate-income families.

Mr. President, we say that we are for the young and we are for opportunity. We cannot give lie to that commitment. We have to be willing to make some investment. I just have to tell you, Mr. President, the most shortsighted thing we could do would be to now cut in these very programs.

By the way, there is a huge difference in the future of those who go to college and those who do not. I could go through the statistics. But I do not think I will because I think we all know. If you graduate from college, you have a much better chance than if you graduate from high school, a much better chance to be able to do well economically for yourself and for your family.

Mr. President, if there is anything to the American dream—I can say this as a son of a Jewish immigrant from Russia who loved books and ideas—the biggest thing in our family was that children go on to higher education; they could do better than their parents; they could have a rewarding life.

But let us be clear about it. We are going to have to cut \$1.4 trillion from the budget. We have to pay the interest on the debt. I think there is a commitment to not touch Social Security, as there should be. We are going to increase the Pentagon budget. We are going to do the tax cuts. So where else is there to cut?

If you just take what is left on the table, you would have to cut 30 percent across the board from domestic discretionary spending. I do not know whether that is going to be Medicare or veterans' benefits. It looks from the House for sure that it is going to be nutrition programs and child care programs.

I do not know whether it is going to be Pell grants, Stafford loans, what loan programs, but it is going to happen—30 percent across the board, maybe more in some, maybe less in others.

So let us talk a little bit about what this means.

Pell grants would be slashed by one-third, from a maximum of \$2,230 to

\$1,560. Alternatively, if we did not do that, we could just slash the number of students receiving Pell grants. So some 1.1 million students would not receive Federal aid at all to attend college.

Mr. President, there are proposals to no longer exempt the interest that students accumulate—I believe Chairman KASICH of the House Budget Committee said—while they are at college or university. Find out how the students in Idaho or Minnesota like that. Interest that accumulates on their loans while in school will no longer be forgiven, and then that gets added on. I think for a typical family that ends up to over \$3,000 more in interest.

Mr. President, the campus-based programs also would include supplementary education opportunity grant programs. And the contract talks about the termination of some of these programs. That is \$583 million. The work study program, that is \$616 million; and the Perkins Loan Program, that is \$176 million. If these programs are cut, that is a \$1.4 billion cut in financial aid.

So, Mr. President, let me go back to this motion. Let us be straightforward. Are we going to, in balancing this budget, put into effect deep cuts in a Pell Grant Program which right now is hugely inadequate in relation to those students that need this grant assistance? Are we going to put into effect deep cuts, 30 percent or more, in needs-based, work-study or low-interest loan programs? Is that what we are going to do?

Well, Mr. President, my motion just simply says that we go on record, a sense of the Senate that we will take no action that would result in significant reductions in assistance to students who want the opportunity to attend college. That is what this motion says.

Mr. President, might I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 25 minutes remaining.

Mr. WELLSTONE. Mr. President, there are other Senators here. I do not know whether they want to speak on this or not. I have more to say on this.

I think the Senator from Wyoming wants to respond.

Let me just reserve the remainder of my time.

The PRESIDING OFFICER (Mr. ABRAHAM). Who yields time?

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I greatly appreciate that from my friend from Minnesota.

I have listened with great interest. I yield myself 11 minutes of the remaining time of the floor manager and would share with my colleague from Minnesota that I had not intended to come by, but I was moved by his comments. His remarks were very heartfelt. They were very sincere. I have no doubt that he speaks from the heart

when he expresses these concerns about the Nation's children, and that has been the subject of the morning's activity.

The reason I came here, Mr. President, is that all of us share these passions, all of us share these pent-up feelings. And yet those passions and feelings led me to almost precisely the opposite conclusion reached by my friend from Minnesota.

I look at our Nation, I look at our Federal budget, and I see the injustice done to America's children. I see a Federal Government that spends 11 times as much per capita on the elderly as we do on the children. I see a Government unresponsive to the needs of children. We see these poverty rates for children surpassing poverty rates for any other group. I am completely in agreement with the Senator from Minnesota when he decries the diversion of national resources from the children.

But I will tell you what is happening to children in this country. What is happening is we have gone from a society that used to channel its resources toward the young into one which channels resources away from them. If you want to know why we do not devote the proper share of resources to our children, it is very simple. It is because of exploding spending in other parts of the Federal budget is paralyzing our ability to make proper choices.

Here is a statistic, and I shared it the other day: In the year 2013—and this scenario was agreed to by 30 of the 32 of us on the Entitlements Commission—due to the growth in entitlements, every penny of Federal revenue under current law will only be sufficient to fund entitlements and interest on the debt.

That is not a dry statistic. It means something. It means this country is depriving itself of the ability to make decisions how to provide for transportation, education, and child nutrition.

All of this leads to one issue. What are we going to do with Social Security, Medicare, Medicaid, and Federal retirement? This is not about defense or spending on highways or education. It is about writing checks from one generation to another.

Some powerful statistics have been shared by the Senator from Minnesota. May I share just a few of my own. Here is one: The national debt is 48,000 bucks per taxpayer. Assuming 100 million taxpayers, that will soon be 50,000 bucks a taxpayer, with a national debt of \$5 trillion.

Children now come into life owing that when they are born. That is the burden we place on them. We pay more than \$200 billion a year to finance the debt. What could that do for child nutrition, for vaccination, for education? It is not there. It is gone. Went out the window. An interest payment.

Also, I do not find the argument compelling that we should simply give up on a balanced budget amendment and continue to add to that burden. And we will always give up, because we will

come to this floor and vote for everything our constituents ask us to bring home. We are like pack horses. They just load us with requests for funding, and we come out here and we load the money home.

Here is another statistic for you. The elderly make up 12 percent of the Nation's population. What percent of the Federal entitlement spending do they receive? The answer is 60 percent. Not 60 percent to the most needy population group—children—but 60 percent going to this other relatively smaller group, the 12 percent of our country who are senior citizens.

And here is one for you. If you are a millionaire, a millionaire over the age of 65, these are the various Federal entitlements you can receive. You can get Social Security, Medicare, an extra tax deduction, senior nutrition programs, and other subsidies under the Older Americans Act. That is if you are a millionaire—and those keep coming after you receive your entire lifetime contributions in Social Security back, plus interest.

We act around here as if there are no consequences to what we do. I wish I had not served on the Entitlements Commission, and yet I am very pleased I did. I admire Senator KERREY and Senator Danforth so very much.

So the reaction from everybody I talk to is, "Well, OK, I do have some ideas. Where are they? Why don't we means test part B premiums so that a millionaire pays as much for the benefit as the working class taxpayer?"

On, no, we could not do that. What are we going to do when two people are paying in and one person is taking out of the Social Security system? How long do you think people are going to stand still for that?

So the inevitable result of shoveling so much of our Nation's resources in the direction of one politically organized, powerful voter group—the seniors—is precisely why we are here in this situation.

It is a situation where there is nothing left for the children. That is precisely why we must stand up to the endless pressure to lavish entitlement benefits even on wealthy seniors. I am not talking about needy seniors portrayed as foraging out of garbage cans in alleys, but whether upper income beneficiaries should receive those ever-increasing Government benefits.

I implore the body to free itself from illusions about our Federal budget situation. We cannot hold entitlement benefits for the wealthy sacrosanct on one day—when they now make up the majority of the budget—and come on hard the next to decry the lack of help for our children. That simply does not add up.

In the year 2040 what fraction of the national payroll taxes will be needed simply to support two programs, Social Security and Medicare under current law? The answer is 38 to 53 percent before we collect a penny of income tax.

Anyone truly concerned about the welfare of the children should come

here and explain why we should fail to means test Medicare part B, why we should give full Social Security COLA's to millionaires—when COLA's were never part of the original contract. Remember these are the programs sucking it up. So, explain that to our children, why we should continue to do this to them.

When I am joined by Senators who are ready to do this kind of work, I will feel more heartened in the cause. Then I guess there is another thing. I heard the letters read, and they are poignant.

Let me tell you one from real life. My wife's father worked on the railroad in Greybull, WY. He died when she was 16. Her mother and the two other children had only their home. So their mother went to Laramie, the home of the University of Wyoming, and became a house mother at the Kappa Sig house. My wife Ann and her twin sister Nan worked their way all the way through college. So did their brother Rob. The sisters worked as waitresses, and they worked as cabin girls at dude ranches. She bought all of her own clothes and necessities, worked for everything she obtained, and earned all of her own money, and never thought of herself as a victim. It is called going to work to achieve something you can achieve.

Now we have an entire country waiting for the Federal Government to make them whole. And we can all read stories like those shared. It is now a nation of victims. The greatest victims are the children, and the greatest reason for that is because there is not one on the floor who will take on the senior citizens of America who—regardless of their net worth or their income—are pulling the temple down.

I have no further remarks at this time. I reserve the remainder of the time for Senator HATCH.

Mr. WELLSTONE. Mr. President, I would like to respond to my colleague from Wyoming.

Part of the reason I have so much respect for the Senator is because of his directness. I must say to my colleague, at the moment I find myself in profound disagreement with his remarks.

First of all, given what the Senator from Wyoming has said, he ought to support both of these motions. It sounds like we are in agreement on at least one part of the equation. I really appreciate the fact that he has come out here and said that there is a huge disconnect between our rhetoric and the speeches we give and our support of young people.

I think the Senator from Wyoming has been clear about that. In a sense I think he would be supportive especially of the first motion—that is No. 1—which makes it clear when we sort out these priorities and make the tough decisions, the most vulnerable citizens are the homeless and hungry children. There is nothing the Senator from Wyoming said that would prevent him

from supporting that motion. Everything he said, I think, would make him want to support that.

Second of all, my own view about these deficits and this debt that we have built up, is that I at least can say that when we went back to the early 1980's and decided that we would go forward with what President Bush once called voodoo economics, what was called euphemistically, the Economic Recovery Act, huge tax cuts for the wealthiest, dramatic increases in the Pentagon budget. And remember, all of that was going to lead to productivity and jobs—this was the Laffer curve—and it would reduce deficits.

It did not work out that way, did it? We really got ourselves into a mess. I was not here during that time. We have to work ourselves out of that mess. I must say I think the 2002, I think that the direction we are going in right now does not add up.

Now, Mr. President, getting back to the issue here. I appreciate my colleague's concern about children because before I was told that I was out here for the special interests. I think children are a very special interest. I disagree that our only choice is between older people, elderly citizens and the children.

My colleague said this way, now we get to the stereotype of the greedy geezers that are out there in the golf courses living high on the hog.

Mr. President, I believe—and it is off the top of my head—that the average income of a man 65 years of age and over is \$15,000 a year. For a woman, it is \$8,000 a year. Now, Mr. President, that is hardly the profile of these older people, that they are the problem.

I was at a gathering in Rosedale, Fairview Senior Center, the other day. I think it was a very interesting gathering. I asked the people there—and of every gathering of senior citizens—what are the top three issues you care about. They always put children at the top. We are talking about the children and the grandchildren of the elderly in this country.

It is not true that the elderly are so wealthy and have such high incomes. I would say to my colleague here that if we want to talk about why there should be a subsidy on part B Medicare for older people making incomes of \$100,000 a year and over, I agree. The problem is there are not very many older people that make \$100,000 a year and over. It just is not true.

Senator Hubert Humphrey from Minnesota said the test of a society and a government is the way we treat people in the dawn of life, children; the way we treat people in the twilight of their lives, the elderly; and the way we treat people in the shadow of their lives, those struggling with an illness or a disability and those who are needy or poor. I believe that.

The choices are not between our going on record that we will not do anything that will increase hunger or homelessness among children, or going

on record to do anything that would cut programs that enable people to be able to go on and afford higher education, versus we have to cut benefits for the elderly across the board.

Mr. President, there are other options. We did not need to get into this bidding war on tax cuts. But we have. And the projections on that—and again I am speaking off the top of my head—I believe it was \$500 billion, up to 2002 and then another \$700 billion beyond. Going in the opposite direction of deficit reduction.

I would say to my colleagues, if you are so concerned about deficit reduction, why are you talking about these broad-based tax cuts? Mr. President, there are other choices. It is not children versus the elderly. I do not accept this tradeoff. I do not believe a rigorous analysis supports this tradeoff. We do not have to be increasing the Pentagon budget. We could be cutting it.

I cosponsored a bill with Senators BUMPERS and BRADLEY that dealt with about \$30 billion in military cuts over 5 years based on some GAO studies of some wasteful weaponry. Weapons and programs that make no sense. But the military contractors are not being asked to tighten their belts.

Finally, Mr. President, let me just say two other things. First, Senator FEINGOLD and I have examined a book from the Joint Tax Committee, I say to the Senator from South Carolina, it must have been this thick on tax expenditures, some of which go back before 1950, some of which are necessary, but many of which are just outright tax dodges for corporations in America, and the U.S. Senate would not vote for a motion that said we should at least consider some of these subsidies.

And, second, even though we do not need to get into the debate today about single payer, which the General Accounting Office and Congressional Budget Office said would save over \$100 billion in expenses every year with universal coverage, I must remind my colleagues that the big entitlement programs that are skyrocketing are health care programs, but the insurance companies did not like that. I introduced a bill that dealt with the Medicare entitlement program, but rather than cut it, it was a way of really being able to afford these programs.

So let us not have some false choice in dichotomy out here on the floor that a Senator from Minnesota can only come out here fighting for children and fighting for affordable higher education if that Senator from Minnesota is willing to say, "We've got to have deep, drastic cuts in programs that support elderly citizens in this Nation."

No. 1, it is not true that they have such high income and wealth, and they are all greedy geezers out on the golf course. That is a cultural stereotype and, two, those are not the only choices. I just outlined four other options, none of which are being considered.

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

The PRESIDING OFFICER. Sixteen minutes.

Mr. WELLSTONE. Mr. President, let me make one other point and then I will yield the floor to the Senator from Montana, reserving, after that, the remainder of my time.

Mr. President, let me one more time focus attention on these two motions. The first motion is a motion to refer to the Budget Committee a sense of the Senate that when we do deficit reduction and balance the budget that we are not going to do anything to increase the number of homeless and hungry children. This is not an amendment to the constitutional amendment to balance the budget at all. It does not say the vote on the amendment is put off. It is separate. It just says when we do the deficit reduction and move forward to balancing the budget—all of us are in favor of doing that; not all are in favor of this constitutional amendment—that we go on record that we are not going to do anything to increase hunger and homelessness. I say to my friend from South Carolina, part of reason I do this are these headlines: "House Panel Moves to Cut Child School Lunch Program," "House Panel Trims Nutrition Programs and Housing Programs," the WIC Program.

The second motion is very similar. It is not an amendment to the constitutional amendment to balance the budget. It is just a sense of the Senate that we go on record "that we take no action that would result in significant reductions in assistance to students who want an opportunity to attend college."

My colleague from Wyoming talked about how he heard me read some letters from students in Minnesota and he thought too many students were viewing themselves as victims. I do not think that is what the students are saying.

The alarm clock has gone off, students and young people in the country; it is time to get engaged because you need to understand there are going to be deep cuts on the present course in Pell grants and low-interest loans, not in a lot of other areas that I mentioned. The only way you are going to be able to do something about it is to get involved in politics.

We need to have an education day all across this Nation, within the next month, where all congressional delegations are called back home—Democrats and Republicans alike—and meet with younger people, college students, high school students, teachers, parents in which we need to go on record as to whether or not we are or are not going to support affordable higher education.

They are not feeling like victims, I say to my colleague from Wyoming, Mr. President. That was not the point of those letters. What those letters were saying is, we want you to do a good job of representing us, and we believe that one of the most important

issues for us—and I hear it from the parents as well—is to make sure higher education is affordable. Of course, we are willing to contribute; of course, we do, but we feel like that is some thing that is a part of what this country is about: Affordable education. That is all that meant. That is all this motion is about.

Mr. President, I yield the floor to the Senator from Montana, after which I will reserve the remainder of my time.

Mr. BAUCUS. Mr. President, I wonder if I can have 6 minutes of the time of the Senator from Minnesota.

Mr. WELLSTONE. That will be fine.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as in morning business for the purpose of introduction of a bill.

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

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. BAUCUS pertaining to the introduction of S. 465 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BAUCUS. I thank the Chair, and I deeply thank my good friend from Minnesota for so graciously yielding the time.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank my colleague from Montana for his fine work.

Mr. President, I wonder whether or not the Senator from Utah might want to respond. We will wait for just a moment.

I do not think, Mr. President, there is any reason to repeat arguments, but I wish to wait for my colleague.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, again, I understand what my colleague is trying to do, but I just have to say, well, here we go again, another exemption. We have already seen various proposals to exempt veterans, Social Security, homeless children, capital expenditures, and here is another one, college tuition. When will it end? I suppose next Tuesday it will end.

Mr. President, these are all very important groups. I feel very deeply about all of them collectively myself. But all these proposed exemptions demonstrate exactly what the problem is. We cannot reduce the deficit because there is no incentive to do it. Every time we try, somebody brings up another exemption that they want to take care of or another special interest group, all of which have merit, all of which have meaning. But that is why we need a balanced budget amendment—free from special interest exemptions and loopholes—to get this country's fiscal house in order.

The balanced budget amendment that we propose here is a bipartisan consensus, Democrat-Republican amendment that we have worked on for

decades. We have brought a vast majority of people in both Houses together on it. For the first time in history, the House of Representatives has passed it by the requisite two-thirds vote. It has not been easy. Everybody knows that. But what it does is it sets rules within which we will have to set priorities.

This debate about priorities, it seems to me, should wait until after the balanced budget amendment passes. Then we will get serious about the priorities that have to be made. No one wants to harm anyone who relies on governmental assistance—nobody, least of all this Senator. None of us does. But we must make choices among priorities, and we must make these choices among priorities within the constraints of our resources. We no longer can afford to just throw money at everything. Priorities are going to change from year to year. So every year after we pass this amendment, every year we will debate priorities. Some are going to fare very well, as you know—in fact, most all of them will. But the fact of the matter is we will have to debate them, and we will have to set fiscal constraints for the first time since I have been here, and to me that is pretty important. I think it is to anybody who looks at it.

However, that debate will only come after we pass this balanced budget amendment. It is the only way. I think almost everybody knows that here.

Now, the distinguished Senator, for whom I have great feeling as a person, as a compassionate individual, is arguing for some pretty good interest groups here. He is arguing for some good exemptions. On the other hand, no exemption is good if it takes away from somebody else, if it makes it more difficult to help others who may be just as needy, if not more so.

The best way to handle this is with a balanced budget amendment that sets a mechanism in place, that shows us how to do it and has a rule to it and reason to it that makes us make priority choices. It is the fair way to do it. It is the only way to do it, and that is what this balanced budget amendment does. So I hope our colleagues will vote for the balanced budget amendment next Tuesday. I do hope we will vote down these two motions to defer because I think they just point out more than anything else, or at least as much as the other amendments why we need a balanced budget amendment.

I am prepared to yield back the remainder of my time if the distinguished Senator from Minnesota is.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. If I might respond, I must say that the Senator's last remark makes me extremely nervous, when he states these motions—again, these are not amendments to the constitutional amendment to balance the budget—these motions really make the

case for why we need a balanced budget amendment.

The Senator said a little earlier that no one wants to hurt the most vulnerable citizens, so I do not know why a motion that we go on record as we move to balancing the budget we are not going to do anything to increase hunger or homelessness among children makes the case for a balanced budget amendment.

My colleague from Utah keeps talking about these exemptions, and I just would say to my colleague, if the proponents of this amendment would have provided some detailed analysis as to where we are going to make the cuts, then I would not have to be in the Chamber saying let us at least go on record we are not going to do this to children or we are going to make sure that higher education is not affordable, let us make sure of that. If there was a detailed analysis, there would be no reason for any of us to come out to the floor to make these motions.

There is no detailed analysis. We have tried over and over again to get Senators to step up to the plate. They have been unwilling to do so. The credibility gap is huge—so far I have heard \$277 billion of budget cuts outlined by my colleagues on the other side of the aisle. That takes us a little bit toward \$1.481 trillion, not very far.

Mr. President, I have to say one more time the Senator from Nebraska [Mr. KERREY] said it well. We can go forward every single year with more deficit reduction. I voted for I think the largest deficit reduction we have had probably in the last decade and a half. I stepped up to the plate and we can do much more on deficit reduction and we can balance the budget. I do not know that it can be done in 2002. I think that is an unrealistic date. I think it is a political date. But we absolutely have to do it.

Mr. President, you do not need to have a balanced budget amendment in the constitution, locking us into all these cuts without telling anybody in the country what we are going to do in order for us to step up to the plate every single year and do the necessary deficit reduction.

I might add, there is another deficit. There is an investment deficit, especially in education and children and young people. We can do that now.

Finally, I do not understand this discussion about special interests. My view is that, yes, children and young people are very special interests. But, I say to my colleague, it simply is not the case—I hope he is not arguing: Look, the reason we cannot vote for these motions is we know we are going to make cuts in this area because we have to make cuts in this area if we are going to balance the budget.

That is not true. We do not have to make cuts in these areas if we are going to balance the budget. Mr. President, \$420 billion of tax expenditures—we do not have to raise the Pentagon budget, we do not have to do all the tax

cuts. There are lots of other ways to balance the budget as opposed to focusing on the young, focusing on education, or focusing on the most vulnerable citizens.

My final point. The reason I have been so insistent today on the floor of the Senate about these motions—and I am going to wear my political science hat for a moment; I am a political scientist—is my sad but true judgment that all too often the actual deficit reduction and cuts are made based upon the path of least political resistance. Those citizens who do not have a lobbyist, do not make the large contributions, are not the heavy hitters, are not the big players, are the very citizens who are asked to tighten their belts. The very citizens we ask to tighten their belts are the very citizens that cannot.

I have been out here saying we ought to consider cutting subsidies for oil companies, subsidies for pharmaceutical companies, all sorts of other subsidies for large corporations and financial institutions and the silence on the other side of the aisle has been deafening. It has been voted down.

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

Mr. WELLSTONE. I would be pleased to.

Mr. HATCH. I think the Senator makes a good point, but it is a good point for the balanced budget amendment, that if there are subsidies to large corporate America and other entities that he disagrees with, we will have to look at those. That is why I think, to be honest with you, we need the balanced budget amendment.

Is my colleague prepared to yield back his remaining time? I am, too.

Mr. WELLSTONE. I have about 15 seconds left.

Let me be clear. Neither of these motions say anything about voting for or against the balanced budget amendment. I hope my colleagues will support me on the question if the choices we have to make are we are not going to take any action which would increase the number of hungry or homeless children and we are not going to make higher education not affordable for young people who want to go on to colleges and universities. That is all it says. It is a sense of the Senate. We ought to be able to vote for that right now, advocates for the balanced budget amendment and those who are opposed.

I yield the remainder of my time if I have any time to yield back.

The PRESIDING OFFICER. Time is up.

Mr. HATCH. Mr. President, I yield the remainder of my time and I move to table the amendment and will ask for the yeas and nays with the understanding that the vote will be at another time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, let me acknowledge my respect and friendship for the distinguished Senator from Utah. He has worked hard on this issue, but I rise today to speak out against the particular language in section 7 of the amendment that includes Social Security revenues in its definition of receipts.

I have supported and would continue to support a balanced budget amendment to the Constitution if we did not have to breach the contract of 1935 with respect to Social Security.

Taking Social Security out of deficit calculations is not just another attempt to carve out exemptions. There are no special taxes for education. There is no special tax for women, infants and children feeding. There are no special taxes for law enforcement. However, the Social Security tax is exclusively levied for the benefit of future recipients.

So the matter of excluding Social Security funds from deficit calculations should not be confused or distorted. In 1983 we received the Greenspan Commission report and increased FICA taxes on middle America. If we had come at that time and said: These taxes will be used to pay for defense or welfare or foreign aid, that legislation would have been killed immediately. If you said these taxes were going to be used for the deficit, people would have said: "Wait a minute. We are talking about the Social Security deficit. We are not talking about the overall Government deficit."

Mr. President, I voted three times for a balanced budget amendment to the Constitution and have worked as hard as anyone to get the bills paid. It has not always been easy, but I am quite willing to stand on my record. In the 104th Congress, the very first bill passed was designed to put the Government under the same rules and regulations that the average citizen has to abide by.

In that regard, Mr. President, many of the laws that we enact here in Washington require Americans to tell the truth. As part of the statutes of the United States, we have the Truth in Fabrics Act, the Truth in Furs Act, the Truth in Lending Act, the Truth in Lending Simplification and Reform Act, the Truth in Mileage Act of 1986, the Truth in Negotiations Act for Military Procurement, the Truth in Savings Act, the Truth in Securities Act, and others as well. But, much to my chagrin, the fact of the matter is that we do not have a Truth in Budgeting Act.

Like Fred Astaire, we tap dance all around a particular issue with fancy dance steps until we are left like an octopus that is cornered—with nothing left to do but to squirt out the dark ink of confusion and escape to the next election.

I graduated from truth in budgeting and I know the issue. As a young Gov-

ernor elected back in 1958. I was only 36 years of age, and we were the second lowest per-capita income State. I realized at that particular time that no one was going to invest in Podunk. To attract investment and create jobs, we had not only to pay our bills but we had to guarantee they would stay paid. To do it, we raised taxes. I could hear all of the arguments bandied about: It falls on the middle class; it is the regressive; we have a poor State, and shouldn't be raising taxes.

But I was not granted the luxury of choice. I had to raise taxes and suffer the consequences. That in part led to my defeat in 1962 when I ran for the Senate. But in public life, I think you ought to lose a good election like that. It is the most instructive lesson you can learn. I remember that election better than the six times since that I have been elected to the U.S. Senate.

But as Governor of South Carolina, I had a little provision that intrigued the folks at Standard & Poors and Moody's. We had put in a rule that required the comptroller to issue a certificate to the Governor for each quarter that the expenditures were within the revenues. If the books were not in balance, the Governor was required by law to cut spending straight across the board. The bond agencies said, "We had not heard of that." They called me a few weeks later and said that South Carolina would qualify for a AAA credit rating.

While some may think that a constitutional amendment is an iron-clad guarantee, I know from hard experience that such is not the case. We have an amendment to the South Carolina Constitution that was enacted in 1895 that says, in effect, "The budget shall be balanced." It was a constitutional provision quite similar to what we are debating, but it was honored more by violation than by conformance.

Specifically, with respect to truth in budgeting, there is an old legal maxim that he who seeks equity must do equity. He who comes in the court of equity must come with clean hands. I have asked my colleagues to show me their plan to balance the budget. But in seeking this equity, I have also done equity. I have put in my own so-called budget, which I proposed in January. I have put it in the RECORD several times and would now ask unanimous consent that it again printed in the RECORD.

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

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

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

Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again.

Reality No. 3: We should hold the line on the budget on Defense; that would be no savings.

Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

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

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 95 (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 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.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Nondefense discretionary spending cuts	1996	1997
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	0.1
Eliminate EDA	0.02	0.1
Reduce Federal rent subsidies	0.1	0.2
Reduce overhead for university research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Dept. funding and end misc. activities	0.1	0.2
End P.L. 480 title I and III sales	0.4	0.6
Eliminate overseas broadcasting	0.458	0.570
Eliminate the Bureau of Mines	0.1	0.2
Eliminate expansion of rural housing assistance	0.1	0.2
Eliminate USITA	0.012	0.16
Eliminate ATP	0.1	0.2
Eliminate airport grant in aids	0.3	1.0
Eliminate Federal highway demonstration projects	0.1	0.3
Eliminate Amtrak subsidies	0.4	0.4
Eliminate RDA loan guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate untargeted funds for math and science	0.1	0.2
Cut Federal salaries by 4 percent	4.0	4.0
Charge Federal employees commercial rates for parking	0.1	0.1
Reduce agricultural research extension activities	0.2	0.2
Cancel advanced solid rocket motor	0.3	0.4
Eliminate legal services	0.4	0.4
Reduce Federal travel by 30 percent	0.4	0.4
Reduce energy funding for Energy Technology Develop.	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 interstate and other technical assistance programs, women's business assistance, international trade assistance, empowerment zones	0.033	0.046
Eliminate new State Department construction projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and other international exchanges	0.119	0.207
Eliminate North-South Center	0.002	0.004
Eliminate U.S. contribution to WHO, OAS, and other international organizations including the United Nations	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	0.208	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

Nondefense discretionary spending cuts	1996	1997
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
Eliminate 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	36.942	58.407

Kasich spending cuts and others. And you will see there are 110 of them here, amounting only to \$37 billion in the first year and \$58 billion in the second year. This 2-year projection is important because it underscores the fact that the Congress will have to have further cuts next year and each year thereafter to stay on the glide path. Thus, the reality is that you are not going to balance the budget from spending cuts and growth alone.

Aversion to higher taxes is usually a necessary, healthy impulse in a political democracy. But when the alternative becomes self-evidently threadbare and groundless, as has the growth argument, we are no longer dealing with legitimate skepticism, but with what amounts to, in the words of David Stockman, "a demagogic fetish."

We will have to do the best we can on spending cuts. We will have to freeze spending. That is what President Clinton had in his budget along with spending cuts of \$144 billion.

We will have to close tax loopholes and prevent the transitional rule crowd from putting in \$200 million for airlines out in St. Louis. That provision was part of GATT but had nothing to do with international trade. We have to curb such practices and tell the American people the truth.

I once took a lie detector test, but the after first question—I flunked. They asked a question, and I started my answer, "Well, in my humble opinion," and the needle just went right off the chart. Luckily, the fellow gave me a second chance and after 2 hours I passed.

Well, here we go with the truth. We have to have taxes. This predicament did not develop overnight. President Bush was a good man but he was misled on the critical need to bring the deficit under control. I made my own efforts appearing before the Finance Committee and introducing a value-added tax for the deficit and debt.

Today, with a 5-percent value-added consumption tax and \$1.2 trillion in spending cuts over 7 years, we can put Government back into the black by the year 1999 and start paying off our \$4.8 trillion debt. You do not have to wait for the year 2002.

I have just been informed that the proponents of the constitutional

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, the 49er's did not go to the Super Bowl in Miami last month, take their seats in the grandstand there in the Joe Robbie Stadium, and start shouting, "We want a touchdown, we want a touchdown." They got down on the field and they scored the touchdown.

Similarly, we are the Government, and now it is our duty, our responsibility to act.

When we tried to move the ball downfield 2 years ago with the largest deficit reduction package in our history, we could not get a single vote on the other side of the aisle in the House and in the Senate.

Likewise, when those on the other side of the aisle start to criticize the President by saying—"Where's his courage? He's waving the white flag," it is truly the pot calling the kettle black.

(Mr. KYL assumed the chair.)

Mr. HOLLINGS. Mr. President, it is high time we had some truth in budgeting.

Look at the record that I have made here of some 110 proposed spending cuts, eliminations, or retrenchments of different programs. You will see the savings that it gives in 1996 and 1997.

I struggled, taking some of the CBO cuts, the Concord Coalition cuts, the

amendment have the votes. Assuming that to be true, people tell me, why don't you go along now and save your record? Mr. President, I want to save my record. That is why I am talking. We have a record of a contract started in 1935. We have a record of a trust. I want to save that record.

Mr. BYRD. Would the Senator yield?

Mr. HOLLINGS. Mr. President, I yield.

Mr. BYRD. Mr. President, I do not believe they have the votes yet. They may have them in the final analysis but I do not believe they have them yet.

Mr. HOLLINGS. Mr. President, I will try to move along so the distinguished Senator from West Virginia can be heard here.

Mr. President, we need truth in budgeting. We should tell the American people that the big lie in the land is the slogan "I'm against taxes" because the simple fact is that we are raising taxes \$1 billion a day through interest payments on the gross Federal debt.

When the Simon amendment came up in 1993, I was not an original cosponsor, but I had supported the amendment in 1986. I voted for the Simon amendment believing at the time that the Hollings amendment passed in 1990 which took the Social Security trust fund off-budget excluded these funds from deficit calculations. When my amendment passed the Senate by a vote of 98 to 2, I believed, as similarly asserted by the distinguished majority whip, Senator LOTT, that: "Nobody, Republican, Democrat, conservative, liberal, moderate, is even thinking about using Social Security to balance the budget."

But Mr. President, unbeknownst to me, just 13 days before the vote, Senator GRAMM of Texas, who has been a leader on budget matters, introduced a bill to balance the budget. Later on in the year, I had my staff scrutinize it; they found this particular provision which I wish the Senator from Utah would listen to this:

Exclusion from budget, section 13-301 of the Budget Enforcement Act of 1990 is amended by adding at the end thereof the following: "This subsection shall apply to fiscal years beginning with fiscal year 2001."

I found this provision particularly interesting because back on July 10, 1990, Senator GRAMM had been the lone dissenting vote when I introduced the Hollings amendment to take Social Security off-budget.

I ask unanimous consent at this particular time that rollcall vote in the Budget Committee be printed in the RECORD.

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

1990 HOLLINGS MOTION TO REPORT THE SOCIAL SECURITY PRESERVATION ACT

The Committee agreed to the Hollings motion to report the Social Security Preservation Act by a vote of 20 yeas to 1 nay:

Yeas: Mr. Sasser, Mr. Hollings, Mr. Johnston, Mr. Riegle, Mr. Exon, Mr. Lautenberg, Mr. Simon, Mr. Sanford, Mr. Wirth, Mr. Fowler, Mr. Conrad, Mr. Dodd, Mr. Robb, Mr.

Domenici, Mr. Boschwitz, Mr. Symms, Mr. Grassley, Mr. Kasten, Mr. Nickles, and Mr. Bond.

Nays: Mr. Gramm.

Mr. HOLLINGS. Having voted against my amendment in the Budget Committee, having proposed to amend section 13301 of the Budget Enforcement Act, I said, "Heavens above, I better start checking this thing." I soon recognized that the Constitution preempts statutory law, and that the amendment to take the Social Security Trust fund off-budget would be constitutionally repealed by the language of this balanced budget amendment.

John Mitchell, the famous Attorney General of the United States under President Nixon, said, "Watch what we do, not what we say." And what do they do? When I argue about these things, I go right to the author of that particular Simon balanced budget amendment. I refer to the Monday, February 20, roll call, by the distinguished Senator from Illinois and I quote:

One paradox is that some Democrats during the Senate debate that is now underway are offering amendments that would imperil both the balanced budget amendment and Social Security by taking Social Security off the budget. These waivers are being offered in the name of protecting—

That is a true statement, they are offered to protect Social Security.

* * * Sponsors of these amendments have an argument that is superficially popular.

We are not trying to make it popular; we are trying to make it law.

Opening a Social Security loophole in the balanced budget amendment also invites abuse by future Congresses undermining confidence in the integrity of Social Security.

Now, my dear colleagues, who is opening a Social Security loophole? It is open right now. It is right there. What section 7 does is create the loophole. Whoever votes for this language is opening the loophole. "Invites abuse by future Congresses." Mr. President, I am not talking about future Congresses. I am talking about this present Congress that is willing to abuse the Social Security trust now. I have told them time and time again, you have HOLLINGS' vote if you put in the Social Security trust fund exemption.

That is clear as a bell. They know it. But they think they have the votes. My distinguished colleague from West Virginia thinks otherwise. I hope he is right.

My friend, the chairman of the Budget Committee, Senator DOMENICI of New Mexico, and the former Senator of New Hampshire, Warren Rudman, of the Concord Coalition, are both on the Strengthening of America Commission and have put out a proposal to balance the budget. Remember John Mitchell. "Watch what they do, not what they say." Here is what they say in their plan. I quote:

The goal of the plan is to balance the unified budget without using the Social Security surplus by the year 2002. America would

then be saving its Social Security surplus, helping to avoid a fiscal train wreck 25 years from now when the general fund must begin repaying the Social Security trust fund. Continuing to divert Social Security surplus to fund current spending instead of building up reserves for the future is bad fiscal policy and bad social policy.

Mr. President, when the same gentleman took to the floor here last week and, he instead talked about including supplementary security income under the rubric of Social Security. He noted that under the law, SSI is administered by the Social Security group. True. However, he further claimed future Congresses might include SSI outlays as part of the Social Security trust fund.

Now, we live in the real world. Any Senator who is fool enough to try and finance welfare with Social Security trust funds would make a quick exit from the political scene. They will not need a term limitation bill to be passed. He would be run off the floor of the Senate or House of Representatives. I do not believe he could get a single cosponsor or Senator to support him. But even if he did, he would have to get 60 of them because a 60-vote point of order would lie against such a change.

I read here where the distinguished Senator from New Hampshire—and I read here from a release. It is reported about their particular news conference last week, talking about Senator Tsongas, former Senator Tsongas, and former Senator Rudman, and I am just reading the report. I will give you the quote.

Both former Senators emphasized the need for Social Security to remain on the table in the budget cutting process.

Now, that is the report. And here is the quote from Senator Rudman.

"To try to fool the American people by setting Social Security aside is delaying the inevitable," said Rudman, who added that protecting entitlement spending from cuts would result in the need for "unworkable" cuts in the nondefense discretionary spending and aid to state and local governments.

Here again they raise the straw man. We are not talking about fooling anybody about the inevitable. We are talking about the fraud that is being exacted on the people of America, and particularly people paying into Social Security this minute. The young woman who is paying in now, her money will be spent under Section 7. Then when she gets eligible in the year 2020, 2025, they will have to tax her a second time.

I quoted earlier from Senator Rudman. Let me now quote from the other co-founder of the Concord Coalition, Paul Tsongas, who was even harsher. And I quote:

"Those who vote to exempt Social Security are voting to kill the balanced budget amendment," said Tsongas, co-founder of the Concord Coalition and anti-deficit Group. "They are putting their own reelection ahead of the future of their children and grandchildren."

Who is putting their future ahead of the children and grandchildren? Anybody who votes for section 7 of the present balanced budget amendment joint resolution proposal, that's who. They are the ones, "putting their own reelection ahead of the future of their children and grandchildren."

I have worked in the vineyards for a long time trying to restore the discipline of a balanced budget in the U.S. Government. I obtained it at the State level. I voted for it in 1968-69 when we called over to Marvin Watson and we cut \$5 billion more. Do you know the entire budget in 1968-69, for the Great Society, for the war in Vietnam, was \$178 billion? Now we are up to \$1.6 trillion. But we gave Richard Milhous Nixon not only a balanced budget but a \$3.2 billion surplus.

I got together with Senator Harry Byrd in 1978. We put into law the Byrd amendment which was later amended by the Reagan crowd. We took Social Security off-budget under President Bush, and now they are asking me to repeal that law by voting for section 7 of the balanced budget amendment.

No way. The Social Security surplus is now almost \$500 billion. By the year 2002 we are supposed to have a \$1 trillion surplus. But instead, we keep spending it for foreign aid, for welfare, for all these other things that you can possibly think of in the budget except Social Security.

Here is Robert M. Ball. I ask unanimous consent that this entire letter be printed in the RECORD.

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

ROBERT M. BALL,

Alexandria, VA, January 5, 1995.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HOLLINGS: Last month the Entitlement Commission, appointed jointly by the President and the Congress, held its final meeting without coming to agreement, but with many Commissioners issuing statements of their individual views. I have been and remain greatly concerned about the misinformation about Social Security that has accompanied discussion of this last meeting and which persistently accompanies so many discussions of Social Security financing. Since most of my career has been devoted to Social Security policy and administration, I feel obligated to do what I can to set the record straight.

First, a word about my experience. I was U.S. Commissioner of Social Security under Presidents Kennedy, Johnson, and Nixon, and after leaving government I have continued to give advice on Social Security to both the Congress and the Executive Branch. I was a member of the statutory Advisory Councils in 1979 and 1991 and am a member of the current Advisory Council that is now studying the program and that will report its findings and recommendations later this year. I was also a member of the small negotiating group from the Greenspan Commission which worked out the agreement with the White House that led to the 1983 Amendments.

The Entitlement Commission looked at many programs in addition to Social Security, and frequently in its presentations

lumped everything together, but it also, correctly, made separate proposals and separate cost estimates for Social Security. There was a consensus that Social Security was adequately financed for a long time, but not for the full 75 years for which the estimates are traditionally made. What the Commission did not say, however, is equally important.

The Commission did not find that Social Security benefits would have to be drastically cut or contribution rates greatly increased to bring the program into long-run balance. True, some Commission members talked this way, one referring to Social Security as "unsustainable," and the plan proposed by Chairman Kerrey and Vice-Chairman Danforth would, over time, have resulted in benefit cuts of over 40 percent for workers earning the average wage (partly offset by a compulsory government saving plan, also included in their recommendation). Such drastic cuts were necessary in their plan because they nearly doubled Social Security's estimated shortfall by cutting the employee contribution, and then, in addition, greatly over-financed the program, using the surplus to show a smaller deficit in the rest of the budget.

But at the same time that Senators Kerrey and Danforth submitted their preferred plan, they demonstrated that Social Security could be brought into long-range balance with much more moderate changes. The alternative they presented to the Commission avoided any contribution increases and brought the program into balance entirely by benefit cuts. Over the long run, cuts for the average worker would have reached 15 percent. Had they depended partly on contribution rate increases (which would not have been necessary until some 25 years from now), the benefit reductions, of course, could have been cut in half, or reduced even more.

Four points about Social Security financing are critical for an informed debate about Social Security's future:

First, Social Security is adequately financed for the next 20 to 25 years and consequently, as has been indicated by the President and the Congressional leadership, no changes in Social Security are needed for the next few years. However, it would be desirable soon thereafter to balance estimated income and outgo over the whole 75 years for which the estimates are made.

The Trustees of the Social Security funds estimate that the funding provided under present law will produce a continued build-up in the Social Security Trust Funds until about 2020 when the official estimates start to show a decline in the funds and later on a shortfall. Although there is plenty of time to await studied consideration of the best course of action (including the recommendations to be made by the current Advisory Council), it would bolster public confidence in the program to put in the law soon changes to be effective later that would eliminate the estimated long-run deficit.

Second, there are many ways of bringing Social Security into long-range balance within the principles of the program and avoiding most of the 15 percent benefit cut in the Commission Chairman's "modest" alternative.

One way to produce balance, at least theoretically, would be to: (a) accept the Commission staff's estimate of the saving to Social Security of an expected Labor Department correction of the Consumer Price Index (CPI). (This alone reduces the long range deficit by a third); (b) credit Social Security with the proceeds of the 1993 tax increase on Social Security benefits, just as the earlier taxing provisions credited the proceeds to Social Security. (Adding this saving to the CPI correction cuts the deficit in half.) In

the 1993 change, the proceeds went to the Hospital Insurance Trust Fund because the Budget rules would have required 60 votes in the Senate to increase income for Social Security; and, (c) schedule a contribution rate increase in 2020 of one percent of covered earnings each for employers and employees. (This change would eliminate the other half of the deficit.) Such a rate increase is not trivial, but is easily supportable—offsetting only about 9 percent of the growth in earnings projection between now and then.

Because the effect of the change in the CPI is uncertain, and the saving in the staff estimate so large, I have attached an illustration showing another way the program could be brought into long-range balance with modest changes and without relying on savings from the CPI revision. Of course, there are many ways of combining more benefit cuts with lower contribution rate increases than in the illustration, including raising the first age at which full retirement benefits are paid from the presently scheduled 67 to, say, 68. The point here is simply that the alarmist rhetoric used by some Entitlement Commission members about the need for major cutbacks in Social Security is completely unjustified.

Third, the estimates of long-range Social Security costs and of the proposals for change take full account of the retirement of the baby boomers.

It is now commonplace among journalists to assume that the decline in the number of contributors per beneficiary, which begins about 2010, will cause enormous problems for Social Security as future workers face an "impossibly large burden of support for retirees." But this new rate does not come as a surprise, and its effect has been included in the Trustees' Social Security cost estimates and in the estimates for the Social Security changes discussed here.

Stepping back from considering Social Security financing alone, and looking instead at the basic economic question of the burden of support of dependents, we find no problem at all. In estimating the ability of a workforce to support dependents, what counts is the ratio of all non-workers, old and young, to the active workers producing the goods and services on which all must depend. As the following numbers indicate, the total dependency burden will never be as high as it was in 1965 when the baby boomers were children.

Dependents—both those 65 and over and those under 20—per 1,000 active workers

Year:	
1965	946
1990	700
2010	652
2040	791
2070	828

As economist Frank Ackerman has observed, "If we could afford to live through the childhood of the baby-boom generation, we can afford to live through their retirement."

(4) The widespread belief that Social Security is contributing to the current budget deficit and has caused part of the rise in the national debt is just wrong.

Since 1937, when Social Security first collected earmarked contributions from employers and employees, \$4.3 trillion has been paid in and \$3.9 trillion has been paid out, including administrative expenses (now running at one cent for each dollar of benefits). This leaves a balance of about \$400 billion, just about right today for a contingency reserve.

Social Security is a contributory program supported by deductions from workers' earnings, matched by employers (and to a small

extent by taxation of Social Security benefits). As part of Social Security's financing plan, the contribution rates are now producing surpluses and will for many years. However, it would be bad policy if in order to reduce the general deficit, Social Security were called on to build greater surpluses than needed to finance the program. Flat-rate earmarked deductions from workers' earnings are justified as a way of paying for specified social insurance benefits, but not as a substitute for the general taxes needed to pay for other government services. Cutting Social Security benefits to help meet the budget deficit while imposing higher contribution rates than needed for Social Security financing would be unfair and would certainly lack public support. As the Commission concluded in its Interim Report, any savings from Social Security changes "should be used to restore the long-term soundness of the Social Security Trust Fund."

The Social Security program deserves the bipartisan backing it has enjoyed in recent years, not just because it is popular, but because it works. It is our biggest anti-poverty program, and, at the same time, it is a universal retirement, disability, and life insurance system, important to just about everyone. Social Security is keeping 15 million people out of poverty and many millions more from near poverty. Today the poverty rate for senior households is about 13 percent, approximately the same as for the population as a whole, but without Social Security, it would be about 50 percent, and public assistance paid for by the general taxpayer would be much, much larger. Social Security requires all of us—provident and improvident alike—to join with our employers in paying directly toward our own future security, and thus holds down the need for public assistance.

* * * * *

ILLUSTRATIVE PLAN TO BRING SOCIAL SECURITY INTO LONG RANGE BALANCE¹

(Figures shown are a percent of taxable payrolls)

Current estimate of long-range deficit	2.13
Extend Social Security to the one-third of State and local employees not now covered (new hires only as was done when Federal employees were covered) ²	0.23
Credit Social Security with the proceeds from the 1993 tax increase on Social Security benefits ³	0.36
Compute benefits over 38 years instead of 35 years as in present law	0.30
Tax Social Security benefits for those who have incomes above \$25,000 if single, and \$32,000 if joint income tax filers, in the same way government career pensions and private pensions are taxed (that is, to the extent benefits exceed what the worker has paid in, computed individually)	0.14
Increase the contribution rate one percentage point each, for employees and employers, beginning in 2020	1.12
Total	2.15
Interaction among the various proposals	-.02
Reduction in deficit	2.13
Deficit after changes	0

¹ Many other plans are easily developed, some reducing benefits more—for example, by raising the age of first eligibility for full benefits to 68 instead of the presently scheduled age 67—other raising contributions more—for example, by moving the effective date of a rate increase from 2020 to 2010. All sorts of combinations are possible. The current Advisory Council is studying them all and is expected to report to the President and the Congress in the fall of 1995. The point of this illustration is to demonstrate that Social Security can be brought into balance for the long run with modest benefit reduction and tax increases, all within the traditional principles of the program.

² This is the last large group of employees excluded from Social Security, and it is only fair that they should be part of our national program. There is net gain to Social Security because under present law most of these workers will qualify for Social Security based on earnings other than state and local employment and yet will be paying on less than their full earnings.

³ In the 1993 Amendments increasing the tax on Social Security benefits, the proceeds were assigned to the Hospital Insurance Trust Fund only because the Budget rules would have required 60 Senate votes to increase income to the Social Security Funds.

Mr. HOLLINGS. This is dated January 5. He talked about the Kerrey-Dan-

forth commission, the entitlement commission, and the entire letter will be printed but I refer to this sentence here.

The commission did not find that Social Security benefits would have to be drastically cut or contribution rates greatly increased to bring the program into long run balance.

Later on, I read again:

Social Security is adequately financed for the next 20 to 25 years.

I read on further:

The point here is simply that the alarmist rhetoric used by some entitlement commission members about the need for major cutbacks in Social Security is completely unjustified.

Then further on I read this sentence:

The widespread belief that Social Security is contributing to the current budget deficit and has caused part of the rise in the national debt is just wrong.

Mr. President, I will have the entire letter printed. Time is of the essence here. We have to move along. Robert Ball has worked under President Kennedy, President Johnson, President Nixon and, after leaving there he has been the chief adviser to the Social Security Administration and to the executive branch—total credibility.

I have another item. I ask unanimous consent this article in Business Week dated February 20 be printed in the RECORD.

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

[From Business Week, Feb. 20, 1995]

SOCIAL SECURITY: IF IT AIN'T BROKE, DON'T TINKER

(By Robert Kuttner)

Social Security is supposedly in long-term demographic crisis—too many retirees living longer, not enough wage earners to pay the freight. As a result, there have been calls for reduced Social Security payouts, deferred retirements, perhaps even means-testing. But a closer look at the economic assumptions behind the Social Security Trustees' Report reveals a very different sort of crisis—one that calls for different solutions.

Social Security is financed by payroll taxes. Unless we raise tax rates, growth in payroll-tax receipts will depend on growth in taxable wages. The trustees project likely annual real wage growth of just 1% per year over the next 75 years. By contrast, during the past 75 years, annual real wage growth was about 1.7%. Because of compounding, this seemingly small difference puts the economy on a wholly divergent growth trajectory. With 1% real annual wage growth, Social Security will be hundreds of billions in the red. With 1.7% growth, the system will be in the black forever.

Why the trustees' pessimism? Wage growth has indeed been dismal during the past two decades. From 1953 to 1973, annual productivity grew by 2.3%, and wages grew annually at 2%. But in the slow-growth decades from 1973 to 1993, while annual productivity grew at just 0.9%, real wages actually declined—an average of 0.2% per year.

PRODUCTIVITY

The key question is whether coming decades will resemble the fat years or the lean ones. Here perhaps is some good news. First, 1973-93 had unusual demographic trends unlikely to be repeated. Baby boomers and

women flooded into the workforce, leaving less wage per worker. Baby boomers, male and female, are now more experienced and presumably more productive workers. Women workers are now being paid wages closer to their male counterparts. On both counts, the one-time depression in wages should be reversed.

A second source of lower wages has been the galloping increase in the cost of fringe benefits. Wages are subject to Social Security taxes; benefits are not. Here again, the recent past does not predict the future. One way or another, via market forces or government regulation, the escalation in health premiums will level off. The other major fringe benefit, pensions, is already declining as a share of total compensation.

Third, many economists expect the boom in information technology to translate, at last, into higher productivity. Economic history suggests long lags between the introduction of new, productivity-enhancing technology and its broad economic diffusion. In addition, as Massachusetts Institute of Technology economist Frank S. Levy notes, the productivity gains of the 1950s showed up almost immediately in higher purchasing power because they were concentrated in consumer goods. The productivity improvements of the 1980s and '90s, in contrast, have been in producer technologies. However, as computers proliferate and information technology produces productivity gains in everything from banking and retailing to telephone service, these gains will likely yield gains in real wages, too.

MORONIC

Offsetting this optimism, however, are two other factors. First, income distribution has become increasingly unequal. If that trend continues, too few of the productivity gains will show up in pay packets subject to payroll taxation. Moreover, despite the new competitiveness and resulting low inflation, the Federal Reserve seems determined not to let the economy reach its full growth potential. But here the solution is not to wreck Social Security. It is rather to pursue policies that reverse the growing income inequality and permit greater economic expansion.

Nobody, of course, can predict the rate of wage increases 75 years into the future. As one expert working on the Social Security actuarial assumptions confesses, on deepest background: "The whole exercise, really, is moronic." During the past 75 years, we experienced one entirely unanticipated wage collapse, the Great Depression; an equally unexpected stimulus to wage growth, World War II; and a third unpredicted slowdown after 1973.

In truth, even under pessimistic assumptions, Social Security will remain nicely in balance for at least the next 20 years. Whether the system goes into the red after that depends on trends nobody can forecast with certainty. Rather than hack away at Social Security, Congress should legislate standby adjustments to take effect only if the doom-sayers prove right. We should continue to pursue economic expansion and rising wages—both for Social Security and for their own sakes.

Mr. HOLLINGS. I will just read one sentence there, by the distinguished economist Robert Kuttner.

In truth, even under pessimistic assumptions, Social Security will remain nicely in balance for at least the next 20 years.

We have the authorities. We know what is happening. But they have used this argument that Social Security is insolvent as the dark ink of the octopus in order to confuse people.

We face two arguments. One concerns discipline: Congress is never going to do it unless you put it in the Constitution. False. I ask unanimous consent to have printed in the RECORD an article that I wrote last year entitled, "From Tragedy to Farce" which addresses this issue. I ask unanimous consent to have that printed in the RECORD.

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

[From the Charlotte Observer, Mar. 1, 1994]

FROM TRAGEDY TO FARCE—IF HISTORY REPEATS ITSELF, A BALANCED-BUDGET AMENDMENT WON'T FORCE CONGRESS TO BE DISCIPLINED—JUST CREATIVE

(By Ernest Hollings)

Here's a terrific, no-pain solution to Washington's budget deficit mess. Instead of cutting spending, raising taxes and angering voters in an election year, why not zap the deficits by simply declaring them unconstitutional? Why not a balanced-budget amendment to the Constitution?

Mind you, I support the balanced-budget amendment, knowing full-well it alone won't balance the budget. What I oppose is the cynical selling of this amendment by politicians who have no intention of following through with the nasty, wrist-slashing work of actually balancing the federal budget.

Recall that Congress has passed a balanced-budget amendment once before. It was called Gramm-Rudman-Hollings. Like today's balanced-budget amendment, the 1985 Gramm-Rudman-Hollings amendment boldly promised a balanced budget in five years' time. It, too, was embraced by big, bipartisan congressional majorities and enjoyed public support. Gramm-Rudman-Hollings cut the deficit to a low-water mark of \$150 billion, but was later gutted by a succession of budget summits. The deficits exploded once again.

LESSONS OF A CRACK-UP

A wise man once observed that history repeats itself, the first time as tragedy and the second time as farce. The balanced budget amendment could prove to be the ultimate farce unless we learn from the mistake of the past. As a veteran of the Gramm-Rudman-Hollings crack-up of 1990, I offer the following lessons.

Follow the money. The deficit this fiscal year, \$223 billion, is nearly the same as when we began the Gramm-Rudman-Hollings exercise in 1985. The difference is that, after eight years of steady economizing, we have already strip-mined the easy budget cuts. What's more, Congress last year took the unprecedented step of imposing a hard freeze on discretionary spending for the next five years. A balanced-budget amendment on top of this will require cuts of nearly \$600 billion between 1995 and 1999.

Using the Congressional Budget Office's most recent projections, to balance the budget by 1999 without new taxes we would have to cut all federal spending (except mandatory spending for judges' pay and interest on the debt) by \$26 billion in 1995, \$73 billion in 1996, \$119 billion in 1997, \$162 billion in 1998, and \$205 billion in 1999. This includes cutting Social Security by \$130 billion by 1999.

Of course, Congress wouldn't dare cut Social Security by one dollar. So exempt Social Security from cuts: now the required across-the-board cuts rise from 10.7% to 14.2% in 1999.

Inevitably, other programs—including veterans' benefits, military pay, the Women, Infants and Children nutrition program—would also be sheltered from cuts. As the burden of \$600 billion in cuts falls on a smaller and

smaller share of the total budget, reductions of 20% and up would be required in unprotected areas such as law enforcement, education and environmental protection.

Beware of political chickens posing as budget hawks. Sixty-one senators and 271 representatives hitched a ride on the Gramm-Rudman-Hollings bandwagon in 1985. But later, when those same politicians were asked to cast tough votes to actually cut the deficit, they lit out for the tall grass. For example, in 1990 in the Senate Budget Committee, I proposed a strict spending freeze to meet that year's Gramm-Rudman-Hollings deficit-reduction target; the most zealous supporters of Gramm-Rudman-Hollings joined forces to kill the freeze.

Face it, most members of Congress view a "yea" on the balanced-budget amendment as a free vote. They get to preen their deficit-hawk feathers in an election year, comfortable in their belief that doomsday won't arrive until 1999.

The rule in Washington's budget battles is: "Fight until you see the whites of their eyes." The theory of the balanced-budget amendment is identical to that of Gramm-Rudman-Hollings: if you put a gun to Congress' head, Congress will get discipline. The reality, however, is that when you put a gun to Congress' head, Congress gets creative.

Bear in mind that both Gramm-Rudman-Hollings and the balanced-budget amendment are strictly process-oriented mechanisms. Process can always be defeated by 30re process. The process of Gramm-Rudman-Hollings was defeated by the counter-process of the "budget summits."

History now repeats itself with the balanced-budget amendment. Already the cloakroom conspirators are talking about "process reforms" that will assist in "balancing" the budget: moving more programs "off budget" and creating a separate "capital budget" to finance "investments" with deficit spending. What's more, the balanced-budget amendment expressly allows Social Security Trust Fund surpluses to be siphoned off to help "balance" the budget; in 1999 alone, we will be robbing \$100 billion from Social Security. "Balanced budget," indeed.

AVOID THE GAMESMANSHIP

So let us debate, pass and ratify the balanced-budget amendment. But let's avoid the gamesmanship that betrayed Gramm-Rudman-Hollings. If you're not for massive cuts in federal spending, or for making up the difference with new taxes, then hold the hypocrisy; vote no on this amendment.

Mr. HOLLINGS. That was almost a year ago. I said at that time: Watch what they do, not what they say. Congress gets very creative.

Point: Right this minute, section 7 gives them creatively \$636 billion that they will not have to find in order to comply with the literal wording of the balanced budget amendment to the Constitution.

Thus, in the year 2002, the budget will not be balanced. There will be trillions of dollars worth of IOU's in the Social Security trust fund. But they will say, "we have complied literally with the wording." That is one particular creativity that you see going on now through the violation of the Hollings amendment—a reason for calling this a fraud.

I have made the tough votes. Just yesterday I voted to table Senator ROCKEFELLER's amendment to exempt veteran's programs from deficit cal-

culations. I helped coauthor the WIC Program, education programs, but I would likewise vote against amendments to exempt them from deficit calculations. Those programs do not have trust funds; we do under Social Security.

There are other ideas of creativity around this town. Mr. Greenspan has given cover to those who want to redefine CPI. Reducing it by 1 point would forgo the need for an additional \$150 billion in spending cuts over 5 years.

Similarly, there's a move not to continue with the pay-as-you-go provisions requiring legislation outside the budget resolution to be deficit neutral over 10 years. When President Clinton wanted a 5-year rule so he did not require the 60-vote margin on GATT, I held fast. I said, "We have to maintain the discipline."

When I offered an amendment to make the 10-year rule part of the Congressional Budget Act last week before the Budget Committee, Republicans said, "No, no, not now, maybe a later time would be better." They are going to get it a later time, that you can be sure of.

So there it is. You can see what is on course. The distinguished Speaker of the House said earlier this year at a town meeting in Kennesaw, GA:

We have a handful of bureaucrats who all professional economists agree have an error in their calculations. If they cannot get it right in the next 30 days or so, we will zero them out. We will transfer the responsibility to either the Federal Reserve or the Treasury or tell them to get it right.

That is what they are going to do. They are going to do away with the Secretary of Labor and the Bureau of Labor Statistics because, if they do not do it the way we want, we will get a different referee.

It is my hope that we will amend section 7 excluding Social Security so that we will pass this balanced budget amendment. They think they can pressure old HOLLINGS. But I stood for the truth in public service all my life. I found out it paid off. Let us sober up in this town, speak the truth, and come under the auspices of the first thing we passed last month which puts Congress under the same rules as the people outside this beltway. Let's have truth in budgeting.

I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). Under the previous order, the Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that I be recognized to call up an amendment at the desk.

Mr. SANTORUM. Mr. President, I object.

Mr. FEINGOLD. I ask unanimous consent to be allowed to speak for 1 minute.

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

Mr. FEINGOLD. Thank you, Mr. President.

I have been waiting here for 4 hours to bring up an amendment, which I am sure the other side would only take 10 minutes to bring up and we could probably move to a vote.

The Senator who is about to speak, the Senator from West Virginia, has been courteous enough to not object to that procedure. Unfortunately, the other side has objected.

But this is an item that is timely and I think should be disposed of today, so I will seek unanimous consent again later on today or seek the floor again for that purpose. I regret that this has not been possible.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. SANTORUM. Will the Senator from West Virginia yield?

Mr. BYRD. Yes.

Mr. SANTORUM. We have a vote scheduled at 3 o'clock and time is allocated that would put us past that time. Could I ask unanimous consent that the Senator yield back 7½ minutes and our side would yield back 7½ minutes and, therefore, we would come within the hour of debate?

Mr. BYRD. Would the Senator wait a little while and let me see how I am going to come out? Perhaps we could work it out.

Mr. SANTORUM. I am happy to do that.

Mr. BYRD. Mr. President, not a day goes by that we are not shocked by a violent crime described on the nightly news or in the newspaper. We live in a world, in a country, in cities and towns, in which violent crimes—murders, robberies, and rapes—have become commonplace. Within this body, one Senator's wife was held at gunpoint in front of her home, and another Senator's aid was murdered just a few blocks from this Chamber.

The statistics are overwhelming. In 1993, the most recent year for which data are available, there were over 1.9 million violent crimes committed in this country. There were 24,530 murders. There were 104,810 reported—Reported—forcible rapes. There were 659,760 robberies. There were 1.135 million aggravated assaults. Clearly crime is a serious national problem which must be addressed.

According to the Federal Bureau of Investigation, a violent crime occurs in America once every 16 seconds.

And the stopwatch is set, as you can see, at 16. It represents one violent crime every 16 seconds.

Someone is murdered every 21 minutes. A woman is raped every 5 minutes.

A robbery is committed every 48 seconds. One burglary is committed every 11 seconds. One motor vehicle is stolen every 20 seconds. One property crime is committed every 3 seconds.

Today, Mr. President, Americans are over four times more likely to be the

victim of a violent crime than they were 30 years ago. This increase has occurred during almost the same time period that I have served as a Member of the Senate. In the past three decades, the rate of violent crimes has increased 364 percent—eight times faster than the population of this country has grown.

This crime plague is no longer confined to urban areas and large cities. Administrator Thomas A. Constantine, of the Drug Enforcement Administration, said it best when he recently testified before the Senate Judiciary Committee:

And this epidemic of violent crime is no longer confined to big cities like New York or Los Angeles or Miami. It has reached deep into our heartland. Last year, for example, Indianapolis, Indiana, a city known more for its Midwestern hospitality than its violence, recorded a homicide increase of over 60 percent * * *. Homicides in Buffalo, New York, increased by almost 20 percent from 1993 to 1994. And, in Richmond, Virginia, homicides increased over 30 percent from 1983 to 1994.

My own State of West Virginia has prided itself for many years for having the lowest overall crime rate in the Nation. In West Virginia, unlocked doors and evening strolls have long been the way of life, but that is changing, and it is a crying shame. Crime in West Virginia has increased threefold since the 1960's. Over the past 5 years, the rate of violent crime in West Virginia has risen by 11 percent, a rise greater than the national average. The numbers of murders, rapes, and assaults are climbing, and, paralleling the national pattern. Even the number of juvenile crimes in West Virginia is skyrocketing.

Now in West Virginia's small, rural communities, drugs are being peddled, children are shooting children, women are being attacked on the streets in front of their homes, and families are connecting alarms to their bedroom windows.

Like so many other States, West Virginia has recognized the crucial need to respond to rising crime rates by putting more police on the streets, building more prisons, and providing better resources to law enforcement.

Mr. President, I have several charts that indicate the level of this crime epidemic and how it is breaking out among the youth in this Nation.

The first chart shows that the record level of all violent crime has risen over the past decade. In 1985, approximately 1.3 million Americans were victims of violent crime. In 1993, that number had risen to over 1.9 million Americans. That is a 45-percent increase in just eight years!

The next chart shows the number of murders committed. In 1985, there were 18,980, murders in the United States. In this same 8-year period (1985–1993), the number of murders per year had risen to 24,530. That is an increase of 29 percent!

The next chart is the most alarming. For in spite of all of our law enforcement efforts at the State and national

levels, press reports show that juvenile crime is increasing at a breathtaking rate. From 1984 to 1993, the juvenile arrest rate for murder has risen from 1,305 to 3,788. In other words, it almost tripled.

Mr. President, many of the advocates of this balanced budget amendment have stated their intentions that defense and Social Security should be spared from any of the cuts that will occur under this constitutional amendment to balance the budget if it is, indeed, adopted by the Congress and ratified by the record number of States. I say that again: The advocates of this ill-advised amendment have stated their intentions that defense and Social Security should be spared. But it does not make any difference what their intentions may be. It is what that constitutional amendment says. That is where the courts would ultimately look. They will look within the four corners of the document itself, the amendment itself.

It does not make any difference what the advocates say. It is not their intention to do this. It is not their intention to do that. It is not their intention to include defense. It is going to be exempted. It is not their intention to include Social Security. It does not make any difference what their intention is. It does not say that in the constitutional amendment itself. It does not say that defense will be exempted. It does not say the Social Security will be exempted. That is where one has to look to see what the amendment says and what it will do.

Mr. KENNEDY. Will the Senator yield?

Mr. BYRD. Mr. President, yes, I yield.

Mr. KENNEDY. Mr. President, during the Senator's study of this amendment, about what the amendment does do and does not do, during the course of the Senate Judiciary Committee hearings, we had the testimony of Mr. Dellinger that was similar to the kind of testimony that was had during the course of your own hearings about what the responsibility of the Chief Executive might be if this were to go into effect.

There was very substantial constitutional opinion that a President, having sworn to uphold the Constitution, would therefore be required to actually impound the expenditures if the receipts and expenditures did not balance.

This has not, really, been debated or discussed very much. I had hoped at some time to have an amendment to try to make sure that the Senate as an institution was going to have an opportunity to address that issue. I understand that given our situation we may have to defer the vote on that until Tuesday next.

I am interested in the Senator's concern about that particular issue; to

wit, that a President, should the balanced budget amendment actually be ratified, would be put in a position that, having sworn to uphold the Constitution, that he may be compelled, himself, to go ahead and impound the resources or funds or appropriations, and that this would be something that would be a far reach from whatever had been thought of by our Founding Fathers or considered during the Constitutional Convention, which I know the Senator has talked about during the earlier discussion and debate.

I just wonder whether the Senator from West Virginia, as one who chaired those hearings, had heard a considerable amount of debate and discussion about this issue, whether he had formed any opinion or whether he himself was concerned about the ambiguity. The reason I bring this up, as the Senator was just pointing out to the Members that there is so much that is left unsaid and so much left unstated and so much left up in the air, this, too, might be something that at least, as far as the Senator from West Virginia is concerned, would be left up in the air prior to consideration or prior to the vote.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his question. It goes right to the heart of the matter. During the hearings that were conducted last year by the Appropriations Committee in 1993, the year before last, during those hearings several constitutional scholars were invited to appear before that committee. I was then the chairman.

All of those constitutional scholars who appeared before that committee had a great concern with respect to this constitutional amendment. As precisely as I recall, the same amendment—I do not think any changes had been made in it since those hearings were held. I believe that it is, word for word, as it was then.

Most all of them, if not all, were concerned about the very possibilities that the Senator has stated.

Mr. KENNEDY. Will the Senator yield, Mr. President, on this point?

Mr. BYRD. Mr. President I yield.

Mr. KENNEDY. Mr. President, I have the hearings here, the excerpts. Here Archibald Cox, in his statement, talks about impounding funds under some appropriations, while continuing spending under others. "Probably this would be the sensible course; but it means that the proposed amendment would enlarge the power of the President, vis-a-vis the Congress."

That is Archibald Cox who indicated that that power would be with the President. And Walter Dellinger, who is a distinguished constitutional scholar, was asked, "Would the amendment authorize the President to impound funds?"

Mr. Dellinger said, "Yes, I think it would."

And Charles Fried, who was a distinguished Solicitor General during the Reagan period, when asked during the

course of hearings, he said that "total outlays shall not exceed total revenues."

If in the course of a budget year earlier projections prove false, this provision would offer a President ample warrant to impound appropriated funds. In the past such impoundments were based on claims of the President's inherent powers.

Coming close to the point of voting on the Senator's amendment—and the Senator was talking about the ambiguity of this amendment, about what was included and what was not—at an appropriate time, I will offer an amendment that will make it clear, that opportunity for the Senate to go on record that we do not believe we should give that kind of a power, the power of general impoundment, to a president, if this were to go into effect.

The principal reason I asked the Senator from West Virginia is whether he feels that this is an issue that ought to be addressed as well, in the course of the debate.

Mr. BYRD. Mr. President, I do.

I think there is very much a likelihood that power would be shifted from the legislative branch to the executive and to the courts. I can imagine easily the situation in which the Congress failed to enforce the amendment by appropriate legislation.

By the way, the President can veto that "appropriate legislation" if he does not agree with it. I can see a situation in which the Congress failed to enforce and implement the article, in which case the counsel to the President would advise the President: Mr. President, this budget is out of balance. People on Capitol Hill, just like they were back there when they adopted the amendment with flying colors, if it is so adopted, they still do not have the spine that that amendment was supposed to implant in their frail bodies. And, consequently, Mr. President, it is up to you to see that this is done. We recommend that you impound moneys.

The President would say: Naturally, well, I cannot do that, because of the 1974 Budget Impoundment and Control Act, I cannot do that. That would be against the law."

The council would say, "Well, Mr. President, there is now a higher law. It has been written into the organic law of this country; therefore, you are bound, upholding your oath of office, to balance this budget." And the President would impound moneys.

Of course, then matters would get into courts because some of the people, some of the citizens who are entitled under the laws to receive certain funds, certain payments from certain programs would say, "Well, look, the book says I'm entitled to" thus and so. They go into the courts and the courts will be brought into the action. There is nothing in here that forbids courts to enforce this amendment, nothing in here that requires them to enforce it. Those constitutional scholars, many of those professors, as the Senator has pointed out, who appeared before the Appropriations Committee, so stated.

Mr. KENNEDY. Just finally, in the Senator's review of those debates on the power of the executive and legislative branches that took place at the Constitutional Convention, does not the Senator feel that this is really standing the whole Constitution on its head in terms of how our Founding Fathers view the delegate powers to the executive and to the legislative branches? Does this not really effectively corrupt the whole separation of powers, as envisioned by the Founding Fathers, as to the taxing authority and the executive authority?

Mr. BYRD. The Senator has asked a very timely and decisive question. If Congress does not enforce this amendment, once it is in the Constitution, if it were not enforced, then that would be the other nightmare. One can speak of all the nightmares that would occur during the enforcement of this amendment.

If it is not enforced, on the other hand, that constitutes another nightmare in that the faith and confidence of the American people in the Constitution of the United States will be damaged, and the Constitution will suffer thereby.

Mr. KENNEDY. Could I be correct in concluding, when Senator JOHNSTON and I have an opportunity to offer an amendment that would just state, "Nothing in this article shall authorize the President to impound funds appropriated by Congress by law or to impose taxes, duties or fees," that the Senator would support that amendment?

Mr. BYRD. I would like to read the language, but I am certainly supportive of the concept and would, in all likelihood, support the amendment.

Mr. KENNEDY. I thank the Senator for yielding for those questions. I hope to have an opportunity to submit that amendment and to speak to the amendment and have an opportunity to vote on it. I thank the Senator from West Virginia.

Mr. BYRD. I thank the Senator from Massachusetts.

John Marshall said that this Constitution is intended to endure for ages to come and, consequently, to be adapted to the various crises of human affairs. I think we are going very much against what John Marshall said and we will, in my judgment, be committing a horrible and unforgivable blunder if we adopt this amendment. Furthermore, as Senators are aware, the so-called "Contract With America" contains a massive tax cut. If we exempt defense and Social Security from budget cuts and if we adopt the tax cuts called for by those who signed onto the so-called "Contract With America," and if we pay for the interest on the national debt, then every other program in the budget would have to be cut by 30 percent across-the-board in order to achieve budget balance by the year 2002.

It is clear, then, that a balanced budget amendment would have a catastrophic impact on Federal law enforcement and our efforts to combat violent crime in America. In the words of the Assistant Attorney General, Sheila F. Anthony:

* * * Congress should be keenly aware of the impact that such an amendment could have on the essential operations of the federal government in general, and of the Department of Justice in particular. In a word, the impact could be devastating!

It would significantly setback any progress that this Nation has made in combatting violent crime, the importation of illegal drugs, and illegal immigration. Instead of bolstering and enhancing our law enforcement programs as proposed in the FY 1996 budget, we will be dismantling and disarming our side in the war against violent crime, and retreating in our efforts to control our Nation's borders.

I think it is important to take a brief look at what has happened to law enforcement funding during the past few years in response to the rising tidal wave of crime. When I assumed the chairmanship of the Senate Appropriations Committee in January 1989, the Department of Justice budget stood at \$5.4 billion. The budget for Treasury law enforcement bureaus was \$2.083 billion. The Violent Crime Reduction Trust Fund did not even exist. That was just 6 years ago. And during that period of very tight limitations on discretionary spending—with the help of our subcommittee chairmen, Senator HOLLINGS and Senator DeConcini, and the leadership of our authorizing committee chairman, Senator BIDEN, and the support of members on the other side of the aisle, such as former Senator Rudman, Senator DOMENICI, Senator BOND, Senator THURMOND, Senator HATCH, and, of course, Senator HATFIELD—we put forth aggressive efforts to fight the war on violent crime.

Last August, we sent an appropriations bill to the President that provided the Department of Justice with budgetary resources totalling \$13.7 billion—a funding increase of over 250 percent in just six years. For the Department of Treasury law enforcement programs, fiscal year 1995 appropriations totaled \$2.8 billion, or a 36-percent increase since 1989. And, we provided \$38 million to the Departments of Health and Human Services and Education, for crime prevention programs that did not exist in 1989. We aggressively attacked the crime problem because the people were demanding that the issue be addressed. And they were right to demand it because their demand got results. This increased spending has been well worthwhile. It is providing a big bang for the buck, but not big enough.

For example, look at our Federal Bureau of Prisons. In 1989, our Federal Prison System housed 54,000 inmates and had an operational budget of \$1.2 billion. We made resources available to build additional prisons and have continued to provide increased funding for

prison guards and support personnel to activate those prisons. The Federal Prison System's annual budget has doubled since 1989 to \$2.6 billion. In 1995, our Federal Prison System will house over 102,000 inmates. In just six years we have doubled the number of criminals who have been put away under lock and key and taken off the streets so that they can no longer terrorize law-abiding citizens.

But, the greatest growth in Department of Justice appropriations has been in Federal assistance to state and local law enforcement agencies. In 1989, the Congress provided \$229 million in such assistance. In 1995, the Justice Department will make available almost \$2.4 billion for state and local law enforcement assistance programs. Much of this increase was provided through appropriations which funded the new Violent Crime Control and Law Enforcement Act of 1994, commonly called "the crime bill."

Appropriations were also increased for the main investigative and prosecutorial divisions of the Department of Justice—the Federal Bureau of Investigation, Drug Enforcement Administration, U.S. Marshal, and U.S. Attorneys. Total funding for these bureaus has been increased from \$2.5 billion in 1989, to \$4.5 billion this year.

For FY 1996, the President's budget proposes to continue large increases for the Department of Justice and Federal law enforcement. The budget proposes to increase the Department's budget from its current level of \$13.7 billion to \$16.5 billion. That is an increase of \$2.8 billion in just 1 year, for the activation of prisons and the construction of new prisons in Texas, California and Hawaii. In the next 5 years, as prisons under construction are activated and brought on line, we will be adding 30,000 new prison beds to the Federal system. The 5-year budget projections for the Federal Prison System call for the agency's operating budget to rise from its current level of \$2.3 billion to over \$3.5 billion. Please note, this increased requirement will occur during the same period that the balanced budget amendment calls for the budget to be balanced.

For the Immigration and Naturalization Service, the President's budget request proposes an increase of \$442 million or 21 percent. It would provide for 700 new Border Patrol agents, 680 new inspectors for border crossings, and 165 support staff so agents can patrol the border and not spend their time performing paperwork. And the budget proposes to increase by \$170 million payments to States for the cost of housing incarcerated illegal aliens in State prisons.

With respect to total law enforcement assistance to State and local governments, this is again the area of the largest increases in the President's fiscal year 1996 budget. For the Justice Department, the budget would increase such assistance by almost \$1.6 billion or 66 percent. The budget contains

\$3.965 billion for programs such as, Byrne formula grants, community policing, juvenile justice programs, violence against women, and prison grants. Again, much of this assistance—\$3.456 billion or 87 percent—would come through appropriations pursuant to the Violent Crime Reduction Trust Fund established in the 1994 crime bill.

The President's budget has proposed that violent crime prevention programs operated by the Departments of Education and Health and Human Services be increased. In fiscal year 1996, it proposes \$175 million for prevention programs financed through the new Violent Crime Reduction Trust Fund, an increase of \$137 million above current levels. These programs will help local communities strengthen their prevention efforts through economic partnerships, before and after school programs, rape education and prevention programs, shelter grants for battered women, and demonstration grants.

IMPACT OF BALANCED BUDGET AMENDMENT ON LAW ENFORCEMENT PROGRAMS

Mr. President, with a balanced budget amendment in force we will likely not be seeing that continued enhancement of law enforcement the President has described in his budget proposal. Unless we exempt Federal law enforcement and violent crime programs, we will destroy everything that has been achieved since 1989. We will be sounding the retreat in our war against crime and backpeddling on our hard won efforts to protect law-abiding citizens.

If the Federal law enforcement and violent crime reduction and prevention programs receive their fair share of reductions required by the balanced budget amendment, then the following types of impacts would occur:

For example, the Federal Prison System will not be bringing new prison beds on-line this year. It will not be adding another 30,000 beds and new prisons in the next 5 years as prisons are delivered by contractors and come out of the pipeline. We will not provide for the new staffing and operational requirements to operate these facilities. No, instead the Bureau of Prisons would have to close 37 of the 79 existing Federal prison facilities. We would either have to let prisoners go, or crowd over 100,000 Federal inmates into the remaining facilities. Overcrowding would be at over 250 percent. Let me say that again. Overcrowding would be at over 250 percent.

There has been a lot of discussion in local newspapers about overcrowding and violence at the District of Columbia's Lorton prison facilities just 20 miles south of here. That is what the future holds for our Federal prisons under a balanced budget amendment, with the balancing done on the back of non-defense discretionary programs.

Secondly, a balanced budget amendment would severely set back, if not totally destroy, our efforts to combat

illegal immigration and control our borders. At the very time the Mexican peso is being devalued and the economic attraction of the United States is greatest, we would be letting down our guard.

We would not be providing the increased numbers of Border Patrol agents and inspectors proposed in the fiscal year 1996 budget. We would instead be laying off or "RIF'ing" agents that we added during the past 2 years, and would go well below the staffing levels in effect when I took over as chairman of the Appropriations Committee. The Border Patrol would be reduced by approximately 1,600 agent and support positions. INS inspectors would be cut by approximately 400 positions. The INS detention and deportation program would be reduced by over 500 positions.

The impact of reductions of this magnitude cannot be overstated. The lack of patrols will allow more illegal aliens to cross the border and reach the United States. Patrols in critical choke points such as San Diego, California, and El Paso, Texas, would have to be cut back. The staffing reductions at ports of entry would cause horrendous traffic jams at the border, and would have a negative impact on commercial and noncommercial traffic to and from Mexico and Canada. The number of aliens who could be detained and the number of removals which could be accomplished annually will drop. This would facilitate efforts by aliens to abscond and remain in the country illegally.

Moreover, a balanced budget amendment would also have a debilitating impact on our Federal investigative and prosecutorial agencies.

The U.S. Attorney offices across the country would have to significantly reduce the number and experience level of Assistant U.S. Attorneys. The Federal Government would have to decline to prosecute cases where there is shared jurisdiction with State and local laws. At a time when violent crime is the foremost concern of American citizens, the U.S. Attorneys would not have the resources necessary to prosecute violent offenders in a timely manner.

The Federal Bureau of Investigation and the Drug Enforcement Administration are personnel intensive and would be severely impacted by reductions necessitated by a balanced budget amendment. The FBI would lose over 4,100 agents and over 5,000 support positions. The DEA would have to cut 2,000 positions, including almost 900 agents. Both the FBI and DEA would have to discontinue hiring and training of new agents. Both agencies would have to reduce investigative operations and focus solely on crimes that are Federal in nature. The FBI and DEA's support to State and local task forces, such as Safe Streets, would have to be disbanded. Finally, both agencies would have to close small rural offices across the country.

Additionally, with respect to State and local assistance for law enforcement and prevention of violent crime, the balanced budget amendment would undo much of the progress made in last year's crime bill. We would have to make severe reductions to a number of programs, including community policing, grants to construct prisons, programs to prevent violence against women, Byrne formula grants, and crime prevention programs. Valuable prevention programs, like the Community Schools Program and the National Domestic Hotline run by the Department of Health and Human Services, would have to be reduced significantly. New prevention programs authorized from the Violent Crime Reduction Trust Fund, such as community programs on domestic violence, grants for battered women's shelters, education to prevent and reduce sexual abuse of runaway children—would never get off the ground.

This would have a staggering impact on programs designed to prevent domestic violence and rape. For example, failing to fund the Crime Trust Fund programs on rape prevention would deny services to 700,000 women in fiscal year 1996. Eliminating the domestic violence demonstration program would deny critical education services designed to prevent domestic violence to nearly 2 million Americans.

A balanced budget amendment would also force significant reductions in the Bureau of Alcohol, Tobacco and Firearms at the Department of the Treasury. ATF would be reduced by some \$116 million, or one-quarter of its size and personnel. Investigations of armed career felons using firearms to commit crimes would be substantially curtailed. This would result in more illegal firearms on the streets being used for illegal activities. The National Tracing Center, which aids in tracing weapons used in crimes, would be virtually inoperable. Recent gun legislation, such as Brady and the assault weapons ban, could not be effectively implemented. The balanced budget amendment would essentially undo everything the Congress has done in this area in the past 10 years. In addition thereto, even the U.S. Secret Service, with its very essential mission of Presidential protection, would likely be cut under a balanced budget amendment.

EXEMPTING LAW ENFORCEMENT AND PREVENTION PROGRAMS

Now, Mr. President, my amendment is very simple. It provides Federal law enforcement, and violent crime reduction and prevention programs with the same protection as we assume would be accorded the Department of Defense and Social Security. These crime control programs, in fact, are defense and security programs. They are domestic defense programs designed to protect Americans against threats to their security and safety.

Without my amendment, the balanced budget measure likely would debilitate Federal law enforcement and

violent crime reduction and prevention programs. It would largely nullify the crime bill.

My amendment protects the Senate's commitment to the war on violent crime, and our efforts to combat illegal immigration. It sends the right signal to organized crime, to drug smugglers, to those who commit violent crimes. And, it sends the right signal to the man and women serving our Nation—to FBI agents, to DEA agents, ATF and Customs agents, to U.S. prosecutors and Border Patrol agents out on the line. And, it sends the right signal to the American public that we are not going to undo the progress that we have made.

As chairman of the Appropriations Committee during the past 6 years and as a Member of this body, I have worked very, very hard to provide these law enforcement programs with the resources necessary to fight crime.

As I said earlier I was joined in this by the distinguished Senator from South Carolina, Mr. HOLLINGS, former distinguished Senator, Mr. DECONCINI, from Arizona, and Senator HATFIELD, the then-ranking member of the Appropriations Committee, now the chairman, and the subcommittee chairmen and ranking members of the subcommittees to which I have already alluded.

Look at the record. As I have stated, enhancements in Justice and Treasury law enforcement programs to combat violent crime was carried out on a bipartisan basis. I would hope that we could continue to accord these law enforcement and violent crime reduction and prevention programs with protection on a bipartisan basis now.

This Senator is surely not going to let this progress be undone if he can help it. I am not sure that I can. That would be my desire and hope. If it is the will of this Senate to balance the budget on the back of law enforcement, then we must ensure that the funding for these programs is protected.

We have talked a great deal about the Constitution in this debate but let me take a moment here and read from another great document which has also been an inspiration to generations of Americans, The Declaration of Independence.

We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed, that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its Foundation on such Principles, and organizing its Powers in such Form, as to them shall seem most likely to effect their Safety and Happiness.

Note the words "Life, Liberty, and the Pursuit of Happiness."

There is one murder every 21 minutes in this country. Are we guaranteeing

the unalienable right of life? There is one forcible rape every 5 minutes in America and one violent crime every 16 seconds in the United States. What about the unalienable rights of life and liberty in light of those chilling statistics? There is one burglary every 11 seconds and one property crime every 3 seconds. Have we done our job in protecting the pursuit of happiness? These are dismal, dismal numbers and they rob our people daily of their lives, their liberties, and their happiness.

This balanced budget amendment and the cuts it will most assuredly impose upon funding that is designed to protect the life, liberty, and the safety of our citizens in their homes and on their streets will lessen our ability to provide our people with what to me is a basic right—namely freedom from the terror of violent crime.

Unless we continue our strong commitment to keep the criminals off our streets, track them down, lock them up, and reclaim this violent, violent country, we will be failing in our duty to provide our people with their basic right to safety.

Our children are increasingly under the influence of drug dealers. Our schools, in many communities, are hotbeds of crime and drug use. Life, limb, and personal property are daily at peril in America, and we owe our law-abiding citizens every effort we can muster to control the awful scourge of violent crime in America. The enemy within can be every bit as dangerous as the enemy from without. The rampant plague of crime threatens the very fiber of American life, and government must not turn away from its duty and commitment to make America's streets safe once again.

It is a priority. It takes money to fight crime, money to lock up criminals, money to stop the drug dealers. And unless we protect our law enforcement effort from the deep chop of the balanced budget knife, that money will not flow to the cities and towns of America and the thugs and the criminals will win.

Arguments rage about what government ought and ought not to be doing in this land, but I believe that there can be little disagreement about government's role with regard to battling crime and protecting law-abiding citizens at risk from thugs and drug dealers. We must protect the effort we have begun. We must insulate our law enforcement efforts from the slash of the budget ax. The crime clock is ticking. Let us take this step to slow the bloody whirl of its hands.

Mr. President, there was a time agreement on this amendment. Whatever time I have used, I will be happy to charge it against the time that was on the amendment or I will be happy to cut down on the time, if the distinguished Senator from Utah wishes to do so. I apologize for taking this amount of time. I hope I am not cutting out the time for my colleague on the other side of the aisle.

AMENDMENT NO. 301

(Purpose: To protect Federal outlays for law enforcement and the reduction and prevention of violent crime)

Mr. BYRD. Mr. President, I call up amendment No. 301, which is at the desk, and which is on the list.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 301.

The amendment is as follows:

On page 3, line 8, strike "principal." and insert "principal and those for law enforcement and the reduction and prevention of violent crime."

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, can I inquire how much time is left?

The PRESIDING OFFICER. Under the present agreement the time is charged to the amendment as offered and it is the opinion of the Chair that the Senator began to speak at 2 o'clock, the Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent the time I have taken making my statement be charged against the time on the amendment.

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

Mr. BYRD. It is my understanding there was a desire to start voting at 3 o'clock?

Mr. HATCH. That is correct. Mr. President, I appreciate my colleague. As usual, he is always very gracious. I understand the time for the voting will begin at 3, so this will be the third vote.

If I could just say a few words about the Senator's amendment.

Mr. President, I believe my record on fighting for crime control legislation is equal to that of any other Member in this body. Violent crime is rampant in our society. The distinguished Senator from West Virginia has made that case, and the American people have demanded that we respond to this crisis as well.

Indeed, the issue is far too important for our Nation to be used as a political football, and I do not accuse the distinguished Senator from West Virginia of doing that. But I do believe that it deserves effort other than on the balanced budget amendment. His amendment to exclude spending for law enforcement and the reduction and prevention of violent crime in the constraints of the balanced budget amendment is in reality, in my opinion, a spending loophole that has very little to do with addressing our people's very real fear of violent crime.

There are those of my colleagues who would argue that this amendment creating a crime loophole in this constitutional amendment is a responsible thing to do. They would have the rest of us, as well as the American people, believe that this loophole would not be abused. But I have to disagree. Let me just give an illustration here.

When the violent crime reduction trust fund provision passed the Senate as a part of H.R. 3355 on November 19, 1993, it authorized that \$22.268 billion, the anticipated savings from reductions in the Federal work force, be placed in a segregated trust fund over 5 years. This money was to be used only for crime fighting programs authorized in the crime bill. Moreover, discretionary spending cap reductions were included to ensure that the creation of this trust fund would not increase the budget deficit.

Now, let me take a minute to remind my colleagues what happened to the trust fund provision before it returned to the Senate as a part of the conference report on the crime bill.

This chart shows it. "The Crime Bill Trust Fund Social Spending Spigot" is what this particular chart is called. It shows the additions to the crime bill, as originally passed, both by the Senate and as enacted. When we got through with the Senate, we had added the Ounce of Prevention Council, \$75 million; community schools, \$400 million; National Community Economic Partnership, \$40 million; local crime prevention block grants \$391 million; \$300 million for drug treatment in State prisons; \$900 million more for drug treatment, which some of our colleagues were not all that enthusiastic about but we agreed to. By the time it got through the House and through the conference committee, look at how that increased. It jumped from \$2.186 billion in social spending to \$5.390 billion, and we had things in there like the FACES Program; the Local Partnership Act, which is just a gift to the cities without any restraints whatsoever; the model intensive grants program.

I could go through each one of those and explain how hardly any of the money would go to fight crime. Look at the assistance for at-risk youth; \$3 million for urban recreation and at-risk youth, community-based justice grants, drug treatment of Federal prison and police recruitment grants.

Look at how everything else jumped, too. These add-ons in the Senate all jumped again, this time immeasurably, like this one from \$75 million jumped; this one for community schools, \$400 million to \$566 million; National Community Economic Partnership from \$40 million to \$271 million. Local crime prevention block grants actually went down. I have to give credit for that. And then the others, of course, we have a number of programs that were not even in the mix.

This is precisely why we need a balanced budget amendment. Somewhere between the Senate and the House of Representatives we went from \$2.168 billion in add-ons, to \$5.390 billion in what was really characterized as absolute pork barrel spending.

Really, the Local Partnership Act was a provision—this right here, the Local Partnership Act—\$1.622 billion was a thinly disguised retreat of the

President's failed economic stimulus bill from the previous years. Proponents threw in the catchy phrase "to prevent crime" a few times, and, thus, managed to expropriate \$1.6 billion in crime control funding for education, substance abuse treatment, jobs programs to "prevent crime."

The Model Intensive Grant Program, right here, for \$625 million was to be directed by the Attorney General to fund up to 15 model programs for crime prevention in chronic, high-intensive crime areas.

The criteria for the programs were very general, allowing recipients to spend money on virtually anything, so long as the applicant for the funds claims the spending is linked to crime control, no matter how tenuous the link. This includes spending on "deterioration or lack of public facilities," inadequate public facilities such as public transportation, as well as unemployment services and drug treatment.

I could go through all of the rest. There are some perfect examples here of how much we jumped the bill from \$2.186 billion to \$5.390 billion. These are excesses that we pointed out, that I think made a difference in the last election.

My point is this: I know that the distinguished Senator from West Virginia is sincere. I know that he is well-intentioned here. If we create a loophole like this in the name of trying to solve violent crime, we are not doing any better than we were before. We have shown you that, frankly, Congress is not serious about keeping spending under control. We are going to spend our country right directly into bankruptcy. To jump \$2.186 billion, after both Senator BIDEN, the leading Democrat in the Senate, and I put our names on that bill—that bill would have passed overwhelmingly through both bodies. Then, by the time it went to the House it was larded up like never before. That is the reason to have a balanced budget amendment.

The violent crime reduction trust fund created an irresponsible incentive to redefine programs with no clear relationship to crime fighting as anticrime measures in order to secure funding for them under this trust fund.

By my count, the violent crime reduction trust fund became a magnet for at least 16 social spending programs, as shown by this chart. Indeed, this understates the record, because some of the worst boondoggles were collapsed into the Local Crime Prevention Block Grant Program. And as the chart also shows, an additional \$3.2 billion was authorized to be spent out of the trust fund to pay for these programs in addition to the \$5.390 billion.

How much more tempting is it going to be for Congress to convert popular spending programs into anticrime measures when such a definition is the only way in which to avoid the tough choices required by the balanced budget amendment? This exemption will create a constitutional shell game.

The example of the violent crime reduction trust fund amply demonstrates that when Congress is given an easy loophole to pass popular-sounding programs, it takes it. This is not a partisan accusation; it is an unfortunate fact of congressional life. I urge my colleagues to reject this loophole for spending under the guise of law enforcement, and the reduction and prevention of violent crime. This amendment is not about crime control, and the American people deserve better.

We talk about law enforcement. We talk about civil law enforcement as well as criminal law enforcement. Those terms are not defined in the amendment. The "reduction and prevention of violent crime." What does that mean? When is there a violent crime? We all know one when we see one. But on the other hand there are a number of other things that are called violent crime that we may think are not so violent. There are a lot of issues that are really not addressed by this loophole that would be created here.

What does my colleague intend to bring within the definition of "law enforcement"? Does he include spending for enforcement of our civil laws? If he says yes, then every Federal agency which has civil jurisdiction could be exempt; HHS, Education, et cetera. If he says no to it, then perhaps my colleague should have drafted the amendment to be a little more specific.

What does my colleague from West Virginia intend to include within the definition of "the reduction and prevention of violent crime"? Does he mean to include the programs contained in the 1994 crime bill? These programs right here? These are just some of them. Does he mean all of these or does he mean a whole raft of others? If so, then I assume he means to include the job training programs. There are 163 of those. Will they all be exempt from the balanced budget amendment? There are 163 actually currently administered by 15 departments at a cost of \$20 billion annually; almost \$25 billion, if the truth is known. Is that all going to be exempt from a balanced budget amendment?

What does my colleague mean when he proposes to place in the Constitution a special carve-out for spending on the "prevention of violent crime"? Does this include the amount spent to restore civil order to Haiti? Does DOD spending on interdiction fall within this exception? If it does, then all of these are loopholes through which they could drive anything.

Mr. President, I hope that our colleagues will vote down this amendment. I know my colleague means well. But we are talking about the Constitution and we cannot afford to do this. So I hope that we can vote this down.

I know the time is up.

I move to table the amendment, and I ask for the yeas and nays.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. HATCH. Certainly.

Mr. BYRD. Mr. President, I hope that Senators will reject the tabling motion. This amendment will exempt spending for law enforcement and for reducing and preventing violent crimes from the requirements of this balanced budget amendment.

I thank the distinguished Senator for yielding.

Mr. HATCH. I thank my colleague.

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE THE MOTION TO REFER

The PRESIDING OFFICER. Under the previous order, the question occurs on agreeing to the motion to table the Wellstone motion to refer House Joint Resolution 1, with instructions.

The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM], the Senator from Oregon [Mr. HATFIELD], the Senator from Oklahoma [Mr. INHOFE], and the Senator from Arizona [Mr. MCCAIN] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

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

The result was announced—yeas 60, nays 35, as follows:

[Rollcall Vote No. 77 Leg.]

YEAS—60

Abraham	Faircloth	Murkowski
Ashcroft	Frist	Nickles
Bennett	Gorton	Nunn
Bingaman	Grams	Packwood
Bond	Grassley	Pressler
Bradley	Gregg	Reid
Brown	Hatch	Robb
Burns	Helms	Roth
Campbell	Hollings	Santorum
Chafee	Hutchison	Shelby
Coats	Jeffords	Simon
Cochran	Kassebaum	Simpson
Cohen	Kempthorne	Smith
Coverdell	Kerrey	Snowe
Craig	Kyl	Specter
D'Amato	Lieberman	Stevens
DeWine	Lott	Thomas
Dole	Lugar	Thompson
Domenici	Mack	Thurmond
Exon	McConnell	Warner

NAYS—35

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Mikulski
Boxer	Glenn	Moseley-Braun
Breaux	Graham	Moynihan
Bryan	Harkin	Murray
Bumpers	Inouye	Pell
Byrd	Johnston	Pryor
Conrad	Kennedy	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Wellstone
Dorgan	Lautenberg	

NOT VOTING—5

Gramm	Heflin	McCain
Hatfield	Inhofe	

So the motion to table the motion to refer was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I ask unanimous consent that the remaining stacked rollcall votes by 10 minutes each.

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

VOTE ON MOTION TO TABLE THE MOTION TO REFER

The PRESIDING OFFICER. The question now occurs on agreeing to the motion to lay on the table the second Wellstone motion to refer House Joint Resolution 1 to the Budget Committee with instructions. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM], the Senator from Oregon [Mr. HATFIELD], the Senator from Oklahoma [Mr. INHOFE], and the Senator from Arizona, [Mr. MCCAIN] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

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

The result was announced—yeas 60, nays 35, as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—60

Abraham	Faircloth	McConnell
Ashcroft	Frist	Murkowski
Bennett	Gorton	Nickles
Bingaman	Graham	Nunn
Bond	Grams	Packwood
Bradley	Grassley	Pressler
Brown	Gregg	Reid
Burns	Hatch	Roth
Campbell	Helms	Santorum
Chafee	Hollings	Shelby
Coats	Hutchison	Simon
Cochran	Jeffords	Simpson
Cohen	Kassebaum	Smith
Coverdell	Kempthorne	Snowe
Craig	Kerrey	Specter
D'Amato	Kyl	Stevens
DeWine	Lieberman	Thomas
Dole	Lott	Thompson
Domenici	Lugar	Thurmond
Exon	Mack	Warner

NAYS—35

Akaka	Feingold	Levin
Baucus	Feinstein	Mikulski
Biden	Ford	Moseley-Braun
Boxer	Glenn	Moynihan
Breaux	Harkin	Murray
Bryan	Inouye	Pell
Bumpers	Johnston	Pryor
Byrd	Kennedy	Robb
Conrad	Kerry	Rockefeller
Daschle	Kohl	Sarbanes
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	

NOT VOTING—5

Gramm	Heflin	McCain
Hatfield	Inhofe	

So the motion to lay on the table the motion to refer to the Budget Committee with instructions was agreed to.

VOTE ON MOTION TO TABLE AMENDMENT NO. 301

The PRESIDING OFFICER. The question occurs on agreeing to the motion to table amendment No. 301 offered by the Senator from West Virginia [Mr. BYRD]. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announced that the Senator from Texas [Mr. GRAMM], the Senator from Oregon [Mr. HATFIELD], the Senator from Oklahoma [Mr. INHOFE], and the Senator from Arizona [Mr. MCCAIN], are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN], is necessarily absent.

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

The result was announced—yeas 68, nays 27, as follows:

[Rollcall Vote No. 79 Leg.]

YEAS—68

Abraham	Exon	McConnell
Ashcroft	Faircloth	Moseley-Braun
Baucus	Feingold	Murkowski
Bennett	Frist	Nickles
Bingaman	Gorton	Nunn
Bond	Graham	Packwood
Bradley	Grams	Pressler
Brown	Grassley	Reid
Bryan	Gregg	Robb
Burns	Hatch	Roth
Campbell	Helms	Santorum
Chafee	Hollings	Shelby
Coats	Hutchison	Simon
Cochran	Jeffords	Simpson
Cohen	Kassebaum	Smith
Conrad	Kempthorne	Snowe
Coverdell	Kerrey	Specter
Craig	Kohl	Stevens
D'Amato	Kyl	Thomas
DeWine	Lieberman	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner
Dorgan	Mack	

NAYS—27

Akaka	Ford	Levin
Biden	Glenn	Mikulski
Boxer	Harkin	Moynihan
Breaux	Inouye	Murray
Bumpers	Johnston	Pell
Byrd	Kennedy	Pryor
Daschle	Kerry	Rockefeller
Dodd	Lautenberg	Sarbanes
Feinstein	Leahy	Wellstone

NOT VOTING—5

Gramm	Heflin	McCain
Hatfield	Inhofe	

The motion to table the amendment (No. 301) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

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

The motion to lay on the table was agreed to.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I have been waiting a number of hours to call up an amendment pending at the desk. But I understand that the Senator from California has an amendment that she wishes to call up next.

So, Mr. President, I ask unanimous consent that the Senator from Cali-

fornia be recognized to call up her amendment, and that immediately thereafter her amendment be set aside and I be recognized to call up an amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, thank you very much.

AMENDMENT NO. 274

(Purpose: To propose a substitute)

Mrs. FEINSTEIN. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] for herself, Mr. FORD, Mr. HOLLINGS, Mr. MCCAIN, Mr. BUMPERS, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL, Mr. DASCHLE, Mr. REID, and Mr. DORGAN, proposes an amendment numbered 274.

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

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

The amendment is as follows:

Strike all after the resolving clause and insert the following: "That the following article is proposed as an amendment to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Total outlays for any fiscal year shall not exceed the total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal. The receipts (including attributable interest) and outlays of the Federal Old-Age and Survivors Insurance Trust Fund and Federal Disability Insurance Trust Fund used to provide old age, survivors, and disabilities benefits shall not be counted as receipts or outlays for purpose of this article.

"SECTION 8. This article shall take effect beginning with fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later."

Mrs. FEINSTEIN. Mr. President, this amendment is a substitute amendment. Essentially, it is the balanced budget amendment as presented with Social Security excluded using the exact language of the REID amendment. It is word for word the original balanced budget amendment excluding Social Security.

It is cosponsored by Senators FORD, HOLLINGS, MCCAIN, BUMPERS, MIKULSKI, HARKIN, KOHL, DASCHLE, REID, and DORGAN.

Mr. President, I believe this substitute amendment plays a pivotal role as a vehicle to pass the balanced budget amendment.

We hope to debate it further and take the vote on this on Tuesday.

Let me just point out that as it currently stands, the balanced budget amendment essentially would utilize about \$705 billion of FICA tax revenues—those are taxes paid for retirement—for purposes of masking the debt and balancing the budget. Many of us do not believe this is right. We do not believe it is morally right, and we do not believe it is ethically right.

The only way to protect Social Security, to keep it out of the balanced budget amendment, is by exempting it through this substitute constitutional amendment. As I previously stated, the exact words of the REID amendment are included and incorporated within this substitute balanced budget amendment.

We will be speaking and arguing further for it, I hope, on Tuesday.

I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER (Mr. COATS). Under the previous order, the amendment is temporarily set aside and the Chair recognizes the Senator from Wisconsin.

Mr. FEINGOLD. Thank you, Mr. President.

AMENDMENT NO. 291

Mr. FEINGOLD. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 291.

The amendment is as follows:

On page 3, line 8, after "principal." insert "The receipts and outlays of the Tennessee

Valley Authority shall not be counted as receipts or outlays for purposes of this article."

Mr. FEINGOLD. Mr. President, this amendment is fairly straightforward.

Last week, Mr. President, we had a debate and a vote on a motion I proposed which would have had the effect of nullifying the provisions of the committee report to the Judiciary Committee which created a special exemption for the Tennessee Valley Authority Power Program. The TVA was the only Federal program mentioned in the entire committee report that was given this kind of special treatment.

Although we did not prevail, my motion received bipartisan support. Since that time, a number of Members have come up to me and told me that it was right to pursue what I like to call this constitutional pork. Members who were both for and against the balanced budget amendment appear to have been taken aback at the audacity of the TVA supporters to insert this kind of provision into the actual legislative history of the constitutional amendment.

A number of organizations supporting the balanced budget amendment, such as the National Taxpayers Union, the Concord Coalition, and the Citizens Against Government Waste have also indicated that they did not agree with the idea of placing this language in the committee report for only one special program. Some said it was just plain wrong to do it.

Nonetheless, Mr. President, I recognize that the proponents of the balanced budget amendment are determined that no amendments or motions, with the exception of the Dole second-degree amendment with respect to Social Security and the right-to-know amendment, would be adopted. That has been an open goal that has been achieved thus far.

Mr. President, what I propose to do is to offer this amendment which tracks the language that was placed in the committee report that exempted TVA from the balanced budget amendment and then urge that my amendment be rejected. In other words, this is an opportunity for the Senate now to go on record to oppose this special treatment provided for the TVA in the committee report and, at the same time, in no way would disturb the balanced budget amendment itself. The Senate would simply go on record showing that we do not want this kind of protection guaranteed for one program and not others.

By offering this amendment and asking that it be rejected, the entire Senate would have the opportunity to reject the committee language and therefore nullify its impact as legislative history when the courts get around to interpreting the balanced budget amendment and, for that matter, when this Congress or future Congresses get around to balancing the budget.

So, Mr. President, our action to reject this amendment does not answer the question of whether TVA should

have any of its subsidies cut when the Congress gets around to try to achieve a balanced budget amendment. What it does say, and all it says, is that the TVA should be on the table just like every other Federal program, including Social Security, which, at this point, is still on the table.

If Congress decides, as some TVA proponents claim and as is stated in the language of the committee report, that the electric Power Program is paid for entirely by the ratepayers, then Congress can act accordingly at that time. If they win that argument, so be it.

If, however, Congress decides that the appropriations to TVA for its stewardship program is subsidizing its Power Program, or if Congress decides that the TVA ought to pay for the overhead cost of selling its debt obligation and low-interest loans, or if Congress decides there is some other inappropriate subsidy, then it will be free to make those decisions.

The point is, these are issues that Congress needs to decide, not as a part of the process of proposing a balanced budget amendment, but as a part of the process of making the tough choices. These options should not be curtailed or limited because the TVA proponents have been successful in slipping favorable language into the committee report at an earlier stage.

Mr. President, yesterday morning, as we went into session, I had a chance to hear Chairman HATCH resume the debate on the balanced budget amendment. This is what the chairman said the principal justification for the balanced budget would be. He said, "The balanced budget amendment would introduce an element of competition into the spending process;" that every program would have to compete. He said programs will not be allowed to simply show that they by themselves are meritorious, but they are going to have to show they are meritorious in the context of the whole budget picture. He said it will not be enough for a program just to show that it is worthy, but that it has to be worthy compared in the context of the whole; that it actually is a priority item.

It was this very rhetoric, Mr. President, that encouraged me to return to this subject and to make sure that the Senate as a whole is clear about its intent on this matter and not just let it be decided by some committee language which the courts would feel constrained to respect.

Mr. President, I understand that there may be some on the other side of this issue who will argue that the Senate's rejection of this amendment should not be interpreted as rejecting the committee report language, but rather simply an expression of the view that the language referring to the TVA should not be in the Constitution itself.

Mr. President, just so the legislative history is clear on the issue, I am the author of this amendment and the intent of the author of the amendment is crystal clear. The TVA should not have a special status carved out for it under the balanced budget amendment. I am seeking to have the Senate reject this amendment so the full Senate can go on record as saying that TVA, like other programs, is going to be on the table when Congress starts cutting Federal subsidies to achieve a balanced budget.

Notwithstanding what other statements the proponents of the language inserted in the committee report may make, the author of the amendment intends the vote to serve as a repudiation of the notion that the TVA has some special protected status. And I trust that those who seek to use legislative history as a guide in interpreting the amendment, should it be ratified, will give due weight to the author of the amendment.

So, Mr. President, I move to table the pending amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

At the moment, there is not a sufficient second.

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

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. Would the Senator withhold his request?

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

Mr. FEINGOLD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The legislative clerk continued with the call of the roll.

Mr. THOMPSON. 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 AGREEMENTS

Mr. THOMPSON. Mr. President, I ask unanimous consent that the vote occur in relation to the amendment No. 274 on Tuesday, February 28, at 2:15 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. THOMPSON. Mr. President, I further ask unanimous consent that the vote occur in relation to amendment No. 291 on Tuesday, February 28, in the stacked sequence to begin at 2:15 p.m., and that the pending motion to table be vitiated and Senator DORGAN be recognized to move to table.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President it is my intention to move to table amendment 291.

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

Mr. DORGAN. I will be happy to yield to the Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask the Senator, with his motion to table, is his intent the same as my intent on the previous motion to table, which is to make it clear that the Senate does not seek to exempt the Tennessee Valley Authority from the balanced budget amendment and to override the committee language to that effect?

Mr. DORGAN. The Senator states it correctly; that is exactly the intent of my motion to table.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur on Tuesday under the previous order.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, the parliamentary procedure is that there is time for debate or discussion of the amendment just moved to be tabled?

The PRESIDING OFFICER. The Pastore time has expired, so debate can be on any topic at this particular time.

Mr. FORD. Mr. President, I ask recognition then, please.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, the Senator from Wisconsin is to be commended for his efforts on this issue. He cares about it deeply, and I understand that. Furthermore, he has used a unique parliamentary situation in an attempt to achieve the outcome that he desires. Unfortunately for him and fortunately for me and for the other supporters of the TVA exemption, he has come close but has not succeeded in his quest. For reasons that I will go into in a minute, his amendment simply will not work.

The Senator from Wisconsin has proposed through four different amendments to change the legislative history on this particular matter. Because he is reasonably confident that the supporters of the balanced budget amendment will vote down the motion that he proposes, the Senate will have gone on record as being opposed to excluding TVA or like agencies from the balanced budget amendment.

He has gone on record as saying he will vote to table his own amendment, from which he now has backed up and had a neutral Senator, so-called neutral Senator, come in and move to table.

For an answer to why he would do such a thing, let us look at the amendments he proposes. Each amendment

would add the following sentence to the end of section 7 which otherwise describes House Joint Resolution 1 as covering all receipts and all outlays of the United States except borrowings. Amendments 291 and 292 are identical and they say:

The receipts and outlays of the Tennessee Valley Authority shall not be counted as receipts and outlays for the purpose of this article.

Amendments 293 and 294 are identical, and I quote:

The receipts and outlays of all quasi-Federal agencies created under authority of Acts of Congress shall not be counted as receipts and outlays for the purposes of this article.

Each amendment would have the effect of creating an exemption to the general coverage language of House Joint Resolution 1. Nos. 291 and 292 would exempt all receipts and outlays of TVA; 293 and 294 would exempt all receipts and outlays of quasi-Federal agencies.

All of the Feingold amendments are broader than the scope of the legislative history contained in the Judiciary Committee's report.

Now, Mr. President, let me repeat that. We are talking about developing legislative history here. All of the Feingold amendments are broader—broader—than the scope of the legislative history contained in the Judiciary Committee's report and extend its exemption to funds for which no exemption justification has been provided. That is the fact.

Amendments numbered 291 and 292 would exempt all funds of TVA. TVA operates with two distinctly different kinds of funds. Let me repeat that. TVA operates with two distinctly different kinds of funds. It receives appropriations from Congress to cover its nonpower programs. These are like funds received by all other Federal agencies and there is no reason why they should be specifically exempted. The funds of TVA's electric power program are an entirely different matter and it was only these funds to which the committee's legislative history was directed. The legislative history of the committee was directed only at the electric power program.

You can hear all you want to hear and you can say all you want to say, but the committee legislative history is very, very narrow. Amendments Nos. 293 and 294 would expand the exemption to all funds. That is the Senator's amendment, now, of quasi-Federal agencies. First the term quasi-Federal agency has no meaning, absolutely no meaning. It is only a phrase, loosely used to refer to agencies which in some way or another may not fit the speaker's view of what is an ordinary Federal agency. Moreover, the term does not address the more important issue of how the agency is financed. Even an agency which might be regarded as quasi-Federal may have certain funds

which should not be exempted from the balanced budget amendment. As noted above, TVA itself is an example of two separate funds, one from the utility, the ratepayers, and the other one that is appropriated by the Congress.

Do any of the amendments have merit? Amendments Nos. 291 and 292 would have merit if their inserted sentence were modified to read as follows: The receipts and outlays of the electric power program of the Tennessee Valley Authority shall not be counted as receipts and outlays for the purpose of this article.

As so modified, they would expressly state the intent of the language contained in the Judiciary Committee's report.

The Feingold amendments as currently written could be defeated while still reaffirming the meaning of the legislative history in the committee report. The Feingold amendments can be defeated while still reaffirming the meaning of the legislative history in the committee report.

I do not know how many judges are going to be looking at the legislative history and see the Senator from Kentucky, Senator FORD, did not move and was not allowed to move to table these amendments. I hope I have that much authority that, boy, they will see whether Senator FORD moved to table or not. But, boy, that is great. You have a lot of influence, want to influence the court—legislative decisions in the future. It is right interesting procedure.

The Feingold amendments as currently written could be defeated while still reaffirming the meaning of the legislative history in the committee report.

Amendments Nos. 293 and 294 certainly should not be adopted. The term quasi-Federal agency has no clear meaning. I want to reinforce that. These amendments would make open-ended exemptions for an uncertain group of Federal agencies—an uncertain group—regardless of their budget impact on the taxpayers.

Amendments Nos. 291 and 292 also should not be adopted since they would exempt all TVA programs, not just the one program, the power program, for which an exemption makes sense. Indeed, the amendments appear to be a somewhat disingenuous attempt to get supporters of the balanced budget amendment to back an exemption for ordinary appropriations-funded programs. In contrast, the language of the Judiciary Committee makes it very, very clear—a clear distinction between those two entirely different kinds of programs.

Let us look at why the TVA power program should be exempted. The TVA power program is financially independent from the rest of Government. Just take that one sentence. The TVA power program is financially independent from the rest of Government. It survives only on the revenues it receives from sales of electric power.

Those revenues supply the funds to pay its expenses. Those revenues are also the only security for power program borrowing. Take those two things and look at them very closely and think about them very closely. It survives only on revenue it receives, and the revenue it receives pays its expenses and is the only security for the funds it borrows.

Power bonds are, by law, neither obligations of nor guaranteed by the U.S. Government. Power bonds are, by law, neither obligations of nor guaranteed by the U.S. Government. Taxpayer funds are not used for the power program. Even capital and operating expenses for TVA's multipurpose dams are allocated to power and nonpower, and the power program pays its share.

TVA power program activity is not driven by Presidential or congressional policy decisions. It is driven only by the needs of the 8 million persons and businesses who rely on it as their sole source of electric power. Its annual receipts and its expenditures are governed only by what is necessary to meet their electric power needs, both today and in the future. Although the power program's annual budget is included in the President's and the congressional budgets, its inclusion is for information purposes only. It does not require congressional approval or congressional action. In other words, the TVA power program budget is a budget estimate. It is not a budget request.

Another way of looking at why the TVA power program should be exempt is to examine what could happen if it were not exempt. A low tax collection year or one in which entitlements or appropriations were large could result in TVA's being unable to borrow the funds necessary to build or maintain generating plants to ensure a continued supply of electric power to a large area of this country, in spite of the fact that taxpayers are not responsible for paying off these bonds.

Finally, as Congress seeks to reduce Federal mandates, should it add a new mandate for persons in one region of the country who happen to receive their electric power without a taxpayer subsidy from TVA? It makes as much sense for Congress to control Wisconsin Electric's annual budget as it does to control that of the TVA power program.

Let us look at the difference now between this proposal and Social Security. The level of Social Security receipts is determined by a Congress-approved tax rate. The level of Social Security outlays are a function of a Congress-approved benefits scheme. In contrast, TVA's power program budget is provided to Congress each year for informational purposes only. It does not require congressional approval or action.

So, in conclusion, I and other supporters of the TVA exemption are voting to table this amendment, not because it would reaffirm the report language, but because this amendment

goes too far. It goes way beyond the scope of the Judiciary Committee statement about TVA. Some parts of TVA are like all other Federal agencies and should be included in the budget just as any other, and we do not object to that. However, as I have stated previously, the funds of TVA's electric power program are an entirely different matter, and it was only those funds to which the committee's statement was directed and that is the committee legislative language.

For these reasons, and these reasons alone, I am voting to table the amendment by my colleague from Wisconsin.

I yield the floor.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I think at the outset it is appropriate to state that what we are dealing with here is a straw man. An attempt is being made to make it appear that a Government spending program is being exempted from the balanced budget amendment. Of course, everyone understands that—with the statute that we are dealing with and with the language that they are dealing with—that is not the case. Now we are arguing among ourselves as to who gets to beat up the first wound on him and the straw man that we all know is going to be defeated. That is the process that we are involving ourselves here in this historic moment when we are trying to address the real issues concerning a balanced budget amendment. It is unfortunate but true.

Mr. President, as I understand it, the Senator from Wisconsin has now offered an amendment which he wants to have defeated. I am happy to lend my assistance. I believe we have now reached an illogical extension of this debate by some of those who oppose the balanced budget amendment. In an attempt to defeat the balanced budget amendment, amendments are now being offered that even their sponsors want defeated.

After failing a few days ago to exclude language from the committee report, the Senator from Wisconsin now proposes to include the language in the Constitution of the United States with yet another amendment. I find this strange even by Washington, DC standards. If as much effort had gone into balancing the budget over the last few years as has gone into this exercise, we would not need the balanced budget amendment.

In the lowest courts of record of this Nation, involving the most insignificant boundary line dispute or intersection fender bender, one who submits a pleading attests that it is made in good faith and that there is reason to believe that there is merit in the matter that is being asserted. Apparently, that rule does not apply when it comes to offering an amendment to the Constitution of the United States.

We are debating and will soon be voting on one of the most important matters to ever come before this Congress, and amendments such as these trivialize this process. While there is no logic to this maneuvering, the purpose is clear—to hamstring and defeat the last clear chance we have in this country to develop some fiscal responsibility in our governing process. The purpose of such amendments is first and last to defeat the balanced budget amendment. Such amendments are not designed to ensure that spending projects are covered by the balanced budget amendment. Rather they are designed to ensure that no spending program whatsoever is restrained by a balanced budget amendment.

As I understand it, what brought about this momentous issue was language in the Senate Judiciary Committee report which stated:

Among the federal programs that would not be covered by S.J. Res. 1 is the Electric Power Program of the Tennessee Valley Authority.

Of course, what has not been publicized very much is the following language; the next sentence in that report, as a matter of fact. It points out that since 1959 the financing of that program has been the sole responsibility of its own electric ratepayers, not the U.S. Treasury and the Nation's taxpayers. Consequently, the receipts and outlays of that program are not a part of the problem that Senate Joint Resolution 1 is directed to solving.

This language, of course, states the obvious. The financing of the TVA power program is done by the electric ratepayers. There is no outlay of Federal funds with regard to this program. If the TVA power program runs short, the TVA ratepayers must make up the difference. The TVA does not operate like Amtrak or the Postal Corporation where Federal taxpayers pay the difference between receipts and outlays. The Judiciary Committee report language does not make the Federal taxpayer responsible for the TVA power program. It simply restates what has been true since 1959 when the TVA power program became exclusively responsible for its own receipts and outlays.

Now as I understand it, the Feingold amendment tracks the committee report language to an extent. The Senator from Wisconsin is apparently under the impression that by offering his language and having it voted down, it will in some way negate this legislative history. Of course, it will not.

In the first place, the Senator's language covers receipts and outlays of all TVA activities, including its nonpower activities. These have always been on budget and are covered by the balanced budget amendment, as they should be. Therefore, the Senator's language is much broader than the committee report language. And voting down the Senator's language which includes TVA's nonpower activities will in no way affect the legislative history that pertains only to the power program.

However, even if the proposed amendment tracked the committee report language exactly, it would still be of no effect because, again, the report language simply states the fact that there are no Federal outlays with regard to the TVA power program. Thus it along with some other programs, is not covered by the constitutional amendment. If the Senator is under the impression that a decision by this body not to make such a clearly inappropriate matter a part of the Constitution of the United States of America in some way changes the facts contained in the language, then I submit that he is again sadly mistaken. By the same token, if someone proposed an amendment enshrining the law of gravity into the Constitution and it were voted down as inappropriate, objects would still fall to the floor when dropped.

Therefore, since the adoption of the Feingold amendment would have the effect of taking the TVA nonpower program off budget, and since the defeat of the Feingold amendment would have none of the significance its sponsor wants to attribute to it, I join the Senator from Wisconsin in urging the defeat of his own amendment.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, let me express my pleasure to the Senator from Kentucky and the Senator from Tennessee for supporting in effect my motion to table and the motion to table of the Senator from North Dakota. That is exactly what I had hoped they would indicate. I believe that the only reason we are having this discussion at this point is quite simply that somebody pulled a fast one here in the committee and now we are out on the floor actually discussing it.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. FEINGOLD. For a question.

Mr. FORD. Is the Senator aware that every amendment to the Constitution—this is not an accident—that TVA power was included; that the same statement has been in every committee report that the Judiciary Committee has issued on a balanced budget amendment in the last 10 years?

Mr. FEINGOLD. I would be happy to yield for the question.

Mr. FORD. That is the question. Was he aware of the fact?

Mr. FEINGOLD. I am aware of the fact, and I told the Senator from Kentucky that I just got here 2 years ago. And, yes, I confess I did not discover this language until this year. I did not find this little caper in there until now.

Mr. FORD. It is no caper.

Mr. FEINGOLD. Had I been here 10 years ago, maybe it would have taken me 3 or 4 years to find it. But there it is. I wish I had found it last year. But fortunately I have had an opportunity to join the Judiciary Committee now, and my staff had more of a chance to find these things. We found it. It is time to get rid of it.

Mr. President, there was an effort here to try to undo the real intent of the balanced budget amendment. There is an attempt, a classic attempt, to abrogate, to say you are for the balanced budget amendment, but say, of course, that it does not apply to my State, to my program. I think there is not a reasonable person who would not agree that this is part of the problem. It is always easy to support cuts if it does not affect your own home State.

However, this notion of actually putting the exemption into the Constitution, which my opponents on this are being very candid about now—they are saying that is exactly what you are trying to do—is something new. The other side is trying to exempt TVA. It is not just idle talk. The purpose of the committee language is to exempt it. That is why they are trying to make this distinction between my motion to table and committee language.

But it is not working because everyone knows what the intent is of the people who put it in there. And everybody knows what my intent is. It is laid on the record. In fact, Mr. President, today in the Washington Post, there is an editorial entitled "Constitutional Pork." It is all about this problem, this committee language.

I ask unanimous consent that the editorial from the Washington Post, dated February 23, be printed in the RECORD.

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

[From the Washington Post, Feb. 23, 1995]

CONSTITUTIONAL PORK

Tucked away in the Senate committee report on the balanced budget amendment are three sentences about the Tennessee Valley Authority, the most important of which reads: "Among the Federal programs that would not be covered by S.J. Res. 1 is the electric power program of the Tennessee Valley Authority."

What that means is that assuming the courts follow legislative intent, the Tennessee Valley Authority—which provides power to the people of the south-central states—would have the distinction of being the one agency excluded from the impact of the balanced budget amendment. The rationale for this, offered by Sens. Fred Thompson (R-Tenn.) and Howell Heflin (D-Ala.), is that, as Mr. Thompson put it, "the financing of the TVA power program has been the sole responsibility of its electric rate payers, not the U.S. Treasury and the nation's taxpayers."

Not exactly, says Sen. Russell Feingold (D-Wis.), who is trying to eliminate the TVA protection. Mr. Feingold notes a 1994 Congressional Budget Office study which estimated that raising the rates paid by TVA users to cover various costs associated with land and water management in its system could cut federal outlays by as much as \$70 million annually. "TVA supporters know that TVA is on the short list of most deficit reduction advocates," Mr. Feingold declares, "and that is why they want to provide it with special protection that no other program of any kind in the federal government is getting."

Mr. Feingold surely has the better of this argument. If TVA is in no way either part of the deficit problem or potentially part of the solution, why do Sens. Heflin and Thompson need to insist on special language protecting the program? And if TVA is indeed a drain, then the two senators and their colleagues in the region should not be given free passes to tell their constituents that they voted for a balanced budget amendment and protected the TVA. If they really think the balanced budget amendment is such a good idea, they should be willing to vote for it without this provision, which Mr. Feingold refers to as "constitutional pork."

Mr. Feingold lost a vote last week on a motion to strip the language in the committee report protecting TVA, though he won significant Republican support. Now he plans to try to call the bluff of his opponents by proposing to add specific language to the amendment protecting the TVA. His hope is that most senators will be too embarrassed to do directly in the text of a constitutional amendment what they tried to do in slippery fashion in the committee report. If the Senate refused to include the TVA protection in the amendment, this would create a different "legislative history" and discourage courts forced to deal with the budget amendment in the future from giving TVA priority over other programs.

The entire episode, as Mr. Feingold notes, underscores the folly of trying to deal with budget issues through a constitutional amendment. A balanced budget amendment could move the most basic of legislative questions (such as the future of the TVA) out of the legislative process and into the judiciary, which is exactly where they don't belong. The Senate should surely give no special protections to the TVA. Just as surely, it should vote the balanced budget amendment down.

Mr. FEINGOLD. Mr. President, fortunately this editorial lays out exactly the intent, my intent, the intent of the Senator from North Dakota, and that is to undo, explicitly undo, what was done in the committee; to say that the Senate as a whole would table such language that would have the effect of exempting either all or part of the Tennessee Valley Authority.

Mr. President, the Senator from Kentucky indicated that I had put four amendments in for possible introduction as amendments, and that is correct. But I have chosen one amendment and that amendment is this one. It is the one that, by its rejection, overrides the language of the committee report. It would have the effect of overriding the committee report by tabling the very language from the committee report. That is the purpose of amendment No. 291.

It is not a disingenuous attempt. It is the only way I could think of to override the effect of this committee report which the members did not explicitly consider.

Everybody should understand there was not a point in the process of the consideration of the balanced budget amendment in the Judiciary Committee where we all said, "OK, let's decide if the TVA should be exempt or not." The whole process was done and the committee report was written, and then it was thrown in there, presumably at the staff level. That is how it was done. And I guess that is the way

it is done when it is business as usual, when you are trying to protect your own pork but at the same time you are saying you are for a balanced budget. It is a lot better to do it in a quiet staff room than it is to do it out on the floor of the Senate or even in front of the Judiciary Committee. That is what was done here.

I assure everyone who is looking at this what was done here was something people did not want us to know about.

My intent is not something any judge is ever going to have to wonder about. The Senator from Kentucky says they are going to have to be able to read it and limit it some way. But I laid my intent right on the record. The purpose of the motion to table is to override the committee language that seeks to exempt the TVA. Whether it seeks to exempt part of the TVA or all of the TVA or something in between, the intent of the motion to table, as explicitly stated by the two Senators who have moved to table, is to override the committee language. Now, I wonder how a court will have any trouble figuring that out. Clearly, they know the difference.

In fact, this is a very interesting proposition in terms of legislative history. What is being suggested here is that, even if the U.S. Senate as a body explicitly votes to table certain language, the courts are going to find the committee report to be more persuasive than the rollcall vote of the Members of the U.S. Senate. I doubt it. I would not bet the farm on that interpretation of legislative history. I think you will find you will come up wanting with that approach.

So let us be clear. My intent and the whole purpose of this is to not allow a committee report to find its way into constitutional interpretation or to exempt some or all of the Tennessee Valley Authority.

Let us get back to the real issue here. The real issue is: Why do I have to even be out here at all? Only because something was attempted which no one would try to do out here on the floor, to exempt one particular program from one particular area while everybody else has to compete fairly.

So I am very happy about the way the record stands now. And I am a lot happier than I was when I did not have these two Senators supporting me on the record to override the intent of the committee.

Mr. President, let me just say a few words about the other issue that has been raised about this notion that somehow the TVA has nothing to do with the Federal budget. That is what they are saying. This is a great deal, they say. We are making money on it, they say. It is a good thing for the Federal Government, which it may well be.

But the point is, there are an awful lot of people that think it is a loser or it is time to phase it out. It was a wonderful thing when Franklin Roosevelt brought this forth, and it really helped that area of the country during the De-

pression, but it is not open and shut at all that this program is a moneymaker for our country. In fact, an awful lot of people think it should be one of the top items for cuts. That is what the National Taxpayers Union has said. That is what the Congressional Budget Office has said. That is what a number of pieces of legislation already introduced this session by Members of both parties and both Houses have said.

Let me read briefly from the "CBO Reducing the Deficit: Spending and Revenue Options," March 1994.

Because many of TVA's stewardship activities are necessary to maintain its power system, their costs would more appropriately be borne by users of the power. . . Direct costs to the Federal Government could be reduced by about \$70 million annually if the TVA were to increase power rates or fees to cover costs of all stewardship activities. . .

A very different view than this view has been offered out here that says it has nothing to do with Federal dollars.

Let me cite from the "Department of Energy Federal Energy Subsidies: Direct and Indirect Interventions in Energy Markets," November 1992.

When compared with interest rates paid by investor-owned utilities, the TVA is estimated to have benefited from a subsidy of \$231 million in FY 1990.

A few pages later, the report says:

Historically, TVA was granted subsidies in the form of low-interest loans, debt forgiveness, and lower payments in lieu of taxation.

In fiscal year 1988, TVA received a subsidy—a subsidy, Mr. President—a subsidy—\$661.9 million in the form of lower payments in lieu of taxes, and that \$661.9 million " * * * can be counted as revenue losses to all levels of government."

This is real money. It is almost up to the point where, as the former Senator from Illinois, Senator Dirksen, said, we are talking about real money from the Federal Government transferred away from our ability to balance our budget.

The report also says, TVA

. . . Sells a large portion of its debt to the Federal Financing Bank (FFB). . . TVA's ability to access FFB acts as a subsidy in two ways. First, TVA does not incur any expenses to underwriters or marketing expense when it goes to the FFB. Second, it obtains financing at lower interest rates through the FFB.

So I will concede this to my friends on this issue, this is debatable. Yes, it is debatable whether or not the Federal Government has to pay out directly or indirectly to the TVA. But there is one thing that is clear and it is that at a very minimum it is debatable and that we cannot resolve it here today and that this is not the place to be resolving it.

Why are we resolving it today? Because certain Senators decided that they should not have to go through that same scrutiny that all the rest of us do, which is that later on, whether we pass the balanced budget amendment or not, we have to all get out here and fight and fight hard for our own programs and our own home States.

I see the Chair is from a dairy State. I am from a dairy State. Would it not be nice to have a constitutional exemption for the dairy program? But that is not the way this process should work, and we all know it. It is not fair. It is just not fair to exempt one program and let everyone else in this country have to fight like heck to protect the hard-working people in their home States, all of whom, I assure you, in every one of these 50 States, have arguments just as worthy.

So this attempt to enshrine this in the Constitution is one that is a bit of an embarrassment, it seems to me.

All I am trying to do here—and apparently we will prevail on this now—is to just get rid of it. A mistake was made by trying to do this in the Judiciary Committee. We all make mistakes, and it is understandable, certainly not the most horrible thing that was ever done around this place. But when you make a mistake, it is time to clean it up and correct it. Our motion to table cleans up the mistake and returns to a notion of fair play, whether the balanced budget amendment passes or not.

So, Mr. President, I guess I am going to have to leave it to the future. We have to see if the balanced budget amendment passes. We have to see if it gets ratified. But some day maybe somebody will take a look at this record, and I guess they are going to have to decide which side was playing games, which side was trying to pull a fast one, and which side was just trying to put everybody on the same playing field.

I am absolutely confident that when the courts look at this, when the Congress looks at this and, most importantly, when the American people look at this, they will all conclude that one side was trying to have their cake and eat it, too—to pose for the holy picture and say you are balancing a Federal budget but to still keep the pork in your own back yard. That is an outrageous example of trying to have your cake and eat it, too. All we are trying to do is clean it up.

I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

AMENDMENTS NOS. 259 AND 298, EN BLOC

Mr. GRAHAM. Mr. President, I would like to call up two amendments, Nos. 259 and 298.

The PRESIDING OFFICER. Are you calling them up en bloc?

Mr. GRAHAM. I am calling them up en bloc, and I am going to debate both of those amendments. Then I will ask for a rollcall vote on each of those amendments in that sequence.

The PRESIDING OFFICER. Is there objection?

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will report the amendments.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes amendments en bloc numbered 259 and 298.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 259

On page 2, line 8, strike "held by the public".

AMENDMENT NO. 298

On page 2, line 8, after "increased," insert "except for increases in the limit on the debt of the United States held by the public to reflect net redemptions from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund".

Mr. GRAHAM. Parliamentary inquiry, Mr. President. Would it be appropriate at this time to ask for the yeas and nays on amendments numbered 259 and 298?

The PRESIDING OFFICER. They are pending. It would be appropriate.

Mr. GRAHAM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. There is not a sufficient second at this point. The Senator from Utah is recognized.

Mr. HATCH. Has the Senator called up his amendment?

Mr. GRAHAM. I have called up the amendments 259 and 298. I have asked they be voted on in sequence. I am now asking that that vote be by recorded vote.

Mr. HATCH. If I may, Mr. President, as I understand it, all amendments will be voted on after 2:15 on Tuesday.

The PRESIDING OFFICER. That is correct.

Mr. HATCH. I move to table both amendments, and I ask for the yeas and nays.

Mr. BUMPERS addressed the Chair.

Mr. GRAHAM. Mr. President, I asked for a rollcall on the yeas and nays on this, with the intention of then presenting a discussion on these amendments.

I ask, if the Senator is going to ask for a tabling motion, that he withhold until after we have had an opportunity to debate the two amendments.

Mr. HATCH. I leave the motion to table there and I ask unanimous consent that the Senator be given more time if he needs to debate the amendment.

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

Mr. HATCH. Are the yeas and nays ordered?

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BUMPERS. Mr. President, I do not understand what the Senator from Utah said. A motion to table normally shuts off all debate.

Mr. HATCH. I ask unanimous consent that we move to table both amendments, and that debate continue after the motion to table, after receiving the yeas and nays on the motion to table.

Mr. BUMPERS. Is there agreement for time on this amendment?

Mr. HATCH. How much time does the Senator want?

Mr. GRAHAM. Mr. President, I anticipate my presentation will take approximately 15 to 20 minutes, and I know the Senator from Nevada, Senator REID, wanted to ask some questions of my amendment.

Mr. BUMPERS. Finally, Mr. President, if I may ask the distinguished Senator from Utah how long are we planning to go tonight?

Mr. HATCH. Not much longer, as far as I am concerned. I think after these two amendments, I will be happy to see if we could start to wind down. I understand that there may be a Kennedy amendment that will be offered afterwards, and a Nunn amendment.

Mr. BUMPERS. Mr. President, I wanted to offer an amendment following the Senator from Florida with the idea that we could debate it for awhile, until we wanted to go out, and have it begin in the morning first thing.

Mr. HATCH. Mr. President, that will be fine. I understand that Senator KENNEDY has an amendment, and also Senator NUNN may have an amendment. Any way we can work it out, I am happy. I am amenable to anything the Senator from Arkansas and his colleagues would like to do.

Mr. BUMPERS. I have no objection. We will discuss this.

Mr. HATCH. Mr. President, I ask for the yeas and nays on the two motions to table the two amendments.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Parliamentary inquiry. Have motions to table—with the yeas and nays—been ordered on each of the amendments, all up to date?

The PRESIDING OFFICER. They have not been ordered on the Feinstein amendment.

Mr. HATCH. I ask for the yeas and nays on that amendment, as well.

Mr. President, I withhold that.

UNANIMOUS-CONSENT AGREEMENT

Mr. BUMPERS. Will the Senator from Florida yield for a moment for a unanimous consent agreement?

Mr. President, I ask unanimous consent that I be recognized to offer a motion for an amendment at the desk immediately following conclusion of the debate on the Graham amendment.

The PRESIDING OFFICER. Is there objection? There being no objection, it is so ordered.

Mr. GRAHAM. Mr. President, parliamentary inquiry. We have ordered the yeas and nays on these two amendments, on motions to table amendments numbered 259 and 298; am I correct?

The PRESIDING OFFICER. That is correct.

AMENDMENTS NO. 259 AND 298

Mr. GRAHAM. Mr. President, I am offering these two amendments, both of which relate to section 2 of the proposed constitutional amendment, which is one of the most important, and I suggest, least understood provisions in this constitutional amendment.

If I could, I would like to read the language of section 2. The very fact that it is the second section of this amendment, coming immediately after the section which states the basic principle that the Federal Government shall balance its revenues and expenditures, is indicative of the importance which the authors of the amendment attach to section 2. I will discuss that further in a moment.

Section 2 reads as follows:

The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

Within those words, constituting one sentence of the balanced budget amendment, are a number of important policy considerations.

My amendments focus on one of those policy implications which constitute just four words in the section. Those are the words "held by the public." The requirement of a three-fifths vote of the whole number of each House is applied to raising the debt ceiling as it relates to that debt held by the public.

I was curious as to what the rationale behind this provision of the section was, so I sought as one source of clarification the book which has been distributed to all Members of the Senate by the Congressional Leaders United For A Balanced Budget Amendment.

In that description, the following information is given relative to section 2, and particularly the language "held by the public." It states that:

Because borrowing and increases in any limits on cumulative borrowing must be enacted by law, section 2 makes the amendment effectively self-enforcing.

So this is a very important section because it makes the rest of the balanced budget amendment self-enforcing, self-enforcing by requiring a three-fifths vote to raise the limit set by law for debt held by the public.

The statement by the Congressional Leaders United for the Balanced Budget goes on to state that by lowering "the blackmail threshold" associated with passage of the regular debt limit bill from 50 percent plus 1 in either body to 40 percent plus 1, section 2 in-

creases the motivation of the administration and the leadership, including the chairs of the relevant committees, to do whatever is necessary legislatively and cooperatively, even to the point of balancing the budget to avoid facing such a difficult debt vote.

So the purpose of this provision is to enforce the balanced budget amendment and, two, to create a blackmail threshold at 40 percent plus 1; that is, if 41 Senators refuse to go along with a proposal to raise the limit on debt held by the public, that would be such an enforcement figure that collectively we will do all that we can to avoid having to be placed into that position. That is the rationale for this amendment.

Mr. President, as we commence this process of possibly placing this language into the Constitution of the United States, let me provide, and I hope this is not excessively tedious, a little background regarding this statement of debt held by the public.

The projection of the Congressional Budget Office is that the end of this fiscal year, which will be September 30, 1995, the gross Federal debt—all debt owed by the Federal Government—will be \$4.942 trillion, a shade less than \$5 trillion. That debt can be divided in a number of ways, but this amendment calls for it to be divided into two sectors.

One sector is debt held by the public, and these are some of the entities which constitute the public which holds the debt of the Federal Government: State and local governments happen to be the largest public holder of the Federal debt. They hold \$641 billion. Foreign governments and private sources, \$601 billion, and so forth throughout this analysis.

The second sector of the national debt is debt held by Government accounts. These are the accounts that are not part of the debt held by the public. These are primarily the trust funds of the Federal Government whose surpluses must be invested in Federal Treasury obligations.

The largest of those, of course, is Social Security, which has \$488 billion of debt of the Federal Government. We are going to talk extensively about that Social Security indebtedness.

All the other Federal Government accounts, which include primarily those that are analogous to Social Security in that they are accounts designed to provide for the retirement of persons, for instance, Civil Service is \$346 billion; military retirement, \$105 billion; and then others of significance are Medicare, \$150 billion, the Department of Transportation has \$30 billion in its account, the unemployment compensation account has \$40 billion. Cumulative of all these other accounts, excluding Social Security, is \$837 billion, or a total of \$1.325 trillion are debts of the Federal Government which are not held by the public, but rather by one of these Government accounts.

With this background, I would like to talk about some of the policy implica-

tions of restricting to a three-fifths vote only this portion of the national debt. Under this amendment, it will take a three-fifths vote of the whole number of the Members of both Houses of Congress to raise the debt held by the public. The debt held by Government accounts can be raised by the legislative majority which we currently utilize.

The last time we voted on increasing the national debt, which was in Public Law 103-66 on August 10, 1993, we voted—and this is the language in the statute, Mr. President—"to increase the public debt limit," not debt held by the public, but the public debt limit. And we increased it to \$4.900 trillion. One fact that obviously creates is that before the end of this fiscal year, we are going to have to raise the debt limit because we are going to break the \$4.900 trillion level prior to the end of this fiscal year.

As I turn to some of the policy implications of this section 2, I would like to state a couple of assumptions that I am going to make so that if anyone would like to engage in further discussion, they would do so with those assumptions in mind and might wish to discuss them further.

The first is primarily because we do not have projections through the year 2025 and beyond for these other Government accounts and, second, because although they are very significant, \$837 billion, relative to the scale of the policy issues we are going to be dealing with, they will not substantially affect the policy considerations. To the degree they do affect the policy considerations, as I will explain, they make the concerns I am going to express even more serious. I am not focusing on this component, the Federal debt structure. My comments are focused on the Social Security borrowing.

And second, as the statement of the Congressional Leaders United for a Balanced Budget indicates, I am assuming that the purpose of this three-fifths vote is to make it very difficult to raise the amount of debt held by the public; that the purpose of this is to create a political hydraulics that is going to make it difficult to raise debt held by the public and make it relatively easier to raise debt held by Government accounts. That is clearly the purpose of the distinction that has been made in this amendment.

So let us turn to what is going to be the implication of adopting a balanced budget amendment with section 2 as it is currently written.

Where are we today? As this chart demonstrates, at the end of this fiscal year we will have a total debt of \$4.942 trillion. Of that amount, \$488 billion is in the red zone, which is the Social Security trust fund. Everything else, which is the debt held by the public, plus the debt held by Government accounts other than Social Security, is in the blue zone. That amount is \$4.452 trillion.

The constitutional amendment calls for us reaching a critical date in the year 2002 when we are to come into balance. The projection is that between now and the year 2002, we will increase the Federal debt by approximately \$1 trillion. So, that when we reach the year 2002, we will have a total national debt of \$6 trillion. Of that amount, the Social Security trust fund surpluses will be \$1.40 trillion in the year 2002. Social Security will represent that much of the indebtedness. Everything else, including the debt held by the public, plus the non-Social Security Government accounts will be \$4.96 trillion.

If the purpose of this is to make it very difficult to raise the debt held by the public, the debt held by the public will assumedly, essentially, stay at the same \$4.96 trillion level from the year 2002. We have gone out to year 2028. But since there is no restraint in this supermajority on borrowing from trust funds, and particularly from Social Security, which is the trust fund that is going to be, of course, the one rising dramatically, we are going to see the debt rise to \$7.098 trillion by the year 2018. This will occur when the surplus in the Social Security fund reaches its apex. We will be adding to the national debt under this amendment by a majority vote, an additional \$2 trillion. I do not think that is what the public believes they are getting with this amendment, that they are going to get an additional \$1 trillion between now and 2002 and then \$2 trillion between 2002 and 2018.

Mr. REID. Will the Senator yield?

Mr. GRAHAM. Yes.

Mr. REID. I have been listening to the statement of the Senator from Florida—and I have stated in the Chamber publicly on other occasions how much I appreciate the Senator's excellent work on an amendment that was offered regarding Social Security, but I have listened to the statement the Senator has made today, and it seems to me—and this is a question I ask the Senator from Florida—would not a reasonable person assume that if Congress passes a balanced budget amendment, the national debt would remain constant, at least not rise, because we would assume the budget would be in balance?

Mr. GRAHAM. Well, that is the difference between passing a cliché and passing an actual constitutional amendment. This constitutional amendment I think virtually assures that we are going to have a national debt of approximately \$3 trillion over the next 20-plus years above the national debt that we have today.

Mr. REID. I ask the Senator further, would that be the difference between the amount of Social Security surplus and the normal debt, so-called normal debt?

Mr. GRAHAM. The Senator is absolutely correct. This is the chart that shows what that Social Security surplus is going to be in each year from

1995 to the year 2029, when the Social Security trust fund is exhausted and is at zero.

Mr. REID. I ask my friend a further question. Let us assume in 2018, when the Social Security trust fund reserves begin to diminish—and that is about the date I think the Senator has on the chart—what will be the Government's options for meeting the contractual obligations it has with the Social Security beneficiaries?

Mr. GRAHAM. The Senator asked a very salient question. I might say before answering, it is one of the reasons we should have adopted the amendment the Senator offered last week because it would have segregated Social Security and allowed us to focus on its problems, which are serious, without having it commingled with the rest of the Federal budget. But the amendment, unfortunately, was defeated so we are now locked into a situation in which we are going to continue to do what we are doing now, which is to use the Social Security surplus to mask the extent of our real deficit. We are going to be taking the surplus of Social Security, not investing it in stocks, bonds, or other securities as would a traditional pension plan, including pension plans of State and local governments; we are going to be investing it in the Federal Government to finance our national debt.

As this chart indicates, by the year 2018 our national debt will be \$7.098 trillion and Social Security will hold \$3 trillion. Three-eighths of our total national debt will be held by the Social Security system. The question is, what are we going to do when we get to the point that Social Security begins to draw down that surplus? What we are going to do is either have to, first, dramatically cut spending for Social Security benefits or other Federal programs in order to generate the cash to pay for the Social Security redemptions; second, dramatically increase taxes to pay for the Social Security redemptions; third, some combination; or, fourth, continue with borrowing, but now we will have to be borrowing from debt held by the public because there will not be a Social Security alternative to draw from.

Mr. REID. I ask my friend one further question. The Senator has stated on this floor on a previous occasion that the surpluses that will be developed in the Social Security trust fund during the next 20-plus years is on purpose. Is that not right?

Mr. GRAHAM. The building of the surpluses, as the Senator from Nevada correctly states, is not as an aberration. We are doing this because this more or less tracks the demographics of the U.S. population. During the period from now until about the year 2018 or 2019, when the number of people going into the Social Security system as a percentage of the total population is relatively low—I do not know what year the Senator was born in Searchlight, NV. Could he inform us of that?

Mr. REID. December 1939.

Mr. GRAHAM. I was born almost 3 years prior to the Senator from Nevada. We were both born during a period of national depression. There were not very many people being born in either Pennsuko, FL, or Searchlight, NV, in those years of the 1930's. So there are not a lot of Americans who have birth dates in the years in which we were born.

Conversely, I know the Senator has children who were born probably in the 1960's. I have four of those children. There were large numbers of people born in the period after World War II, in the 1940's, 1950's, and 1960's. Those folks are going to start retiring in about the year 2019, and so instead of having a surplus, we are going to start to spend down the Social Security system and do it dramatically. In 10 years, we will go from over \$3 trillion of surplus to zero surplus in the Social Security system. And we are going to have the challenge—not us individually, but our successors here and the citizens of this country—to calculate how to meet that enormous obligation under this balanced budget amendment.

Mr. REID. I ask my friend an additional question. Why would an amendment to balance the budget be placed in the Constitution while allowing the limit on the public debt to rise to the portions illustrated in the Senator's previous chart? That I do not understand.

Mr. GRAHAM. And it runs exactly counter—the answer is I cannot answer the question. I hope maybe some of those who are the authors could explain why they have done this.

In the material that was distributed, it states, "The purpose of this section is to motivate an avoidance of deficits." That is a direct quote from the materials distributed by Congressional Leadership United for a Balanced Budget.

The reality is that the opposite occurs. The national debt goes from \$5 trillion today to \$6 trillion. This is going to happen in almost any event. But this is what is not necessary, and that is this dramatic increase in the national debt from \$6 trillion to \$8 trillion that will occur roughly between the year 2002 and 2018, and which is virtually mandated by the structure of this balanced budget amendment.

Mr. REID. So, if I understand the Senator correctly, the Senator, having been Governor of one of the largest States in the Union, having handled billion-dollar budgets there, and having had the experience he has had here—including being a member of the Finance Committee—the Senator cannot explain to me why the balanced budget amendment is written the way it is?

Mr. GRAHAM. I cannot. And there is a way to solve this problem. This is not a conflict which is beyond our ability to resolve.

I suggest that the resolution is found in the amendment which is currently pending and that is the simple step of

eliminating the phrase "held by the public" from the constitutional amendment, so that the amendment will now read:

The limit on the debt of the United States shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

What that will require is that there will be a three-fifths vote required to increase the national debt, whether it comes from debt held by the public or debt held by the Social Security trust fund.

With that approach you get a dramatically different structure of our Nation's fiscal future. Going back to the assumptions that I started with, which is that the whole purpose of the three-fifths vote, as stated by its authors, is to create a blackmail threshold that will make it virtually impossible to raise the national debt, that would indicate we will move to the \$6 trillion level between now and the year 2002 when the constitutional amendment becomes operative. Then there will be no increase in the national debt from the year 2002 into the indefinite future. We will plateau at \$6 trillion.

The consequence is going to be that we will see the Social Security trust fund continuing to generate substantial surpluses between now and the year 2018, which will become a larger share of our total debt. But at the same time we will be buying down the debt held by the public. We will be substituting Social Security indebtedness for debt held by the public. We will be doing what I think the sponsors of this amendment want to do. We will be releasing capital back into the country for productive investment.

We will be making the Social Security system sound because we will not be adding an enormous amount of debt, we will be stabilizing our debt and placing us in a position after the year 2018 to do a graceful shift from Social Security back to debt held by the public and be able, by this borrowing from debt held by the public, to meet our Social Security obligations without the enormous tax or spending cuts that will be required if we do not adopt this amendment.

Mr. REID. I appreciate my friend yielding for the questions. He has been very lucid and straightforward in his answer.

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

Mr. GRAHAM. Yes.

Mr. CRAIG. Mr. President, I will make these questions constructive, as I hope they will be, because I helped craft this amendment over the last 5 to 6 years. We were faced with how do we deal with trust funds, because they are inside the budget, unique to Social Security. The law that created the Social Security system does not allow the trust funds to be invested outside Government. That is the law of the land today. Of course I do not think—certainly not this Senator, possibly the

Senator from Florida—does not believe the trust funds of Social Security should be put at risk out in the private marketplace.

What happens if you invest in stocks and bonds and they bottom out? Who comes back in and picks the system back up? That is a legitimate concern. I think those who were here in the 1930's when the Social Security system was crafted had that in mind. That was their concern.

So here we were, faced with the situation of these revenues coming in as a result of the 1983 fix on Social Security, and having to deal with them. The Senator and I are on the Board of Trustees of the Social Security system. There are no others. It is the Congress of the United States that is pledged to keep this system solvent and secure for its recipients. But in come the revenues and we borrow them. We are doing it today and even under the Senator's amendment we will do it tomorrow.

As a result of that understanding, as we crafted this amendment it was our concern, knowing that, that we cut down on the other debt that is out there and accumulating, recognizing this was a debt owed—it was a note owed so that is a debt, certainly—back to the trust funds of the system. But at the same time, this Government is caught in the dilemma that they must use those moneys. Obviously that system cannot earn money if the money is not borrowed from it. So we just do not collect it and set it off to the side and create a nonearning environment. We borrow it and pay back the going rate on the Treasury note. That is a responsibility that we have. That is what this amendment has in mind and why it was worded the way it was worded.

I must say, while I find the argument of the Senator from Florida intriguing, we ran this through the system a good many times over the last 5 years to try to solve that problem, believing we have, and I am convinced we have. So I am curious. I mean it in all good faith, how do you deal with what the Senator is proposing? Obviously we are going to use those moneys inside Government and they will be needed, they will be owed at some time back to the trust fund.

I am the baby boomer in this debate right now, whereas our colleague from Searchlight was not. I am one of those people who was born in 1945 and I am in that group that is going to be in that peak. The Federal Government, by its commitment through the Social Security system—not Social Security, the Federal Government—is going to guarantee that because they are taking the notes out at this moment and they must pay them back. That is the way the system is structured under the law.

I find it confusing in this regard. Would we not have to change the law of Social Security that drives the system today to get to where we want to get, or to where the Senator wants to get with his amendment?

Mr. GRAHAM. No, absolutely not.

Mr. CRAIG. Please help me there, then.

Mr. GRAHAM. My amendment calls for the Social Security surpluses to continue to be invested in the Federal Government.

Mr. CRAIG. Yes.

Mr. GRAHAM. I would like to review a little of the history of how we got to where we are and why I think that history makes this chart the likely consequence of adopting the amendment in its current form. The difference is that my amendment will call for a stabilization of total Federal debt because it will require a three-fifths vote to raise total debt, not just the debt held by the public. And it will, therefore, force public debt to be displaced by the growing amount of Social Security.

When Social Security was adopted, it utilized a pay-as-you-go financing mechanism. We took in an amount of money each year sufficient to meet that year's obligation. We did not have a surplus. This was a nonissue.

In the late 1970's people began to recognize that we had these terrific demographic shifts that were going to be occurring over the next 30, 40 years because of the dramatically different birth rates in different periods of American history. So one of the key changes made in the 1983 reforms was to go to a surplus structure for Social Security, thus producing this curve.

There was an implicit assumption in this surplus Social Security and that was that we were going to be operating a balanced Federal budget for the rest of our expenditures. The way we would be securing this surplus money was we would be using it to reduce the amount of public indebtedness. This is the chart that the 1983 Social Security reform was predicated upon, a balance and a cap on the total national debt and a substitution of public debt for Social Security debt.

Then, beginning in the year 2018, without having added any debt in this period, we would be in a position to go back to the public and say: OK, now we have all these IOU's that the Social Security Administration is holding. We need to cash them in order to get the revenue to pay off the Social Security obligations to folks like our friend, the Senator from Idaho. And, we will do so without putting any additional strain on the Federal Government because we will not be increasing the amount of debt service. We will just be shifting it from the Social Security fund to debt held by non-Social Security entities.

Mr. CRAIG. Will the Senator yield at that point?

Mr. GRAHAM. Yes.

Mr. CRAIG. When you shift the debt from, in other words, that held by the Social Security trust fund to the public, where do you get the money to cause the shift because you have money outgoing to the recipient at that point? And we know that in this baby boomer scenario that becomes a very rapid demand level on the trust fund system.

Mr. GRAHAM. The way we intended to manage it, based on the 1983 structure, was to go to the general public with Federal borrowings.

Mr. CRAIG. In other words, borrowing the money.

Mr. GRAHAM. Yes, in order to replace the money that we had previously borrowed from the Social Security fund. What worries me is in the purpose of this amendment, by putting a cap on debt held by the public with a three-fifths vote, is to preclude that substitution. Then we are going to have a situation in which with no additional borrowing, combined with a drawdown of the Social Security surplus from almost \$3 trillion to zero over a period of 10 years, the only way we can fill this gap is by taxation or dramatic spending cuts.

Mr. CRAIG. In the year 2020 to 2035 when that \$3 trillion worth of liability, if you will, of those trust fund comes due. You are talking about either raising taxes by \$3 trillion or borrowing and raising debt by \$3 trillion dollar.

Mr. GRAHAM. No. I am saying I think the amendment is intended to preclude the borrowing option because it says you would have to have—

Mr. CRAIG. Except by a three-fifths?

Mr. GRAHAM. Yes. That corresponds to the debt ceiling argument which would allow borrowing under those circumstances.

My second amendment is going to make it easier to do that. But if the theory of the three-fifths vote is that essentially that is a statement that we are making that it should not be done—that is what the language of the congressional leadership stated—then that is in fact adhered to. When we have this drawdown of the Social Security surplus, no additional borrowing from the general public is permitted because it is capped at this level by the three-fifths margin. When we reach that point, and try to finance a \$3 trillion indebtedness in a 10-year period with reliance on taxation or spending cuts or some combination, the consequence is going to be this train wreck, a wreck in the scale of which we have never quite seen before.

Mr. CRAIG. That \$3 trillion indebtedness is going to be out there in any scenario. Will it not be easier for the Federal Government to be able to deal with it if it does not have extra hundreds of millions or trillions of dollars that it has borrowed from the public? In other words, if you will turn your chart that causes you problems upside down, it is the same chart as the one you are showing me. The reality is based on the law of Social Security. The Federal Government is going to borrow the reserves of the trust fund and it must pay them back starting dramatically in the year 2020 through the year 2035. Under either scenario, that is reality because it is not this amendment that is causing it. It is the law of the Social Security System that is doing it.

Mr. GRAHAM. I beg to disagree.

Mr. CRAIG. Then where is the money going at this point?

Mr. GRAHAM. Here is the structure of the balanced budget amendment. Section 1 says that we will have an integrated Federal budget in which Social Security and all trust funds will be commingled with the rest of the Federal Government. That is the definition of income and expenditure as provided in section 7. Does the Senator agree with that?

Mr. CRAIG. I am sorry?

Mr. GRAHAM. Section 1 as defined by section 7 will constitutionally require an integrated or a consolidated Federal budget; that is, all sources of income, all sources of expenditures will be amalgamated for purposes of determining whether we have a balanced budget or not.

Mr. CRAIG. All sources of expenditures and income. Is that correct?

Mr. GRAHAM. So we are constitutionally requiring a consolidated Federal budget. That is a correct premise. I believe that is what section 7 says. Then with the structure of the Social Security system that we have, each year from now until 2019, we will have a balanced budget by having our regular accounts out of balance to the extent that we have a Social Security surplus; that is, if this amendment were to be operative in the year 2002 when we have a Social Security surplus of approximately \$110 billion, every other account in the Federal Government can be out of balance by \$110 billion and the surplus from Social Security will bring the total into balance.

Mr. CRAIG. Because of the general fund, because the law of Social Security requires the Federal Government to borrow the money, and that usually is invested in the general fund account.

Mr. GRAHAM. But we have another choice; that is, what I think we ought to be doing is we ought to be balancing our general revenue accounts and using the surplus of Social Security not to mask our spending but rather using the surplus of Social Security as a real surplus including a real surplus that will be buying down an amount of public debt so that when we get to the point where we have run through the happy days of big Social Security surplus and face the very tough days of having to pay off all of that surplus, we will not have added \$12 trillion to the national debt. If you really want to have a conservative balanced budget amendment, it ought to be an amendment that says we will put a three-fifths requirement on the law to increase the borrowing from whatever source, Social Security, other Federal trust funds, or the general public. That is an amendment that would be truly conservative. That would be an amendment which our grandchildren and the Senator from Idaho would very much appreciate. That would be an amendment that would give them the greatest assurance that their Social Security benefits are going to be real when they reach the age of eligibility.

All of what I have said relates to the first amendment that I have offered, which has the simple objective of striking the four words "held by the public" and requires the three-fifths vote to apply to all of Federal increases in the debt limit.

If we do not adopt that amendment—

Mr. LEVIN. Will the Senator yield before he goes to the second amendment for a couple of questions?

Mr. GRAHAM. Yes.

Mr. LEVIN. I have followed the presentation both here and back in my office. It is a very significant and important presentation. How much on the average would the annual deficit be permitted to be during that period of the peak without it appearing as though there were a deficit at all? In other words, I believe the Senator said it is a \$2 trillion peak over about a 12-year period, something like that.

Mr. GRAHAM. Yes.

Mr. LEVIN. Does that mean basically, unless his amendment is adopted, that under the current wording of the balanced budget amendment that we could average a deficit of about \$200 billion a year and mask it?

Mr. GRAHAM. In the year 2002, which is the year that the constitutional amendment kicks in, Social Security will have a surplus of \$1.04 trillion; we will say \$1 trillion. During the next 16 years, it grows to \$3.02 trillion, or roughly \$2 trillion. So \$2 trillion divided by 16.

Mr. LEVIN. About \$120 billion a year, perhaps.

Mr. GRAHAM. I do not have my calculator, but it would be significant.

Mr. LEVIN. So in terms of the annual average deficit, which will be masked in the absence of the amendment of the Senator from Florida, during that period there could be a \$120 billion deficit per year on the average, which would not, in effect, violate the current wording of the constitutional amendment; is that correct?

Mr. GRAHAM. That is right. And this could take place with a majority vote. This does not require a supermajority of the Congress in order to achieve this unexpected result.

Mr. LEVIN. I think the Senator from Florida is pointing out something which is extraordinarily significant. I hope that those who support this amendment understand that, without the adoption either of the amendment of the Senator from Florida or the amendment of the Senator from California, this outcome will result.

My second question relates to the substitute of the Senator from California. The Senator from Florida mentioned that Senator REID of Nevada had offered an amendment the other day which was defeated, and that had it passed, I believe the Senator from Florida said, this problem would have been solved; is that correct?

Mr. GRAHAM. The answer is yes. Because the Reid amendment, now incorporated in the amendment of the Senator from California, would have not required a consolidated Federal budget but rather would have separated Social Security from it. It would have had to balance our budget in general accounts without being able to use Social Security surpluses as a mask and thus we would have avoided the train wreck which we are setting up for our grandchildren.

Mr. LEVIN. And, if the Senator would further yield for a question, if the substitute of the Senator from California is adopted, will that then resolve this issue?

Mr. GRAHAM. If the substitute of the Senator from California is adopted and if, as I understand it, it is the essence of the Reid amendment, then I would suggest that my amendments could be withdrawn.

Mr. LEVIN. Finally, if the Senator would yield for an additional question. The Senator has made reference to questions and answers from the Congressional Leaders United for a Balanced Budget. I have seen that same group referred to. I am wondering whether or not the Senator can tell us what the membership of that is and, perhaps, if he cannot, the Senator from Idaho can, because in documents which have been placed in the RECORD by the Senator from Idaho I have seen the reference to that group, but I do not know who is in it.

Mr. GRAHAM. I received this document from the Congressional Leaders United for a Balanced Budget. I do not believe it indicates who the members are.

Mr. LEVIN. The Senator from Idaho has put in the RECORD documents which I have also referred to and plan on referring to tomorrow. He put the document in on March 1.

Mr. President, I ask unanimous consent, since the Senator from Florida has the floor, whether or not I might ask the Senator from Idaho a question without the Senator from Florida losing his right to the floor.

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

Mr. LEVIN. I wonder if the Senator from Idaho could tell us who the individuals are that make up the Congressional Leaders United for a Balanced Budget, because a number of us keep referring to those documents that are in the CONGRESSIONAL RECORD that my friend put in the RECORD.

Mr. CRAIG. I appreciate the Senator's inquiry and he honors me by that inquiry. Congressional Leaders United for a Balanced Budget was originally formed by both Senators and Representatives in the early 1980's. I chaired it in the House and the former Senator from California, now Gov. Pete Wilson, chaired it here in the Senate. We brought our staffs together and through that, along with experts we brought in overtime to testify on this, accumulated a base of knowledge and understanding of the issue.

So the best and cleanest and appropriate answer is that it is an ad hoc group of both Senators today and House Members who work under Congressional Leaders United for a Balanced Budget for the purposes of promoting this legislation that we have before us.

Mr. LEVIN. If I could ask unanimous consent that I be allowed to proceed, would the Senator from Idaho be able or willing to provide for the record the membership of the group? The reason is that Congressman SCHAEFER has put into the CONGRESSIONAL RECORD the same questions and answers basically, and he is the prime sponsor of the constitutional amendment in the House of Representatives. It is basically the same questions and answers which he has put in as his. I think that is a pretty strong statement coming from the prime sponsor.

Would the Senator from Idaho be willing to put in the RECORD the membership of the group?

Mr. CRAIG. I would be happy to. There is nothing nefarious about it at all. Senators come together, as do House Members, for the purpose of discussion and they find organizational titles. I would be happy to do so.

Mr. LEVIN. May I quickly add, I did not mean to suggest anything the least bit untoward or nefarious at all. We have ad hoc commissions all the time. I know very well I will know the members and admire many of them, indeed all of them. I did not mean to suggest anything unusual or untoward.

But we are all making reference to a group and it seems to me we would like to know who the members of this group are, so we can get a feel whether they include both sponsors and opponents of the constitutional amendment as to who it is that are members of the group. I would appreciate that list for the record.

I thank the Senator from Florida. I want to commend him on pointing out some very, very significant material for all the reasons which he has identified. We will be masking a deficit unless we adopt either the Feinstein substitute or the amendment of the Senator from Florida.

(Ms. SNOWE assumed the chair.)

Mr. GRAHAM. Madam President, I thank my friend from Michigan for his comments. I would say, in all honesty, that the adoption of the amendment as offered by the Senator from Nevada and the Senator from California, of which I was proud to be a cosponsor, would actually be the superior way to deal with this issue because it would solve the problem of no longer requiring that Social Security be commingled with the rest of the Federal budget as well as effectively rendering denuding the potential danger contained in section 2.

So let me just summarize the first amendment. It is a very simple amendment. It strikes the phrase "debt held by the public," would require that the three-fifths vote be applied to all in-

creases in debt from whatever source, would have as its objective to avoid the addition of \$2 trillion of debt between the year 2002 and 2018 and almost an assured fiscal crisis thereafter, and substitute in lieu thereof a cap on Federal debt after the year 2002, a substitution of the Social Security trust fund surpluses for debt held by the public during the period from 2002 to 2018, and then a reversal of that as the Social Security system has to redeem the IOU's that it holds from the Treasury in order to be able to meet its obligations.

That is amendment No. 1, which, in our sequencing, is Amendment No. 259.

My amendment No. 2, unfortunately, is a much wordier amendment. Let me read that amendment. It would take the language of section 2 which says, "The limit on the debt of the United States held by the public shall not be increased," and it inserts this phrase, "except for increases in the limit on the debt of the United States held by the public to reflect net redemptions from the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund."

In essence what we would be saying is that by a majority vote, not a three-fifths vote, the Federal Government would be able to borrow funds—and this would occur based on current projections after the year 2018—the Federal Government would be able to raise the limit of debt of the public by a majority rather than a three-fifths vote for the purpose of redeeming the IOU's the Social Security trust fund will have accumulated and substituting debt that would be held by the public.

It will, in my opinion, be necessary in order to maintain this alternative as a means of financing the enormous transition that will occur in Social Security after the year 2018, without punishing spending cuts, tax increases, or some combination of those.

Madam President, I hope that this body will not just take the position that no amendments are to be considered, that regardless of merit we will mindlessly mow down all proposed changes.

I am a supporter of the balanced budget amendment. I have voted for the balanced budget amendment in the past. I hope to vote for the balanced budget amendment in 1995. I want to vote for a responsible balanced budget amendment. I do not want to leave to our children and grandchildren an enormous debt based on our failure to exercise the discipline which is the purpose of the balanced budget amendment.

That is why I have been supporting it. I also do not want to leave to our children and grandchildren the train wreck which is going to occur if we have a provision that requires a three-fifths vote to raise money from the general public to substitute and be able

to redeem the enormous borrowing that we are going to be making from Social Security over the next 20-plus years.

I believe this is a dramatically more conservative approach than the one that is contained in the balanced budget amendment as currently submitted. It is the difference between having a ceiling of \$6 trillion of national debt to one that would have national debt rising to the level of almost \$8 trillion. If you are a conservative, if you are concerned about the kind of America that we will leave to the next generation, if you have been appalled at what we have done in the last 15 years where the debt went from less than \$1 trillion to now almost \$5 trillion in a period of 15 years, you ought to be equally appalled by the prospect of a debt growing from \$5 trillion to \$8 trillion in the next 20-plus years.

Madam President, we do not have to condemn ourselves to this future. We have an alternative. The alternative is either adopting the amendment offered by the Senator from Nevada and now reoffered by the Senator from California, or as a first fallback, adopting the amendment which I have offered that would require a three-fifths vote for any increase of the national debt, thus forcing a readjustment of Social Security debt, for public debt, in the next period and after the year 2018, allowing a readjustment to finance the Social Security obligation that we will have.

If we do not do either of those, at least we ought to not require a three-fifths vote to fund this enormous debt that we are going to be encouraging by consolidated Federal budget using the mask of Social Security to balloon the national debt by an unnecessary \$2 trillion, and then leave it to our grandchildren through taxation or spending cuts to finance this Social Security obligation.

Madam President, I feel emotional about this in part because I am the father of four children who were born as baby boomers and will be in the first line of those affected by this amendment. I am the grandfather of four children, soon to be eight grandchildren as a result of births that are en route, and I do not want to have my children and my grandchildren turn to me 20 years from now and say "Granddaddy, why did you do this to me when you did not have to do so?"

I believe we have the opportunity to pass a balanced budget amendment that will allow Members to say to our children and our grandchildren: We stopped this profligate Federal spending. We required Members to do as most other individuals, families, businesses, and governments in America have to do. That is, balance their books on a more or less yearly basis. And we did it in an intelligent way that did not require citizens to pay an enormous sacrifice in their generation because we were living off the mask of this Social Security surplus during the last

years of our generation's life. That is what is at stake.

As I say, Madam President, I know there is a tremendous momentum to say, "Let's not accept any amendments. That is perfection. This is what we must adopt." I urge that over the next few days—and this will be voted on Tuesday afternoon—that there will be some serious consideration of the implications of this issue.

I say to our Presiding Officer and to my colleagues that I am anxious to meet with any Member of this body, to meet with any group which is concerned about this issue, to discuss its implications, to try to collectively learn what it is we are doing and to determine what would be the most prompt path.

These are an important 4 days that we have between now and Tuesday. I hope we use those days wisely.

Thank you.

UNANIMOUS-CONSENT AGREEMENT

Mr. CRAIG. Madam President, I am about to propose a unanimous consent.

I will be more than happy to meet with the Senator from Florida and respond to those questions. I know he is sincere in his effort and I will make every effort to accommodate him.

I now ask unanimous consent that the votes occur in relation to the pending amendments numbered 259 and numbered 298 on Tuesday, February 28, in the stacked sequence to begin at 2:15 p.m.

Mr. GRAHAM. Reserving the right to object, and I will not do so, will the vote on the amendments occur after the vote on the amendment as offered by the Senator from California?

Mr. CRAIG. It is my understanding that that is the stacked sequence; is it not? I believe that is the correct answer, yes.

The PRESIDING OFFICER. No, it would come after the amendment of the Senator from Wisconsin.

Mr. GRAHAM. But would the amendment of the Senator from California occur prior to this amendment?

The PRESIDING OFFICER. Yes, it would.

Mr. GRAHAM. As I indicated, should the amendment by the Senator from California be adopted, I am prepared to withdraw my amendments, because they would have been solved in a larger and, I think, more effective manner.

If the amendment by the Senator from California is not adopted, I think it becomes urgent that one, and preferably the first of the two amendments that I am offering, be adopted.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. BUMPERS. Madam President, I ask unanimous consent that I be permitted to yield to the Senator from Rhode Island for not to exceed 3 minutes, following which the senior Senator from Virginia be recognized for not to exceed 3 minutes, following which the senior Senator from Massachusetts be recognized for 2 minutes

for the purpose of laying down an amendment, so that the amendment would qualify for a vote on Tuesday, and that immediately following the laying down of the amendment by the senior Senator from Massachusetts, I be recognized again for the purpose of calling up my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. WARNER. Madam President, I ask my colleague if he might extend a little more latitude to the two Senators.

Mr. BUMPERS. Of course. I was told by the Senator from Rhode Island that he thought 3 minutes each would do it. I will be happy to yield for a longer period. What would the Senator suggest?

Mr. WARNER. Perhaps not to exceed a total of 12 minutes. The Senator from Rhode Island and I wish to address the commemorative to Iwo Jima.

Mr. BUMPERS. I modify my unanimous-consent request to yield 12 minutes to the two Senators equally divided.

Mr. KENNEDY. Reserving the right to object, I have a 15-second request. Could I ask the Senator be permitted—

Mr. BUMPERS. I amend the unanimous consent request to allow the Senator from Massachusetts to go first.

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

AMENDMENT NO. 267

(Purpose: To provide that the balanced budget constitutional amendment does not authorize the President to impound lawfully appropriated funds or impose taxes, duties, or fees)

Mr. KENNEDY. Madam President, I ask unanimous consent to call up my amendment No. 267, which was previously filed.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. JOHNSTON, proposes an amendment numbered 267.

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

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

The amendment is as follows:

On page 3, between lines 8 and 9, insert the following:

"SECTION 8. Nothing in this article shall authorize the President to impound funds appropriated by Congress by law, or to impose taxes, duties, or fees.

Mr. KENNEDY. Madam President, it is my understanding that the vote in relation to my amendment will occur in the sequence on Tuesday afternoon.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Madam President, my amendment would simply make it

clear that nothing in the proposed constitutional amendment would authorize the President to impound funds appropriated by Congress by law or to impose taxes, duties, or fees.

I ask unanimous consent that a discussion of this issue set forth in "Minority Views" contained in the report of the Committee on the Judiciary be printed in the RECORD.

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

B. THE AMENDMENT WOULD GIVE THE PRESIDENT BROAD POWERS TO IMPOUND APPROPRIATED FUNDS

That the balanced budget constitutional amendment would authorize the President to impound funds appropriated by Congress is clear from the text of the Constitution and the proposed amendment. Article II, section 3, obligates the President to "take care that the Laws be faithfully executed," and article II, section 7, requires the President to take an oath to "preserve, protect and defend the Constitution."

Section 1 of the proposed constitutional amendment provides that "[t]otal outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote." The amendment thus would forbid outlays from exceeding revenues by more than the amount specifically authorized by a three-fifths supermajority of each House of Congress. In any fiscal year in which it is clear that in the absence of congressional action, "total outlays" will exceed "total receipts" by a greater-than-authorized amount, the President is bound by the Constitution and the oath of office it prescribes to prevent the unauthorized deficit.

The powers and obligations conferred upon the President by the Constitution and the proposed constitutional amendment would clearly be read by the courts to include the power to impound appropriated funds where the expenditure of those funds would cause total outlays to exceed total receipts by an amount greater than that authorized by the requisite congressional supermajorities.

This commonsense reading of the proposed constitutional amendment is shared by a broad range of highly regarded legal scholars. Assistant Attorney General Walter Dellinger, who as head of the Office of Legal Counsel at the Department of Justice is responsible for advising the President and the Attorney General regarding the scope and limits on presidential authority, testified before the Judiciary Committee that the proposed constitutional amendment would authorize the President to impound funds to insure that outlays do not exceed receipts. Similarly, Harvard University Law School Professor Charles Fried, who served as Solicitor General during the Reagan Administration, testified that in a year when actual revenues fell below projections and bigger-than-authorized deficit occurred, section 1 "would offer a President ample warrant to impound appropriated funds." Others who share this view include former Attorney General Nicholas deB. Katzenbach, Stanford University Law School Professor Kathleen Sullivan, Yale University Law School Professor Burke Marshall, and Harvard University Law School Professor Laurence H. Tribe.

The fact that the proposed constitutional amendment would confer impoundment authority on the President is confirmed by the actions of the Judiciary Committee this year. Supporters of the amendment opposed

and defeated an amendment offered by Senator Kennedy before the Judiciary Committee that would have added the following section to the proposed amendment:

"SECTION . Nothing in this article shall authorize the President to impound funds appropriated by Congress by law, or to impose taxes, duties or fees."

If the supporters of the proposed constitutional amendment do not intend to give impoundment authority to the President, there is no legitimate explanation of their failure to include the text of the Kennedy amendment in the proposed article.

The impoundment power that would be conferred on the President by the proposed constitutional amendment is far broader than any proposed presidential line-item veto authority now under consideration by the Congress. The line-item veto proposals would allow a President to refrain from spending funds proposed to be spent by a particular item of appropriation in a particular appropriations bill presented to the President. As Assistant Attorney General Dellinger testified, the impoundment authority conferred upon the President by the proposed constitutional amendment would allow a President to order across-the-board cuts in all Federal programs, target specific programs for abolition, or target expenditures intended for particular States or regions for impoundment.

The Committee majority makes two arguments to support its assertion that the balanced budget constitutional amendment does not give the President impoundment authority. Both are wrong.

The first is the suggestion that "up to the end of the fiscal year, the President has nothing to impound because Congress in the amendment has the power to ratify or to specify the amount of deficit spending that may occur in that fiscal year." In essence, the majority asserts that there will never be an unauthorized, and therefore unconstitutional, deficit, because Congress will always step in at the end of the year and ratify whatever deficit has occurred. If true, then the balanced budget is a complete sham, because it would impose no fiscal discipline whatsoever.

But if the majority is wrong in its prediction—that is, if a Congress failed to act before the end of a fiscal year to ratify a previously unauthorized deficit, all of the expenditures undertaken by the Federal government throughout the fiscal year would be unconstitutional and open to challenge in the state and Federal courts (see part I.A. supra). It is inconceivable that the President, sworn to preserve, protect and defend the Constitution, would be found to be powerless to prevent such a result.

Second, the majority argues that "under section 6 of the amendment, Congress can specify exactly what type of enforcement mechanism it wants and the President, as Chief Executive, is duty bound to enforce that particular congressional scheme to the exclusion of impoundment." The fact that Congress is required by section 6 of the proposed amendment to enact enforcement legislation certainly does not suggest that the amendment itself would not grant the president authority to impound appropriated funds. Nothing in the proposed article stipulates that the enforcement legislation must be effective to prevent violations of the amendment. Indeed, there is every reason to believe that no enforcement legislation could prevent violations for occurring.

The President's obligation to faithfully execute the laws is independent of Congress's. That duty is not "limited to the enforcement of acts of Congress * * * according to their express terms, * * * it include[s] the rights, duties and obligations growing

out of the Constitution itself, * * * and all the protection implied by the nature of the government under the Constitution[.]" *In re Neagle*, 135 U.S. 1, 64 (1890). If an unconstitutional deficit were occurring, Congress could not constitutionally stop the President from seeking to prevent it.

C. THE PROPOSED AMENDMENT MANY ALSO CONFERR UPON THE PRESIDENT THE AUTHORITY TO IMPOSE TAXES, DUTIES AND FEES

As discussed above, when a greater-than-authorized deficit occurs, the balanced budget constitutional amendment would impose upon the President an obligation to stop it. While greater attention has been paid to the prospect that the amendment would grant the President authority to impound appropriated funds, the amendment would enable future Presidents to assert that they have the power unilaterally to raise taxes, duties or fees in order to generate additional revenue to avoid an unauthorized deficit. See Testimony of Assistant Attorney General Walter Dellinger, 1995 Judiciary Committee Hearings at 102.

This outcome would turn on its head the allocation of powers envisioned by the Framers. No longer would "the legislative department alone have access to the pockets of the people" as Madison promised in *The Federalist* No. 48. Instead, intermixing of legislative and executive power in the President's hands would constitute the "source of danger" against which Madison warned.

Mr. KENNEDY. I thank my colleague.

Mr. CHAFEE addressed the Chair. The PRESIDING OFFICER. The Senator from Rhode Island.

COMMEMORATING THE 50TH ANNIVERSARY OF THE BATTLE OF IWO JIMA

Mr. CHAFEE. Madam President, first I want to thank the distinguished senior Senator from Arkansas for letting us interrupt the sequence.

Last week, Madam President, following the inspiring remarks by that very senior Senator from Arkansas, there were several very eloquent and moving statements made on this floor regarding the battle for Iwo Jima and the 50th anniversary which we are commemorating currently.

Over the next several days, there will be additional statements dealing with that battle which many believe was the most ferocious of the Pacific war. The actual invasion commenced on February 19, 1945, with the battle lasting 35 days. On February 22, 50 years ago yesterday, D-day plus 3, marines from the 4th and 5th Divisions continued their relentless attack against entrenched enemy positions on Iwo Jima. It was very difficult going.

The first 2 bloody days on the island netted gains at a high price in marines killed and wounded—an indication of what was going to come in the succeeding 32 additional days of combat.

The job of taking Mount Suribachi, the 556-foot high extinct volcano at the southern end of Iwo Jima, fell to the 28th Marine Regiment commanded by Col. Harry E. Liveredge.

On the slopes of Mount Suribachi, the Japanese had constructed an exceedingly clever labyrinth of dug-in