

would be a brake—or a more deliberative body than the House—while the House is very closely associated with the people, and perhaps more responsive to moods or fads in society which nevertheless might be good public policy.

We have had this joint way of doing things which has led to governmental stability. Is there an economic provision in the Constitution? It provided a basis for a sound economy. Without it, I wonder whether the United States would have flourished to the extent that we have flourished, economically or socially.

In my judgment, every word in the U.S. Constitution is a word that provides the basis for an economy and a set of opportunities that define the character of this Nation. And the economy cannot be taken out of the Constitution.

Of course, the balanced budget amendment is far more than just something related to the economy. As George Will said in his book "Restoration":

Proscribing deficits is different because deficits are political and moral events, not merely economic events.

Mr. President, a balanced budget amendment would do something of fundamental significance. It would protect important rights of an unrepresented group—the next generation. If the Constitution of the United States is not supposed to protect the rights of the unrepresented—and those who are helpless—what is the Constitution for?

The Constitution was indeed designed, was enacted, and was embraced by the American people—and has been and will be—because it protects us against abuses of power. It should also protect the important rights of an unrepresented group, as George Will puts it, the "unborn generations that must bear the burden of the debts."

The amendment would block a form of confiscation of property, of taxation without representation, of confiscation without due process of law. As I recall from my law school training—it has been a few years ago—but I believe the fifth amendment has something to say about taking without just compensation.

So here we find, Mr. President, that the Constitution—while it is full of documents and sections and clauses which have an impact on economics—is not only an economic document, it is a political and moral document, as well. Protecting the rights of those individuals who need protection is part and parcel of what the document is all about. And protecting them from what? Most frequently, protecting them from the U.S. Congress. Over and over again we read it: Congress shall make no law; the Congress shall not impair. That is the language of the Constitution.

Yes, the pending provision would have a financial and economic impact on this country. But it has a political and moral impact as well. It protects

freedom. It protects freedom from debt—something certainly worth protecting.

Let me just say that there is more to this amendment than protecting the next generation. We need it to teach the current generation. One of the aspects of government which is very important and fundamental to our society is the fact that government teaches.

We train our children—and rightly so—that government defines what is legal and what is illegal. And that they had better listen to what the Government says. Because, if you do bad things, you will do your time, as well. You will ruin your life. You will impair your freedom. You will destroy your opportunity.

Government is set up as the arbiter of what is legal and what is illegal. And children rightly begin to look to the Government as a moral arbiter of what is valuable, what is good, what is to be accepted, and what is not good, what is to be rejected. When people in a society look at their Government and conclude that their Government does not pay its debts, what does that teach? Does it teach responsibility?

We as a culture have a crisis concerning people accepting responsibility. They look at the Government, which they have been told is the arbiter of right and wrong. And what do we learn? What we are learning from the Government is, "Oh, don't worry about it. Just take the credit card and go on a binge, and hope the next generation pays for it."

The truth of matter is, we are learning irresponsibility. It not only destroys the character within us, but it destroys the opportunity of the next generation. It not only destroys their economic opportunity, it suggests to them the sinister failure of a moral certainty, which is that we should pay our own debts.

Anyone who thinks we should abandon the idea of having government act as a good example for our citizens ought to take a look at the news magazines for the recent weeks. Take a look at Newsweek a couple of weeks ago, Newsweek or Time. Forgive me for not distinguishing. The cover story was about the absence of shame in society, about no one having a sense of what is right or wrong, no one having a sense of responsibility. Take a look at the front page of U.S. News & World Report today. It is about men who forsake their families, who do not take care of their obligations, who act irresponsibly.

Mr. President, We preside over a Government that has forsaken the families of the future, which has mortgaged the next generation's inheritance and birthright. How can we expect our society to be moral and responsible when we—those who have been elected to lead the society—lead it with classic irresponsibility, abdicating our responsibility to limit ourselves to the resources we have? We just toss that principle away, pull up to the table,

roll up our sleeves with knife and fork, using our card—and their credit. And we impair and cheat the next generation.

This is the major challenge for those of us in the U.S. Congress this year. It is to reverse the concept that somehow the Congress is better than everyone else, that somehow the Congress does not have to live by the laws. We have taken a major step. In the Congressional Accountability Act we said we would live under the laws we passed for others. In the unfunded mandates law—which passed in the Senate and another version in the House, on which we are working to collaborate and work out the details—we said, yes; we are not even going to try to tell other people what to do through unfunded mandates.

We need to come to a further conclusion, Mr. President, and that is that we are not going to spend the wages, we are not going to spend the resources, we are not going to continue to sustain a policy which will put every newborn child in America in multi-thousand-dollar debt. We simply have to stop it. We have to say to the American people, we are not so good that we can spend the next generation's money. We are not so wise that we can make all their decisions for them. We have to say with a sense of humility that it is time for us to live like the average family. It is time for us to have a balanced budget like the average family has a balanced budget.

Some people say average families have debt. But there is no provision whereby any average family can impose debt on the next generation. You have to be able to pay it off, or you go bankrupt. No father can say, "My grandchildren will pay for what I am doing now." And should any father do so? Of course not. The average family has to have a plan to pay.

We do not have a plan to pay. State governments, sure, they have debt. But they have a plan to pay. And every day, they owe less than they did the day before, as they are paying off the debt. If they pay off the debt before the asset—such as a bridge or a building—is used or consumed, they actually have paid for such items in advance.

But we in Congress do not have a plan to pay. We have a plan to play. And the plan to play was outlined in the President's budget which came to us. We are playing with the next generation's resources, \$200 million—excuse me—\$200 billion. I was in State government too long. We only had millions instead of billions. What a tragedy; \$200 billion a year. We admit it. This is what we intend to do to you. We announce in advance with some pride that for the next 10 years we are going to keep doing it.

It is something that we should stop. Yes, Nathan Hale said, "I regret but that I have but one life to give for my country." We have been saying that we regret but that we have but one unborn

generation to mortgage for our appetite. It must stop, Mr. President.

The Declaration of Independence for the United States of America included dramatic language which talked about the fact that individuals were committed to providing for the future a set of opportunities that would allow for personal growth and development, for the achievement of objectives and goals.

The last line of the Declaration of Independence for the United States of America is an interesting line.

The last line reads: "We mutually pledge to each other our lives, our fortunes, and our sacred honor."

How would we feel about the Declaration of Independence, Mr. President, if we were to read down through the document and come to the last line and it were to say, "We mutually pledge to have a good time, to spend the next generation's money, and to get re-elected by serving the special interests of today with the resources of the unborn?" We would dishonor that document so rapidly, we would repudiate it so thoroughly. But that more accurately describes the conduct of the Congress in recent times.

It is time for us to enact the balanced budget amendment. And while we are enacting the balanced budget amendment, it is time for us again to put our John Hancocks on the pledge that closed the Declaration of Independence. It is time for us to say that we mutually pledge to each other our lives, our fortunes, and our sacred honor, and by doing so, provide the same level of opportunities for those who follow us as those who went before us have indeed provided for us now.

Mr. President, I yield the floor.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida [Mr. MACK] is recognized.

Mr. MACK. Mr. President, I yield to the Senator from South Carolina for a unanimous consent request.

UNANIMOUS CONSENT AGREEMENT

Mr. THURMOND. Mr. President, before the Senator from Florida speaks, I ask unanimous consent that I be recognized to speak following the remarks of the Senator from California, Senator FEINSTEIN.

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

The Senator from Florida.

Mr. MACK. Mr. President, I have listened to the debate on the issue of the balanced budget amendment now for several hours today and, frankly, off and on for the last several weeks. Many of my colleagues have done an excellent job of providing expert opinion as to why a balanced budget amendment should be passed, or why it should be defeated. Those experts include economists, constitutional scholars, and past great legislators. But the remarks that

I am going to make today are not based on experts. They are going to be based on my own personal observations. They will be based on my own convictions and on some of my own readings.

There is a very interesting set of books entitled "The Debate on the Constitution." I was really stunned when I read through this series of documents and speeches and learned of the fear people had of the Constitution. That document put forward for their ratification terrified many of the citizens of our Nation at that time. It terrified them that a great, new central government was going to grow up in their midst, and that this great, new government would, in fact, either destroy or limit their individual rights. I cannot help but draw the conclusion, after those readings—and observing from my own personal experiences in the 12 years that I have served in the Congress—6 years in the House and 6 years in the Senate—that we have today developed a Government that, in essence, is out of control.

My own personal reason for becoming involved in politics originated after spending 16 years in the banking business. Prior to that time I had no idea whatsoever that I would end up in politics as a Member of Congress and then of the U.S. Senate. I entered politics because I became so frustrated and so angry with what the Government was doing to the banking business—the business in which I was involved. Virtually every single day I heard from the Comptroller of the Currency, the FDIC, the Federal Reserve, or the U.S. Treasury, about the things that I could do and could not do, as a banker. It even reached the point—I believe it was in 1979 or maybe 1980—when all bank presidents received a letter that specifically told them what kinds of loans they could make and what kinds of loans they could not make.

To show you the degree to which this Government control extended itself, this letter provided that banks could lend money for home improvements if the home improvement was going to be the addition of a needed room; but it did not for the addition of a swimming pool. That is the extent that Government had intruded into the operations of private business in America in the late 1970s and early 1980s. So, again, I am reflecting on my own personal conviction that there must be a restraint on Government, and that is what this debate is about.

I think the message of the 1994 election was pretty clear. Even though some Republicans have a tendency to see the election as being a mandate for Republicans, I would say that the mandate was a little bit more specific than that. It was a mandate to control Government. It was a mandate to follow a set of ideas of less taxing, less spending, less Government, and more freedom. I think it is important for us to think about that message of 1994 as not necessarily being a wave of Repub-

licanism, but a wave of saying we want our lives back, our freedoms back, and we want Government off our backs. This is a fundamental debate. It is a debate between those who believe in more Government and those of us who believe in less Government.

I have told the story of my first vote in the Congress many, many times throughout my stay here. I tell about this story because I want to make the point that there is more to this debate about a constitutional amendment to balance the budget than economics. The first vote that I cast as a Member of the House of Representatives in January of 1983 was a very big deal for me because I had never cast a vote in a legislative body before then. Politics and legislative bodies were all brand new to me. It was a very, very exciting moment, and I thought it was an important moment. As I look back, I realize that the issue we were debating that first day in the House back in 1983 was not an issue that was going to change the direction of the world; it was not going to have great significance on the country or, for that matter, great significance with respect to the House of Representatives. The question that was being posed that day was whether we should add a new committee to the Congress of the United States. I must say to you that I came here already with a preconceived idea that we had too many committees; that the staffs were, frankly, getting too large; that we were spending too much money on the legislative operations of Government, and that we did not need this committee. But because I was brand new, I thought maybe this question was not quite so simple and that I should check with some of my colleagues on both sides of the aisle to get a sense of what they were going to do.

As I wandered around the floor, the message I got back was, "CONNIE, we do not need another committee. We already have too many of them." In fact, they said to me, "This is a select committee and they do not write legislation. They are really platforms for politicians to make public statements, and we are spending too much money. The committees are out of control, the staffs are getting too large. We do not need another committee in the House of Representatives."

So I went over and cast my first vote. In the House, they use a computerized card to record votes. I put my card in and pushed the "no" button and I looked back over where the Speaker sits. Everybody's name is awash in lights across the back of the room. I looked up there thinking—after listening to my colleagues—that this board was going to be awash in red lights voting "no." Well, out of 435 Members of the House, I think about 34 of us voted against the addition of another committee.

There are a couple of things I did not mention to you. First, the name of the committee was the Select Committee on Families and Children. The other

thing I was told, as I wandered around the floor as that brand new freshman legislator filled with excitement and enthusiasm and idealism was, "CONNIE, you do not vote against something called 'families and children' and go back home and run for reelection."

Now, to me, that story says it all. It says if there is not some form of outside constraint on the ability of Members of the Congress to spend the taxpayers' dollars, we will end up with exactly what we are getting.

Earlier today, I heard the distinguished Senator from Massachusetts say, basically, that we do not need this amendment; we can just go forward and do the things that we know we should be doing without this restraint—without this requirement in the Constitution.

Well, in one of the books I was reading this past week I came across a statement that I think many of us have heard from time to time. I did not realize it was an old Chinese saying. But it said something to the effect: If you do the same thing over and over and over again reaching the same result and each time expect that there is going to be a different outcome, this is insanity.

Again, I have made this comment to the people in the State of Florida, that it is insane for us to continue, year after year after year after year, to continue operating under the same process that has failed us. So it seems to me that logic dictates that we ought to be adjusting the process because it is only in changing this process that we will bring about change. And, as I said earlier, change is what the 1994 election was all about.

Interestingly, as I stand here both of my grandfathers come to mind. The desk I am standing over was handed over to me by Senator PHIL GRAMM in January 1989, was the desk that my grandfather, Morris Sheppard, sat at when he was in the U.S. Senate from 1912 to 1941. And, the baseball that I hold in my hand is a baseball that was signed by my grandfather, whose name so many people recognize, Connie Mack, who was born in 1862. He signed this baseball in 1929. Since then my father has signed it, I have signed it, and my son, who is now 27, just recently signed it last year.

I thought about bringing this baseball to the floor of the U.S. Senate because I had the opportunity again during the debate on this amendment to observe the distinguished Senator from West Virginia refer to a contract that he had signed many, many years ago. What it brought to my mind is how our Nation has changed from one generation to the next; how different America is from the country that my grandfather was born into in 1862; and how different the Nation is compared to what it was like when my father was born and when I was born and when my son was born.

I think about what this Nation is going to be like for my grandchildren,

three of which I have at this moment, 10, 8, and 1½. I wonder what kind of future is in store for them if we do not make some significant changes in the way we do business.

I looked back at some of the historical fiscal records of this country. In 1929, when my grandfather signed this ball, I looked up the level of Federal spending. Calculated in 1994 dollars Federal spending in 1929 was the equivalent of \$29.9 billion. In 1941, Federal spending was \$174 billion. In 1961, it was \$520 billion. And in 1994 it was \$1.46 trillion.

Another point I should make is that, in 1929, the debt was about \$480 million—\$480 million. By 1994, the national debt had reached \$4.643 trillion.

If we keep this up, what kind of future will we leave our children? What will it mean to them?

The previous speaker spoke very eloquently about what will happen to future generations because of what we have already done and how much worse it will be if we fail to do something to change the direction in which we are headed.

It also struck me, as I listened to the discussion, how our country has changed from generation to generation and how much our country has changed from 1776 to 1862 to the present. If we fail to recognize that our society is one of change, I guess one could conclude that we should not change the Constitution.

Both previous speakers used the term, "moral obligation" in reference to the Constitution suggesting that it is a moral document. I am suggesting that I think we ought to recognize our society has changed and continues to change. Unfortunately, we have moved away from a group of people who believed in the idea of personal responsibility to those who have fostered an entitlement mentality today.

I would suggest that what we have done for the last 25 years is a reflection of who we are; that somehow or another we think we can live generation to generation passing on huge amounts of debt with no consequences. And I think everyone understands that that is just fundamentally wrong.

Again, there are those who are going to say to us, "We don't need this constitutional amendment to do what is right." I would make the argument that after having served these last 12 years and being involved on the House side in helping to pass the Gramm-Rudman legislation, we do not have the resolve to impose limitations on ourselves. As you may recall Gramm-Rudman was a statute, an attempt to control spending which the Congress merely changed when it became too difficult to get the job done.

So the conclusion that I have come to is that the only way to effectively control what the Congress does with respect to spending the taxpayers' money is to put an outside restraint on them. Without this restraint we risk losing those personal freedoms that have made this country great.

Oh, I know, today there will be people who will say, "Aren't you going a little overboard to suggest that our Nation and our individual freedoms might be at risk because of our decision to continue to overspend and to run deficits?"

I do not think so at all.

What we are involved in—we have heard the term many times—is an experiment in self-government. We are involved in an experiment in democracy.

We need to understand that this is a continual experiment in democracy. Ours is a constantly changing nation, a nation whose values and whose morals have been changing. If we do not address and adapt to that change, then we are putting the next generation at risk.

I think that when we come down to the final vote, we are going to have the necessary votes to pass this constitutional amendment. And when we look back, I think that we will find the turning point was when President Clinton submitted his budget for fiscal year 1996.

I am not going to put this in a partisan perspective, because I recognize the claim can be made that Presidents Bush and Reagan did exactly the same thing in submitting budgets which failed to address our debt problem. But, what is different about this debate is that the country finally recognized that a constitutional amendment had to be passed, that it was an absolute requirement which we as a nation, as a society, and as a Congress had to put in place a series of budget decisions to get us to a balanced budget.

My hometown newspaper referred to the President's budget proposal by saying: "Clinton to GOP: You Cut the Budget." It went on to say, "Republicans Ready and Willing."

I think that those who had been arguing all along that we can balance the budget without a constitutional restraint saw in the administration's budget proposal that this was simply not the case. They recognized that we were going to get the same old thing, over and over again. If we wanted the status quo, then we got it in the budget that was presented to the Congress by President Clinton.

I want to refer, also, to a chart that I have used in the past. Many may remember this book, entitled "Bankruptcy 1995." There is a very interesting chart in it referred to as the "Hockey Stick Chart" because it plotted the total debt over a period of time from 1970 to the year 2000. It illustrated that at some point the total debt just goes straight up, absolutely out of control.

I remember when I read this book, it started off with a series of examples of what would happen when a country's debt gets out of control, and the choices that would face a society, such as monetizing the debt. What really

has come back to my mind is the story that was told as to what happened in some of the Latin American countries in the past, and what they said would happen to the United States. The message was: "If you fail to get control of your spending and your deficits and your debt in America, the same thing could happen to you."

I remember reading through this. It was fairly dramatic. Think about what it would be like if you woke up in the morning to talk with your mother and dad, who had received an emergency telephone call the night before from the place where they were working, telling them that it was no longer necessary for them to come in because there was no company left. The company went bankrupt because of certain things that happened as a result of monetizing the debt. Inflation skyrocketed to the point where the cost of the basic necessities of life—food, housing, health care—no longer could be afforded, because they went spiraling out of control as a result of uncontrolled debt.

It is interesting how people react to this story. They think this could never happen in America. This is America. This is the Nation that led the world through World War I, and World War II. We defended freedom all over the world. We are looked upon as the beacon of hope and opportunity around the world. This could never happen in America.

I guess the reason that I wanted to come back to this is because of what is happening in Mexico today. To draw the conclusion that the price that Mexico is paying for its economic disorder is not a price that we would have to pay for our economic disorder is fundamentally unsound. We are fooling ourselves if we think we can continue on this binge. We are fooling ourselves if we think we will solve the problem just by trying the same old process that has failed us year after year after year.

Mr. President, I conclude my remarks by saying that this is a fundamental debate which is taking place here in the U.S. Senate. It is a debate about those who believe more government will solve our problem, and those who believe that less government, less taxing, and less spending, will give more freedom. I have concluded that freedom is the core of all human progress. It must be defended. The only way we can defend it economically is to put into place a constitutional amendment that requires a balanced budget.

I yield the floor.

The PRESIDING OFFICER. By a previous unanimous consent request, the Senator from California was to have time. She is absent from the floor. I now recognize by previous unanimous consent the Senator from South Carolina.

Mr. FORD. Mr. President, will the Senator yield to me to ask a question?

Mr. THURMOND. Mr. President, I will be pleased to yield.

Mr. FORD. Is the unanimous consent for those who are able to speak the rest of the afternoon, or is this the last speaker under the unanimous-consent agreement?

The PRESIDING OFFICER. This is the last person who is sequenced to speak.

Mr. FORD. I will not make a request, but try to attempt to get the floor in my own recognition.

I thank the Chair.

Mr. THURMOND. Mr. President, I rise today to continue the debate on this historic opportunity to adopt House Joint Resolution 1, the balanced budget amendment.

Over the past 3 weeks we have heard many eloquent speakers on the need to pass a balanced budget amendment and bring this Nation's fiscal policy under control. It has been especially encouraging to see our freshman colleagues take to the floor and urge this body to adopt a balanced budget amendment. Many of their campaigns were centered on the premise that the Federal Government has grown too large, spends too much money and must be curtailed to operate within its means.

Mr. President, we have been considering this proposal for 26 days. There has been significant debate and compelling arguments on the need for a balanced budget amendment. I would just note that during our debate over the past 26 days, the Federal debt has grown over \$21.5 billion.

Undoubtedly, it is the desire of every member who supports the balanced budget amendment to see the Federal budget deficit eliminated that we may begin to cut away at the Federal debt which currently stands at \$4.8 trillion. Without a balanced budget amendment, there has been little pressure on the Congress to make tough legislative choices on Federal spending and the Federal deficit has continued to grow. With a balanced budget amendment as part of the Constitution, the Congress would be mandated to follow a sound fiscal policy. The Congress would finally understand the reality that there are a finite number of tax dollars available for public spending and various proposals would compete on merit and need, not popularity.

The balanced budget amendment would instill an urgent need for legislative accountability as Congress considers various proposals for increased Federal spending. Currently, there is no real check on runaway Federal spending, and there will never be a shortage of legislation creating new Federal programs or efforts to increase spending in existing programs. Without a balanced budget amendment, budget deficits over the long term will continue to rise and the Federal debt will continue to grow. The Congress has not shown the fortitude to address, in a meaningful way, the budget deficit and the Federal debt. There have been times when legislative gestures were made to bring spending within our means but those efforts were short-

lived. Statutes to reduce Federal spending have not been enough. They are too easily cast aside and the Congress rolls along on its path of fiscal irresponsibility.

I am convinced that without the mandate of a balanced budget amendment, Federal spending will continue to eclipse receipts and the American people will continue to shoulder inordinate tax burdens to sustain an indefensible congressional appetite for spending. In 1950, an average American family with two children sent \$1 out of every \$50 it earned to the Federal Government. Today, the average American family is sending \$1 out of every \$4 it earns to the Federal Government. Under current budget projections, there is no reason to believe that these statistics will improve.

Mr. President, we can trace the debate on a balanced budget amendment back in our history for 200 years. A defining moment may well have been the appointment of Thomas Jefferson as Minister to France. Thomas Jefferson was abroad when the Constitution was written and he did not attend the constitutional convention. If Jefferson had been in attendance, it is quite possible that he would have been successful in having language placed in the Constitution to limit the spending authority of the Federal government. Upon studying the Constitution, Thomas Jefferson wrote in a letter of a change he so fervently believed should become part of the Constitution. He wrote the following and I quote,

I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its Constitution. I mean an additional article taking from the government the power of borrowing.

Further, Jefferson stated and I quote, "If there is one omission I fear in the document called the Constitution, it is that we did not restrict the power of government to borrow money." President Jefferson also stated, "I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared."

President John Quincy Adams stated, "Stewards of the public money should never suffer without urgent necessity to be transcended the maxim of keeping the expenditures of the year within the limits of its receipts."

—and incidentally, he was the only President ever born in South Carolina—

Another former president Andrew Jackson stated the following:

Once the budget is balanced and the debts paid off, our population will be relieved from a considerable portion of its present burdens and will find * * * additional means for the display of individual enterprise. We should look at the national debt, as just as it is, not as a national blessing but as a heavy burden on the industry of the country to be discharged without unnecessary delay.

President Harrison described unnecessary public debt as "criminal."

President Woodrow Wilson stated, "Money being spent without new taxation and appropriation without accompanying taxation is as bad as taxation without representation."

President Calvin Coolidge stated the following:

The Nation must make financial sacrifices accompanied by a stern self denial in public expenditures until we have conquered the disabilities of our public finance * * * we must keep our budget balanced for each year.

Mr. President, early American Presidents and public leaders understood the dangers of excessive public debt. For almost 150 years, balanced budgets or budget surpluses were the fiscal norm followed by the Federal Government. The unwritten rule followed by Presidents and legislators until recently in our Nation's history was to achieve balanced budgets except in wartime. But the role and the size of the Federal Government has grown out of control. In the past three decades, the Federal Government has run deficits in every year except one. Further, the Federal Government has run deficits in 56 of the last 64 years.

Mr. President, during the 1960's, deficits were averaging around \$6 billion per year. The following decade, the 1970's, saw deficits rise and they averaged \$36 billion per year. In the last decade, the 1980's, deficits continued to rise and averaged \$156 billion per year. So far, in the 1990's, deficits have averaged \$259 billion per year.

The Federal debt has grown as deficits have continued to grow and the debt now stands at \$4.8 trillion. It took this Nation over 200 years to run the first trillion dollar debt yet we have recently been adding another trillion dollars to our debt about every 5 years.

I have been deeply concerned during my time in the Senate over the growth of the Federal Government. It has been too easy for the Congress to pass legislation creating new Federal programs and spending more tax dollars whenever there is a call for Federal intervention. Of course, the Federal Government has an appropriate role to protect the citizens of this Nation, but it is not realistic to believe that Washington should respond to every perceived problem with a new Federal approach. This Nation has drifted from its original foundations as a national government of limited authority. I believe the adoption of a balanced budget amendment will do much to return us to a more decentralized Federal Government of limited authority and the mandates of such an amendment will increase legislative accountability. A balanced budget amendment is the single most important addition we can propose to the Constitution to begin reducing the size of the Federal Government.

Mr. President, we have seen the national debt and deficits rise because in large part, the Federal Government has

grown. The first \$100 billion Federal budget in the history of the Nation occurred in 1962. This was almost 180 years after the Nation was founded. Yet, it took only 9 years, from 1962 to 1971, for the Federal budget to reach \$200 billion. Then, the Federal budget continued to skyrocket; \$300 billion in 1975, \$500 billion in 1979, \$800 billion in 1983, and the first \$1 trillion budget in 1987. The budget for fiscal year 1995 was over \$1.5 trillion. Federal spending has gripped Congress as a narcotic but it is time to break the habit and restore order to the fiscal policy of this Nation.

It is incumbent upon this body to send the balanced budget amendment to the American people for ratification. I am pleased that we have reached agreement to vote on final passage on February 28, next Tuesday. The vote on final passage on House Joint Resolution 1 could well be the most important vote we will face as Senators as its adoption is essential for protecting our liberties as a free nation. I hope we do not fail the American people on this historic opportunity and instead present to the States our proposed amendment to mandate balanced budgets. It is time to act to secure the future for all Americans.

Mr. President, I just want to say in closing, what other way can we balance the budget? The Congress has not shown the fortitude, it has not shown the willingness and it has not balanced the budget. How can we make them do it? There is no way I know to make the Congress balance its budget except a constitutional amendment.

We have tried all other ways. They have failed. The balanced budget amendment put in the Constitution will tell the Congress it cannot spend more than it takes in, and then we will get the budget balanced. Once we balance it, I hope we can keep it balanced. If we have this constitutional amendment, we will have to keep the budget balanced.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, Members of this body will vote on Tuesday on the balanced budget amendment, and I am very thankful for that. There are increasing indications that Senators have, of course, learned from the last election last November, and that from their constituents who want this amendment now that the American people want a change from the past, because formerly this amendment was bottled up year after year in one House or the other.

I hope it tells the people of our country that they can make a difference. They expressed in the last election that they wanted a difference, and I think it gives credibility to the election process when people who are elected understand why they were elected and want to carry out the mandate of that election.

Year after year, this constitutional amendment was voted down in one House or the other, or both. Year after year, the budget deficit increased and our children and grandchildren have been left holding the bag, and the American people, I think, expressed in the last election they want that to stop.

Many Members had concluded for many years that Americans would never want a balanced budget because of the cuts that might affect programs that they relied on, that they benefited from and in which they felt some security. But the American people, I believe, are less selfish than that.

Every day we see new indications that Americans are willing to cut spending to balance the budget. For instance, it is becoming clearer that a balanced budget can be attained with less pain than some have suggested. Today, DRI-McGraw Hill, which has been called the world's leading non-partisan economic analysis and forecasting firm, has concluded that the amendment will add credibility to budgeting. This credibility will lead to lower interest rates and a stronger economy.

This same firm found that the lower interest rates that would come as a result of the constitutional amendment can create half the necessary savings that is going to take us to balance the budget. This is the case because interest on the debt is such a large portion of the budget.

As these facts become known, Americans are learning that they can live with the reductions in the growth of Federal spending that will be necessary if the balanced budget amendment is adopted. They are willing to do their part to prevent future generations from being saddled with an unconscionable amount of debt. They are willing to do so even if it means that some Federal spending that they support will be affected. Importantly, the willingness to take the necessary steps to balance the budget derives from the whole populace, I believe, not just a few.

This week, I received a letter from a person by the name of Andrew Alexander, the library director in Mason City, IA. As a librarian, Mr. Alexander receives funding for his budget from the Library Services and Construction Act. Obviously, one would expect that as a recipient of Federal grants his position would be against Congress adopting this amendment and changing the level, whatsoever, of funding in that program.

Of course, he could certainly make an argument that was not based solely upon bureaucratic self-preservation, because we know that libraries are important, education is important and it would be possible to very sincerely argue that the Federal Government should then continue to help local libraries.

But that is not what Mr. Alexander argued to me in his letter. He asked me and asked me to ask my colleagues in the Senate to discontinue all Federal funding for local libraries. Although he recognizes that the Library Services and Construction Act was passed with good intentions, it has produced, in his words, "bad or negligibly good results."

He goes on to say: "The Federal Government has no business involving itself in a function that has historically been very much the responsibility of local government."

I would like to mention that Mr. Alexander told me in this letter, "I am a lifelong Democrat." He goes on to say, "I voted Republican last November because I am certain that if we do not stop spending more than we take in, we will, in fact, be the ruin of our children and their children."

So, Mr. President, it is letters like this that show me, and hopefully the rest of my colleagues in this body, that the American people have a greater understanding of the problem than cynics give them credit for. Americans of all political persuasions are realizing that the role of the Federal Government must be limited. They know that not all Federal programs have delivered what they promised. They also know the tremendous sums of money that are spent on these programs, any one that can probably be justified standing by itself, but adding up to a total spending exceeding \$200 billion. You can easily see that some, or a part, of these programs cannot be justified.

At the same time, the public knows that it is not paying for all of these programs. That is very clear. They know that the deficit and the national debt are out of hand and that for a small difference in their lifestyle, this very day, the destruction of the economic future of our Nation and the preservation of our freedom and our society can be avoided. They are willing to make that commitment. Oddly enough, until lately, some of them were not willing to do it, but now they are, as our budget and fiscal situation gets worse and worse.

I believe that this same realization is coming to certain Senators who may not have always supported the balanced budget amendment in the past. Additional Senators are understanding that the American people will support the changes that will flow from the balanced budget amendment. I think our colleagues—realizing that the American people out there are seeing how bad the situation is, are seeing these programs cannot continue to be funded at an unconscionably high level and a deficit level—are being fortified by this change of view at the grassroots and are seeing the public will stand behind them if they make the tough commitment to make sure the balanced budget amendment is adopted so the fiscal discipline will come, as it has to come after its adoption.

So I appreciate the commitments from Senators who are signing onto

this amendment every day to support this amendment as the debate continues. We have tried every other approach. Every other approach has failed: Gramm-Rudman I and II, the bipartisan budget agreement of 1990, the Clinton budget agreement of 1993.

I have spoken before about my first involvement in legislation to balance the budget. When Senator Harry F. Byrd of Virginia was a Member of this body, he and I worked together—I was a Member of the House of Representatives—to pass a simple law that says the Federal Government shall not spend more than it takes in. That was a very well-intended but, quite frankly as I look back now, a very weak response because under our Constitution succeeding Congresses can obliterate anything that a preceding Congress has done. So, each of the cases I have given—the Byrd-Grassley law, Gramm-Rudman I, Gramm-Rudman II, and the other budget agreements of the 1990's—have failed because they can be changed so easily.

Whereas a constitutional amendment, though difficult to get adopted in the first place, is also difficult to change. So it will not be changed by a simple unwillingness of a body to follow its mandate, because we take an oath to uphold that Constitution. We see the restraint that a constitutional provision brings to States, and in State legislatures controlled by conservative Republicans or even liberal Democrats that oath and the rule of law applies. And there is better fiscal policy there than what we have at the Federal level.

So only the balanced budget amendment, then, will respond to the informed judgment of the American people that the role of the Federal Government must be rethought. Programs will have to compete with other programs once we do not have the capability, willy-nilly, of borrowing from the future generations. When the total must be paid for, choices will have to be made. It will no longer be sufficient that intentions behind the programs might happen to be just somehow very good or, the usual explanation, the needs are so great.

This is a view held not only by Republicans but by Democrats and independents as well. A new day will come when we have a constitutional amendment disciplining our spending appetites. The Senate passage of the balanced budget amendment will show Americans that we have listened to the people and we have their long-term interests in mind. The people have been ahead of the Senate. Now it appears we are catching up, as a result of the last election. The American people have spoken loud and clear. They should be commended for making their views known and they should also be commended for taking a stand for responsibility.

They should also understand that, out there at the grassroots of America, as they express their views to us personally, as they express their views

through the election process, they can make a difference. If we adopt this amendment, it is one more example that people who want change are going to get that change.

So I think once again the American people have spoken and, in the process of speaking, they are showing that they are smarter than the pundits.

I yield the floor.

The PRESIDING OFFICER. The senior Senator from Kentucky.

Mr. FORD. Mr. President, I thank the Chair. I have had an interesting day listening to the comments on the Senate floor by various and sundry Senators, where some have taken a part of history, Madison, Hamilton; some on the street, grassroots, all of that. So it is a mix. I was glad to listen and to get a feel.

This body, in my opinion, is blessed with some former Governors. One of those spoke today, the new Senator from Missouri. I thought he made an excellent speech. I enjoyed his comments, his delivery, and his content. But being a former Governor, he should understand that he had to work with the legislature. He had ideas and thoughts, he had programs and commitments he made in his campaign that he wanted to get through the Missouri legislature. And he found, I am sure, people on different occasions who did not agree with him. Some did not agree with him for personal reasons. Some did not agree with him for political reasons. Some did not agree with him on philosophical reasons.

So that is where we find ourselves today. You know that every once in a while you have a hung jury in the court system. Eleven to one and you have a hung jury. One person believes and feels that an individual is not guilty and, therefore, that person votes that way so you have a hung jury—11 to 1. That is our system. It worked pretty well. It worked pretty well.

A couple of things bother me, Mr. President. I guess you might as well get them out of your chest, out of your heart, out of your head here. There will be no trouble passing this constitutional amendment—I voted for it twice—but this is not the same amendment that I voted for. This does not have the restriction on the Federal courts which was accepted, I believe, almost unanimously the last time we had a constitutional amendment up last year. It was offered by the distinguished Senator from Missouri, by the way, Senator Danforth, and that constitutional amendment was voted on. My good friend, long-time friend, distinguished Senator—I do not think anyone doubts his integrity or his loyalty to this country—Senator NUNN from Georgia, said last night if his amendment, which is the Danforth amendment of last year, is not accepted, then he just cannot vote for the constitutional amendment when the courts will tell you whose taxes to

raise, whose taxes to cut, what program to extend, what program to cut. If they have that ability he just cannot vote for this amendment.

I suspect if that amendment is accepted, the constitutional amendment will pass. But if you are going to stone-wall, I do not believe there has been a Republican vote for a Democratic amendment that has been proposed on this constitutional amendment. I may be wrong. Maybe on the judicial question of Senator JOHNSTON, and that is the question that bothers my friend from Georgia, Mr. NUNN. But that is the only one. I believe that is the only one.

To say that we are going to take the Social Security trust fund that so many people are depending on, and we are going to use that, put it in the general fund and help balance the budget—I do not know whether I am different or my constituents are different. I can learn a lot at the barber shop. At the barber shop 2 weeks ago, there were a lot of young fathers there bringing their sons in to have a haircut. There I sat waiting for mine. These young fathers I knew—and I probably knew them from a young age—asked me about only one thing.

They said: Senator, we are for balancing the budget. We think we ought to reduce the cost of Government. We ought to reduce our taxes, if we can. We are willing to accept a freeze on our taxes. But Social Security? Mom and Dad are drawing Social Security. They have a small pension or 401-K or something from their previous employment. The check from Social Security, that they had been paying into for years and years, is now in jeopardy because of the constitutional amendment. If I do not fly, I do not pay the airport improvement trust fund tax. But that will go into the general fund, also. The highway trust fund will go into the general fund as such to be used. All of the trust funds now are going to be used in order to try to balance the budget. I get the argument. If we do not do that, Social Security is not going to mean anything, anyhow.

Well, I do not know about that. But let us get back to the Social Security. You have to pay Social Security if you work. It comes out of your pay, whether you want it or not. It is matched by your employer. If you are self-employed, you pay the whole thing. That is mandatory. We have to change the Social Security system. We need a means test. We can do that without it being in the constitutional amendment, saying we will not use that surplus. We can still change the structure of the Social Security system.

I hear a lot about dropping that 85-percent tax. If you make \$34,000 or \$44,000, for a couple, drop it back to 50 percent, the couple says, then still charge 85 percent, but take the difference between the 50 and 85 and put it in a Social Security trust fund so it will be there in the future for others that come behind us.

It makes some sense to me. All kinds of propositions are being offered, but no one on that side. The Republican side will vote to say no, we are not going to use the Social Security trust fund to balance the budget. We want them to continue to pay their taxes, continue to pay their Social Security, continue to pay their gasoline tax, continue to pay their airplane tax, continue to pay all of that to go into balancing the budget. They are designated taxes. I do not think any of us are fussing too much about the tax on your airplane ticket. Some may. We are not fussing too much about the gasoline tax. But there is something very, very personal about Social Security taxes. It is there for the future. It is there for retirement. It is there so they will not be a burden on their children.

So when we refuse to do that, then some in this body have just said they refuse to support the amendment. Somehow it is hard for me to understand why that is not accepted, and we will go ahead and pass the amendment. Everyone in this body knows that it would pass this body if that was acceptable.

Second, to keep the courts out—several Senators in this body are swallowing awfully hard to cast every vote against Social Security, against the proposition that we do not want the courts telling us what to do. They are swallowing awfully hard. That vote is coming back. We will have it. The votes on Tuesday about Social Security and about the courts will tell you whether this amendment is going to pass or not. I want to vote for it. I want to vote for it. But you are stopping me from voting for it because of two little items. I am getting a little bit harassed, I guess—or worried—because very time a good amendment comes up, the floor manager says, “Senator, you have a good idea. I wish we could put it in this amendment. But we do not want to send it back to the House. The House has steamrolled everything they brought up over there.”

Why are you afraid to send it back? What is the reason that you will not send it back? I believe with all my heart that if you send the Social Security portion back and take the courts out of telling us what to do, the House will pass it in the flick of an eye. So why will you not include it? I do not know. They just do not want to send it back to the House.

“Senator, we will work with you after we pass this amendment. You have a good idea. We will try to get it done. I look forward to working with you, trying to solve this,” when you know the implementing language can be changed every day. And the statements by the leadership on these sense of the Senate, or whatever it might be, sounds good; votes, in order to take care of it. You have a judicial resolution out here now or a sense-of-the-Senate resolution to try to save the pain. I think we have had enough of that. They do not want to send it back to the House.

I hear a lot about we do not have the intestinal fortitude to make the decisions to balance the budget. My friend from Iowa, who just spoke before me, mentioned the Clinton budget of 1993. I want to tell you, there was not much intestinal fortitude that came across that aisle right there. We raised taxes on the top 2 percent. We cut them on others. We cut programs and reduced the deficit by \$700 billion over 5 years. That is about the round figure. But we did not get a Republican vote, and even lost a Democrat or two. But we did not get a Republican vote.

Are the Republicans trying to tell this Senator that we have to have a constitutional amendment that forces us to balance the budget? We have had one experience already during this administration. That experience was a hard-fought experience. Sure, we raised taxes. That is what everybody said we are going to have to do. Sure, we cut programs. That is what everybody said we had to do. And we are going to reduce the employment of the Federal Government by 272,000 people.

We have already reduced over 100,000 employees of the Federal Government. We are reducing Government. So it is very difficult for me to see why you will not accept at least two proposals. I think that the supermajority, three-fifths, for deficit spending in a time of emergency is trying to go against what the framers of the Constitution have said. It has been good for a long time, a simple majority. The Vice President has a right to break the tie, and then we can go on about our business. But, no, we have to have three-fifths in order to deficit spend, and we have to have 51 Senators. We exclude the Vice President from his constitutional position of breaking ties in the Senate under this constitutional amendment. We have to have 51 Senators.

I thought it was a good debate when we said that the 51 votes then could be used to take money from other programs and put it into the defense of this country. I do not know how long it would take us to do that, going through the House and the Senate, arguing over whether we are going to take money from nutrition programs, WIC programs, housing programs, whatever, and put it into defense. But you need 51 Senators and, I guess, 218 Members of the House to do that. In that debate, it was brought up that it has to be done every fiscal year. So that is from October 1 to September 30. What if it came up on September 1 and we had less than 30 days left and 11 months of the money had been spent for that fiscal year? There would be no more money left. You can take all the money for Government use for other programs and try to put it into the defense of this country. So they say if we have a problem with the defense of this country and if we were being attacked, there would not be any trouble getting the money. We have to be prepared

sometimes to prevent it from happening. We have to make that decision.

I have tried my best to stay out of the partisan political position that this is obviously trying to put people in. I understand what is happening here. I have tried to approach this question as best I could as a Kentuckian and as an American. I only ask two questions: Why can we not accede to exempting the Social Security trust fund? Why can we not allow an amendment to go on this constitutional amendment to keep the courts out of telling us who to tax and who not to tax and who to increase and who to decrease, and what programs to cut and what programs not to cut? I hear people say that is not what this thing does. Why is there all this nervousness? You can feel it around this Chamber when you start talking about the courts. It was a close, hard vote, 51 to 47, I think was the vote. This amendment would sail through here—sail through—and we are only asking two questions. Is that so hard to accept? Is that so hard to accede to? Is it too hard for some of those that apparently want to harm people, unless they are rich—the rich will not care too much about Social Security. But the average American out there, particularly those who have retired or are about to retire, are certainly worried about having their Social Security. Their families are worried about their mothers and fathers having Social Security.

I had a Sunday school teacher, one of the best Christians I guess I have ever known, outside of my wife and family, Beryl Brown. He was one of the strongest Republicans and nicest fellows I have ever met. Every once in a while, he would compliment the Democrats for having Social Security. That is about the only thing he said nice about Democrats or the Democratic Party, that we started Social Security. He said, "The reason it is good and I think it is a program that ought to stay is that Mama and I can stay home. We do not have to worry about moving in with our family. We can enjoy ourselves, have a little garden out in the backyard and have enough income to get along." That is Social Security.

If you are rich, it does not make any difference. But if you worked hard all your life and you expect a few years of having your own way and playing with your grandchildren and doing all those things, then Social Security is important. But I see that question slammed every day in this Chamber. If you are going to be against the elderly and against the young folks, with the reduction of WIC, nutrition programs, education, Social Security, well, somehow or another I believe it will come back to haunt us, and it will not take long. But if those two items are in there, I think you can accomplish what you want.

So, Mr. President, I hope that I have explained my position a little bit. There are not enough votes to pass the amendment as of this moment. I wish

there were enough votes, because if there were enough votes, you would have Social Security trust fund excluded, the surplus, which the recipients are depending on, and you would say we would not be yielding what our forefathers gave to us to protect, and that is giving a piece of the legislative branch of Government to the courts; and, second, when we get to the line-item veto, we will be giving that portion of it to the Executive, and we slowly but surely erode what the forefathers said we ought to have, which is three branches of Government—executive, legislative, and judiciary. They are all there for a purpose and they have all worked very well.

We are putting fiscal policy in the Constitution. I understand that there are other things that relate to the economy in the Constitution. But just two questions is all the people ask. There is a difference and there is a holdout. There is a holdout. We have 51 that are saying we want to take Social Security and put it into the trust fund and pay the budget deficit off. We have, maybe, 15 more—14 probably now—that want to agree with that, or will agree with that, for various and sundry reasons. This could be a hung jury—11 to 1—and so be it, Mr. President. So be it.

I see other Senators are here wishing to speak. I will not take any more time of my colleagues.

I yield the floor.

Mr. JEFFORDS addressed the Chair. The PRESIDING OFFICER (Mr. DEWINE). The Senator from Vermont Mr. JEFFORDS, is recognized.

Mr. JEFFORDS. Mr. President, I have listened to the very eloquent statements of my good friend from Kentucky. Certainly, all of us understand the need for the protection of the Social Security System. Certainly, I, like others, was torn when I had to vote on amendments that would be sacrosanct and separate from the possibilities of being tampered with by the balanced budget amendment.

However, I can make the same kind of arguments on behalf of the children of this country for nutrition and the reasons why we should make sure that we do nothing that will endanger their ability to be protected from cuts which might damage their future.

In a moment, I will talk about the care we must take when we make cuts, because if we do not recognize that education is so important to the foundation of our society and our economy, if we make mindless and unwarranted cuts in that, we will be counterproductive in the ability of us to balance the budget.

However, I came to the conclusion in deciding to vote for the balanced budget amendment that we had to leave ourselves open to all options and that we could not pick and choose those things for which we ought to try to protect. And I understand and realize that it would be much easier for us to separate Social Security from it.

Mr. President, on February 13, I came down to the floor to discuss my posi-

tion on the balanced budget amendment. I outlined the concerns that increased debt load places on our economy and our future generations and how the interest payments we are making now on the budget are threatening everything else, now having exceeded the defense expenditures and the discretionary expenditures. I outlined at that time that in the past, in 1982, when I had been in the House only some 8 years, I was first faced with the balanced budget amendment. I said at that time, "I won't vote for it because we can't wait 7 years for the budget to be balanced."

At that time, we had just had a very important bill passed which greatly reduced the taxes of this Nation. I was the only Republican that opposed that amendment which made drastic cuts in our taxes, and I stated at that time that I was afraid that what we had done would lead to huge deficits in the future. I took a lot of abuse at that time for that vote. But, as history has shown, that vote probably was one that was the best judgment I could have exercised at the time.

But, as we now know, it is important for us to pass the balanced budget amendment. We must begin to balance the budget and to outline our priorities. So we must be careful not to make balancing the budget more difficult.

Today, I will talk about the need to be careful on how we cut, especially in the field of education. I am the chairman of the Senate Education Subcommittee and, therefore, have a particular responsibility to make sure that what we do from this point on does not in any way inhibit the ability of this Nation to be able to meet its commitments to its young, but most importantly its commitments to this Nation that we maintain our ability to be the most competitive and the most economically sound nation in the world.

I am afraid, as I look across the Congress to see where cuts are being made. I also recognize the future needs of our Nation especially in the area of education. For without immediate attention by this Nation on our educational system, we are facing incredible danger for our economic future. We cannot move forward without recognizing that cuts within the educational system may well prove to be counterproductive—counterproductive in that they will reduce the potential revenues that we would otherwise have and that they will only increase the social costs that we are presently experiencing.

So let me now, as we go into the 21st century, take a look at where we are with respect to education and the need for us, a Nation, to place ourselves in more competitive position within the international economic community.

In order for our country to remain viable in the global economy we must not only be free from crippling interest

payments on our debt, but we must also prioritize our spending so that we maneuver ourselves to be ready to face the challenges of the new millennium. If we do not act now, we will destroy the dreams that we cherish—good health, a good education, a good job, and a good retirement.

Some have proposed that we reduce the deficit simply by making across-the-board cuts on all programs. Such cuts might provide a solution to our financial woes in the short term, but they only exacerbate the deficit in the long term. Here is why. If we cut back on programs for education and training, we lose our competitive edge in the marketplace, resulting in a lower standard of living, fewer high paying jobs, less Federal revenues in taxes, and, naturally, a larger deficit.

On the other hand, if we work to improve our education system, we not only increase our national productivity, but our standard of living will increase, resulting in greater Federal revenues and a decreased need to invest in our social programs.

In Michael Crichton's recent book, "Disclosure," the main character's professional advancement is threatened by the appointment of a woman as his supervisor. He is so distracted by the immediate problem of sexual harassment that he only belatedly understands the advice from an anonymous ally.

That advice—to solve the problem. And he keeps repeating, "Just solve the problem."

I believe this advice applies to the larger problem that we face today. If we solve the larger problem, then this will solve those immediate ones that we look at with respect to our inability to fund the various programs we all desire to fund. For if we do not improve our educational system, and if we are unable to solve the deficit problem, we can not ensure that we have the capacity to provide for the programs we need. And then we will find that the problem of balancing our budget is unsolvable and that this Nation will disappear in the next millennium as a lesser nation.

The way to solve the problem of our deficit is not, as some suggest, mindless across-the-board cuts. Solutions to our financial woes are long-term investments—specifically in our education system. By not solving the problem of reduced productivity and higher costs through education failures, interest payments will keep increasing, tax revenues will keep decreasing, and our deficit will only grow larger. More mindless cuts is not the answer. Instead, thoughtful investments and adequate resources are the solution to our long-term fiscal concerns.

Consider for a moment the education spending patterns over the last decade. Since the beginning of the 1980's overall Federal support for education, after adjusting for inflation, has decreased by 5 percent. Funds for elementary and secondary education declined 15 percent, while postsecondary education

funds declined 24 percent. Where has that led us? Certainly, not to the first class education system we all support. In fact, using the six education goals developed by a bipartisan group of Governors in 1989 as our barometer, we are not close to reaching our mark of excellence in education.

Among the goals for our future is that our children come to school ready to learn, that they come without hunger, and that they come with the capacity to be able to understand the education that they are going to be faced with. That means they must first be fed, immunized, and, hopefully, have had some preschool experience. However, only 45 percent of young children from low-income families are enrolled in preschool programs and only 55 percent of infants have been fully immunized, protecting them against childhood diseases. Head Start continues to only serve one-fourth of all eligible children in this Nation.

We also recognize that educated people who can compete in the global marketplace require a mastery in challenging core subject areas—such as math and science—and that all adults be literate and prepared for life-long learning. Unfortunately, in these basic areas, we are far from the finish line.

The 1993 National Assessment of Educational Progress indicates more than 75 percent of students at all grade levels failed to achieve even the basic level of proficiency, and over 60 percent failed to meet the proficiency level in English.

In international comparisons, American students consistently score below most other industrialized nations.

In the 1992 international assessment of education progress U.S. 13-year-olds scored second to last among the nations in mathematics achievement, and similarly in science.

More recently, a report recently came out that investigated the literacy of children that graduate from high school. The report found that 51 percent of the students now graduating from our high schools were functionally illiterate. That is, incapable of handling an entry-level job with their educational achievement.

Make no mistake about it. These disturbing statistics are not about someone else's children. They are not someone else's problem. These are our children. These are our problems. Our future work-force and our future leaders. The quality of our public schools in America, is directly related to the standard of living of each and every citizen. Without a strong investment in education, this Nation will not be able to maintain an adequate number of highly-skilled workers, these workers are necessary if our country is to maintain a competitive position within the global marketplace.

To give you a quick idea of why curing our educational ills is critical and key to our future, we will examine a yearly cost of our failing educational system. The total cost of our failure in

education to our economy has been estimated to be one-half trillion dollars each year to our economy.

The lost revenue alone has been estimated to be about \$125 billion. That is, if the educational levels were where they should be, the income to the Nation, relative to furnishing our budget, could be higher by \$125 billion, putting us a long ways towards being able to have the budget balanced.

For example, American business spends approximately \$200 billion a year to perform training for employees which is necessary to provide those individual minimum skills required to perform on the job, skills most of which should have been taught in the schools.

The Department of Education estimates that 30 million Americans are functionally illiterate, another 46 million are marginally literate. This creates a significant problem for our economy. "Combating Illiteracy In The Workplace," by Robert Goddard, puts the cost of this illiteracy at a staggering \$225 billion a year. This includes lost productivity, unrealized taxes, crime, welfare, health, housing, and other social costs.

We pay for our failed educational system every time an individual drops out of high school. Lack of a high school degree costs an individual \$440,000 in lifetime earnings. These lost earnings often drive these individuals into welfare, crime, and drugs. Up to 80 percent of our people that are incarcerated in our State jails are functionally illiterate, school dropouts.

Federal expenditures for welfare were \$208 billion in the fiscal year 1992. The cost of incarceration, which I mentioned, is \$25 billion per year and growing, and the medical costs of violent crime is another \$18 billion per year. Illegal drugs cost the economy \$238 billion a year, as estimated by Brandeis University. These difficult circumstances perpetuate themselves generation after generation.

I think most Americans agree, and in poll after poll people cite the quality of education as a paramount concern. The support for education in these polls is often cited as one of the most important roles of Government. Americans understand intuitively that investing wisely in education is the key to our future success and the best possible national investment we can make for the country. The evidence is clear: Countries which spend more on education per pupil have higher levels of per capita GDP. Institutions like Motorola report corporate savings of \$30 to \$35 for every dollar on training. That is 3,000- to 3,500-percent rate of return. But most of that education, if you read the report, was to make their students literate to put them in a position where they could read.

They found, amazingly in their study, they were having trouble with their employees answering simple math problems and they could not believe they do not have the capacity to

do the math, when they found out the problem was they could not read the problems. Thus they had to teach them how to read to do simple math problems. That is the state of the situation, and that is Motorola, one who can be selective in their employees.

People, as rational consumers, also realize investing in their own education leads to substantially higher lifetime earnings. A person with a bachelor's degree earns over 1.5 times of the person with a high school degree. A professional degree earns over 350 percent higher lifetime earnings than a high school diploma in itself.

While we recognize both intuitively and through research the economic rewards of education, we do not simultaneously invest the funds necessary to support the position. Many of my colleagues, while acknowledging the importance of educational investments, argue that throwing money at education is not the solution. I could not agree more. Increasing educational expenditures in itself will not solve our country's educational deficiencies.

We have a responsibility to invest educational dollars wisely, including more active congressional oversight over Federal initiatives. Simultaneously, we must also reinvigorate our schools by demanding that students learn to high academic standards.

Why? Because the status quo in our schools has failed. Too many of our graduates finish school without knowing the three R's, much less more rigorous academic standards. Clearly, there is no room for federally mandated standards. We should be providing incentives for States and communities to set high goals for student achievement—pupil by pupil, and school by school.

More importantly, they must know what standards this Nation must reach, if we are going to be able to continue to compete internationally. It is one thing to believe that our education, as most people in this country do, has improved over the time they were in school, and I find that is true for myself. I am amazed that the students in high schools are taking subjects which I did not get until college.

What they do not realize, for instance, in a recent report on the comparison of our students to other nation's students we fared poorly. One example is with Taiwanese students. These students when they graduate are 2 years ahead of our students in many subjects, such as in math. Is it any wonder we come out last in these tests, or next to last?

What is important is that we know and that the States know that we do have a problem. That this Nation is faced with a very serious educational problem, and if we do not do something about it, we will not be the Nation we must and should be in the next generation.

So we must be sure that when we begin to reduce the budget to try and balance it that we do not do counter-

productive cuts which will decrease our revenues and increase our social costs. Rather than cutting the deficit it will increase the deficit.

This last dream can only be realized by setting high priorities on education and educational investment. These increases are essential if our country wishes to remain viable into and throughout the next century.

Next, Mr. President, I would like to mention something else which I think is incredibly important. I think that we must realize if we are going to bring this deficit under control we must do something about escalating health care costs. This is an area that I and many of my fellow Members have been deeply involved in. I would say that we must realize that if we do begin to tackle our national health care problem, there is no hope for bringing the federal deficit under control.

Mr. President, one of the only ways we can balance the budget is by getting the Federal health care expenditures under control. For example, CBO estimates that if we do not address the health care expenditures, the debt will grow by \$1.4 trillion by the beginning of the next century, due to health care costs.

The chart I have here for my colleagues to look at demonstrates what will happen if we do not get health care costs under control. I point out that the red line indicates current health care trends for Federal expenditures.

Mr. President, 2 years ago I introduced a bill, worked very hard to demonstrate that health care expenditures can be brought under control. If this bill was passed into law that Federal health care expenditures could be brought under control and that the anticipated national debt could be reduced by \$1.4 trillion over the next 10 years.

That yellow line on the chart demonstrates what could be done if my plan was accepted last year. But that is not the only plan. That plan worked by shifting the burden of hospital care back to the States, capping our Federal expenditures and allowing the States through managed care and other processes to bring this under control.

However, now it is important that we look at other measures. For instance, we found out this past year that with the Clinton bill, and bills like it which tried to go too far, we were not ready nor was our society ready to go that far.

Let us take a look before we do that, take a look at why it is important that we do try and get the health care expenditures under control.

First of all, let us take a look at the entitlements and mandates. This chart demonstrates in red what is happening to items such as Social Security, Medicare, and Medicaid, as we move into the next century. It demonstrates clearly that if we do not balance the budget, we cannot get the costs under control, and if we do not take care of our entitlements, we never will.

The next chart shows the biggest component which is increasing at the most rapid rate, which is in yellow, is Medicare and Medicaid. As you can see, where that was a relatively small growth up through 1985, starting in 1985 things just escalated out of control.

My point is that Federal health care has to be brought under control or there is no hope of balancing the budget. As I indicated in a bill 2 years ago, there is a method to do it. I am working now on another one that uses the private sector to demonstrate it can be done. Federal health care spending is projected to increase from 3.3 percent of the economy today—this is important, too—to over 11 percent by 2030.

The growth of Federal health care costs poses an immediate and critical drain on our budget and thwarts our ability to balance the budget. The CBO projects that entitlement spending will be 58 percent of total Federal outlays by the year 2003, from 47 percent today. This represents an astounding 11 percent increase over 8 years.

For unless appropriate policy changes are made by the year 2003, less than 15 cents of every dollar the Federal Government spends will be available for nondefense discretionary programs. And that includes education and programs for the poor, elderly, and disadvantaged Americans. We cannot let that happen.

First, I want to outline some of the problems we face as we work to solve this dilemma. Medicare enrollment has been growing at an average annual rate of 2.2 percent per year since 1975, and is expected to grow at an annual rate of 2.1 percent through 1996. As the baby boomer generation reaches 65, beginning in the year 2010, the rate will rise even more. In fact, it will rise substantially more.

Total Medicare expenditures have grown from \$34 billion in 1980 to \$160 billion in 1994. This means an average growth rate of 11.7 percent over this period. The CBO projects that Medicare expenditures will grow from \$176 billion in 1995 to \$286 billion in the year 2000. This represents an average annual growth rate of 10.2 percent over the next 5 years.

Mr. President, this trend cannot continue or we will only expect this growth rate to continue to explode as our population ages and, again, the baby boomers will be, into the next century, raising the costs and the number of people to be treated by a substantial number. But if we work hard, we can start to get our Federal health expenditures under control.

Second, Medicaid is also affecting our ability to balance the budget. Total Medicaid expenditures have grown from \$41 billion in 1984 to \$138 billion in 1994. The average annual growth rate from 1984 through 1990 was 9.8 percent, while the average annual growth rate from 1994 was 17.7 percent, an astounding jump.

The CBO projects Medicaid expenditures will grow from \$157 billion in 1995

to \$262 billion in the year 2000. This represents a compound annual growth rate of 10.8 percent over the next 5 years. Currently, Medicaid consumes approximately 18 percent of State spending and approximately 6 percent of Federal spending. Like Medicare, we cannot allow this trend to continue.

If we are going to reach the goal, and I believe we can, we must get health care costs under control. I expect and believe we can do that. I am working toward that, and I know others are, too, but we must remember we cannot do it without solving the health care crisis and improving the educational system.

Finally, I would like to raise another spectrum with respect to the needs of what we must do to balance the budget and get health care costs under control, and that is in respect to the fourth dream which I mentioned, to start with, and that is that we have a good retirement.

Just to give an idea of why it is incredibly important that we bring health care expenditures under control, some 10 years ago, the amount of money in an average benefit package was about 50 percent health care and about 50 percent pensions. Twenty years ago, 35 percent was for health care and 65 percent was for pensions. Now it is 21 percent for pensions and 79 percent of each benefit package for health care. If you also take a look, as others have been working on, as to what is going to happen to Social Security in the next century, if you add to that this dimension, that little money now being put into pension plans, the problems of the elderly will be exacerbated.

So, in wrapping up and finalizing, I reluctantly back the balanced budget amendment. I do so with the firm conviction that if we improve our educational system, we do not mindlessly cut or eliminate programs, we can prepare ourselves for the next century. We can, to a large extent, allow our economy to continue to expand, thereby allowing our nation to grow its way out of this deficit problem, with increased revenues and lower Federal spending on some programs.

More importantly, in the immediate area, we must dedicate ourselves this year to finding a solution to health care reform. If we do that, as I know we can, if we have the courage to do it because it will require shifts and it will require the understanding of the elderly population that they will be cared for in a better and more efficient way, we will be able to bring the budget deficit under control in the not too distant future. I am hopeful that we can. For that reason, I will support the balanced budget amendment.

Mr. President, I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair and wish the President a good afternoon.

Mr. President, I know it is late and much has been said about the balanced budget amendment before this body. I am going to say some more.

In 4 days, debate on the constitutional amendment to balance the budget will come to a close and finally we will cast our vote determining the fate of this historic amendment. We spent the entire month of February debating this amendment, and during this debate, we have considered and weighed the role the judiciary may play in interpreting and enforcing the amendment. We have considered how the amendment will affect benefit programs that have been created by statute, including Social Security. And we have debated the voting rules of the House and Senate with regard to waiving the balanced budget requirement.

Throughout the debate, I believe the Senate has lived up to its reputation as the world's greatest and deliberative body. We have examined in fine detail all of the nuances and interpretations of the language of the amendment and have sought to allow all sides of the issue to be aired and debated.

The distinguished chairman of the Judiciary Committee, Senator HATCH, who was just on the floor—I am sorry he cannot hear these words of praise, but I mean them genuinely—has been a superb advocate for this amendment. He, along with our colleague on the other side, Senator SIMON, are to be commended for their diligence and commitment in leading the Senate throughout this debate.

The distinguished senior Senator from West Virginia, Senator BYRD, is to be commended for his extraordinary work in leading opposition to the amendment.

Senator BYRD first entered the Senate the year before my State of Alaska joined the Union. When he entered the Senate in 1958, his colleagues on this floor at that time included the illustrious Senators John Kennedy, Everett Dirksen, Lyndon Johnson, and William Fulbright, to name just four. Senator BYRD's determination and commitment throughout this debate will long be remembered by Members as well as historians of the U.S. Senate.

But let us delve into our deficit history for just a moment. After listening and participating in this debate for the last month, I am convinced of one thing, both the proponents and opponents of the constitutional amendment believe that we cannot sustain the economic prosperity of this Nation if we continue indefinitely to run these extraordinary deficits. Our differences are solely about the means necessary to end the deficits, not the end in itself.

The opponents of the amendment believe we need not amend the organic document covering this Nation, namely the Constitution, in order to balance the budget. This Senator believes that nothing short of amending the Constitution will change our addiction to

spending and living beyond our means. In reaching this conclusion I rely simply on history.

I would suggest to you, Mr. President, we simply do not have the self-discipline. You remember the extended debates on military base closings—how can we close bases in our own States? We agonized, we went on and on and on. Obviously, we could support the closure of a base in another State, but not in our own States. So we reached the conclusion the only way we could do it is to leave the entire matter up to a qualified board and they would select and reprioritize, and then we would be left with the responsibility of simply voting up or down on the package—and it worked.

That is really about where we are on this issue. We have tried to cut spending, we have tried to increase revenue, and we continually run deficits to the point where we have to acknowledge that nothing else works. This will mandate a balanced budget over a period of time.

Let us look at history. For more than one-third of a century, 34 out of the last 35 years, our Government has run a continuous and unending string of deficits. If you and I did that, our checks would be bouncing all over the place. What have we done? We have simply added to the deficit.

We go through a curious process around here called a budget. We get our revenues and we get our expenses. They do not balance. So everything else we need we get by adding to the deficit.

Even if we adopt this amendment next week, it is almost a certainty, a near certainty at least, that the unending string of deficits are going to continue for a while, into the year 2000 or thereabouts. If we adopt the amendment, however, we will surely be forced to lower the deficits in the next 5 years below the currently projected levels, and virtually everybody agrees on that. But the reality that must be faced is that by the end of this century—and that is less than 5 years from now—the United States will have run a deficit for four decades. We have become hooked on it. Four decades of deficits, and the result is that today our national debt is more than \$4.8 trillion.

I do not know of any person who can really imagine what \$4.8 trillion really is, but let me try to put it into perspective. A \$4.8 trillion debt means that every man, woman and child in America owes Uncle Sam \$18,400. A family of four owes \$74,800.

If we do not begin to turn things around, the national debt will then jump to nearly \$6.7 trillion in 5 years—if we do not begin to turn it around. In 5 years it will jump from \$4.8 trillion to \$6.7 trillion. That would mean that every man, woman and child in America would owe Uncle Sam \$24,170 instead of \$18,700. And the family of four would move up and owe almost \$97,000.

We have not been blind to these deficits. We have debated them. Historians will note for the last 10 years Congress and the President have sought to find solutions. We have sought to find remedies to the deficits. We have passed statutes. We have passed reconciliation bills and sequestration provisions, all in the name of getting our deficit to zero. On three occasions over the past 10 years, legislators on both sides of the aisle have sat down with the President and hammered out so-called solutions to solve the deficit, and on every single occasion the promise of a zero deficit has simply evaporated away because we in Congress have never had the political courage to do the one thing that would bring down the deficit, and that is to reduce spending.

Yes, we have voted to raise taxes on more than one occasion, but we have never, ever cut, frozen, or capped spending. We have to do one or the other. It is just that simple. Some would suggest if we do not cut spending, we do not raise revenues, there is some other alternative. Some have suggested, given enough attorneys to study the problem, there might be another alternative. But I can tell you—not as an attorney but as a former banker—there is not any other alternative. You do one of those two things, you cut spending or you increase revenues.

We have never faced up to the challenge of runaway entitlements which today account for 55 percent of Federal spending and will grow to 59 percent by the end of this century. Quite the contrary, we have generally placed entitlement spending simply off limits in all the budget deals that have been negotiated over the past 10 years. And we all know why. It is simply that we do not have the self-discipline to make those cuts.

What we do not consider, however, is the result; that if we do not face up to this obligation, getting this under control, our monetary system as we know it today will ultimately collapse. There is absolutely no question about it.

That is a pretty big order when you recognize you have to have a healthy economy, you have to have a sound monetary system in order to meet the social obligations of our society. I have many letters from my State of Alaska, people expressing concern over cuts and what these cuts might mean to programs. Obviously, through the block grants giving the States more responsibility, we can make the process more efficient. We can take out the fat that results from administering these programs from the Federal Government and give that responsibility to the States, and they can do it much better. But the point is that in order to meet those social obligations we have to have a healthy economy, one based on sound fiscal principles and a dictate of a balanced budget.

Mr. President, I know we have not had many charts around here in the last week or so, so I am going to spring

three charts with one for dessert for good measure at the end.

These three charts record the history of our "get-tough" budget agreements over the past 10 years. The first chart shows the promises and the reality of Gramm-Rudman I, which we adopted in 1985. As you can see, Gramm-Rudman I was supposed to bring us to a zero deficit—down at the bottom—a zero deficit over a 6-year period starting in 1986 and ending in 1991. From a projected high of \$172 billion, which is where we were in 1986, the deficit was supposed to come down by \$36 billion each year. But in reality by 1991, instead of a zero deficit we were at a record \$269 billion deficit. That is our first effort. It did not work because we did not cut real spending. The commitment was there, the will was there, it looked good on a piece of paper and looked good on a chart at the time we adopted it, but it did not happen because we did not have the commitment to make the real cuts.

So then we made the second promise to the American people, and this is the second chart, and it shows the revision which we made to Gramm-Rudman in 1987.

Why did we make the revision? We simply had to because the original version was not working. In that year, we revised the original targets, changed the targets. New targets are up now, and this time we promised again a zero deficit by 1993. Promises are cheap around here, Mr. President. Quite frankly, this was a more astounding failure than the original Gramm-Rudman. It was not the fault of Senator GRAMM or former Senator Rudman but of Congress which simply found enough ways to get around the law that when the deficit was supposed to be \$100 billion in 1990, it turned out to be more than double to \$221 billion.

Of course, by 1990, it was clear that none of the targets would even be remotely met. So at that time, we will all recall, President Bush entered into a summit agreement, broke his no-tax pledge—some people say that cost him the election—and the American public was again led to believe that we were finally getting a handle on the deficit.

So what we have done here now is we have simply switched this thing around. When we needed to change the targets because Gramm-Rudman was not working, we went back to another budget deal. And what did we accomplish? Absolutely nothing.

I had the privilege of being down at the White House at the time, or shortly thereafter when President Bush made the decision on the tax increase, broke his no-tax pledge. He was absolutely convinced that he would get support from our friends across the aisle, the Democrats, if he went halfway on a modest tax increase. He believed that was the only way he could get support for cuts in Government spending, and he genuinely believed that. There is absolutely no doubt in my mind. But it did not happen. It did not happen again, and it probably cost him that election.

Well, let us move to the third chart now because it is a progression of where we are. The third chart again shows how the deficit was supposed to come down, supposed to come down, as a result of the 1990 agreement. What this chart shows is that by this year, this year, the budget deficit was expected to be only \$83 billion. Does that sound familiar, \$83 billion in 1995? In fact, as the chart shows, the actual deficit is \$109 billion higher at \$192 billion.

Now, that is the progression. That is where we have come. What these charts show is that there is no reason for the public to put its trust in the congressional ability to come up with a budget plan that will eliminate the deficit. We have done it. We have looked at the charts. We have seen the results. The results are quite the contrary.

In the 10 years since we enacted the first Gramm-Rudman law, spending increased more than 53 percent, from \$990 billion to more than \$1.5 trillion. Interest payments increased more than 70 percent from \$136 to \$235 billion, and the national debt more than doubled from \$2.1 to more than \$4.8 trillion.

We are not kidding the American public. They have seen this charade. They have observed accumulated debt has gone up to \$4.8 trillion, and they are fed up. They say enough is enough. What is even more discouraging, Mr. President, is that this administration which opposes this amendment and which, 2 years ago, was able to get our friends across the aisle to go along with the largest tax increase in history, in my opinion, has completely abandoned the goal of bringing the deficit under control.

During the month that we have debated this amendment, the administration has submitted its fiscal year 1996 budget. Its latest budget shows an unending stream of rising deficits and debt, and I do not find a solution, not a solution is recommended, not a single word about how to reshape entitlements is contained in the President's budget. Instead, what the President now recommends is an increase, an increase of about 24 percent in Federal spending between now and the year 2000—an increase of 24 percent.

How does the President propose to pay for increased spending? It is very easy, Mr. President. The President of the United States proposes to pay for increased spending by adding to the debt. That is how we got \$4.8 trillion accumulated debt. His deficit spending adds nearly \$1 trillion of additional debt on top of our \$4.8 trillion. That brings us up to \$5.8, almost \$6 trillion. And the only category of Federal spending that he proposes to cut that is identifiable is again our defense budget.

In fact, if you exclude defense spending from President Clinton's budget, actual Federal spending will increase 37 percent by the year 2000.

Quite frankly, the budget presented by the President provides the best evidence that the only way we are going to balance the Federal budget, the only way, Mr. President, is to add a constitutional amendment requiring that the Federal budget be balanced. It is a process of deduction. We have tried all the other alternatives. They have not worked. We have not tried this. It will work. If the balanced budget amendment was now a part of our Constitution, the President currently would be in violation of his oath of office, if he submitted a budget that looked anything remotely like the budget he sent us 3 weeks ago.

Now, Mr. President, the question has been asked, well, are we broke? The answer is yes, this country is broke. We are dead broke, and I will tell you why. We simply can no longer labor under the assumption that it is business as usual in Washington; that we assume every year we can run deficits, each year a deficit. That means we spend more than we generate in revenues, so each year we are running a deficit of \$150 to \$250 or \$350 billion.

Now, this all adds up, and this debt has today brought us to the point where for the very first time in our history, we are now forced to borrow from the credit markets for the sole purpose of paying interest on the debt.

Now, it may surprise some people to know that over the next 10 years, we would be running a surplus in the Federal budget in every year if we did not have to pay \$200 to \$400 billion annual interest on that debt that has resulted in our chronic inability to bring revenue and spending into balance.

This is the dessert chart, Mr. President, that I promised you, the chart of last resort. This chart shows the devastating state of the Federal budget over the next 10 years. It shows that in every year between 1995 and the year 2000, every single one, all Government borrowing, all of it, Mr. President, all of our borrowing is for the single purpose of paying interest on that debt.

If you look at the bottom line, you will see what happens to that debt. That debt is increasing from \$4.6 trillion, 4.9, 5.2, 5.6, 5.9, 6.3, 6.7, 7.0, 7.4, 7.8, \$8.2 trillion. And do you know why, Mr. President? Because the interest each year on our accumulated debt is more than our debt each year. That is why we are broke, Mr. President. We are broke. We could finance defense spending, Medicare, Social Security, all other Government functions over this period and still accumulate a surplus of \$360 billion if we were not saddled by this extraordinary debt that is going to go from \$4.6 billion in 1994 to \$8.2 trillion in the year 2004.

As the chart shows, in 1994 our deficit was \$203 billion, precisely the amount of interest we had to pay. In other words, our entire deficit in 1994 consisted of interest on that debt. Without that debt service burden, we would not have had to auction a single Treasury note or bond in the market. In 1995, we

would be running a surplus of \$59 billion, if we did not have to service the debt. Instead, as the chart shows, our \$176 billion deficit results directly from the fact that our interest costs are \$235 billion. The same holds true in every year through the year 2004.

So if you look at this chart long enough, you will recognize the reality that, if we do not take this action now, this is what we can expect. Only it might get worse because these interest costs are based on current forecasts. Current forecasts suggest a little volatility can be unsettling. I can remember the prime rate in this country in December of 1980, 20.5 percent. These rates are somewhere between 6 percent and 7.5 percent. So you can imagine what would happen. And it could happen again, Mr. President, and it would throw this chart higher than this roof.

So I contend we are broke. We are borrowing just to cover our interest costs. We are subject to the shifting winds of international investment which flow from economic policies that may change in Bonn or London, or an earthquake in Japan, all of which have a direct effect on what the U.S. Government has to pay to service this unending sea of debt.

Can you imagine just for a moment what would happen if the owners of our debt, the holders of those Treasury bills—of which 18 percent of the total balance of this \$4.8 trillion is held by foreigners—decided to call it in, call it in, just \$300 billion or \$500 billion on our debt? How would we pay the owners? We could not, Mr. President, unless we inflated our dollar to the point that what \$1 buys today would actually be worth 50 cents or less. That is what happens. We are close to it.

Mr. President, this is a warning signal of what can happen when debt gets out of hand. We have seen it as late as the last few weeks with our neighbors to the south in Mexico. I would not attempt, of course, to even compare our two economies. Ours is far healthier, better based, stronger than Mexico, and there is no comparison between the importance and the stability of the dollar and the peso on the world currency market.

But I would also note that Mexico's crisis is a crisis of investor confidence. The result of that crisis is that Mexico this week had to pay 45 percent interest on the rollover of a small portion of its international debt. Why did it have to pay 45 percent? Because the risk was so great. Do you know what investment does? It goes after the highest return and the least risk. And the calculation was that Mexico was a high risk and, to get the dollars, they had to pay a higher rate of return.

Mr. President, it is not just happening in the south; it is happening in the north. Take a good look at Canada. Our neighbors in Canada are the most heavily taxed people in the Western Hemisphere. Do you know what they are paying for interest on their national debt? Twenty percent of the

total budget of Canada is interest on their accumulated debt. Canada runs a health care system, a national health care system, that is an absolute, unmitigated disaster. It is a Government-run health care system. There is no control from the standpoint of having an inducement to reduce costs if you are a Canadian citizen because there is no direct benefit of such reduction to you. You can go in today, go in tomorrow, and on and on. We must learn from what is happening around us.

The only way to get out from under this sea of red ink is to adopt the balanced budget amendment. And I think putting a simplistic and realistic acknowledgment that we have tried everything else and it does not work is the proof in the pudding. The public knows that no family or business can survive for long when, year in and year out, the principal of its debt grows, and all of its borrowing is dedicated to pay off the debt holders. That is where we are going.

So, Mr. President, when future generations look back on the decisions we made in this last decade of the 20th century, I know they will appreciate the wisdom of the people and the Congress in adding the balanced budget amendment to the Constitution because it is the only viable choice we have. For this amendment stands for the proposition that future generations are entitled to economic freedom, unburdened by financial debts of past generations. It is our responsibility to end the practice of sending unpaid bills on to our children and our grandchildren. That is a principle that belongs in the Constitution, in the same sense freedom of speech and press belongs in the Constitution.

So let us make no more excuses, Mr. President. Let us not use the excuse that we have to know where the cuts are before we can vote for this amendment. That is simply a copout for inaction. We have seen enough copouts. We cannot continue this spending. We are either going to have to take in more revenue or make the cuts. The public understands that. And the public will be watching each of our votes. We will have to stand up and be counted on this one.

What the public does not understand is why this body, this Senate, is not moving in the manner in which the House of Representatives did in passing the balanced budget amendment.

So I urge my colleagues to reflect on a very simple reality as evidenced by the charts. We have tried everything else. It has not worked. It is getting late in the game. And if we do not do it now, it may be simply too late forever for our monetary system as we know it today.

I thank the Chair for its indulgence. I wish my colleagues a good day.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I first wish to commend my distinguished colleague from Alaska for a very excellent discussion. I was privileged to join him here on the floor and, frankly, I learned a good deal from that. It was very well prepared and very well delivered.

Mr. President, I observe the distinguished senior Senator from West Virginia momentarily on the floor. I am hopeful that he can join me for a colloquy after I give my remarks.

Mr. President, I have been a cosponsor of the pending measure since its inception, and throughout my 16-plus years in the U.S. Senate I have invariably supported legislative initiatives calling for a balanced budget.

I do so, Mr. President, because not only do I firmly believe in the fiscal ramifications but, equally important, this constitutional amendment, as it goes to our 50 States, will provide an education for all of our citizens as to the complexity of budgeting, and the difficulty of achieving a balanced budget, such that assuming this becomes eventually the law of the land, the people of the United States will have a far better understanding when we have to make those cuts which affect them individually. In some instances, it will hurt, but hopefully they will understand we are doing this for the benefit of all, particularly future generations. This debate will occur, of course, in the State legislatures. Each member of that legislature will have to go to the village greens of his or her respective community and hold that debate in the town halls. This coming Saturday night, in my State, I will go down to Shenandoah County, VA, and there in the firehouse—which is the largest structure for a gathering in this marvelous rural county in the historic valley of Virginia—I am going to talk extensively about this very measure and the thoroughness with which the Senate of the United States is considering this measure. I only wish that I could tell them that, with absolute certainty, the Senate will adopt it next week. I am optimistic, as are others, but I wish I could share that with my constituents on Saturday night.

My constituents, and others, have waited patiently these many years, because the State of Virginia is solidly behind it. I talked with my colleague, the junior Senator from Virginia, today and I am very hopeful that Virginia will have two votes next week for the balanced budget. Senator ROBB appeared earlier today—a bipartisan appearance, which indicates that next week Virginia will get two votes, Mr. President, for this very important piece of legislation.

As I have followed, along with my colleagues, very carefully this week, this debate, it sort of comes down to the argument that we need it because we look the public squarely in the eye and say we cannot do it; we cannot do it unless we have the constitutional amendment. That is a very candid ad-

mission. But by our votes next week, we make that admission to ourselves and to every citizen of this great Nation.

People say, "Are you sure you cannot do it? Have you ever tried to do it?"

Well, I want to share with you a bit of interesting history. To the best of my knowledge, it has not been mentioned thus far in this debate. The Commonwealth of Virginia is among those States which require balanced budgets. My partner in this institution, when I first arrived in 1979, was Harry F. Byrd, Jr., whose father, Harry F. Byrd, Sr., had served many terms prior to him. Basically, he succeeded his father. The Byrd family was known as fiscal conservatives. Therefore, it was quite proper for Senator Byrd, in 1978—actually the year before I arrived in the Senate—to offer an amendment—S. 2152—which he attached to the Bretton Woods Agreement Act. The Bretton Woods Act authorized the United States to participate in a supplemental financing facility of the International Monetary Fund. That is not relevant. It happened to be a vehicle for the Byrd amendment. Senator Byrd, Jr., contended that only by bringing the cost of Government under control could we bring the cost of living under control.

You might ask, why was he so troubled in 1978? He was troubled because there was double-digit inflation, not the relatively, comparatively low rate of inflation today, but there was double-digit inflation in 1978. It was Senator Harry F. Byrd's view that if we put in a balanced budget amendment, we could begin to bring that inflation under control. The majority of the U.S. Senate agreed with him. The text of this amendment was very simple and straightforward.

I quote:

Beginning with the fiscal year 1981—

Mind you, this was calendar 1978. We were then in fiscal 1979. So Senator Byrd recognized it would take at least 2 years to begin to ratchet down this excessive spending.

So his law said:

Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

It was a very short amendment. Repeating:

Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Another interesting feature is that my distinguished colleague spoke very briefly—and I refer you to the CONGRESSIONAL RECORD of July 31, 1978, page S23411. This was his speech, one paragraph:

If this amendment is adopted, it would be a matter of record on the part of the Senate for a balanced budget beginning in the fiscal year 1981.

Later that same day, Mr. President, the amendment passed the U.S. Senate by a vote of 58 to 28. Curiously, 14 colleagues were not voting. The Senate, within hours after the introduction of

the amendment, adopted it 58 to 28. I ask unanimous consent to have printed at this point in the RECORD the vote on that amendment.

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

VOTE ON THE BYRD AMENDMENT, JULY 31, 1978

YEAS (58)	
Democrats (28 or 55%)	
Allen	Huddleston
Bayh	Leahy
Bentsen	Magnuson
Biden	Matsunaga
Burdick	McIntyre
Byrd, Harry F., Jr.	Melcher
Cannon	Morgan
Chiles	Moynihan
Church	Nunn
DeConcini	Proxmire
Durkin	Randolph
Eastland	Stone
Ford	Talmadge
Hollings	Zorinsky
Republicans (30 or 86%)	
Baker	Laxalt
Bartlett	Lugar
Bellmon	McClure
Brooke	Packwood
Chafee	Percy
Danforth	Roth
Dole	Schmitt
Domenici	Schweiker
Garn	Scott
Hansen	Stafford
Hatch	Stevens
Hatfield, Mark O.	Thurmond
Hayakawa	Tower
Neinz	Wallop
Helms	Young
NAYS (28)	
Democrats (23 or 45%)	
Byrd, Robert C.	Jackson
Clark	Kennedy
Cranston	Long
Culver	McGovern
Eagleton	Metzenbaum
Glenn	Nelson
Gravel	Ribicoff
Hart	Riegle
Hatfield, Paul G.	Sarbanes
Hodges	Sparkman
Humphrey	Stevenson
	Williams
(Republicans (5 or 14%))	
Case	Mathias
Javits	Pearson
	Weicker
NOT VOTING (14)	
Democrats (11)	
Abourezk	Inouye
Anderson	Johnston
Bumpers	Muski
Haskell	Pell
Hathaway	Sasser
	Stennis
Republicans (3)	
Curtis	Goldwater
	Griffin

Mr. WARNER. It is very interesting, because if you were to correlate those that voted for the Byrd amendment who are still in the U.S. Senate today—and I would like to read off a few names: Senator HOLLINGS, Senator LEAHY, Senator MOYNIHAN, Senator NUNN, and Senator MARK HATFIELD, and others of the Republican side. I mention Senator HATFIELD because this Senator does

not know what he might do regarding this amendment. But Senator HATFIELD voted for this. It is interesting to note those who are in the Senate today that voted against it then: Senator ROBERT BYRD of West Virginia, Senator GLENN, Senator KENNEDY, Senator SARBANES. It is remarkable to see how the composition has changed in that relatively brief period. Some of the term limit folks might want to look at that someday. There is the vote. The amendment went in midday and, in a matter of hours, it was voted on—the same day. The debate was one paragraph long by Senator Byrd. No colleague got up to dispute the value of it, and it passed.

On October 10—I remind you, this was July 31 when the amendment passed the Senate—that language became section 7 of Public Law 95-435, signed by the President as the law of the land. Very clear. This Congress bound itself to the Byrd amendment. It became the law of the land. We had a balanced budget amendment controlling this body, beginning in fiscal year of 1981.

In 1980, the Congress readdressed the Byrd amendment, and it was modified again in the Bretton Woods Agreement Act of 1980, on October 7, 1980, to read as follows:

“The Congress reaffirms its commitment that beginning with FY 1981 the total outlays of the Federal Government shall”—I underline “shall”—“not exceed its receipts.”

Reaffirmation, once again. Now, it becomes interesting. We are getting to that point where the amendment which is binding on the Congress and the word “shall” is once again reexamined by the Congress. The year is 1982, as part of the recodification case of title 31, U.S. Code, public law 97-258, September 13, 1982, 96 statute 907, the Byrd amendment was restated, but restated in a different form.

I go to the code and read the Byrd amendment as it is the law today:

Congress reaffirms its commitment that budget outlays of the United States Government for a fiscal year may be not more than the receipts of the Government for that year.

Mr. President, the key is the word “may”—examining, of course, how we interpret the laws. “Shall” was binding. “May” became permissive. There is a very clear record of how this body got right up to where it was going to bind it and quietly slipped in the word “may” substituting for “shall.”

What better example of how this institution, having come to grips with this issue, having voted with this issue twice, then quietly and surreptitiously changed one word, basically, to make it permissive.

That was the end of the Byrd amendment. That is why I and others are here and have been for these many days, to urge this body once again to adopt, in slightly different form, the wisdom of the Byrd amendment and make it binding on this, the Congress of the United States. I yield the floor.

Mr. BYRD. Mr. President, before the distinguished Senator from Virginia [Mr. WARNER] leaves the floor.

Mr. WARNER. Mr. President, I would be very happy to listen to my distinguished colleague.

Mr. BYRD. Mr. President, the Senator pays me great honor and flattery to think that at this late hour, the Senator from Virginia would listen to me for even a short length of time.

I want to comment, in view of the fact that he has mentioned the illustrious names of Harry Flood Byrd, Sr., and Harry Flood Byrd, Jr. I had the great honor and privilege and pleasure to serve with both Harry Byrd, Sr., and Harry Byrd, Jr.

This is somewhat coincidental, perhaps, as I was saying to Senator WARNER just a little earlier. I have just received a letter from a constituent of mine who lives at Salem, WV. It mentions the name of Harry F. Byrd, Sr. I shall read the letter. It was written on the 14th of February. It reached my office on the 17th of February.

Senator BYRD: Enclosed is a letter I thought might be enjoyable for you to read. You also may keep it, if you wish. Years ago my children and I were going to Baltimore, Maryland, and went past your father's orchard. I stopped and allowed my children to pick up an apple each, and one for me, as I assumed the ones had fallen.

Regardless, I came home and fully decided that I had stolen the apples. Today we could be shot for doing this. I was poor and had dimes to pay for the apples. I have saved this letter because he touched my heart by it. The dimes, I am sure, was picked up by my kids maybe me. Who knows.

I loved him and I feel you are just about like him. I think you are doing a fine job. Thank you. Dorothea Moses.

P.S., I'm old now and write uphill.

Well, of course, I am not the son of Harry Byrd, Sr. I wrote the lady, thanked her for the letter, and stated that I came up in the home of a poor coal miner in southern West Virginia, although I served with both Harry Byrd, Jr. and Harry Byrd, Sr.

Here is the letter that Harry Byrd, Sr., wrote to the lady, in response, dated September 18, 1947:

Mrs. Dorothea Moses, Salem.

My dear Mrs. Moses: I just received your letter which I deeply appreciate. This is the first time I have ever been offered 10 cents apiece for my apples.

I am gratified by the sense of honesty which prompted you to send me payment for the apples which, however, I herewith return with the hope that you enjoyed them, although I fear they were not ripe enough for eating purposes. But best wishes, I am faithfully yours, Harry Byrd, Sr.

Mr. President, I think that was a remarkable letter from a very remarkable United States Senator, one whom I admired a great, great deal. I think this was a remarkable constituent, who, upon returning to her home in Baltimore, MD, decided she ought to pay for the few apples that her children and she had picked up off the ground. The letter speaks for itself.

So, I am going to take the liberty of providing this correspondence to Harry Byrd, Jr., for whom I have an admira-

tion equal to the admiration I had for his father.

I think that this is a pretty remarkable story, and I am sure that Harry Byrd, Jr., will enjoy reading this letter from a bygone age when people were honest, although they were poor, and felt that they ought to make a remittance even when apples were picked up off the ground of the orchard's owner. How that must have thrilled Harry Byrd, Sr., to receive that kind of letter from that honest woman.

Mr. WARNER. Mr. President, I thank my distinguished colleague for telling that story. I have always been heartened in this institution and this body by the manner in which the senior Senator from West Virginia has always invariably paid great respect to his former colleagues, and particularly the rendition of stories. If my colleagues will indulge me for a brief story. I think of the time I met Harry Byrd, Sr. My family had interest in property very near the Byrd home, which is in Berryville, VA. I own a farm now that has sort of been in my family one way or another—I have owned it now 30-some odd years. It is in White Post, which is just a few miles from the Byrd orchards.

On my farm are orchards. And, indeed, for some period of time, Harry Byrd, Sr.'s grandson operated with me the apple orchards. So much for that.

I remember visiting one time in July; it was very hot. But it was an annual event where Byrd, Sr. would go to his orchard and invite the people from all over the community to come and listen to him talk about what occurred in the Congress of the United States. Of course, in those early days, the Congress often went home in July. It occurred year after year in the same manner.

He would back up an old apple truck. He would get up on the back of the truck and the people would gather under the trees. He always wore a white suit. Does the senior Senator from West Virginia remember that white suit?

Senator Byrd had a high-pitched voice. I suppose you might say—and I do not mean to denigrate—he had a little bit of a sweep to it, a high pitch. You had to kind of lean forward to listen, but you could hear it. I was just a young man sitting out there listening with all the people.

It is interesting, his staff were always dressed in dark blue suits, so you could see the white suit among the dark ones. Then there were all the folks who worked in the orchards who had on the bib overalls, and the farmers would come from miles around. They would bring a picnic lunch. They wanted to hear this speech.

He did the same thing every year. He would bring down a copy of the budget, the budget document. It would be down on the ground, and he would say, “Young man, put the budget document up on the rear of the truck here, right

up here on this little podium so I can tell the people about it.”

And the young man would reach down and he could not lift it. He would say, “It will take two young men to raise the budget,” and sure enough, eventually it would get up on the apple crates. He just used the old apple crates. He put that budget down, and he would start orating about the excessive spending in the United States and would go page after page after page after page, saying each page is hundreds of thousands of dollars, and we would all listen in absolute silence.

The Byrd family, senior and junior, without parallel in this institution, stood for fiscal responsibility of the United States of America. This brief statute which was enacted by the Congress of the United States on two occasions, which is binding, shall ever remain a hallmark to father and son and their fiscal responsibility.

Mr. President, I thank my distinguished colleague.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, I have received a copy of a resolution enacted by the Legislature of West Virginia, Senate Concurrent Resolution No. 16. The resolution requests that the Congress provide information with respect to this constitutional amendment to balance the budget, which will indicate what actions will be taken by the Congress in order to achieve a balanced budget, if this amendment is adopted. In other words, the West Virginia legislature asserts a “right to know.”

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

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

STATE OF WEST VIRGINIA

SENATE CONCURRENT RESOLUTION NO. 16

(By Senators Tomblin, Mr. President, and Chafin)

Urging Congress to provide full information about the effect of a proposed balanced budget amendment on the people and government of West Virginia before submitting it to the Legislature for ratification.

Whereas, The constitution of the United States of America is the most perfect example of a contract between a people and their government; and

Whereas, The congress of the United States is currently considering an amendment to the constitution, known as the “Balanced Budget Amendment”; and

Whereas, The House of Representatives has already approved its version of such a balanced budget amendment; and

Whereas, The House of Representatives approved its version without obtaining a projection of how it would be implemented; and

Whereas, The House of Representatives rejected a version of the balanced budget amendment, offered by Representative Bob Wise of West Virginia, that would have protected against cuts in social security and would have allowed for both a capital and operating budget; and

Whereas, The proposal for a balanced budget amendment is now under active consideration in the United States Senate; and

Whereas, United States Senators Robert C. Byrd and John D. Rockefeller IV of West Vir-

ginia have called for a “right to know” provision so that the senators would know before they vote how a balanced budget would be achieved; and

Whereas, The treasury department of the United States has projected that a balanced budget amendment implemented by across-the-board cuts would reduce federal grants to West Virginia state government by \$765 million dollars, requiring the Legislature to increase state taxes to compensate for such losses or eliminate the programs and services currently provided to our citizens by federal funds; and

Whereas, Many citizens of West Virginia would likely suffer from cuts imposed to meet the requirements of the proposed balanced budget amendment, including thousands of our citizens who receive social security, veterans benefits, medicare, medicaid and other essential benefits; and

Whereas, Through the efforts of Senator Robert C. Byrd and other members of our congressional delegation appropriations have been made for numerous projects in West Virginia, including completion of the Appalachian corridor highway system, relocation of the federal bureau of investigation center to West Virginia and a myriad of other projects; and

Whereas, These benefits and projects are vital to the economic development and well being of the people of our state and deserve to be protected if the constitution is amended to require a balanced budget; and

Whereas, West Virginia receives \$1.45 in federal benefits for each dollar in federal taxes; and

Whereas, On a per capita basis, each man, woman and child receives approximately \$2,000 dollars more in benefits from the federal government than he or she pays in federal taxes; and

Whereas, A proposal to balance the federal budget by returning the programs to the states would mean that West Virginia would be required to either raise its taxes by \$2,000 dollars for each man, woman and child or eliminate the programs and services currently provided to our citizens by federal funds; and

Whereas, The balanced budget amendment would be submitted to the Legislature for ratification if approved by the congress; and

Whereas, This Legislature will be unable to establish its own budget without knowing what reductions will be made by the congress to effect the balanced budget amendment; and

Whereas, This Legislature therefore has a right to know what effect the proposed balanced budget amendment would have on state government, but more importantly, on the people of our state; therefore, be it

Resolved by the Legislature of West Virginia:

That the Legislature recognizes that a balanced federal budget is a desirable objective; and, be it

Further Resolved, That the Legislature commends the president and the congress for their efforts toward this objective by supporting and enacting legislation that will result in the reduction of the federal deficit for three years in a row; and, be it

Further Resolved, That the Legislature will be asked to vote for ratification of a balanced budget amendment to the constitution if such a measure is submitted to the states by the congress; and, be it

Further Resolved, That the Legislature, acting on behalf of the citizens of West Virginia in deciding whether to ratify such an amendment, is entitled to be fully informed of its consequences on our people; and, be it

Further Resolved, That the congress is hereby urged to submit such an amendment to the States for ratification only if congress provides a detailed projection of what reduc-

tions will be made in the federal budget and how these will affect the government and people of West Virginia, including but not limited to, the effect on social security benefits, veterans benefits, medicare, medicaid, education, highway moneys, including completion of the Appalachian corridor system, and other programs necessary for the health and well-being of the people of our state; and, be it

Further Resolved, That the Clerk of the Senate is hereby requested to forward a copy of this resolution to the president of the United States Senate, the Speaker of the House of Representatives and each member of the West Virginia congressional delegation.

Mr. BYRD. Mr. President, earlier today, the distinguished senior Senator from the State of Tennessee referred to my comments a day or so ago when I spoke on the constitutional amendment, with specific reference to section 5. The distinguished Senator from Tennessee, I think, did not really understand what I said with respect to section 5 of the constitutional amendment.

I quote the distinguished Senator from Tennessee [Mr. Thompson]:

“He”—meaning this Senator from West Virginia—“He was concerned that in times of a declaration of war, the amendment requires a constitutional majority of 51 Senators.”

Of course, that is not the case. As I understand section 5, it does not require a constitutional majority of 51 Senators to declare war. The able Senator from Tennessee clearly misunderstood what I said—he must have. And so I let it go at that, because the amendment certainly does not require that. Section 5 of the amendment does not require a constitutional majority of 51 Senators to declare war and I never so stated, unless I was misquoted.

Going on, the senior Senator from Tennessee said: “He,” meaning the Senator from West Virginia,

He thought that hurdle was too high because normally without the amendment, on most votes around here it is the majority of those present with the Vice President casting a tie-breaking vote if called upon.

I continue to quote the words of the Senator from Tennessee:

As I listened to that debate, it is very interesting, the possibilities are intriguing from an intellectual standpoint. Sitting and listening to Senator BYRD of West Virginia is like sitting in a good class of constitutional law. I enjoy it. If we did not have a Senator BYRD, we would need to invent one because he brings issues to the floor and to the table that need to be discussed. But again, does this not assume that 50 Senators plus the Vice President would do the right thing? He—

meaning Senator BYRD from West Virginia—

He is concerned we might not get that vote.

Here we are, we need to declare war and we might not get the 51 votes. So he—

meaning Senator BYRD.

assumes, I suppose, that 50 Senators plus the Vice President would do the right thing and we would get the 51 votes that way, but

under this amendment that 51 Senators would not do the right thing.

Now, is that not slicing it a little thin in light of what we are dealing with here? Is that not belaboring the point? It needs to be discussed. But is that what this is going to turn on, whether or not we have 50 Senators plus a Vice President, on the one hand, or 51 Senators on the other?

I must say, Mr. President, it is my opinion that there are enough good people in this Chamber that if we have the kind of situation that requires a declaration of war, we would do the right thing, that we would do the right thing when the circumstances arose.

Mr. President, the Senator from Tennessee misunderstood the direction and the thrust of my remarks. I was not saying that under the balanced budget amendment, a majority of the whole number present would be needed to vote for a declaration of war. I did not say that at all, and the amendment does not say it. Either Mr. THOMPSON misunderstood me or he misunderstands the verbiage in section 5.

It is an honest mistake on his part, but I thought I should set the record clear. I am not under any illusions that the amendment requires 51 Senators to vote to declare war. It does nothing of the kind. A simple majority of those Senators voting, a quorum being present, is sufficient to adopt a declaration of war, both now and under the amendment.

The thrust of my concerns went to the second portion of that amendment, which did not deal with a declaration of war but, rather, dealt with the situation in which a military threat to our Nation's security might exist; in which case, in order to lift the strictures of the constitutional amendment that is being debated, a majority of the whole number of Members of both Houses would then be required—in which case, I took the position that the minisupermajority requirement could put our Nation in further peril and also have the effect, if he should cast a vote in a tie situation, of negating that Vice President's vote, the Vice President not being a Member of the Senate. So much for that.

Mr. President, let us take a look at what may be in store for the Nation should the amendment be drafted into the Constitution; namely, that the amendment may be enforced. I see problems with the amendment, which I have mentioned to some degree earlier and which I shall refer to here again briefly. The problem with the amendment, if it is enforced, is that it creates very serious problems. If it is not enforced, on the other hand, it still creates serious problems.

Suppose at the end of the second fiscal year following the ratification of the amendment, the Office of Management and Budget announces that the total outlays for the United States will exceed total receipts for that year by, say, \$50 billion. Suppose further, that the President is advised by White House counsel and the Director of the Office of Management and Budget that he is obligated by the new amendment

to take whatever action is necessary to bring the outlays into line with the receipts.

Suppose he is exhorted by his advisers to use a line-item veto, even though the Constitution under which we have operated for over 200 years does not give him that authority. He could be prevailed upon by his OMB director and others to assume that the new amendment to the Constitution inherently gives him the authority to take whatever action is needed to bring the budget into balance, to make outlays balance with the receipts.

What will happen to the outlays of the various departments? Will defense contracts be held up? If moneys are impounded by the President, or if a line-item veto authority, which he does not have today under the original Constitution, should be assumed, or enhanced rescissions authority, which is worse than the line-item veto, were to be assumed, will checks to people who are unemployed be withheld? Will Medicare payments be stopped? Will Medicaid be cut back? Will Social Security checks be put on hold? Will the President impound moneys that have been mandated by the Congress to be spent, even though he would be acting in violation of the 1974 Budget and Impoundment Control Act? This sounds like a sure prescription for an Imperial Presidency.

The President, any President, could feel the compulsion to obey the mandate "implicit" in the Constitution as amended by this balanced budget amendment, believing that it contained inherent authority to exercise enhanced revisions authority, line-item veto authority, and impoundment authority, and he would be certainly advised by his counsel, I should think, to proceed to reduce outlays, thus sharing the power over the purse that is currently vested in Congress by article I of the Constitution, article I, section 8, the power that is given to the Congress to raise revenue, and by section 9 of article I to appropriate money. He would believe himself to be authorized to cut whatever programs and projects he chose to cut while leaving untouched those projects he supported. By holding programs and projects hostage, he would be in a position to suspend a Damocles sword over the heads of Senators and Representatives with respect to projects and matters important to their States and districts.

Moreover, he could use this leverage to bring legislators into line on matters other than those affecting the budget. Confirmation votes on future Clarence Thomases could bring tremendous pressure on Senators by such enhanced Presidential powers. He could threaten this or threaten that, and I, as a Senator, might or might not buckle under that pressure. I have had pressures from Presidents, like Lyndon Johnson, who really knew how to twist arms. It was pretty hard to say no to a President who, like Lyndon Johnson,

was the former majority leader of this Senate, who had much to do in those days with putting me on the Appropriations Committee, but I said no. What it meant was about 30 minutes of excruciating torture, after which I felt that my clothes needed washing and drying. I felt that I had been put through a clothes wringer.

Confirmation votes on future Clarence Thomases or future treaty votes would be a President's to collect, merely by threatening to line-item veto or impound monies concerning programs supported by certain Members of Congress. A President could also use this power effectively with respect to cutting capital gains taxes or achieving other cherished goals.

I suggest, if any Senator is interested in reading about one of those arm-twisting sessions that I had with the late President Lyndon B. Johnson, the Senator read from the second volume of my history on the United States Senate, 1789 to 1989. It is all laid out there.

The road would be paved for the courts then—get this—to get into the act of balancing the budget. Beneficiaries of programs arbitrarily cut back by the President's actions could go into the courts and demand that the cuts be restored, and the claimants of such payments could very well, in some circumstances, at least, establish standing to sue.

If the courts concluded that it was necessary to impose a tax in order to bring receipts up to the level of outlays, the taxpayers would have standing to apply for relief. And if ever there could be a lawyers' paradise, the millennium would be here.

One might denominate this amendment as the constitutional amendment to benefit lawyers. In saying that, I do not speak with any disrespect toward lawyers. I would prefer to call it the constitutional amendment for minority rule. I may have more to say on that at another time.

Montesquieu, in his "Spirit of the Laws," stated, "of the three powers . . . the Judiciary is next to nothing." Meaning of the three powers: The executive, the legislative and the judiciary. Montesquieu said, "of the three powers . . . the Judiciary is next to nothing." He also said, "There is no liberty, if the power of judging be not separated from the legislative and executive powers."

Hamilton agreed with Montesquieu in the Federalist Paper, Number 78, wherein Hamilton went on to state: "The executive not only dispenses the honors but holds the sword of the community. The legislature not only commands the purse, but prescribes the rules by which the duties and rights of every citizen are to be regulated. The judiciary, on the contrary, has no influence over either the sword or the

purse . . . The judiciary is beyond comparison the weakest of the three departments of power." That was Hamilton.

The amendment on which we are about to vote within the next few days would turn Montesquieu's and Hamilton's world topsy-turvy, upside down. The judiciary could become the strongest of the three departments of government and thus hold influence over both the sword and the purse. Constitutional government as we have known it for over 200 years, based upon the separation of powers and checks and balances concepts, would perish from the Earth.

That is one course that we may find ourselves travelling.

The Peoples' Branch would atrophy. Representative government would no longer exist. Unelected members of the courts would wield the power of the purse. The Constitutional mandate, section 9 of article I of the Constitution, that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law," would be changed, and, instead, we would be treated to the spectacle of appropriations made by judicial fiat.

The American people fought one revolution over the principle of "taxation without representation," and now we are about to vote on an amendment to the Constitution which could easily result in unelected judges mandating higher taxes—judges who are appointed for life mandating higher taxes. If we think the people would be upset with Congress for increasing their taxes, just imagine what their feelings will be when their taxes are hiked by unelected judges who are appointed with life tenures. Could we be sowing the seeds for another revolution by adopting this amendment? If there were ever a Pandora's box with evils imprisoned therein to bring misfortune to our country, this would surely be it. If the amendment is enforced, the powers of the legislature will flow to the executive and to the judiciary, and we will have destroyed a government of separation of powers and checks and balances.

Contemplate that, for 200 years—206 years, our Nation has operated under the Constitution that was written by the illustrious Framers in Philadelphia in 1787, and that, by the adoption of this amendment and by its subsequent ratification by the States—if the States do ratify it in the requisite number as set forth in the original Constitution—we will have destroyed, I think, the constitutional form of Government that our forefathers gave us. It will certainly be in danger, great danger. So the handiwork of the Framers will finally have been ill served.

I saw them tearing a building down,
A group of men in a busy town;
With a "Ho, heave, ho" and a lusty yell,
They swung a beam and the sidewall fell.
I said to the foreman, "Are these men skilled

The type you'd hire if you had to build?"

He laughed, and then he said, "No, indeed,

Just common labor is all I need;
I can easily wreck in a day or two,
That which takes builders years to do."
I said to myself as I walked away,
"Which of these roles am I trying to play?
Am I a builder who works with care,
Building my life by the rule and square?
Am I shaping my deeds by a well-laid plan,
Patiently building the best I can?
Or am I a wrecker who walks the town,
Content with the labor of tearing down?"

Mr. President, the lines from The Masonic Craftsmen are well descriptive of the situation if this balanced budget amendment is ever nailed into the original Constitution as an amendment. I shudder to think that that prospect may very well be close at hand.

If, on the other hand, the Constitutional provision is not enforced, we will have made the Constitution promise something that it cannot fulfill, and it will henceforth become a mere piece of paper, relegated to the dustbin of history.

What will actually happen in the event of the adoption and ratification of a balanced budget amendment to the Constitution remains to be seen.

Nobody knows. I do not know precisely what will happen. I have outlined two very sad prospects—one if the amendment is enforced, the other if it is not enforced—as to what may be in the offing in the event this constitutional amendment were to be adopted and ratified. We, of course, cannot be absolutely sure, but why should we take such risks? Republican Senators will not tell us how they intend to carry out the mandate of the constitutional amendment on the balanced budget. I happen to believe that if the amendment is grafted on to the Constitution, there will be efforts to enforce it, and this will mean that we no longer have a government by the people, but, instead, the people will be governed by a black-robed Office of Management and Budget, run by one Chief Director and eight associate directors appointed for life, with control over both the sword and the purse.

There will be no rams' bellies by which we may ride out of that dilemma, as Odysseus did when he and his companions escaped from the cavern of Polyphemus.

In escaping from that cavern, Odysseus instructed his companions to hold onto the bellies of the rams as they went out of the cave to graze, Polyphemus, the chief of the Cyclopes, having been blinded by the fire of a piece of wood that Odysseus had plunged into the giant's eye. They escaped by holding onto the bellies of the rams.

The giant laid his hands on the tops of the rams as they went out of the cave. He never thought to feel under the bellies.

Odysseus and his remaining few companions—those that had not ended up in the stomach of Polyphemus—had found a way to escape by holding onto the rams' bellies. Well, Senators, we will not have any rams' bellies here by

which we may ride out of this dilemma. And unlike Odysseus in Homer's epic, while we may be able to escape the violent whirlpool of Charybdis, we will still be devoured by Scylla, except, unlike Homer's Scylla, which had 12 legs, and 6 hideous heads bearing 3 rows of teeth each, ours will be a monster with 18 legs, and 9 heads bearing 2 rows of teeth each. Ours will no longer be a government of laws; instead, it will become a government of judicial fiats. Is this what Washington and his starving men at Valley Forge fought for? Was it for this that Americans shed their blood at Lexington and Concord, and at Saratoga? Was this what Nathan Hale had in mind when he gave the only life he had for his country? Did our forefathers pledge their lives, their fortunes, and their sacred honor to throw off the tyrannical hand of George III, only to be ruled by the heavy hand of a judicial oligarchy?

Mr. President, when the Constitutional Convention had completed its work in 1787, Benjamin Franklin, one of the Framers of the great document, was approached by a lady who asked the question, "Dr. Franklin, what have you given us?" Franklin answered, "A republic, madam, if you can keep it."

Mr. President, this amendment carries the seeds for the destruction of the American Constitutional republic as it was handed down to us by our forefathers. I say it carries the seed of destruction. I am concerned about the future of this Republic. And there are Members on both sides of the aisle who are going to vote for this amendment, come next Tuesday, who have expressed to me privately their serious doubts with regard to the balanced budget amendment.

I know of no magic herb by which we may prove ourselves invulnerable to the seductive charms of this "quick-fix" amendment. I can only hope that Members will fill their ears with wax so that they will not be lured by the siren's song and will ignore the pleas until the danger is safely past.

Each of us upon being elected to the office of Senator subscribes, by oath or affirmation, to support and defend the Constitution of the United States. It is a solemn oath. We do not swear before God and man that we will support and defend a political party. We do not swear that we will support and defend a so-called Contract With America, but only that we will support and defend the Constitution of the United States.

Of course, we all understand that the Constitution provides a process, in Article V, for its own amending, and while I, or any other Senator, may be willing to amend the Constitution in one particular or another, what we have here is an amendment which, for all intents and purposes, could result in the destruction of a government of checks and balances, a government of separation of powers. We are, therefore, talking about the very bottom bedrock

of our Constitutional form of government. Take away the checks and balances, which could be the result of this amendment; take away the separation of powers, which could be the result of this amendment; then we will no longer have a government of the people, by the people, and for the people. We will have a government of three branches, in which the peoples' branch, the legislative, will become a mere vestigial leftover from a bygone day, shorn of its power over the purse and no longer able to fulfill the functions for which it was created.

Make no mistake about it. Senators will never be able to wash this stain from their hands.

Mr. President, I am not assured by those Senators who say that we can avoid the intrusion by the courts into the realm of budget making, simply by resorting to the provision that allows a three-fifths vote to approve a specific excess of outlays over receipts. I am not sure about that at all. Most of those who support this provision are among those Senators and Representatives who will never vote for a tax increase, come what may.

I do not like to vote for a tax increase. That is not an easy vote. But there come times when we have to have an increase in taxes. If we ever really bring these budget deficits under control and begin making payments on the principal of the debt, I have no doubt that there are going to have to be some revenue increases. Yet, there are Senators who say they will never vote for a tax increase. They will always depend upon someone else to supply the three-fifths of the whole number of each House.

What this really is, is a prescription for minority rule. Ours would become a government by minority. That is minority rule—no ifs, ands, or buts about it. Are two-thirds of the Members of this Senate ready to submit themselves to such a stultifying prospect?

We are all deeply concerned about the budget deficits, the national debt, and the growing interest on that national debt. I want to see our budget deficits brought down. I want to see our budget brought into balance, especially in those years when we do not have to have a budget deficit in order to deal with an economic decline in the economy, or an ongoing recession. I want to see our budget brought into balance as much as does any other Senator. Every Senator in this body wants to see these deficits brought under control.

A national debt rapidly approaching \$5 trillion, and with the sky as the limit if we do not do something to curtail it, is a terrible legacy to leave to our children. We have to do something about it, and it will be painful. It may require us to increase taxes. But it will be an even more awesome legacy to leave to our children and grandchildren, if we destroy the foundations of our constitutional system of checks and balances, sweep away the peoples'

power over the purse exercised through their elected representatives in Congress, and undermine the faith of the Nation in the Constitution itself.

I hope that we will ponder this constitutional amendment over this weekend as we have never thought about it before. I have heard many comments from people on the outside—for example, from representatives of the media—about this debate. Those comments have been favorable with respect to the fact that the Senate has indeed taken the time to study the amendment, to debate it, to deliberate, and to try to correct what many of us see as flaws in the amendment.

I believe that was the role that the forefathers intended for the Senate to play. This constitutional amendment to balance the budget was adopted in the House of Representatives after only 2 days of debate. That is appalling. That is an appalling spectacle—to have a constitutional amendment adopted in the other body after only 2 days of debate! But in the Senate, come next Tuesday, it will have been before the Senate for 30 days. I thank the majority leader, and I compliment him for the respect he has thus far shown for the fact that this is a constitutional amendment, and that this is the United States Senate, and that this is the role that the United States Senate was supposed to play. That was the role the Framers had in mind from the very beginning—that the Senate would be a deliberative body. Many times we do not deliberate much here anymore. But in this situation, there has been considerable deliberation.

I think that the Framers would be pleased that this Senate has at least slowed down a stampede to enact this constitutional amendment in a hurry. There have been efforts to amend it, but we have failed thus far. I do hope, however, that the amendment that is being offered by Senator NUNN will be agreed to next week. Senator JOHNSTON's amendment was rejected on a tabling motion. Senator NUNN's amendment is different only in a slight respect from the amendment that was offered by Senator JOHNSTON. I hope that the amendment by Senator NUNN will be adopted. It addresses that very serious and solemn and terrible prospect that the courts might intervene if this amendment were to be adopted and enforced. There is nothing in the balanced budget amendment that either invites or forbids the courts to enforce this amendment.

I intend to support Senator NUNN's amendment. I am not sure that even his amendment will provide all of the answers, because much is left to the implementing legislation that the Congress will be authorized to write to enforce the balanced budget amendment. The implementing legislation may itself carry many seeds for the destruction of the constitutional system of checks and balances and separation of powers that we have known for 206 years.

Implementing legislation might not even be passed. After all, such implementing legislation has to go to the desk of the President. A President may veto it in a given situation. It would require two-thirds of both bodies to override his veto. Or the implementing legislation that is enacted in one Congress may be amended in a subsequent Congress. Even the amendment by Mr. NUNN does not protect us—when I say us, I mean the public—from events which could very well create chaos in the economy and change the constitutional form of government that has served the American people so well. Power could still flow from the legislative to the executive branch.

But at least, Senator NUNN's amendment addresses itself to one of the possible dangers, and it really goes to show that this balanced budget amendment is very much like a balloon. If you squeeze the balloon at one end, it pops out bigger on the other. If you squeeze at that end, then it pops out and makes the balloon larger in another place. If we cure one flaw here, we open up other flaws. That just goes to show that this "quick fix" really cannot be fixed.

Mr. President, I thank the distinguished Senator from Utah [Mr. HATCH] for remaining at his post of duty and listening to my remarks on this occasion. He has worked hard on this constitutional amendment. He is entitled to a great deal of respect for his efforts to get out of a very, very tough and difficult and complex problem. Unless he wishes to ask me a question, I will yield to—

Mr. HATCH. I thank the Senator.

Mr. BYRD. I have not yielded yet, but I am available if the Senator wishes to respond to my words.

Mr. HATCH. If the Senator will yield, I want to compliment the Senator. I have seen him work this floor very faithfully, intelligently, and I believe honestly throughout this debate. We happen to differ. I believe that when you press a balloon on one end, it expands on the other end, and when you press it on the other top, it expands on the bottom. But it still contains the future of our country. I also believe that the distinguished Senator, as sincere as he is—and he is sincere, and I know that; he has my respect—is saying that this amendment leads us into a lot of difficulties. But I have to say that we are in a lot of difficulties.

Mr. BYRD. I did not hear the Senator.

Mr. HATCH. I say we are in a lot of difficulties. Many of us feel that though this bipartisan consensus amendment is not perfect in anybody's eyes, that it is the most perfect we can do, and that it is the only way we are going to get spending under control in this country. But I think the distinguished Senator from West Virginia has been eloquent throughout this debate. He has been constitutionally apt in many respects. And although I differ

with him on some of the interpretations, I compliment him for his knowledge, his foresight and his own explanations of how the Constitution is considered.

It is to me, too. I feel very, very deeply about it. I feel deeply about my dear colleague's point of view. I do not have any desire to prolong this this evening, but I just want to compliment the Senator for his comments, for his hard efforts, for his willingness to be on this floor and to do what he has done with the amendments he has brought forward and the intelligent way in which he has discussed them, and for the courteous manner and kindness shown. I really personally appreciate it.

I did not think my esteem could be any higher than it is for the Senator. But it is. It is higher.

Mr. President, I just want to say in closing here this evening, I would like to shut the Senate down, but I understand the Senator from Maryland wants to speak. I would like to get the floor as soon as the Senator from West Virginia is through so I can get legislative matters straightened out here.

Mr. BYRD. I am about to yield the floor if the Senator does not wish to ask any questions.

Mr. HATCH. I do not.

Mr. BYRD. I appreciate his kind comments. They are very sincere.

Mr. HATCH. It never, never ceases to amaze me how the Senator can just call up poetry like he did here this evening, and a wealth of knowledge about history and especially the history of the Senate.

I have to say I was moved by the distinguished Senator's discussion of the Harry Byrd letter and Mrs. Moses' letter. I think what the Senator does in bringing things like that to the attention of everybody perpetuates the importance and the feelings and the basic goodness of the Senate.

Mr. BYRD. As the Senator knows, "I'll cavil on the ninth part of a hair," and "I'll fight till from my bones my flesh be hack'd."

Sometimes I think we probably overdo the expressions of affection in this body. However, I do appreciate the kind words the Senator has expressed. I had hoped we might, even at this late hour, engage in debate. But I do not want to insist on it. I will close my remarks with respect to our mutual affection. The Senator knows that, for him "my affection hath an unknown bottom, like the Bay of Portugal."

Let us hope that on next Tuesday Senators will remember the words of Lord Nelson, who lost his life in the Battle of Trafalgar. His last words were, "Thank God, I have done my duty."

Mr. HATCH. Mr. President, I have to confess that I believe that the distinguished Senator from West Virginia always does his duty. I personally appreciate it, even when I disagree.

Mr. President, the Senator from West Virginia has presented us with the tri-

ple threat from the balanced budget amendment of: First, an imperial Presidency; second, an all-powerful judiciary; and third, the seeds of revolution. Possibly, he suggests, the Constitution itself will be relegated to the dustbin of history.

This is strange indeed given that the amendment itself gives Congress the power and duty to enforce and implement the balanced budget amendment.

I would ask what continuing on the path we are on would do to the Constitution or the Nation. If President Clinton's predictions are correct that the generation that is beginning now will be taxed at the net tax rate of 82 percent that all will be tranquility? Or will we see tax revolts that will make the Boston Tea Party look like a Beacon Hill high tea. What does taxation without representation mean if not leaving mammoth taxes to generations who cannot vote yet?

And what will happen to a republic with national debt growing at the rate it is now indefinitely? Ask Argentina, Italy—some point to Weimar Germany as a model of the inflation and the economic and political chaos that could ensue from our path of profligate spending.

Mr. President, the bottom line is a choice between doing what we are doing now and changing the way Washington does business. I have heard some on this floor say that this amendment would not pass if we could vote in secret. Well, that is precisely the problem, the problem that the voters asked us to fix last November.

I have explained repeatedly during this debate why this amendment would not involve the courts in activity infringing on the powers granted to Congress in article I of the Constitution.

This balanced budget amendment indeed contains the seeds of liberation for the rising generation and generations yet unborn. It contains the seeds of liberation from the shackles of insupportable impossible debt and oppressive taxation—the seeds of liberation from an increasingly unresponsive but increasingly intrusive Federal Government. The balanced budget amendment contains the seeds of liberation from a government which consumes tomorrow's wealth to satisfy today's desires.

Mr. President, let us adopt the balanced budget amendment to continue the principles of the American Revolution and Constitution, the principles of freedom—political and economic—for future generations of Americans.

Does the Senator from Maryland want to speak?

Mr. SARBANES. Mr. President, I would like to speak for probably 5 to 10 minutes. There were some points made earlier in the day I would like to respond to.

Mr. President, I thank the Senator from Utah for his courtesies.

Mr. President, I want to address the point about the danger that the balanced budget amendment might well

do to our economy in time of an economic downturn.

I think this point very much needs to be emphasized. In fact, there was an article in the New York Times only a day or two ago that was headed, "The Pitfalls of a Balanced Budget, Dismantling a Decades-Old System for Softening Recessions."

In the course of that article it is stated "If the amendment is enacted, the side effect would be huge. A system that has softened recessions since the 1930's would be dismantled."

Now, I want to just point to this chart and then I want to quote a couple of highly respected economic thinkers in our country. What this chart shows is the change in real GDP beginning back in the late 1800's and coming forward until today.

What this chart shows is there were tremendous fluctuations in the economy until the post-World War II period. The economy would, in the late 1800's and the first half of this century, go, as one can easily see, up and down like a roller coaster, often going very deeply into a negative growth situation.

These are the boom and bust cycles that those who have read American history are familiar with. These were the panics. What happened is, after the Great Depression, as a consequence of the Great Depression, we began to change our thinking and to develop what are called automatic stabilizers. I will elaborate on that in a moment as to what that means. But the consequence of doing that was to markedly change the depth of the business cycle. As we can see, since World War II, although we continue to have fluctuations in the economy, we no longer have the very deep plunges into very significant negative growth.

Now, Charles Schultze, whom all of us know and who is a highly respected economist, stated a couple of years ago in testifying about the then-balanced budget amendment proposal that was before the Congress:

A Balanced Budget Amendment Would Be Bad Economics. Federal revenues automatically fall and expenditures for unemployment compensation rise when recessions occur. The deficit necessarily rises. This budgetary behavior is a very important economic stabilizer. It helps sustain private incomes during recessions and thus keep sales, employment, and production better maintained than they otherwise would be.

Now, I just want to comment on this. It is very important to understand that, as we go into a recession, we automatically start running a deficit because we lose tax revenues. People have lost their jobs. They are unemployed. So we have less revenues coming in. And we start making payments out of the Treasury—unemployment benefits, food stamps, medical care—and the combination of that means that the deficit grows, but that helps to offset the downward momentum.

Now, what we used to do in the old days, we would try to balance the budget in that circumstance when the

economy was going soft, we would try to balance the budget and, of course, that would only drive the economy even further down.

So, as Mr. Schultze stated and I just repeat it:

Federal revenues automatically fall and expenditures for unemployment compensation rise when recessions occur. The deficit necessarily rises. This budgetary behavior is a very important economic stabilizer. It helps sustain private incomes during recessions and, thus, keep sales, employment and production better maintained than they otherwise would be.

And he goes on to say:

The American economy in the postwar years has been far more stable than it was between the Civil War and the Second World War, even if we exclude the Great Depression from the comparison.

Now this is exactly what this chart shows, although it does not go back quite as far as the Civil War. But clearly what this chart demonstrates, as Mr. Schultze states, is that the American economy in the postwar years has been far more stable than it was between the Civil War and the Second World War. You can see the tremendous fluctuations we used to have in the economy as compared to what has occurred since World War II.

Mr. Schultze goes on to say:

In the period between the Civil War and the First World War, the American economy spent about half the time in expansion and half in contraction. In the period since 1946, the economy spent 80 percent of the time expanding and only 20 percent contracting. In the years after the Second World War, fluctuations in the American economy around its long-term growth trend were only half as large as they were in the period 1871 to 1914. Many people who have studied the period credit an important part of the improved economic performance to the automatic stabilizing characteristics of the Federal budget.

Under the constitutional amendment proposed in H.J.Res. 268—

Which was the proposal at the time, the counterpart to what is before us now—

this stabilizing force would be seriously threatened. The first year of a recession would turn an initially balanced budget into deficit. But under the proposed constitutional amendment, Congress would be required to bring a budget for the next year back into balance by large tax increases or spending imposed as the recession was still underway.

Of course, imposing those tax increases or spending cuts, in order to eliminate the deficit which the onset of the recession had brought about would, of course, only make the recession worse. They would drive the economy even further down, as these tremendous negative growth periods which occurred in the first part of this century clearly indicate.

This is not a desirable economic performance, and the automatic stabilizers, which we have run in the postwar period, have enabled us to avoid that. While we have had ups and downs

in the economy, they occur almost entirely in the positive growth area. We do not have the deep plunges into negative growth which marked economic performance in the first part of this century and, indeed, ever since the economy became, as it were, a complicated, complex modern economy. So if we had gone back to the Civil War, we would have had these movements up and down as well.

Laura Tyson, in an article in the Washington Post—and I ask unanimous consent that that article be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.
(See Exhibit 1.)

Mr. SARBANES. It is entitled "It's a Recipe for Economic Chaos."

Continued progress on reducing the deficit is sound economic policy, but a constitutional amendment requiring annual balance of the Federal budget is not.

Let me repeat that because I agree very strongly with it.

Continued progress on reducing the deficit is sound economic policy, but a constitutional amendment requiring annual balance of the Federal budget is not. An economic slowdown automatically depresses tax revenues and increases Government spending on such programs as unemployment compensation, food stamps, and welfare. Such temporary increases in the deficit act as automatic stabilizers offsetting some of the reduction in the purchasing power of the private sector and cushioning the economy's slide.

Moreover, they do so quickly and automatically without the need for lengthy debates about the state of the economy and the appropriate policy response.

By the same token, when the economy strengthens again, the automatic stabilizers work in the opposite direction. Tax revenues rise, spending for unemployment benefits and other social safety net programs falls, and the deficit narrows.

Now, the marked diminution of the fluctuations in the economy shown on this chart in the post-World War II period reflects the automatic workings of these stabilizers through the business cycle. It demonstrates the benefit we have derived from the application of these automatic stabilizers in the post-World War II period. This is a dramatic illustration of the advantages of having broken out of the thinking that said we had to balance the budget every year and, therefore, led to efforts to balance it at a time of economic downturn which only intensifies the problem.

Ms. Tyson goes on to say:

A balanced budget amendment would throw the automatic stabilizers into reverse. Congress would be required to raise tax rates or cut spending programs in the face of a recession to counteract temporary increases in the deficit. Rather than moderating the normal ups and downs of the business cycle, fiscal policy would be required to aggravate them.

Which is exactly what had been happening in the past, and we now have managed to avoid.

Mr. BYRD. So will not then the chart show for the next several years, after the point where we now are, the same

chart would show these lines that are zigzagging and fluctuating above the horizontal line, it would, in effect, show them down here.

Mr. SARBANES. That is right. You go into a downturn, and instead of having these automatic stabilizers to counteract that, the roller coaster would start down and you would simply be intensifying it.

People have to understand, what these downward lines mean, this negative growth means millions of people unemployed. This means small businesses going into bankruptcy. What these lines mean, in every instance in which these occurred, if you went back and looked at what was happening in the economy, there was massive economic dislocation: People losing their jobs, businesses going into bankruptcy, farms being foreclosed. We have not experienced that in recent times and, as a consequence, people begin to take it for granted.

But it is not inevitable.

It must be understood, one of the reasons it has not happened is because we have had a counteracting policy to prevent these deep declines from taking place.

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

Mr. SARBANES. Certainly.

Mr. BYRD. So the effect then, if I understand what the Senator is saying, I think he is making a vital point here, which would be that we would return to a situation as the chart indicates for the earlier years, going back more than 50 years.

Mr. SARBANES. The distinguished Senator from West Virginia is correct. We would be back into these up and down cycles. As Charles Schultze said in his quote, which I think is very important:

In the period between the Civil War and the First World War, the American economy spent about half the time in expansion and half in contraction. In the period since 1946, the economy spent 80 percent of the time expanding and only 20 percent contracting.

When it did contract, it avoided going into these very deep plunges which used to occur. We used to call those "panics," "busts." The economy was devastated. You would have the panic of 1893 or the panic of 1922, and so forth. And we have avoided that in the post-World War II period. We have had some ups and downs; we have what we call recessions. We have managed to avoid that.

Let me just read what Alice Rivlin had to say today. She is a very thoughtful woman, and those who know her realize that she is what is called a "deficit hawk." She has been anxious to get the deficit down, has worked hard to get the deficit down. Today at a news conference she made the following statement:

This discussion is not about whether the budget should be balanced, on the average. It is about whether we should write into the

Constitution that the budget should be balanced every year. No one can fault the Clinton administration for not being serious about deficit reduction; we believe the deficit is too high, that it must come down. We have brought it down a lot; we want to bring it down more.

But we do not believe that we should write a requirement for balance every year into the Constitution. The real problem with doing that is that it would make swings in the economy bigger.

The Federal deficit has acted as a cushion that dampen recessions, make them less wide, less bad for people.

When the economy slows down, two things happen. One is, there are more people who are eligible for unemployment insurance and food stamps and the kinds of things that help people when they are in trouble. So expenditures for those things go up. More importantly, when people earn less and they lose their jobs, they don't pay as much income tax, so the Federal revenues go down.

With spending going up and revenues going down a lot in the beginning of a recession, what you find is a deficit widening—automatically; it just happens. And automatically, it offsets the horrendous effects of that recession.

Now, what would happen if you had to counteract that effect? The Constitution would say, unless you had a supermajority to override it, that you would have to do one of two things. You would have to cut spending to correct that deficit, and people would have less income, . . . or you would have to raise taxes, which would mean people would have less income. So the recession gets worse. We would have bigger swings in the economy, a deeper recession.

Now, that's not just a theory, you can really see it. You can see it in what has happened to recessions over the last couple of decades.

If you look back in our history, the economy went up and down by huge swings. In the period, especially the period since World War II when these automatic stabilizers have been in effect . . . we've still had recessions, but we have had much smaller ones than we otherwise would have had.

If we pass a balanced budget amendment to the Constitution—

And I say to the distinguished Senator from West Virginia this is exactly to his point.

If we pass a balanced budget amendment to the Constitution, we are saying we want to go back to those days when the economy had huge swings, and many more people were out of work in a recession than are out of work in modern recessions.

Now, Mr. President, this issue is not being given a lot of attention in this debate. It is very clear that by having these automatic stabilizers in the budget, we have been able to avoid very dire economic times.

This amendment would preclude the automatic response which now takes place and which begins to happen before people even begin to recognize that the economy may be in trouble. As soon as the economy starts experiencing some trouble, this cushioning effect automatically starts happening.

It is asserted by proponents of the amendment that sixty votes to waive its provisions would be obtained. 60 votes. Maybe, maybe not. I daresay, in any event, you will not come anywhere close to getting them until it is manifest that the economy is in difficulty,

namely until we have moved down the downward curve a considerable part of the way. And at that time, of course, you are really playing catch up. You are trying to pull back this downward momentum instead of having offset it right in the beginning.

Now, I want to underscore these deep downward lines, on this chart. You say, well, this is negative growth, this is GDP taking a nosedive. People say, "Well, what does all that mean?"

What it means in real human terms, what these deep plunges in growth to negative levels of 5, 10 percent, in the Great Depression even 15 percent, literally means is millions unemployed; it means small business bankruptcies the likes of which we have not seen in roughly the last 60 years; it means farm foreclosures.

Now, these are real life problems, and we run an incredible risk with the proposal that is before us of going back to that kind of business cycle. As the New York Times article said:

If the amendment is enacted, the side effect would be huge: a system that has softened recessions since the 1930's would be dismantled.

The problem is that the balanced budget amendment is a heavy-handed solution and risky. The biggest risk is to the Nation's automatic stabilizers which have made recessions less severe than they were in the century before World War II. The stabilizers, an outgrowth of Keynesian economics, work this way: When the economy weakens, outlays automatically rise for unemployment pay, food stamps, welfare, and Medicaid. Simultaneously, as incomes fall, so do corporate and individual income tax payments. Both elements make more money available for spending, thus helping to pull the economy out of its slump. Under the balanced budget amendment, Congress and the administration would be required to get the budget quickly back into balance through spending cuts, higher tax rates, or a combination of the two, perhaps even in the midst of a recession. The Government would become almost inevitably a destabilizer of the economy, rather than a stabilizer.

Now, in economic terms that is the real concern. I have spoken earlier about the fact that this amendment does not distinguish between a capital budget and an operating budget, and the serious implications of that in economic terms and with respect to investing in our future.

But what I just wanted to come to the floor and address this evening at the close of the day—since some question was raised earlier about whether policy had worked to counteract the economic cycle—was this very graphic description, and these comments which I have quoted by some very able people.

I think this observation of Charles Schultze, I just want to quote it again:

The American economy in the postwar years has been far more stable than it was between the Civil War and the Second World War, even if we exclude the Great Depression from the comparison. In the period between the Civil War and the First World War, the American economy spent about half the time in expansion and half in contraction. In the period since 1946 the economy spent 80 percent of the time expanding and only 20 per-

cent contracting. Many people have studied the period and credit an important part of the improved economic performance to the automatic stabilizing characteristics of the Federal budget.

Mr. President, I do not want to go back to the kinds of fluctuations in the economy we experienced in the pre-World War II period, and that is one of the reasons that I oppose the balanced budget amendment and very much hope it will be defeated.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, February 7, 1995

IT'S A RECIPE FOR ECONOMIC CHAOS

(By Laura D'Andrea Tyson)

Continued progress on reducing the deficit is sound economic policy, but a constitutional amendment requiring annual balance of the federal budget is not. The fallacy in the logic behind the balanced budget amendment begins with the premise that the size of the federal deficit is the result of conscious policy decisions. This is only partly the case. The pace of economic activity also plays an important role in determining the deficit. An economic slow-down automatically depresses tax revenues and increases government spending on such programs as unemployment compensation, food stamps and welfare.

Such temporary increases in the deficit act as "automatic stabilizers," offsetting some of the reduction in the purchasing power of the private sector and cushioning the economy's slide.

Moreover they do so quickly and automatically, without the need for lengthy debates about the state of the economy and the appropriate policy response.

By the same token, when the economy strengthens again, the automatic stabilizers work in the other direction: tax revenues rise, spending for unemployment benefits and other social safety net programs fall, and the deficit narrows.

A balanced budget amendment would throw the automatic stabilizers into reverse. Congress would be required to raise tax rates or cut spending programs in the face of a recession to counteract temporary increases in the deficit. Rather than moderating the normal ups and downs of the business cycle, fiscal policy would be required to aggravate them.

A simple example from recent economic history should serve as a cautionary tale. In fiscal year 1991, the economy's unanticipated slowdown caused actual government spending for unemployment insurance and related items to exceed the budgeted amount by \$6 billion, and actual revenues to fall short of the budgeted amount by some \$67 billion. In a balanced-budget world, Congress would have been required to offset the resulting shift of more than \$70 billion in the deficit by a combination of tax hikes and spending cuts that by themselves would have sharply worsened the economic down-turn—resulting in an additional loss of 1/4 percent of GDP and 750,000 jobs.

The version of the amendment passed by the House has no special "escape clause" for recessions—only the general provision that the budget could be in deficit if three-fifths of both the House and Senate agree. This is a far cry from an automatic stabilizer. It is easy to imagine a well-organized minority in either House of Congress holding this provision hostage to its particular political agenda.

In a balanced-budget world—with fiscal policy enjoined to destabilize rather than stabilize the economy—all responsibility for

counteracting the economic effects of the business cycle would be placed at the doorstep of the Federal Reserve. The Fed could attempt to meet this increased responsibility by pushing interest rates down more aggressively when the economy softens and raising them more vigorously when it strengthens. But there are several reasons why the Fed would not be able to moderate the ups and downs of the business cycle on its own as well as it can with the help of the automatic fiscal stabilizers.

First, monetary policy affects the economy indirectly and with notoriously long lags, making it difficult to time the desired effects with precision. By contrast, the automatic stabilizers of fiscal policy swing into action as soon as the economy begins to slow, often well before the Federal Reserve even recognizes the need for compensating action.

Second, the Fed could become handcuffed in the event of a major recession—its scope for action limited by the fact that it can push short-term interest rates no lower than zero, and probably not even that low. By historical standards, the spread between today's short rates of 6 percent and zero leaves uncomfortably little room for maneuver. Between the middle of 1990 and the end of 1992, the Fed reduced the short-term interest rate it controls by a cumulative total of 5½ percentage points. Even so, the economy sank into a recession from which it has only recently fully recovered—a recession whose severity was moderated by the very automatic stabilizers of fiscal policy the balanced budget amendment would destroy.

Third, the more aggressive actions required of the Fed to limit the increase in the variability of output and employment could actually increase the volatility of financial markets—an ironic possibility, given that many of the amendment's proponents may well believe they are promoting financial stability.

Finally, a balanced budget amendment would create an automatic and undesirable link between interest rates and fiscal policy. An unanticipated increase in interest rates would boost federal interest expense and thus the deficit. The balanced budget amendments under consideration would require that such an unanticipated increase in the deficit be offset within the fiscal year!

In other words, independent monetary policy decisions by the Federal Reserve would require immediate and painful budgetary adjustments. Where would they come from? Not from interest payments and not, with such short notice, from entitlement programs. Rather they would have to come from either a tax increase or from cuts or possible shutdowns in discretionary programs whose funds had not yet been obligated. This is not a sensible way to establish budgetary priorities or maintain the healthy interaction and independence of monetary and fiscal policy.

One of the great discoveries of modern economics is the role that fiscal policy can play in moderating the business cycle. Few if any members of the Senate about to vote on a balanced budget amendment experienced the tragic human costs of the Great Depression, costs made more severe by President Herbert Hoover's well-intentioned but misguided efforts to balance the budget. Unfortunately, the huge deficits inherited from the last decade of fiscal profligacy have rendered discretionary changes in fiscal policy in response to the business cycle all but impossible. Now many of those responsible for the massive run-up in debt during the 1980s are leading the charge to eliminate the automatic stabilizer as well by voting for a balanced budget amendment.

Instead of undermining the government's ability to moderate the economy's cyclical

fluctuations by passing such an amendment, why not simply make the hard choices and cast the courageous votes required to reduce the deficit—the kind of hard choices and courageous votes delivered by members of the 103d Congress when they passed the administration's \$505 billion deficit reduction package?

Mr. HATCH. Mr. President, the arguments of the Senator from Maryland are not arguments against balancing the budget, but to have a rainy day fund available built from surpluses made in the good years to soften the business cycle.

The real economic harm to Americans are the stagnant wages, high interest rates, and high taxes all piled on the backs of working Americans as a consequence of yearly current consumption unrelated to the swings to the business cycle.

There is some irony in the Senator's reference to an article by President Clinton's Economic Adviser Laura Tyson saying that tax increases and speeding cuts would deepen a recession when his boss, President Clinton, said tax increases and spending cuts would lead to a recovery when he fought for his tax bill in 1993.

Mr. President, the Senator from Maryland has made again the objection to the balanced budget amendment that the business cycle and the automatic stabilizers suggest that we should run deficits in bad years to dampen the effect of recessions or depressions. His argument seems to suggest that cyclical deficits are normal and good. The problem is that our deficits have become large, structural, and permanent.

Our deficits do not follow the business cycle in either size or frequency. They continue to go up, year after year. Surely we have had more than one business cycle since 1969, yet we have not balanced the budget in that time.

AMENDMENT NO. 267

Mr. FEINGOLD. Mr. President, I want to express my support of the amendment offered by the Senator from Massachusetts [Mr. KENNEDY] last night which would specifically provide that the balanced budget amendment to the Constitution does not provide the President of the United States with unilateral power to impound funds or raise taxes. This amendment will be voted on next Tuesday and I hope it will be adopted.

Mr. President, this amendment raises interesting questions because the opponents have repeatedly said that they do not believe that the balanced budget amendment, as drafted, should be interpreted to give the President the power to impound funds or raise taxes.

Many have stated they would oppose giving that kind of power to the executive branch, even through the implementing legislation.

The Judiciary Committee's majority report states, unequivocally, "it is not the intent of the committee to grant the President any impoundment au-

thority" under the proposed balanced budget amendment.

Yet, these same Members have strenuously opposed an amendment which would clarify this issue once and for all, by making it clear that neither the balanced budget amendment, nor any implementing legislation enacted pursuant to its authority can give the executive branch the unilateral authority to bring the budget into balance by raising taxes or impounding funds.

It seems to me you can't have it both ways: you can not argue you don't support giving the President these sweeping powers and at the same time fight against an amendment which would make it clear that the balanced budget amendment does not provide such authority to the executive branch.

Mr. President, it is particularly important that this issue be settled now, clearly and in a forthright manner, because it raises very serious and profound questions about how this country will be governed if this constitutional amendment is adopted.

The question of Executive power under this amendment, like the question of the role of the courts, is one that ought to be answered now, before the amendment is added to our Constitution, not sometime later, in the distant future.

The people of this country have the right to know in advance whether this amendment will allow a fundamental restructuring of the balance of power and responsibilities between the three branches of Government.

The State legislators, who have an important responsibility when they vote whether or not to ratify this proposed amendment, ought to have this question resolved before they cast their votes.

If this amendment can be construed to give the President the right to, for example, withhold Social Security checks, or salaries of military and civilian employees of the Federal Government, or grants to State and local governments in order to meet the constitutional mandate for a balanced budget, then we ought to know that in advance.

Mr. President, the pending amendment to make it clear that the balanced budget amendment does not grant these sweeping powers to the executive branch is not about whether you are for or against the balanced budget amendment—it is about whether the proposed constitutional amendment is drafted in a way that can result in a fundamental change in the way this country is governed.

The balance of powers between the three branches of Government—legislative, executive, and judicial—is a concept which is fundamental to our system of Government. It has stood us well for more than 200 years. Our democracy has survived and thrived because the checks and balances contained in our Constitution has prevented any one of these branches from becoming dominant.

Without adoption of the pending amendment, that balance could be fundamentally altered.

Mr. President, let me stress again the issue here is not about whether you support or oppose the balanced budget amendment. It is about whether you believe that the President should have the power to impound funds or raise taxes on the American people at his or her sole discretion.

The concentration of this type of power in the hands of the executive is not something that I believe the people of this country want to see happen. They want to see their elected officials use some fiscal discipline and restraint to bring our Federal budget into balance. They want us to stop deficit spending and increasing the national debt—a debt that will be passed on to their children and grandchildren.

I do not believe that these concerns about fiscal responsibility means that the American people want to see the emergence of an imperial Presidency.

I do not believe that they want this President or the next to have the power to unilaterally impound funds or raise taxes.

If the proponents of the amendment truly believe that the amendment does not bestow those powers on the President, then they ought to be willing to accept this amendment.

Their resistance gives this Senator a great deal of concern, particularly in light of the strong legal arguments that have been presented indicating that the proposed balanced budget amendment could well be construed by the courts and the executive branch to bestow on the President extraordinary powers to impound funds or raise taxes in the event that the constitutionally mandated budget balanced has not been achieved.

Mr. President, this is not a risk that we should expose ourselves to when a simple solution—adoption of the pending amendment—will resolve the question.

A number of legal scholars have concluded that without such an amendment to the balanced budget amendment, the President would have such powers to enforce the constitutional mandate of a balanced budget. Their arguments, which I will summarize briefly, make a good deal of sense and we ought to heed their warnings.

These scholars note that the balanced budget amendment which the Senate is now considering is silent on the issue of how it will be enforced.

The amendment itself provides simply that total outlays cannot exceed total receipts in a fiscal year, unless each House of Congress approves a specific deficit by a three-fifths vote. The amendment, however, does not specify what action can be taken if an unconstitutional deficit arises, either because of the inaction of the legislative and executive branches, or because of unforeseen changes in economic factors.

At the same time, proponents argue that the balanced budget amendment is

self-enforcing. The Judiciary Committee report states, “both the President and Members of Congress swear an oath to uphold the Constitution, including any amendments thereto.”

As to how the President is expected to carry out that responsibility, particularly in the case of a recalcitrant Congress, the committee report simply states that it is not their intent to grant the President any impoundment authority, and that, in any event, Congress has the power under section 6 of the amendment to pass legislation that specifically denies impoundment powers to the President.

The implication of these passages in the committee report is clearly that the proponents of the amendment recognize the very real risk that the proposed amendment opens the door to a President acting to impound funds or raise taxes to meet the constitutional mandate of a balanced budget and that they hope that Congress will proscribe that authority in implementing legislation.

That is a thin argument upon which to rest such a profound issue as maintaining the constitutional balance of powers.

If Congress failed to pass legislation to preclude a President from taking unilateral action to bring a budget into balance by either impounding funds or raising taxes or Congress passed such legislation, but a President vetoed it and his or her veto was not overridden, there is every reason to believe that such authority would be there for a strong executive to take under the guise of carrying out his or her constitutional obligations.

Indeed, a President might well feel compelled to veto such legislation for the very reason that it would tie his or her hands in seeking to comply with the constitutional mandate to prevent outlays from exceeding revenues in any given fiscal year.

The Constitution, article II, section 3, obligates the President of the United States to “take care that the Laws be faithfully executed.” A commonsense reading of the proposed balanced budget amendment and the obligation of the President to faithfully execute the law means that the President must act to either impound funds or raise taxes if the total outlays of the Federal Government exceed the total revenues in any fiscal year.

A broad range of respected legal scholars have reached that conclusion.

Assistant Attorney General Walter Dellinger testified before the Judiciary Committee that the proposed constitutional amendment would authorize the President to impound funds to insure that the outlays did not exceed revenues.

Harvard University law professor Charles Fried, who served as Solicitor General during the Reagan administration, testified that section 1 of the proposed amendment “would offer a President ample warrant to impound appropriated funds” in a year when actual

revenues fell below projects and a bigger than authorized deficit occurred.

Other legal scholars who have reached similar conclusions include former Attorney General Nicholas de B. Katzenbach, Stanford University Law School Professor Kathleen Sullivan, Yale University Law School Professor Burke Marshall, and Harvard University Law School Professor Laurence Tribe.

Mr. President, I think it is important to stress that we are not talking here about the President exercising something along the lines of a line-item veto. Legislation which would give the President line-item veto authority to remove spending items from appropriation bills and provide Congress the opportunity to override those vetoes has passed the other body and will soon be debated in the Senate. The Judiciary Committee has also already held hearings last month on proposed constitutional amendments to provide the President with line-item veto authority.

What we are talking about here, however, is not a line-item veto, but the power of the President to take whatever steps he or she deems necessary, including impounding funds and raising taxes without any review by Congress in order to meet the constitutional mandate of a balanced budget. That is a very different process from a line-item veto authority and one which would vest the executive branch with unprecedented fiscal powers.

Mr. President, although much of the discussion regarding the Presidential powers to faithfully execute the requirements of a balanced budget amendment have focused upon the issue of impoundment authority, there is no reason to conclude that a President would not have equal powers to achieve a balanced budget by unilaterally raising taxes, duties or fees in order to generate the revenues needed to avoid an unconstitutional deficit. That is certainly not a result most proponents of the balanced budget amendment would like to see happen. The only sure way to prevent it is to adopt the pending amendment which would foreclose that option.

Mr. President, the best way to ensure that the balanced budget amendment is not interpreted to give Presidents the power to unilaterally impound social security checks or raise taxes on middle class workers is simple—put it in writing.

Adoption of this amendment will make it clear that the balanced budget amendment does not, in fact, authorize the President to exercise this kind of unprecedented power. Those who oppose this amendment have given no good reason why they are not willing to accept this amendment.

They ask that the American people accept, on good faith, that they “do not intend” to give the President these powers. The American people should