The Republican tax cut would also repeal the alternative minimum tax which now keeps major corporations from avoiding taxes altogether. If it is repealed, it will put $60 billion into the pockets of wealthy corporations and let many of them go entirely tax free.

In the unkindest cut of all, the Republican proposal would deny any tax relief to the lowest income families.

The original Contract With America made the $500 tax credit for children refundable, which means the tax relief would have been available to all families including those at the lowest income levels who need help the most. By deleting the refundable features of this tax cut the Republican plan will deny $13 billion in tax relief for these families.

Millionaires will get their tax cut in full, but to save money our Republican friends now offer no relief at all to the millions of families at the other end of the income scale. The plan makes a mockery of any sense of tax fairness and tax justice, and it must not be permitted to stand.

I can cite many other ways in which the so-called Contract With America declares war on working families and average citizens across the country. In the weeks to come we will have an opportunity in the Senate to debate all of these issues in full and I am confident that when we do, a fairer contract will be written. The real casualties of this war will be the worst provisions of the contract, not the people of America.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from Utah.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. HATCH. Mr. President, I do not intend to be long but I would like to say a few words about the balanced budget amendment.

Mr. President, the international financial markets and the Chairman of the Federal Reserve Board have passed judgment on America's future economic power in the wake of the Senate's failure to adopt a balanced budget amendment. Their reaction paints a bleak picture of the future of our country, and does not suggest we will leave a legacy to our children we can be proud of. I ask those colleagues who once supported this amendment and who changed their votes this year to rethink their position again in light of this judgment.

Mr. President, the balanced budget amendment vote suggested to the world that the success of President Clinton and the Senate Democratic leadership in blocking the amendment signaled the triumph of business-as-usual and a continuation of the big-spending practices of the past. The markets reacted swiftly and strongly, and, I think, justly. The dollar dropped precipitously to record low exchange rate levels against the Japanese yen and the German mark.

Fed Chairman Greenspan, in testimony before the House Budget Committee on Wednesday, attributed the precipitous fall of the dollar in large part to the failure of this body to adopt the balanced budget amendment. The Wall Street Journal, the New York Times, and the Washington Times all reported that Chairman Greenspan agreed with those who pointed to the Senate's rejection of the balanced budget amendment—and its implication of continued fiscal irresponsibility—as the cause of the dollar's drop.

Chairman Greenspan reportedly opined that ''in futures markets—an important indicator that doesn't reflect current ups and downs in the economy—the dollar didn't begin to fall significantly until the Senate rejected the balanced budget amendment. * * *'' (Wall Street Journal, Mar. 9, 1995) He was quoted as saying, ''[t]here was apparent concern in the international financial markets that something significant was happening to our resolve with respect to coming to grips with the balanced-budget issue.'' (Id.)

He further noted that to continue on the path of $200 billion deficits—and I would add that that is precisely the path President Clinton has laid out for this country in his proposed budget—''would be unwise and probably impossible. * * * Indeed, given the weakness in the foreign exchange value of the dollar, world capital markets may be sending us just that message.'' (Washington Times, Mar. 9, 1995, p. 1)

In his testimony, Chairman Greenspan also pointed out the benefits of a balanced budget, which would be obtained through passage of a balanced budget amendment: a stronger dollar, lower interest rates, and a stronger economy.

Mr. President, I think the message is clear. The victory of President Clinton and a few of the Democrats who want to keep this country on a path of increasing debt and the business-as-usual spend and borrow policies was a defeat for the American economy and for the American people.

As we have said throughout the balanced budget amendment debate, the benefits of passing the amendment begin immediately and keep improving as Congress returns to a more rational fiscal regime. Failure to adopt the amendment means not just a continuation of the weakness of the past, but a worsening picture.

This Nation's fiscal freedom is at risk if we continue on President Clinton's path of irresponsible spending. If we wish to remain the power that we have been, we need to rekindle the values of thrift and responsibility in this Congress. And we should lock those values in place with a constitutional amendment to require a balanced budget.

The Senate should learn from its mistake—a mistake heralded as a serious economic mistake by world financial markets—and adopt the balanced budget amendment, and get on with balancing the budget. If we do this we can have the benefits Alan Greenspan pointed to: a stronger dollar, lower interest rates, and a stronger economy. And I would add to those benefits a more responsive and more responsible Government. All these things can be the legacy we leave our children. The alternative legacy is not one I would be proud to leave. We must pass the balanced budget amendment.

I believe that the time is this year. So I hope our colleagues will reconsider. I hope we can pass it.

I ask unanimous consent a number of articles from the various newspapers be printed in the RECORD.

There being no objection the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 9, 1995]

FED CHAIRMAN BLAMES DEFICIT FOR DOLLAR'S FALL

GREENSPAN ALSO CITES DEFEAT OF BUDGET AMENDMENT, BACKING GOP CHARGES

(By Lucinda Harper and David Wessel)

WASHINGTON.—Federal Reserve Chairman Alan Greenspan blamed the weak dollar on a persistent U.S. government fiscal deficit and failure of Congress to pass a constitutional amendment to force a balanced budget.

Calling the dollar's fall ''overdone . . . unwelcome and troublesome,'' Mr. Greenspan told the House Budget Committee that it ''adds to potential inflation pressures in our economy.''

The dollar rebounded yesterday for the first time in days. The rise, which began before Mr. Greenspan's testimony, took the dollar to 91.35 yen from 90.05 yen the day before and to 1.3940 marks from 1.3688 marks. Several European nations yesterday raised interest rates to try to boost their currencies against the German mark.

Mr. Greenspan said nothing yesterday to suggest he contemplates raising U.S. interest rates to help the dollar. Indeed, he repeatedly said the best way to help it is to reduce the budget deficit. But in his testimony, he avoided the word ''ease''; his use of that word in earlier testimony, when referring to U.S. interest rates, has been cited by some analysts as one factor contributing to the weak dollar.

In his most detailed commentary since the dollar began plunging, Mr. Greenspan said the U.S. currency began to get weaker ''as the economy started to give evidence of slowing down'' and interest rates on one- and two-year maturities fell. Lower U.S. interest rates make the dollar less attractive to global investors.

But in futures markets—an important indicator that doesn't reflect current ups and downs of the economy—the dollar didn't begin to fall significantly until the Senate rejected the balanced-budget amendment, Mr. Greenspan said. The Fed chairman opposed the amendment, but said that with its rejection. ''There was apparent concern in the international financial markets that something significant was happening to our resolve with respect to coming to grips with the balanced-budget issue.''

Mr. Greenspan's analysis lent support to Republican charges that defeat of the amendment caused the dollar's collapse. ''The dollar has been sliding against the yen and the mark ever since the amendment went down,'' House Speaker Newt Gingrich said yesterday.

Although Clinton administration officials remained publicly silent on the dollar, the

German Bundesbank—normally pleased when the mark is strong—said in a statement that the dollar's fall was exaggerated and wasn't justified by ''economic fundamental factors.''

The German central bank praised Treasury Secretary Robert Rubin's one public utterance on the dollar so far: that a stronger dollar is in the U.S. national interest. In a speech scheduled for this morning, Mr. Rubin is expected to elaborate on this theme, particularly on his view that U.S. support for Mexico isn't any reason for the dollar to be weak.

During some past episodes of dollar weakness in recent years, other Clinton administration officials have occasionally suggested the benefits of a weak dollar, but they now are avoiding saying anything that suggests they favor its decline.

Fed Governor Lawrence Lindsey, who has in the past made statements that hurt the dollar, wouldn't discuss it yesterday. ''I don't have a yen to make a mark,'' he told wire-service reporters.

On the state of the economy, Mr. Greenspan reiterated that he sees ''some indications that the expansion may be slowing from its torrid and unsustainable pace of 1994. . . . while there are signs that spending is slowing, the jury remains out on whether that will be sufficient to contain inflation pressure.'' He noted slowing of the housing sector and consumer spending, but said there are ''few indications of that degree of slowing'' in orders for nondefense capital goods or investment in commercial buildings.

[From the Washington Times, Mar. 9, 1995]

FED CHIEF HELPS DOLLAR SOAR

GREENSPAN CITES SENATE BUDGET VOTE AS TRIGGER FOR ALL, URGES DEFICIT ACTION

(By Patrice Hill)

Federal Reserve Chairman Alan Greenspan touched off a powerful dollar rally yesterday by signaling the Fed's concern about the beleaguered currency and calling on Congress to move quickly to cut the budget deficit.

Mr. Greenspan agreed with observers who think the failure of the balanced-budget amendment last week triggered the dollar's fall to record lows against the German mark and Japanese yen because it raised questions about Washington's willingness to control spending. He stressed that it is within Congress' power to reverse the currency's decline.

''A key element in dealing with the dollar's weakness is to address our underlying fiscal imbalance convincingly,'' he told the House Budget Committee, which is preparing a plan to balance the budget by 2002, as the constitutional amendment would have required.

To forever rely on foreign money to finance a $200 billion budget deficit and a $150 billion trade deficit ''would certainly be unwise and probably impossible,'' he said. ''Indeed, given the recent weakness in the foreign exchange value of the dollar, world capital markets may be sending us just that message.''

Mr. Greenspan said an all-out effort by Congress to eliminate the deficit not only would bolster the dollar, but also substantially lower interest rates and stimulate the economy.

''The productive potential of the U.S. economy will be shaped significantly by the actions of this Congress,'' he said, predicting a ''startling'' pickup in growth, more stability on financial markets and an increasing standard of living if Congress acts decisively to cut the deficit.

Mr. Greenspan's statement, combined with his assurances that the Fed is prepared to do what is necessary to deal with the ''troublesome'' fall of the dollar, dramatically lifted the U.S. currency against the mark and yen.

In New York trading, the dollar leaped to 1.3935 marks after hitting an all-time low of 1.3440 marks earlier yesterday in European trading. It had closed at 1.3702 marks Tuesday in New York.

The dollar sprang to 91.33 yen from the record low of 88.70 reached in European trading overnight. Its Tuesday close in New York was 90.05 yen. Stocks and bonds rallied modestly with the dollar.

While Mr. Greenspan's talk was a salve for the dollar, some traders questioned whether the gains will last unless Congress acts or the Fed boosts interest rates. Raising interest rates would bolster the dollar by making U.S. bonds more attractive to investors. Mr. Greenspan appeared to leave that possibility open yesterday.

''Greenspan is telling all these congressmen that what's happening to the dollar now is a symptom of the problem,'' said Dan Seto, an economist at Nikko Securities in New York. He said the Senate's balanced-budget vote was a negative for investors who thought the amendment would keep the federal government from living beyond its means.

''It's loud and clear,'' he said of Mr. Greenspan's message, ''but, unfortunately, a lot of congressmen have their own Walkmans on, and they're hearing other music.''

Several congressmen at the Budget Committee hearing accused the Fed and the Treasury of causing the currency crisis by getting involved in Mexico's financial problems and depleting the central bank's foreign exchange reserves by committing $20 billion to prop up the Mexican peso.

Sen. Byron L. Dorgan of North Dakota, one of six Democratic senators who switched votes to block the balanced-budget amendment, brought up the peso when told about the Fed chairman's comments.

''The dollar was dropping rapidly before the Senate vote, and Greenspan knows that. He linked the dollar to the ailing peso,'' said Mr. Dorgan, a persistent Fed critic. ''The marriage of the dollar and the peso has caused the trouble for the dollar.''

Despite falling against other major currencies, the dollar has been hitting new highs against the peso. Yesterday it took 7.02 pesos to buy a dollar, near 50 percent more than it did Dec. 20, when Mexico devalued its currency.

''The dollar's problems began to mount when Mexico devalued the peso,'' Mr. Seto said, primarily because people wonder if the Mexican bailout leaves the Fed with enough reserves to influence movements in the dollar market, where $1 trillion changes hands each day.

Comparing the meager reserves of most central banks to a ''bowling trophy on the mantle,'' he said such reserves can't prop up a currency experiencing a fall like the dollar's.

Mr. Greenspan insisted yesterday that the Fed's reserves are sufficient to defend the dollar.

Another Democrat who opposed the balanced-budget measure, Sen. Dale Bumpers of Arkansas, said, ''The slide of the dollar obviously shows the financial markets are deeply concerned about the deficit.''

But he and other Democrats said a constitutional amendment is not the solution.

They said they are willing to work with Republicans right away on a plan to balance the budget with the usual budget-writing procedures.

''We're dead serious,'' said Sen. Wendell H. Ford, Kentucky Democrat and another of the vote-switchers on the amendment.

''There's a difference between posing and lifting,'' Mr. Dorgan said. Pointing to his vote for President Clinton's $500 billion deficit-reduction plan in 1993, he said, ''I'm perfectly willing to cast that kind of vote again.''

Sen. Paul Simon, Illinois Democrat and author of the proposed constitutional amendment, called on other Democrats to reconsider their votes and halt the slide of the dollar.

''When the balanced-budget amendment went down,'' House Speaker Newt Gingrich said, ''that was a signal to the world money markets that the United States is not going to be serious about balancing its budget.''

While ''the decay of the dollar as a reserve currency for the world is not a new thing,'' the Georgia Republican said, borrowing at the rate of $200 billion a year ''implies a level of inflation and a level of decay of the currency that is almost Mexican in proportions.''

The PRESIDING OFFICER. The Senator from Washington is recognized.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT OF 1995

The Senate continued with the consideration of the bill.

AMENDMENT NO. 331

Mrs. MURRAY. Mr. President, I rise today in strong opposition to the amendment proposed by my colleague from Kansas.

I am most concerned with those that question the administration's authority to issue this Executive order. As the Federal Government's chief executive officer, the President has the responsibility by law to assure that taxpayers receive the goods and services they require from Federal contractors. These contractors must maintain stable and productive labor-management relationships if they are going to produce the products our Nation must depend upon.

The Executive order advances cooperative and stable labor-management relations, a central component of this administration's workplace agenda. The use of—or the threat to use—permanent replacement workers destroys the cooperative environment that this relationship must maintain.

The Executive order represents a lawful exercise of Presidential authority. The Federal Procurement Act, enacted by Congress in 1949, expressly authorizes the President to prescribe such policies and directives, not inconsistent with the provisions of this act, as he shall deem necessary to effectuate the provisions of said act.

Presidents since Franklin Roosevelt have issued Executive orders addressing the conduct of firms with which the Federal Government does business. Those orders to be challenged have been upheld.

In 1941, President Roosevelt issued an Executive order requiring defense contractors to refrain from racial discrimination. In 1951, after enactment of the Procurement Act, President Truman issued an Executive order extending the requirement to all Federal contractors. When both orders were issued, such discrimination was not unlawful