BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. ENZI. Mr. President, we will have several more of my colleagues here to discuss how the balanced budget amendment benefits children.

I will begin by saying that as a new Senator, I am in awe of these surroundings. Every day I reflect on the history that has taken place in this Chamber. I think of the people who have been here before me and hear them referred to in speeches on a daily basis.

Much of the history of this great Nation has been shaped in this Chamber. Every day we are in session history is being made. Right now we are debating the balanced budget constitutional amendment. That may be the most important piece of legislation to be debated during my lifetime because of the implications it has for the future of our country.

A new revolution may be taking place in this country. A few years ago, I was given a book by my pastor to read. It was a scholarly review of social cycles in the history of the United States. The baby boomers were one of those cycles. I am part of that. They were concerned primarily for themselves but also for others as long as there was something in it for them. It revealed how in the history of the United States there have been three recurring cycles. But following each period when we tried to be sure we took care of ourselves and instituted programs to make sure others were taken care of, provided we were included, that generation was followed by a reactionary generation, and the reactionary generation took away the ''gifts'' of the previous generation.

In last week's balanced budget debate, we heard a lot of comments about Social Security. I am mentioning this reactionary generation because I want to make sure we protect Social Security not just today but for the time to come. All of us here are concerned about Social Security, and to say otherwise is just political hogwash. But the only way to protect Social Security is to include it in the balanced budget constitutional amendment. That is why the President's budget proposal and every budget prior to that included Social Security in the budget. We cannot continue to ignore the interests of our children and grandchildren—members of that reactionary agenda.

What does the incredible debt that we have built up have to do with future generations? The Federal debt is $5.3 trillion. None of us understand how much $5.3 trillion is. But the reactionary generation that follows will learn, and they will learn all too soon. As they become saddled with tremendous debt, they will realize what the magnitude of how much $5.3 trillion really is.

Already this reactionary generation says that they have a better chance of seeing an unidentified flying object than they have of seeing $1 of their Social Security money when they retire. They see no hope for the future, and they look forward to a lifetime of putting in 7.45 percent or more of their paycheck and having that matched by their employer with another 7.45 percent. That is 15 percent that could have been their earnings, that could have been money in their pockets or in their own retirement accounts. When they realize that they will not receive a dollar of that money, what do you suppose their reaction will be? Will they protect Social Security for those already in the program? Will they care? Will there be a legislative revolution?

As an accountant, I am fascinated with the budget discussion because we are talking about numbers, and that is exciting. We are talking about balancing budgets. We are talking about formats that will provide us with the most information possible, and we are doing it in the context of a real budget dealing with real people. We are doing it in the context of a history where we have only balanced the budget once in 40 years—and that was 28 years ago.

Some very valid accounting concerns have been raised here in debate by opponents of the balanced budget constitutional amendment. I have heard reference to the need for capital budgeting. I have heard reference to a need for Social Security to be off budget. I have heard reference to the need to take care of accounting problems that happen during recessions. As an accountant, I applaud this insight into the need for new accounting methods.

Not only am I an accountant but I used to be the mayor of Gillette, WY, as it went through a boom and increased in population about two and a half times. I know from having been through both kinds of economic cycles that growth presents many of the same problems that recession causes. Under both situations a capital budget is required. We really do need Federal capital budgets and cash-flow management budgets. We need to list all of the capital purchases, vehicles, buildings, etc., that this Government needs to buy for the next 1 year, 2 years, 5 years, 10 years, 50 years. I have found out that many agencies or departments have no idea how much capital they have. We need to have cash-flow budgets so that as the cash arrives the purchases can be made without extensive deficits. That is good business.

When I heard the Democratic leader speaking about capital budgets last week, I got excited. That is the kind of accounting that we should have already had. But, this kind of accounting has nothing to do with passing the balanced budget constitutional amendment. It is just good business. Whether we have a capital budget or not, we need a balanced budget amendment.

Last week I heard a lot of debate about the need to take Social Security off budget. Off budget is a fascinating accounting term. In fact in my accounting references I could not even find that term. And I have to say from listening to the discussions that there does not seem to be a lot of consensus as to what off budget really means.

It looks like we found a catch word that scares senior citizens and makes everyone think this will save Social Security. As one who daily approaches being a senior, I want to see us get the rhetoric out of that term. We give the impression that Social Security has enough money at the moment. We talk about the surpluses going into Social Security and being used in the budget.

Accountants frown at the word ''surplus'' revenue. Surplus implies more than what is needed. That is not the case with the Social Security trust fund. We give the impression that money is being put aside in a special account for our seniors so that when they retire there will be money to be drawn out in their names. That is not even close to what actually happens.

In order for the money that people are paying into Social Security today to be available for them when they retire, the system must be actuarially sound. That means that the money going in now at the rate of investment allowed on that fund has to generate enough revenue so there will be a payout for the period of time promised. We have promised to pay out money for the remainder of a person's life at not only the rate that he or she is entitled to at the time they retire, but also with cost-of-living allowances.

We have already passed laws in this country that force businesses doing pension funds to make their funds actuarially sound. They have to build a fund that at the time of retirement will have enough money in it that can pay the benefits for that person for the promised amount of time which is usually the balance of his lifetime. That is the law. Businesses are in the process of meeting that at an extreme cost to themselves. If we force businesses to keep their promises, then why do we not fulfill our promise to the same people and keep our accounts sound?

At the present time Social Security is at least $9.3 trillion away from being actuarially sound. Do we have a way to generate that money? No. We have to perpetuate the current system. That is why we cannot privatize the system. We would bankrupt the system immediately if we allowed younger generations to take their money and put it in their own fund instead of putting it in to be paid out to our seniors immediately.

We need to have a system where we can see how far in debt we are. And we need to do that not just for Social Security but for every single trust fund that we have. We either have to change the accounting system to account for the funds honestly and show how much of a deficit there is, or rename them so that they are not trust funds. Perhaps we should do both.

OK, we agreed to do a system of pay in and pay out trying to build up some surpluses to take care of the coming influx of people going into retirement.

But, when the baby boomers reach full retirement, the Social Security surplus will decline at a dramatic rate, eventually going broke by the year 2012.

Yes, we need a new accounting system for Social Security. Yes, we need that system now. No, it is not a part of the balanced budget constitutional amendment. It is a part of a good government proposition and we need to grapple with it and get it under control. The issue of what accounting system to use should not determine if we vote for or against a balanced budget amendment. A new accounting system is needed, but the balanced budget amendment is essential.

The only hope for Social Security is a balanced budget, then switch to an accounting system that will realistically deal with the actuarial needs of Social Security so that we can protect it for future generations. Otherwise we will have a revolution that will take away seniors' Social Security.

Last week I also saw many copies of the pocket Constitution of the United States being held up and explained. I too, carry my own copy of the Constitution of the United States. It was given to me some years ago by a district judge when I was in the State legislature.

When I was mayor, on Constitution Day, I used to give all members of the city council a copy of the Constitution and encourage them to read it. Sometimes we read it as a part of the proceedings of the city council meeting. This document is an astonishing document. The insight by our forefathers was incredible. But this debate has also raised some constitutional issues.

I have heard discussion that some people in this body consider this to be a draft. It fascinates me, that, with the exception of one single provision, the Founders of this Constitution considered it to be a draft. In article 5, instructions are given on how a change in the Constitution can be made. They made it difficult, but possible to change. The balanced budget constitutional amendment has to pass by a two-thirds vote in each House and then it must be ratified by three-fourths of the States.

I think those people who are opposing a balanced budget constitutional amendment know in their hearts that this time it will pass and will also have swift ratification by the States. If we did not believe it would be ratified by the States, this would be an easy debate. But we know the people of the States want it and the States will respond. If just those States with one or more Senators opposing the balanced budget constitutional amendment did not ratify the constitutional amendment, it would never become a constitutional amendment.

Why will there be swift ratification? First, most of the States already have a balanced budget requirement in their Constitution. They work under the requirement and know the requirement works. They know their limitations and the types of challenges that develop from it. They understand that the challenges are not a detriment to the United States having a balanced budget constitutional amendment.

People understand from their own experience that you cannot spend more than you take in. Almost every school child above the third grade is able to explain to me that if you spend more money than you take in you go broke. It has been said that we can learn much from children. Children focus on problems in more simple terms. Congress has not yet learned what the children know. The voters want us to stop spending their money they have not even earned yet. Our children and grandchildren plead with us to balance the budget and quit cosigning on their behalf for this mountain of debt.

Another argument that I have heard in this debate is the need to adjust changes or, using a new term, glitches in the economy. $5.3 trillion worth of debt has turned people into unbelievers about the paternal role of Government in our lives. We have already wrestled with the $5.3 trillion worth of experiments that wound up with these glitches in the economy. Where has it taken us? What do we have to show for it? The people know the Government has little control over the economy.

I have heard the argument that families do not balance their budgets because they borrow for future such situations, and they do not pay the debt off each year. I agree, they do not. But I do hasten to point out that they at least pay off a little bit of the debt every year. Right now we should not only balance the budget, we should include in that balanced budget an enabling legislation provision to pay off the national debt.

If you went to your banker and said, ''I want to borrow money to buy a house, but I don't want to have to pay anything but the interest for the rest of my life,'' would you get the loan? No, you would not. But that is what Government is doing. The Government is saying, we want you, the American people, to be our bankers, but all we want to do is pay the interest. I can foresee a time when the interest may amount to more than all of the other spending programs, so it will be tough to even pay the interest, and we still will not be paying a nickel on the national debt. Will the next generation be reactionary if they pay exorbitant taxes and cannot buy anything but interest?

This does not begin to mention who finances our debts. We are fiscally controlled to a limited degree by foreign interests because of the large increase in their securities holdings. This weakens our economy and independence because the money is taken out of the United States. The interest on the Federal debt increased from 9 percent of total outlays in fiscal year 1980 to 15 percent in fiscal year 1995.

The Federal Government has not been good about limiting or disciplining itself in any way. We understand how happy constituents get when we throw money at them and their wants. We also understand how disappointed and a little bit angry they sometimes get when they are not given things.

I was in the Wyoming Legislature for 10 years. Halfway through that time, I moved from the house to the senate. At that time the State senate imposed a new rule on itself. We have a very limited time for meeting in Wyoming. We meet for 20 days in a budget session, which is every other year, and 40 days in a regular session. Now we save 2 of those days each time in case the Governor were to veto something, we could call ourselves back into session and override it. So we spend 18 days one year and 38 days the next, and we avoid all special sessions.

In recent years one thing has happened that has helped, and that is a rule that we imposed on ourselves to limit the number of bills that any one Senator can introduce in a session. We said that in a budget year, a Senator could only introduce three bills, and in a regular session a Senator could only introduce seven bills. We spent a lot of hours talking about limiting our own right to submit bills. Those who spoke most vehemently against it were the ones who turned in the most bills. It was not unusual for anybody to turn in 30 bills in a regular session. We passed a rule in spite of the opposition. Today the biggest supporters of that rule are the ones who before the rule turned in the most bills.

Why the change? The ones who turned in the most bills discovered two things. First, their constituents were more pleased with the bill that passed than one that was merely introduced. Introducing and working a few bills resulted in a higher percentage of bills that passed. Second, maybe most importantly, it was much easier to say no to a constituent for a new bill if there was a prohibition against the number of bills allowed to be introduced.

How does that relate to a constitutional amendment for a balanced budget? I am suggesting that, if we limit ourselves by a balanced budget constitutional amendment, we will concentrate more on what we really do well, and the things that we choose to do we will do well. We can have the America of our dreams. We will have more people participating, we will have less people expecting Government to do things for them, we will have more care and concern for our elders, and we will have more concentration on our children's and our grandchildren's welfare.

We have an opportunity now to show that we can care for our parents and our grandparents and will provide for our children and our grandchildren. We can move to an honest system of accounting so we can end the deficits and pay down the debt to show that we really believe that the future of America is upon us now. We can preserve this as a land of opportunity for future

generations. The challenge is now. Do we have the courage or do we need a revolt from the reactionary generation? Please help me to pass the constitutional amendment to balance the budget. I will urge all Americans to write and call your Representatives and Senators and tell them to pass the balanced budget constitutional amendment. Passing it 5 years from now will not suffice. We need action now.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Thank you.

Mr. President, after listening to the Chaplain's prayer this morning, I was reminded of the old saying, ''Everybody wants to go to Heaven, but not everybody wants to do what is necessary to get there.''

In his State of the Union Message, the President said he wanted to balance the budget by the year 2002, but he then went on to express opposition to the balanced budget amendment. Without the discipline of a constitutional balanced budget amendment, neither Congress nor the President will ever have the courage to pass one.

The President has submitted a budget that is technically in balance by the year 2002. But let us look at it. If you check the fine print, you will find that 75 percent of the savings proposed by the President are postponed until the last 2 years of the 5-year plan, the years after President Clinton's term has ended. That is the problem.

Just to cite the statistics, Mr. President, the budget deficit this year is about $107 billion. You would think if you are going to zero in the year 2002, and we are at $107 billion this year, we would reduce it a little each year until we got to zero. But actually the budget deficit goes up in fiscal year 1997, and the President's policies would boost it another $1.1 billion in fiscal year 1998 from where it would otherwise have been. In fact, in the last year—the year that we are supposed to be at zero—the savings required to achieve balance will be $117 billion. So the Congress will have to do more in savings in the very last year of this 5-year plan than we would have had to do to wipe out the deficit in its entirety this year. So $107 billion this year; we are going down to zero in the last year, and that last increment of savings is $117 billion.

This is like the person who says, ''I'm going to go on a diet. I've got to lose 30 pounds. And I'm going to give myself 6 months to do it. But I think I'll eat real high off the hog for the first 5 months and 2 weeks, maybe gain another 25 pounds or so, so that in the last 2 weeks I'll lose 55 pounds.'' That is what the President's budget is suggesting. It is precisely why we need a constitutional amendment, to force the President and the Congress to make the tough choices to balance the budget; otherwise, it is the same old thing, just put it off until later. We all want to lose the weight, but we do not want to make the tough choices to lose it.

Putting off tough choices for as long as possible is typical of just about every budget plan that we have had in the last several years, including the plan that Congress approved 1½ years ago. It is why the Gramm-Rudman-Hollings deficit reduction law failed in the 1980's.

After all the easy choices have been made in the first few years, progress toward a balanced budget stops dead in its tracks. No one wants to make the tough choices needed to achieve the larger savings scheduled down the road. So the deadline for the balance is always pushed off just a few more years.

President Clinton's budget postpones most of the savings, as I said.

Congress will no doubt come up with a budget that will do the same. That is what always happens. That is why the national debt continues to grow.

Mr. President, 2 years ago when the balanced budget amendment lost by one vote, the national debt was approaching $4.9 trillion. Today, the debt is over $5.3 trillion—an increase of about $400 billion. That amounts to about $1,600—$1,600—for every man, woman and child in America. With that increase, each American's share of the national debt now totals about $20,000. That is about what the average Arizonan earns in a year.

Two years ago opponents of the balanced budget amendment said a constitutional amendment is not necessary. All we need to do is muster the courage to do it ourselves. That is what our constituents sent us here to do, make these tough choices. But we do not make the tough choices. That is the way it always happens.

We actually did pass a balanced budget in the Congress of the United States in 1995. In that year it was the President who vetoed the balanced budget. So, Mr. President, it demonstrates that it is both the Congress and the President. When we muster the courage, the President is the one who apparently lacks it.

Since that time, 2 years ago, Congress has had to add tens of billions of dollars to the budget just to get the President to sign the funding bills into law and keep the Government operating. Just last September, Congress had to add $6.5 billion that it would not have otherwise spent. And that is on top of an increase of about $25 billion the Congress had already built into the year's spending legislation.

Desire and good intentions are not enough to ensure that balance will ever be achieved. Unless we are bound by the Constitution, Members of Congress and the President will always find some reason to spend more or to put off for another year the savings that are needed.

The former Democratic Senator from Massachusetts, the late Paul Tsongas, explained it this way in testimony before the Judiciary Committee 2 years ago: ''There are a lot of votes in deficit spending. There are no votes in fiscal discipline. What you have here is a sad case of pursuit of self as opposed to pursuit of what is in the national interest.''

Senator Tsongas went on to say this: ''The fact that our generation could have conceived of having a consumptive lifestyle in leaving all that debt behind can only happen if we do not go home at night and look at our kids and grandkids and feel something.''

Mr. President, it seems to me that our departed colleague really hit the nail on the head. The balanced budget amendment is about our children and our grandchildren and what kind of country we are going to leave them.

For most of our Nation's history, each generation has worked hard and saved and invested so the next generation would be a little better off. Only in the last 40 years has that changed. Now Government cannot seem to live within its means no matter how much it collects in taxes. It has, quite literally, mortgaged the homes and businesses our children will not buy or build for decades to come.

My second granddaughter was born just about a year ago and she already owes, as her share of the national debt, $20,000. In fact, she can expect to pay more than $187,000 in taxes during her lifetime just to pay the interest on the debt. What will be left from her income to care for her children? How will the Government care for the needy of tomorrow when almost every dollar in individual income tax revenue is devoted just to interest on the national debt?

Mr. President, a balance budgeted offers hope. Yes, it will require the Congress to prioritize spending so the most important programs are not jeopardized, and wasteful programs will have to be eliminated. Some of the luxuries will have to be postponed. A balanced budget will require heavy lifting, but offers hope and opportunity to Americans today and our children tomorrow.

The Congressional Budget Office predicts that a balanced budget would facilitate a reduction in long-term real interest rates of between 1 and 2 percent. That means that more Americans will have a chance to live the American dream—to own their own home. A 2-percent reduction on a typical 30-year mortgage of $80,000 would save homeowners $107 every month. That is $1,284 a year, or over $38,000 over the life of the mortgage. That is money in their pockets. A 2-percent reduction in interest rates on a typical $15,000 car loan would save buyers $676. The savings would accrue on student loans, and credit cards, and loans to businesses that want to expand or create new jobs. Reducing interest rates is probably one of the most important things that we can do to help people across this country.

I know there are those who have doubts. Some will say that balancing the budget may make sense in good economic times, but it is too rigid and will prevent us from responding to economic emergencies or other hardship when that occurs.

I think it is important first to point out that deficit spending is so ingrained in the Federal Government that we have been running deficits in good economic times as well as bad during the last 40 years. Deficits have not been run solely to rescue the economy from hardship. If they were, we would not be having this debate today.

Second, it is important to remember that the balanced budget amendment could be waived in times of true emergency. To ensure such waivers were not invoked routinely or without good cause, three-fifths of the House and Senate would have to agree. That should not be difficult in the case of real emergency.

For example, when Congress extended unemployment compensation in response to economic problems in 1975, 1980, 1982, and 1991, it usually did so by a three-fifths majority. So the amendment leaves enough flexibility to respond to real emergencies.

Mr. President, there is now general consensus that balancing the budget is the right thing to do. The President says he is for it, and the Republican majority in Congress says it is for it. We may be able to reach an agreement with the President and pass a plan this year to balance the budget by the year 2002. But without a balanced budget amendment, Congress or the President will no doubt find some reason to backtrack from the plan, if not next year, then in the year 2000 or 2001, whenever the going gets tough.

If we are serious about balancing the budget, we must support the balanced budget constitutional amendment. For our children's sake, we must do it now.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I rise to make a few remarks on the balanced budget constitutional amendment being considered before us today. In the House of Representatives, I was fortunate enough to have been involved with the passage of this amendment during the 104th Congress and I am honored to be active once again in our efforts to pass this important amendment, and to help secure the American dream for future generations.

Now, proposing an amendment to our national charter is not something to be taken lightly. It should be undertaken only for the most important of causes. The Constitution has guaranteed and protected the freedom of the American people. But it can only continue to defend those freedoms if we give it the ability to defend them. An amendment to balance the budget will give our Constitution the strength it needs to continue protecting and defending the freedoms that so many Americans enjoy.

A balanced budget promises hope for the future, not fear as the naysayers will tell you. It promises to draw down interest rates, spur new investment decisions and increase our gross domestic product. It promises lower unemployment and more take home pay. And very importantly it promises to help protect our Social Security system.

Without it our economic security is threatened. One of the most insidious aspects of our budget deficit is that it amounts to a hidden tax on our income, and on our children's future income. This hidden tax is felt by everyone who has taken a loan to pay for school, buy a car, or purchase a home. Higher interest rates are the taxes levied by a government that has not the courage to live responsibly or even honestly. We must balance the budget and thereby eliminate this hidden tax.

The Joint Economic Committee estimates, and you have heard the estimates before, but I think they bear repeating, that yearly savings on an $80,000 home mortgage would amount to $1,272 by balancing the budget and that a student fresh out of school paying back a student loan would save about $180 per year because of the lower interest rates. These are not illusory effects or empty promises; they are rather the assurances of a responsible Government that balances its budget year after year and pays down the debt.

But the Keynesian apostles will tell you the economy will collapse in tough times with a balanced budget amendment because it could force Congress to take actions that could exacerbate a recession. They are wrong.

Opponents of the amendment before us argue that deficit spending is sometimes necessary to offset the negative effects of a recession, natural disaster, or war and to ease the flow of the business cycle. Now, they would argue that during tough times the Government should deficit spend and borrow against future prosperity. But this is simply the wrong approach. Future prosperity is our children's prosperity, and it should never be leveraged to provide for the consumptive desires of big Government.

This amendment would not force Congress to raise taxes during a recession.

Our fiscal policy over the last 40 years has hinged on the desire to deficit spend during times of both recession and expansion. So those who claim this amendment would place a straitjacket on our Nation's fiscal policies are correct. It would place a straitjacket on bad fiscal policies by placing emphasis on less Government spending rather than more.

Deficit spending exacerbates the Federal debt, crowds out private investment decisions that bolster the economy, and leverages the country out of future economic growth and prosperity.

We must balance the budget by cutting taxes, the right taxes, and Government spending, cutting that.

So why are the opponents of this measure trying to stop the balanced budget amendment?

Because, as a matter of economic policy this amendment means an end to the tax and spend economics that has given us our bloated, centralized Federal Government. What it boils down to is this: This amendment will help us put our fiscal house in order by ending faulty Keynesian policy and freeing up private enterprise and encouraging entrepreneurship. What works in America is the individual creativity and ingenuity of our people. This amendment will give us the tool to help realize that truth.

Unfortunately, the fear-mongering attempts by the administration have been focused on transforming this debate from a debate about hope and future prosperity to a debate about an imagined fiscal doomsday. They want to continue following the failed Keynesian policies that have produced the most massive peacetime debt in our Nation's history and they know that this amendment will not allow them to do that.

Now, I have a chart of what has happened to our Nation's debt over the course of our country's short history. I think it is pretty interesting and telling. You can tell that in earlier times we would hold a major debt during times of war, such as during the Revolutionary War, when we had a high debt in this country. During the Civil War, we had a high debt. Certainly, during World War I and World War II, we had a high debt in this country. But then when you look at between the times of war, we virtually didn't have any debt at all, or we pushed it down—up until the past 30 years. Instead, during this period of time, we have increased our debt into the massive debt that we have today.

Mr. President, there is no reason for this debt that exists today. It has been fiscally irresponsible, morally irresponsible. It is a debt, a burden, a mortgage on America that our children will have to pay off. It is morally wrong of us to do that. This balanced budget amendment will keep this from happening in the future, so that future generations, future children coming into this country, won't be burdened with this tax on them, a tax which they never even voted on.

Yesterday morning, when I walked into my office, the national debt was $5,325,298,771,668.63. This morning, when I walked into the office, the national debt was calculated at $5,325,967,417,901.67. Now, that means that, while America worked yesterday, its commitment to paying off the debt increased by almost $670 million.

Mr. President, that was actually a cheap day for what we are running here lately. Every day that the Senate debates this issue, the average increase in our debt has been a $694 million. So we actually had a good day yesterday. But it's still a $694 million increase per day. Every day we debate this issue, the debt of our Federal Government grows.

Wait, let's talk about it in real terms, per person. Statistics compiled by the Tax Foundation indicate that the median dual-income family pays a

little over $15,000 in Federal taxes each year. That means that over 46,000 families will have to work the entire year just to pay for the time we spend debating this amendment today alone. That is money that could have been spent to send a child to college, or to make a downpayment on a home.

I want to talk about it in more personal terms, about Bud Hentzen of Wichita, KS, and his family and what they are going to owe for interest on the national debt. Bud is a proud family man. He has 10 children. He also has 30 grandchildren. He did a calculation, and he was a little nervous about this. He is proud of his children and grandchildren, as well. He wants to leave them a better and brighter future. He has worked hard all his life to provide for his children and for their future. He wants his country to be strong for them in the future. While he personally has been responsible for providing for those children and educating them, he looks at his Federal Government and calculates that his 10 children collectively owe over $700,000, and his 30 grandchildren collectively owe over $4.8 million for a total of over $5.5 million just to pay the interest on the debt for the Bud Hentzen family.

That is not right. That is not what we are sent here to do. That is certainly not what Bud Hentzen would want us to do. He told me that the only thing he could tell them about the national debt was, ''I am sorry we left you this debt.'' Well, so am I. We ought to be more than sorry—we should be ashamed.

This story makes it clear that this debate is about our children and their future. And it is about the immorality of our present system and whether or not we have the courage to change it for the better.

Yet, opponents also claim that Congress does not need a balanced budget constitutional amendment in order to achieve balance. It simply needs courage. Well, our recent history proves that this claim is false. This argument is dubious because it admits that opponents of this amendment are motivated by political expediency, not true reform. For should the importance of a balanced budget disappear from the mind of America, the pressure to balance the budget would likely disappear from the minds of Members of Congress and the Senate. We are here to debate an issue of national importance that the march of time cannot and should not erode. This debate is not about the political whim of the day, it is about the economic future of our country. Let us then bind ourselves not by the political culture of the day, but by the resolve to complete the work we have started.

The time to act is now. We must not betray our duty to our children and grandchildren, to Bud Hentzen's children and grandchildren, by failing to act on an issue that is so important.

It is a moral imperative that we balance the budget and that we further give ourselves the tools we will need. How will future generations judge us if we have not the strength to end this practice of spending our children's inheritance for the sake of big Government? No doubt, when the pages of history have spoken, the debate we are herein engaged will be remembered not by the shrillness of the rhetoric, but by the consequences of our action. May those consequences enrich our Constitution, defend our freedoms, and protect our children.

Thank you, Mr. President.

The PRESIDING OFFICER. Who seeks time?

Mr. HAGEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, I rise today to, again, voice my strong support for Senate Joint Resolution 1, the balanced budget amendment. I might add that there are many ''Bud Hentzens'' in Nebraska, just as my distinguished colleague from Kansas so eloquently stated. The numbers are real. I would like to pick up on my distinguished colleagues' remarks with the following statement:

During this debate, we have heard a number of arguments from both sides on the effects of a balanced budget amendment. I believe this debate comes down to one question: Is the balanced budget amendment in the best interest of our children, their children, and the future of America? My answer is ''yes.''

Balancing our Federal budget is critical to ensuring that the American dream lives for our future generations. The real issue behind balancing the budget is our national debt. Mr. President, our national debt has risen to proportions that are virtually unimaginable to most of us. Numbers like $5.3 trillion in present debt, or $7 trillion in debt by the year 2002 are so far beyond the range of the daily lives of most persons that these numbers are easily dismissed. But these numbers cannot be dismissed. These are not just numbers. Each and every dime of our debt represents a burden we are placing squarely on the shoulders of our children. It is our children—our children—whose incomes will be taxed to pay off this debt. It is our children who will have to deal with a limited-growth-in-job-opportunity world because the debt has so constricted this economy that opportunities and possibilities will be severely limited for our children. It is our children who may never be able to purchase their own homes, or send their children to college, because their incomes will be consumed with high taxes to pay for an oppressive Government and make payments on the enormous debt that we have run up for them.

The balanced budget amendment is no cure-all. Passing it will not save us from the hard choices required to balance this budget. But it will help us get there. It will force Congress to deal with the budget honestly. It will force Congress down a different path than the one it has traveled for 36 of the last 37 years. It will force Congress to balance the budget. Most importantly, it will force Congress to keep the balanced budget—to keep the balanced budget. It will give our future generations the hope and opportunities so that they can determine their own futures and the futures of their children, rather than being held hostage by an undisciplined Congress and an undisciplined Government deciding their futures for them by mortgaging their futures.

Creating the kinds of opportunities for our children that we have enjoyed will require the kind of economic growth that should be America's legacy for the 21st century. It will require bold, strong, and imaginative leadership. To get there, we must cut Government spending, cut taxes, and cut regulations. We need to cut the size and scope of Government and allow private and personal initiative to soar. We must bring Government back to the people, where it is accountable. Balancing the budget is critical to this effort.

Our children deserve better than a balanced budget based on ''ifs,'' ''buts,'' ''maybes,'' conditional tax cuts, and conditional spending cuts. They deserve the security of knowing Congress is required to balance the budget every year. They deserve to know that Congress will not continue to add to the national debt. They deserve to know that we are not playing shell games and numbers games and word games with their futures.

Either we are going to balance the budget or we are not. Let us be honest. Let us be honest with our children and our grandchildren. Let us be honest with this country. Our children deserve better than the hocus-pocus that we have been giving them. Where is our leadership? Where is the leadership in this Congress? Where is the leadership in this body? Where is the courage in this body? And where is the outrage? Where is the outrage in the U.S. Congress for what we are doing and what we have done to the children of this country?

We must get control of the Federal budget and America's fiscal policy. We must enforce lasting fiscal discipline on the Congress of the United States. A balanced budget amendment ensures that we will balance the budget for years to come. Regardless of who is President, regardless of which party controls the Congress, the balanced budget amendment would be a nonpartisan enforcer of controlled Federal spending and responsible fiscal policy.

We owe our children no less. We owe our children more than flimsy promises and optimistic assumptions. We owe it to them to make a lasting commitment to balance the budget of the United States for years to come. They deserve no less than the same opportunities that were afforded each of us. In fact,

Mr. President, they deserve greater opportunities to succeed just as our opportunities exceeded those of our parents. That has been the legacy of every American generation. That is the magic of America. That is the greatness of America.

The only way to ensure this commitment to our children, the only way to make sure our promises are not undone, is to pass the balanced budget amendment to the Constitution.

Mr. President, thank you, and I yield my time.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, thank you,

Mr. President, I have been watching this debate over the last few days, and I heard some of the opponents to a balanced budget amendment talk in a very eloquent way, as I have heard throughout the years. It seems like the arguments never change. So what I have done is picked up a few of these, and I would like to respond to some of these arguments.

The other day one of the Members who has argued against a balanced budget amendment to the Constitution for as long as I can remember made the comment that proponents want to treat children like children, hiding the hard truth from them, and then went on to elaborate about all of the things that are going to happen if we don't fully disclose what is going on with the proposition of a balanced budget amendment to the Constitution.

I can remember so well back when my No. 2 child was learning to ride a bicycle back in Oklahoma. I can remember when he got on. He was wobbling. Maybe, Mr. President, you have gone through the same thing. I finally got him so that he was able to go in a straight, narrow line. Then he made his first trip around the neighborhood. He is a hand surgeon today. He came back, and he said something to me that is very profound. He said, ''You know, daddy, I wish the whole world were downhill.''

I think what we need to do is be fully honest with everyone and let them know that it is not going to be easy if we pass a balanced budget amendment to the Constitution because, in fact, the whole world is not downhill. It is going to take some sacrifices. We have demonstrated very clearly what is going to happen if we do not do it.

I heard the other day opponents saying they are tired of Washington telling people what to do and the Washington-knows-best mentality, that the balanced budget amendment is the ultimate Washington mandate. I suggest to you that just the reverse is true. We can talk about this all we want, but what we are saying to the American people when we deny them the opportunity to have ultimately a balanced budget is we want to keep control of all of these things in Washington.

Reference was made yesterday to the Governors who are talking about how they are cutting taxes in their States and the successes that they have had and suggested that the budget balancing amendment, if passed, would force the States to have massive tax increases. Let me tell you. That just isn't true. The problem that we have right now is there is a mentality that I think prevails in both bodies of Congress, or did at least up until 1994, and certainly does today in the White House; that is this direct relationship between taxation and the deficit.

I can remember when this President was sworn into office and he appointed Laura Tyson to be the chief financial adviser to the administration. She said—and this is a direct quote—in direct contradiction to 12 years of Republican ideology, ''There is no relationship between the level of taxes a nation pays and its economic performance.'' To me this is really the key to the whole thing—somebody who actually believed that. If you carry it on to its logical conclusion, you would say that all you have to do is have a taxation level of 100 percent, and everyone is going to be motivated the same and our revenues would go up. We know, obviously, that is not true. There are many Democrats who knew that wasn't true back when President Kennedy was President. He came out and said that we have to raise revenues, that we have needs, and that the best way to raise revenues is to reduce taxes. He did, and it happened. Of course, we look throughout history and we see it has happened over and over again.

In the case of all those who are critical of the administration and say that back during the 10 years or the decade of the Republican administrations in the White House, the tax increases, or the deficit increases, came they say as a result of the tax decreases when in fact the total revenues that came into the Federal Government in 1980 was $517 billion. In 1990 it was $1.031 trillion, exactly doubled. That happened during a decade of the greatest tax reduction in the history of this country.

Mr. President, I know that we are coming up toward the end of the time. But I would like to respond to just two more of the statements that have been made.

First of all, they said that the balanced budget amendment will give politicians the ''license to cut and slash needed programs.''

The Heritage Foundation not too long ago came out—and they have updated it since then—with a study that came to the conclusion that if we took all of the Federal programs and had a built-in increase of 1 percent, or 1.5 percent, or 2 percent, you could actually balance the budget, that you could eliminate the deficit without cutting one Federal program. The problem is that programs come in—and we have seen it happen over the years—historically, they will come in and say this is going to meet a problem that we have, the problem goes away, and the program stays on.

I am always reminded of one of the great speeches made in our time called a ''rendezvous with destiny'' when Ronald Reagan made that speech long before he was in public office. He said, ''There is nothing closer to immortality on the face of this Earth than a government program once formed.'' That is what we have seen over and over again. This has been going on for a long time.

I can remember when there was a very prominent Senator from Nebraska, Carl Curtis. Carl Curtis back in 1975 had a bright idea. He said, ''We are going to have to do something about this debt.'' I think the whole debt was less than $400 billion at that time. He said, ''In order to do something about this, we are going to have to show that the States want it and that the people want it.'' So he decided to come and ratify an amendment to the Constitution in advance. I remember when he came to Oklahoma. I happened to be in the State senate at that time and introduced a preratification resolution where we ratified it in advance. Then all of the rest of the States came in.

I would suggest to you that there is a great groundswell out there of people who want this to happen, and they recognize that it is not going to happen otherwise. We listen to people stand on the floor. I have not heard one person stand up here and say, ''We want larger deficits. We want to increase the debt.'' They don't say that. They say, ''We will do the responsible thing. We need to make the hard decisions.''

The problem is that for the last 40 years we have not made the right decisions, and we have not made the tough decisions. Now that we have an opportunity, a rare opportunity, one that is realistic, it could actually happen, because we only missed it by one vote a year ago.

Let me finally conclude by saying that one Senator stood on the floor the other day. This is a quote. He said, ''The budget balancing amendment is nothing more than a vague and empty promise. Most Senators who support it will not even be here in the year 2002 when it will take effect.''

Let me suggest to you that as a result of the vote, it is very likely that there will be a lot of Senators who will not be here. I will make a statement that sounds a little bit extreme. But I have to make it.

If you look back at the voting behavior of those U.S. Senators who do not want a balanced budget amendment to the Constitution, you will find that those are the ones who are the liberals. By ''liberals,'' I am talking about individuals who vote for greater tax increases, who want more Government involvement in our lives. I have a chart here that shows that. Those who voted against the balanced budget amendment last year—and there were 33 of them—of those 33, all of them, 100 percent of them, voted for the largest—this is called the tax stimulus program—the largest tax increase that we

had in 1994. And all of them have either a D or an F rating by the National Taxpayers Union.

A lot of people forget that we don't have to guess how people perform up here because there are all kinds of organizations that are giving us ratings. How is that going to affect some of the other elections? If you look back and you look at the Members of Congress that were defeated or retired in 1994, in the Senate there are 11, and 8 of them fell into this same spending class. In other words, those individuals who are getting defeated now in the polls are individuals who are big spenders and individuals who are for tax increases as opposed to cutting the size of Government.

So I think there are some very real ramifications to this that are political ramifications. I suggest to you, Mr. President, that there are a lot of Members in here who, if they vote against our effort—it is a genuine effort for a balanced budget amendment to the Constitution—will have to pay the political price for that.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Rhode Island is recognized for 30 minutes.

Mr. REED. Thank you, Mr. President.

OUR EDUCATIONAL IMPERATIVE

Mr. REED. I rise today to speak about an issue that is critical to our country and critical to our future, and that issue is education.

Education has always been crucial to our country. Indeed, one of the greatest triumphs of our Nation has been the creation of public education through high school and in the postwar years the expansion of access to higher education.

Our ancestors grasped a fundamental truth. Education is the engine that powers our economy, and it is the force that sustains our over 200-year experiment in democracy. ''Yankee ingenuity,'' groomed in the schoolrooms of New England and transported across the continent, spurred an era of invention that catapulted America to economic leadership. But education is more than just economic progress. Education has allowed us to keep faith with the basic tenet of our country. At the core of American experience is the commitment to equal opportunity, and education is the greatest source of opportunity in a free society. It can transcend the circumstances of income, region, race, and gender to reaffirm the enduring belief that an individual through effort can achieve his or her fullest potential in America.

Throughout our history, education has always been an important part of the American experience. Today, it is rapidly becoming the essential component of our national life. The combination of extraordinary progress in technology, particularly information technology, and the unprecedented growth of international commerce has made education the key to our leadership in the world and our prosperity here at home.

As we pass from the industrial age to the information age, the work of the future demands skills which only can be obtained through lifetime learning. And as we move into an era of global competition, we find ourselves pitted against workers and students around the world. What might have been adequate for America in the age of the Model T in a more insular world is plainly inadequate in the age of the Pentium processor and in a world in which the boundaries of business seldom conform to the boundaries of nations.

As Norman Augustine, vice chairman and CEO of Lockheed-Martin, said, ''More and more, we see that competition in the international market place is in reality a battle of the classrooms.''

The American people recognize that we can and we must do much more to improve the quality of education. Studies comparing American students with their foreign contemporaries in the ''battle of the classrooms,'' as referred to by Mr. Augustine, show that American students are not first in the world. In fact, they are only about average. The third international mathematics and science study, TIMSS for short, the largest international science and math study ever undertaken, was released last fall.

The study found that U.S. eighth graders scored barely above the world average in science and below the world average in mathematics. Being ''average'' will not sustain the United States in a world where technology and trade demand excellence.

Just last month, Education Week, in collaboration with the Pew Charitable Trust, released a report card on the condition of public schools in the 50 States. The report characterized public education in the United States as ''riddled with excellence but rife with mediocrity.'' With respect to the bottom line, student performance, the conclusion of the report is sobering. ''We did not give States a letter grade. If we had, all would have failed. Nationally, only 28 percent of 4th graders tested in 1994 were able to read at or above the proficient level and only 21 percent of 8th graders tested in 1992 were proficient or better in math.''

The American people recognize these shortcomings and the compelling need to enhance education in the United States. They also want the Federal Government to play an appropriate role in this process of educational reform. Last month, a survey was released by the Coalition for America's Children, and it found that 76 percent of those polled favored increases in Federal spending for education.

However, spending alone will not reinvigorate education in the United States. At every level of Government—Federal, State, and local—calling on parents, teachers, business and community leaders, the great civic core of America, we must all work together to make education come alive in the lives of our children. Our task is twofold: To improve the quality of public education and to enhance access to higher education.

Now, when we consider elementary and secondary education, we immediately must recognize the central role played by the States. Historically, States have been the leaders in public education from grades K through 12. And when we boast of the extraordinary success of public education in the United States throughout our history, we are paying tribute to the foresight and wisdom of State and local leaders who invested in education. But it is not without some irony that today, as we talk about devolution of more and more social programs and policies to the States, we at the same time point to the disturbing signs of educational malaise. The ''devolutionists'' frequently prescribe the States as the all-purpose remedy for every social problem, forgetting that the States like the Feds are political institutions awash in conflicting interests and afflicted with lapses of political will. That is not to suggest that the role of education in the States has been overtaken. It should suggest, however, that States alone have not and cannot cut through the tangle of financial difficulties, political interests and emerging problems that beset public education as we approach the next century. There is a real opportunity and need for Federal leadership as a catalyst for reform.

In confronting the challenge of public education, we cannot confine ourselves to just the schools. We must reach out beyond the schools to the children. The first goal of Goals 2000 is that all children will start school ready to learn. And as we discover more and more about childhood development, this goal becomes increasingly more important. It also becomes increasingly more obvious that our efforts must encompass the youngest children as well as those children just ready to enter school. Scientific evidence points to the critical years from birth to age 3 in the development of intellectual and emotional abilities. As such, child care is an essential part of any strategy for the long-term improvement of education. Good prenatal care, pediatric health care, and quality day care are all components of educational reform. In fact, an emphasis on early intervention may save scarce educational dollars in the long run. Research indicates that children who attend quality child care programs are less likely to be placed in special education or to be retained in grade.

It is here in the area of child care that the Federal Government has long played an important roll. With the creation of the Head Start program in 1965, the Federal Government embarked on an ambitious attempt to reach low-income children. Over the