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Senate

(Legislative day of Monday, January 30, 1995)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The guest Chaplain, the Reverend Richard C. Halverson, Jr., of Arlington, VA, offered the following prayer:

Let us pray:

As we bow in prayer, in anticipation of St. Valentine's Day and of a burdensome schedule, let us reflect upon those we love most: our children and grandchildren.

The story is told about Charles Francis Adams (1807–1886), son of John Quincy Adams and a successful politician, that on a certain day Charles entered these words into his diary: ''Went fishing with my son—a day wasted.'' His son, Brooks Adams (1838–1918) also kept a diary, and on that same day, Brooks made this entry: ''Went fishing with my father—the most wonderful day of my life!'' (Obtained from Fran Woods, Washington Fly Fishing Club).

Our Heavenly Father, as we consider this ''most wonderful, wasted day'' of a father spending time with his son, we recall the final words of the Old Testament which declare: ''Behold, I will send you Elijah the prophet * * * and he shall turn the heart of the fathers to the children, and the heart of the children to their fathers * * *''—Malachi 4:5, 6. And the New Testament which says, ''* * * where your treasure is, there will your heart be also.''—Matthew 6:21.

Lord, we confess that sometimes we do not treasure our children as we ought, and sometimes our heart is more with our achievements than with our descendants. Often, those we most love, we most neglect.

We pray, therefore, in the midst of demanding schedules, that Thou wouldst graciously turn our hearts to our children and grandchildren, with Valentines of time not wasted.

In the name of Jesus Christ. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, for the information of Members, following the time for the two leaders, which will be reserved, there will be a period for morning business not to extend beyond 1 o'clock with Senators permitted to speak for not to exceed 10 minutes each. At 1 o'clock we will resume consideration of House Joint Resolution 1, the constitutional balanced budget amendment and the pending Reid amendment.

At 5 o'clock today, there will be a rollcall vote on adopting the committee funding resolution, Senate Resolution 73. Further rollcall votes are possible today. We have not made that determination yet. We are trying to get an agreement to have some of those votes tomorrow morning to accommodate some Senators who are necessarily absent. We are not going to accommodate those who are just absent. But there are some necessarily absent. I think we can understand that on Mondays and Fridays we will have votes, and anybody who is not here on Monday and Friday will just take that risk. Certainly they have a right to do that.

I also hope that we can bring to a conclusion the debate on the balanced budget amendment. We have been on it for 2 straight weeks. There has been no effort on this side to slow down the debate. We spent hours and hours and days and days on a couple of amendments. My view is that it is time that we bring this to a conclusion. We would like to do so before late Thursday evening.

So I just suggest to my colleagues that there will be late sessions tomorrow night, Wednesday night, and Thursday night. We will not be in session on Friday. We will not be in session on next Monday or Tuesday. But we will be in session on next Wednesday, Thursday, and Friday, unless the two leaders can reach some agreement on disposition of this, and additional matters.

I thank the Chair.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 1 p.m. with Senators permitted to speak therein for not to exceed 10 minutes each.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Wyoming [Mr. THOMAS] is recognized.

IWO JIMA

Mr. THOMAS. Mr. President, I rise to be one of the first to speak about some things that happened 50 years ago which were a part of our freedom and a part of our history. So I am pleased to do that.

Mr. President, on this date 50 years ago, one of the most powerful armadas ever assembled in American military history prepared to depart Saipan in the Mariana Islands. Their destination was a tiny, 8-square-mile piece of volcanic sand and rock in the Western Pacific—Iwo Jima.

The importance of capturing Iwo Jima was its strategic location, almost midway between Japan and the recently captured Mariana Islands. Since the summer of 1944, the Japanese home

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

islands had been reeling from strikes by the new, long-range American B–29 bombers, operating from Saipan and Tinian. Iwo Jima, with its three airfields, would be a vital fighter escort station if captured. In addition, it would serve as a sanctuary for crippled bombers returning from their strikes on Japan.

No American planner contemplating the assault and seizure of this island suggested that taking Iwo Jima would be an easy task. To meet the challenge, Fleet Adm. Chester W. Nimitz assembled a veteran Navy-Marine Corps team, which included the largest force of U.S. marines ever committed to a single battle—a force which eventually totaled more than 80,000 men—a majority of whom were veterans of earlier Pacific battles. These troops were arguably the most proficient amphibious force the world had yet seen. On February 13, 1945, this formidable armada of American firepower and might prepared to embark on a mission that would move America one giant step closer to final victory.

I think it is appropriate that we remember those men and women who gave so much to ensure that we could continue to have freedom and peace in this country.

Mr. President, if I may, since there seems to be no one else asking for time, I would like to comment a little on the balanced budget amendment.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

THE BALANCED BUDGET AMENDMENT

Mr. THOMAS. Mr. President, I rise, as I have in the past, to support the balanced budget amendment. I believe strongly that it is the right thing to do. I believe strongly that it is the only way that we are going to be able to achieve some kind of financial balance in our Government, to achieve some kind of responsibility for not spending more than we take in.

So I rise to share my impressions of what has gone on here for the past 2 weeks, and apparently at least for another week. I am new to the Senate. I am very pleased and proud, of course, to be here to represent the people of Wyoming. But I am, I must say, a little bit disappointed in the lack of progress that we have made.

It seems to me that, in some instances, we have not really had an in-depth debate of issues, but rather a sort of a slowing of the process, talking about what seems, at least to me, to be peripheral issues often as the method of establishing a rationale for voting ''no'' on an issue that those who argue against have no intention of voting for at all.

It is fairly easy to examine the status of the record of performance that leads to this issue coming before the Senate which leads to a consideration of the balanced budget amendment. Certainly, history does that. You cannot change history. You can interpret it, I suppose, and spin it. But the fact is that we have not balanced the budget, this Congress has not balanced the budget for some 26 years. Only four or five times out of 50 years has the budget been balanced. That is not a good record, but it is indeed a record.

Some talk a lot about the efforts that have been made over the last 3 years to do something about the deficit. And, indeed, there has been something done and it has been good. Starting with the last budget of President Bush and on through the next 2 years, there have been some reductions. The fact is, however, that the reductions now are not there. They are not in this budget. They are not proposed for the next year's budget and, indeed, beyond the year 2000, there would not be a reduction in the deficit, but the national debt would continue to grow.

It is also true that much of the reduction was a one-time readjustment in terms of spending on savings and loans, in terms of spending on Medicaid, and what the reduction was, a direct result of what this Congress did, was an increase in taxes. So I am certainly pleased that this deficit has been reduced, but I am not pleased with the fact that it is now scheduled to go up, unless we do something different.

The cost of the imbalance, the cost of these years of not balancing the budget, are extremely high. We have now approximately a $260 billion line item in this year's budget to pay interest on the debt. If it were not for the interest on the debt, this year's budget would be balanced. But there is an interest of $260 billion, probably the third largest line item in the budget and continuing to go up.

Spending has gone up every year. When we read about the budget, we often read in our hometown paper that the President makes the cuts. Of course, there are some cuts, but the fact is the total spending continues to go up; this year, 5.5 percent over last year. So we continue to have larger Government, spending goes up.

Fortunately, revenues go up as well. But we have not been able to bring the two together. We have not been able to be responsible, both morally and fiscally, with this budget. Clearly, we need to do something different.

You cannot continue to do the same thing you have been doing over the years and expect there to be a different result.

What is the opposition? Some say, ''Don't change the Constitution. The Founders did not draft it that way and we should not change it.''

Of course, changing the Constitution is not something we take lightly. The process does not allow for it to be taken lightly. It requires a two-thirds majority of both Houses of this Congress. It requires that it be ratified by the State legislatures and in fact be ratified by the people. The Founders did not include it. However, Thomas Jefferson said that if he had had the opportunity to make one change, it would have been limiting the amount of debt that the Federal Government could undertake.

The Founders also did not have a $20,000 per person debt to deal with, which we do now. Each of us in this country has a $20,000 debt, in terms of the national debt.

The Founders did not have a huge Federal Government to deal with. The Founders, I believe it is fair to say, thought that this would be a federation of States in which the basic spending responsibility, the basic decision-making responsibility for most things in this Government, would be done by the States. They did not envision the kind of Federal Government that we have now.

Some say judges will make the decisions on the budget. I do not think there is a basis for that. Forty-eight States have balanced budgets in their legislatures. My own State of Wyoming has a balanced budget in the constitution that says they shall not borrow more than 1 percent of the value of the revenues. Judges do not do our budget. The legislature knows that they have to bring spending within revenues. And they do it.

Some say it will not work because the States have capital budgets. They do not all have capital budgets. Furthermore, even if you do have a capital budget, like you and I might have and have loans on our homes to pay, we still have to balance between our revenue, our budget, and our debt service. And we do not do that in the Federal Government.

So these arguments really are to define, I think, a philosophy. And there is a basic difference. There is a basic difference in philosophy and it is a legitimate difference. There are those who believe that Government should be big, it should spend more, it should be involved in more activity.

Some of us, including myself, believe that it should be smaller; that it should be limited. Those who seek larger Government would naturally oppose the balanced budget amendment. Those of us who think there should be some control, that Government is too big, that Government is too expensive, believe that a balanced budget amendment to the Constitution is the tool that we need to make it work.

So, Mr. President, I hope that we do move forward. It seems to me that we came here to undertake this task of resolving this question, regardless of the outcome. It seems to me that we do have a responsibility to vote. We have a responsibility to make the decisions. It is not an easy one. People see it differently. There is a legitimate difference of view.

But the idea of just continuing to string it out, I think, is not beneficial for us and is not beneficial for the country. We have to bite the bullet and do it, and I think the time is now.

I rise in support of a balanced budget amendment to the Constitution.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I believe we are still in morning business.

The PRESIDING OFFICER. The Senator is correct.

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

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 395 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Montana is recognized.

BUTTE'S GLOBAL TRANSPORTATION LINK

Mr. BAUCUS. Mr. President, as I have often said in the Chamber, particularly quite recently in the last couple of weeks, Micron, a semiconductor manufacturing company in Idaho, is selecting a site to build a computer chip manufacturing facility. One of the thirteen locations under consideration around the country is the city of Butte; that is, Butte, MT.

Access to affordable, efficient transportation is vital to the economic viability of any business. We all know that. American semiconductors in particular are the world's best. They need access. Micron sells chips all over the United States, also in countries like Singapore and Taiwan in East Asia and to the United Kingdom and Germany in Europe.

To reach all of these places, a modern company needs top quality transportation. And it may be surprising, but few places in America are better connected to world markets than Butte. Butte is sited at the juncture of two interstates, I–90 and I–15, interstates which respectively tie the east coast and the Great Lakes to the ports in California and Seattle.

This map shows, if you can see it, the two interstates, again I–90 east-west, I–15 north-south, the juncture in Butte, the only place in Montana where interstates cross like that.

Butte also is at the site of the interstates which connect Canada and Denver, Los Angeles, San Diego, Phoenix, and ultimately Mexico City, that is, north-south. It has a top quality, modern airport. It is served by two continental railroads. In this era of consolidation, that is unusual, Mr. President, but two continental railroads join in Butte; that is, the Union Pacific and the Burlington Northern.

And then we have the port of Montana, obviously, located in Butte. It is one of the Nation's first inland ports. Director of Marketing Bill Fogarty has made the port one of the finest intermodal facilities. Its access to transportation expands the markets for Montana's businesses and products.

MONTANA'S TRANSPORTATION HISTORY

Mr. President, all of this is no accident. It is no coincidence. Montanans have always known how important transportation is to a competitive business. As far back as Butte's mining boom and beyond, Montana has a long history of providing transportation options—options such as well-maintained highways, railroads, and airports.

As a testament of Montana's ''can do'' attitude, get this, camels—yes, camels—were brought to Montana in the summer of 1865 in an attempt to secure an economic and reliable source of transportation—camels back in 1865. And while camels did not prove the best solution to our transportation challenges, we in Montana have managed to integrate virtually all other kinds of transportation into our economy.

Historians cite 1841 as the date the first wagons were driven into Montana from the Southwest. Not long afterward, mule trains were bringing goods into and out of Montana. The mule trains needed roads to cross the rugged frontier, and one of the first routes in the State was authorized by U.S. Secretary of War John Floyd in 1858. The Mullan Military Wagon Road from Fort Walla in Washington to Fort Benton in Montana was constructed to transport troops and was completed in 1860.

I might add, Mr. President, my great grandfather, Henry Sieben, drove wagon trains on that Fort Mullan Trail. In fact, that was his line of business and that is how he got his start in the State of Montana.

By the time the wagon road was finished, the gold mining boom had begun. Discovery of mines in Idaho and Montana meant that we needed a shortcut from the Oregon Trail to the mines.

Well, in the spring of 1863, John Bozeman, a Georgian who migrated to Montana, teamed with a man named John Jacobs to build such a short road that is called the Bozeman Road.

Mr. President, these early roads were nothing like the blacktops we drive on today. In fact, one road was even described by travelers as ''50 miles long and 1 inch deep, according to the corroborative evidence of lungs and linen.''

But travel by land was not limited to roads. The first railroad to reach Montana Territory was the Utah & Northern, later known as the Union Pacific. This railroad was constructed to link business interests with the rich mineral and agricultural areas in Montana. The Utah & Northern built its first railroad bed in March of 1880. It continued building until it reached Silver Bow, a few miles west of Butte, on December 21, 1881.

Aviation secured an early place in the transportation system of Montana. Montana's first airline was the National Parks Airlines, which was founded in 1927 and offered service to Butte, Helena, Great Falls, and Salt Lake City.

And I might add there, my grandfather, Fred Sheriff, had a Ford trimotor and founded airports in Montana and worked very hard to get high quality aviation to Montana. Amelia Earhart spent much time in Montana, and I very much remember a photograph of my grandfather and Amelia Earhart when she was in Montana helping us to establish the highest quality aviation in our State.

MICRON AND MONTANA TRANSPORTATION

Mr. President, Montana has a long, proud history of efficient and productive transportation, and that history continues today in Butte.

We operate in a global economy these days, however, and the intermodal transportation partnership found in Butte will increase the productivity of Micron and lower the transportation costs to ship their products. This will improve the marketability of Micron's products and make it more competitive throughout the world.

Mr. President, I have been in the Chamber several times now describing the unique virtues of Montana and of Butte. Montana is a vast State. It is a beautiful State. As Micron prepares to make a final decision on the location of its new facility, I would like to end with a quote from an essay by Glenn Law, entitled ''More Than Skin Deep.'' And I quote:

> Montana's special gift is space, landscape made personal; space that reaches out to horizons and comes back and gets under your skin. It reaches inward, wraps itself around your soul, incubates and grows. When you finally begin to understand just what it is about Montana that is important to you, it has already taken root in your heart and you'll never be the same.

Mr. President, when Micron comes to Montana, they will understand the meaning of these words. They will never be the same. They will be better. There is no place in the world like Butte, and we look forward to opening our arms, welcoming Micron to Butte.

Thank you, Mr. President. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

TRIBUTE TO GLEN WOODARD

Mr. GRAHAM. Mr. President, Florida and America have lost a big-hearted

man who worked hard to make his State and his Nation better: Glen Woodard of Jacksonville, FL.

Mr. Woodard was 77 when he died late last month in Jacksonville after a long illness. A vice president at Winn-Dixie Stores, Mr. Woodard was ''the last of a breed,'' his friend Bill Birchfield said admiringly.

Mr. President, I submit the following eulogy to Glen Woodard, delivered by Robert O. Aders in Jacksonville on January 28, 1995:

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

EULOGY TO GLEN WOODARD

(By Robert O. Aders, President Emeritus, Food Marketing Institute)

Glen, it is an honor to be invited to eulogize you. It is not the first time that I or others have praised you in public but it is the first time you won't have the last word. I speak on behalf of myself and Tabitha and your other close friends in the industry that you have served so well for so many years—on behalf of your many associates in FMI and other groups in Washington and the State capitols with whom you have worked to improve the food system and the supermarket industry—to improve the quality of government—and to improve the relationships between industry and government—in order to better serve the public. We have enjoyed considerable success in all these things and you have truly left your mark. You have made a difference. And today we celebrate your life.

We all lead our lives on many levels—our home, our church, our country, daily work, recreation. So did Glen Woodard. I would like to say a few words on behalf of those who knew him mostly in his Washington life, that part of his Winn-Dixie career where some of us in this room were his extended family. Glen was born in Washington, D.C.—says so in the Jacksonville newspaper so it must be true. But Glen always denied that. He didn't want to be a Washington insider. Instead Glen told a Supermarket News reporter who asked where he was born:

''Born in North Georgia in 1917, RFD 1, Clermont. Go out from Gainesville, turn left at Quillens store, going toward the Wahoo Church, and then past there up toward Dahlonega. We lived there till the Grand Jury met—then moved to Florida.''

My friendship with Glen goes back a long way. We both joined the supermarket industry 38 years ago. In 1957 Glen joined Winn-Dixie and I joined Kroger—he as a lobbyist, I as a lawyer.

These were the good old days of smaller government but it was growing and soon Kroger decided to form a government relations department. I was chosen to do it. We were going to lobby and all I knew about that was what you had to go through when you check into a hotel. Then I got lucky. The American Retail Federation was holding a regional conference in Springfield, Illinois, and the already-famous Glen Woodard was the featured speaker on ''lobbying.'' Glen spoke on the nitty-gritty of working with government—the day-to-day task of dealing with small problems so they don't get big—the same way we all deal with our family and business problems. He spoke on the day-to-day things that government does, wittingly or unwittingly, that impose a great burden on business. While business is focusing on the big issues we tend to ignore the minor day-to-day interferences that cost us money and slow us down. The title of his speech was repeated at just the right time throughout his presentation, in that patented stentorian voice. It was ''While you are watching out for the eagles you are being pecked to death by the ducks.'' And that was my introduction to the famous Glen Woodard vocabulary and the beginning of a long professional relationship as well as a personal friendship.

To Glen, a Congressman or a Senator was always addressed as ''my spiritual advisor.'' Glen Woodard's world was not populated by lawyers, accountants and ordinary citizens but by ''skin 'em and cheat 'ems,'' ''shiny britches,'' and ''snuff dippers.'' These people don't merely get excited, they have ''rollin' of the eyes'' and ''jerkin' of the navel.'' Colorful he was. But Glen needed that lighthearted perspective to survive, for Glen was in the middle of what is now called ''that mess in Washington'' from Presidents Eisenhower to Clinton. Working his contacts, talking to representatives and senators, walking his beat—those endless marble corridors of power—doing as he put it ''the work of the Lord.'' And, indeed, his work affected the law of the land.

And, indeed, that work was made a lot more fun for all of us by Glen's marvelous sense of humour and his wonderful delivery. I remember a meeting a few years ago with a top official in the Treasury Department. We had been stymied for years trying to change a ridiculous IRS regulation because of the stubbornness of one particular bureaucrat. One day Glen broke the logjam as follows: ''Jerry, I had occasion to pay you a high compliment when I was with the Chairman of the Ways and Means Committee last week. I said you were just great with numbers. In fact, you're the biggest 2-timin', 4-flushin', SOB I've ever known.'' He got the point and the rule was changed.

With all his blunt talk and tough wit, he was a kind and generous man. In fact, my wife described him when she first met him as courtly and gallant. That was at a luncheon at the Grand Ole Opry years ago. My mother was also present and Glen was with his beloved Miss Ann. My mother was so charmed that for the rest of her life she always asked me ''How is that wonderful gentleman from Winn-Dixie that you introduced me to in Nashville.'' Of course, Tab got to know the total Glen over the ensuing years at the many private dinners the three of us enjoyed when Glen was in Washington and had a free evening.

Those of us who worked at the Food Marketing Institute during Glen Woodard's career knew the many facets of this fine man. Always with us when we needed him, he was a brother to me and he was Uncle Glen to the young people on the staff.

Those young people he mentored over the years—young people now mature—carry the principles and values that he lived and taught. Here are some of them:

Integrity—stick to your principles.

Strength and toughness—take a position and stand on it.

Work ethic—It may not be fun at first. If you work hard enough you'll enjoy it.

Responsibility—Take it. Most people duck it.

Generosity—Take the blame; share the credit.

Reliability—Say what you'll do and then do it.

Fairness—It isn't winning if you cheat.

And finally, Grace under pressure.

On behalf of those young people, Glen, I say you brought a great deal of nobility to our day-to-day lives and you made us feel worthwhile.

A few years ago we tricked Glen into coming to a testimonial dinner on his behalf. He thought it was for someone else. The dinner menu was designed especially to Glen's taste. He always said he was sick of overcooked beef, rubber chicken and livers wrapped in burnt bacon. So we had a Glen Woodard menu prepared at one of the fanciest private clubs in Washington—The F Street Club. Their kitchen staff will never forget it. We had country ham, redeye gravy and biscuits with collard greens. We had cat fish, hush puppies and cole slaw. All the condiments were served in their original containers—ketchup in the bottle, mustard in the jar, and alongside each table a silver ice bucket we had Glen's cheap rose' wine in a screw-top bottle.

The FMI staff had prepared a special plaque for this man who already had a wall covered with plaques, but this was different and it expressed how the staff felt about him. It went this way:

''FMI to Glen P. Woodard, The Best There Is

''For nearly 30 years you have served your company and our industry in the area of public affairs with unparalleled skill and devotion. Currently chairman of the FMI Government Relations Committee, recent Chairman of the FMI Fall Conference, untiring laborer in the vineyards of government on behalf of the American food system, you have accomplished mightily for our industry.

''We salute your dedication, your knowledge, your wit and your style. And we treasure your friendship. You are, indeed, The Best There Is. And we love you. Washington, D.C., October 22, 1985.''

And that still goes Glen, old buddy.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES!

Mr. HELMS. Mr. President, the incredibly enormous Federal debt is like the weather—everybody talks about it but, up to now, hardly anybody has undertaken the responsibility of doing anything about it. The Congress now had better get cracking—time's a-wasting and the debt is mushrooming.

In the past, a great many politicians talked a good game—when they were back home—about bringing Federal deficits and the Federal debt under control. When they got back to Washington, many of these same politicians regularly voted in support of bloated spending bills that rolled through the Senate. The American people took note of that on November 8.

As of Friday, February 10, at the close of business, the Federal debt stood—down to the penny—at exactly $4,805,266,970,855.19. This debt, remember, was run up by the Congress of the United States.

The Founding Fathers decreed that the big-spending bureaucrats in the executive branch of the U.S. Government should never be able to spend even a dime unless and until the spending had been authorized and appropriated by the U.S. Congress.

The U.S. Constitution is quite specific about that, as every school boy is supposed to know.

And do not be misled by declarations by politicians that the Federal debt was run up by some previous President or another, depending on party affiliation. Sometimes you hear false claims that Ronald Reagan ran it up; sometimes they play hit-and-run with George Bush.

These buck-passing declarations are false, as I said earlier, because the Congress of the United States is the culprit. The Senate and the House of Representatives are the big-spenders.

Mr. President, most citizens cannot conceive of a billion of anything, let alone a trillion. It may provide a bit of perspective to bear in mind that a billion seconds ago, Mr. President, the Cuban Missile Crisis was in progress. A billion minutes ago, the crucifixion of Jesus Christ had occurred not long before.

Which sort of puts it in perspective, does it not, that Congress has run up this incredible Federal debt totaling 4,808 of those billions—of dollars. In other words, the Federal debt, as I said earlier, stood this morning at four trillion, 805 billion, 266 million, 970 thousand, 855 dollars and 19 cents. It'll be even greater at closing time today.

THE UNITED STATES-NORTH KOREA AGREED FRAMEWORK

Mr. THOMAS. Mr. President, as the chairman of the Senate Subcommittee on East Asian and Pacific Affairs I intend to share with my colleagues my views on a specific area within the jurisdiction of the subcommittee every Monday. Today I rise to briefly address the current status of relations between the United States and North Korea [DPRK].

Since the division of the Korean Peninsula, we have not maintained diplomatic relations with the DPRK. While South Korea has prospered and grown into one of the strongest economic engines in Asia, the DPRK has become increasingly isolated, paranoid, and violent. If any country has come to epitomize a rogue regime, it is North Korea. In the 1960's the DPRK seized the U.S.S. *Pueblo* and its crew, and staged a violent attack on the residence of the South Korean President. In the 1970's Pyongyang perpetrated several acts of violence along the Demilitarized Zone, including the unprovoked ax murder of an American solder within the DMZ in 1977. In the 1980's the North orchestrated a bombing attack on the South Korean cabinet during a state visit to Burma, and in 1987 was responsible for blowing up a South Korean airliner with the loss of all aboard. The DPRK has constructed numerous tunnels under the DMZ into South Korea territory to facilitate invasion, some of which have been discovered and some of which, undoubtedtly, have not. Finally, as noted in a story last week in the Washington Times, the Russian intelligence agencies have implicated the North Korean Government in a plan to distribute some 8 tons of heroin in Russia. And these are just the incidents we know about; I do not doubt but that this is, as the Korean would say, subak keot halkki—just ''licking the outside of the watermelon.''

Despite this, since 1988 the United States has begun a process of establishing a limited relationship with North Korea in an effort to draw that country out of its self-imposed isolation. The United States political counselor at our Embassy in Beijing has met dozens of times with his North Korean counterpart to discuss increased North-South dialog and a variety of other issues. However, since the early 1990's the DPRK's suspected nuclear weapons program has overshadowed all other issues.

Although a signatory to the Nuclear Nonproliferation Treaty, DPRK-ROK joint declaration on denuclearization of the Korean Peninsula, and an agreement with the International Atomic Energy Agency, North Korea is suspected of violating—and in some cases in known to have violated—all three. In late 1992, the IAEA discovered evidence that the DPRK has reprocessed more plutonium that it had disclosed. This worrisome because it may indicate that North Korea is reprocessing nuclear material for the purpose of developing military nuclear capabilities.

North Korea rejected a subsequent demand by the IAEA that it be allowed to inspect several nuclear sites to confirm or disprove its suspicions, and announced on March 12, 1993, its intention to withdraw from the NPT. The administration responded by initiating direct negotiations with the DPRK on the nuclear issue. Two meetings were held—one in New York in June 1993, and in Geneva in July of that year—at which time North Korea suspended its withdrawal from the NPT and agreed to negotiate with the IAEA and the ROK. The two governments also agreed to discuss the conversion of the North's nuclear reactors to light-water reactors—a reactor from which it is more difficult to manufacture weapons-grade nuclear material.

However, the DPRK continued to reject IAEA inspection of its facilities, and reneged on its promise to resume talks with the ROK. After several weeks of continued negotiations, in February 1994 the North eventually accepted the IAEA's suggested inspections. The administration agreed to suspend U.S.-ROK military training exercises for 1994 and begin a new round of talks in March as a quid pro quo for the North's agreement to implement the inspections and begin high-level negotiations with the ROK.

True to form, Pyongyang prevented the IAEA from completing the inspections and disavowed any obligation to begin talks with the ROK. As a result, the United States began discussions with members of the U.N. Security Council with an eye toward imposing sanctions on North Korea in order to encourage the DPRK to comply with its agreement. The North backed down, and completed the March inspection in May.

But before the United States could restart comprehensive negotiations, the North precipitated a new crisis in late May by removing some 8,000 spent fuel rods from its 5 Mw(e) Yongbyon reactor. The rods contained spent uranium from which plutonium could be separated out through reprocessing. The DPRK allowed IAEA inspectors to be present, but prevented them from sampling any of the rods—a process that would have allowed the agency to determine whether prior to 1992 North Korea had removed enough fuel rods from the reactor to produce weapons-grade plutonium.

Revisiting what had become a familiar scenario, the United States called North Korea's bluff and announced that it would again seek U.N. sanctions against that country, and circulated a draft resolution among the members of the Security Council. When the DPRK learned that the People's Republic of China would not veto the resolution, it quickly resumed negotiations.

Over the ensuing months, the parties worked out a final agreement which was signed in Geneva on October 21, 1994. I will not go into any great detail about the specifics of the agreed framework as they were recently discussed at length in two hearings before the Senate Foreign Relations Committee. Although in the end I saw little alternative but to support the administration's deal, I will say that certain portions of it made me somewhat uncomfortable. Principal among those is the requirement that the United States supply North Korea with 500,000 tons of heavy oil annually until the first light-water reactor called for under the agreement is up and running. We agreed to supply the DPRK with this, and the two light-water reactors, in return for North Korea halting the development of its nuclear program.

I was not convinced at that time, nor am I now, that we got the best end of the deal. North Korea is receiving a shot in the arm that will go a long way toward forestalling what will certainly be North Korea's economic implosion. We, on the other hand, only received an intangible promise on the DPRK's part that I do not believe we have the means adequately to verify. Moreover, it was my view at that time that we had been too quick to reward a tantrum by a spoiled child, since such a move almost invariably results in another tantrum.

In the last week, I believe we have seen my views validated. During talks in Berlin last week the North Koreans demanded another $500 million to $1 billion as part of the bargain to which they had already agreed. In addition, they refuse to allow South Korea to supply the reactors as the United States has agreed. Considering their negotiating style, and the speed with which we have seemingly met their demands, this should not have come as any great surprise to anyone.

I believe that the administration will see this move for what it is, simply a ploy of brinksmanship, and dismiss it clearly and directly. But should that not be the case, let me be very clear on my position for the North Koreans, who appear to be confused as to our resolve in this area. I will not support

the provision by the United States of one scintilla more than is called for in the agreed framework without substantial concessions from the DPRK; nor will I accept any diminution of the central role that has been set out for the ROK. South Korea is making a huge contribution to implementing the agreement, and it is their national interest that is clearly most at stake. To accede to any demands by the DPRK in this regard is to assist it in its ongoing attempts to increase the United States-DPRK relationship at the expense of any North-South dialog.

Mr. President, I trust that the administration will resist this latest round of inane demands, and refrain from allowing the DPRK to use this issue to turn us into a cash cow. My subcommittee will be watching this area closely to ensure that it does so. I intend to hold a regular series of hearings to afford the administration the opportunity to keep us up to date on developments in this area.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

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

The bill clerk read as follows:

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

The Senate resumed consideration of the joint resolution.

Pending:

Reid amendment No. 236, to protect the Social Security system by excluding the receipts and outlays of Social Security from balanced budget calculations.

Mr. HATCH. Mr. President, the problems I have already outlined in this debate are not the only objections I have to the proposed exemption. The attempt to insert a reference to a mere statute into the Constitution raises serious questions of constitutional and legal policy which argue against including such a reference.

This amendment exemption proposes to take particular statutes of the United States and graft them onto the Constitution of the United States. This is unprecedented. It may have the effect of giving future statutory enactments constitutional significance. In other words, this amendment seems to establish a sort of quasi-constitutional device whereby Congress and the President—or Congress alone if it overrides a Presidential veto—can do something of constitutional significance by enacting a mere statute.

This amendment would exclude from the general definitions of receipts and outlays in the balanced budget amendment the receipts and outlays of the Federal old-age and survivors insurance [OASI] trust fund and the Federal disability insurance (DI) trust fund.

This amendment would constitutionalize the OASI and DI trust funds on the date of enactment and forever thereafter, however amended. This is no small point.

The entire Social Security Act has been amended hundreds of times. The key section that establishes the old age survivors insurance trust fund and the disability insurance trust fund, or title II of the Social Security Act, has been amended over 20 times, or about once every 3 years. The pace of amendment has increased in recent years. Twelve of these amendments have been made since 1980, or almost once per year.

This amendment is not restricted. There is no limit on the subject matter of future amendments. It will constitutionalize every program or policy that future Congresses add to title II, whether or not related to the original purposes of those trust funds.

Of course, the pace of amendments to title II will likely increase rapidly because this amendment provides an incentive for adding extraneous items: Once in title II, the additional receipts and outlays will be off budget and exempt from the strictures of the balanced budget rule.

Under this amendment, future amendments to title II may have constitutional significance. If this provision were added to the constitution, any amendment to title II, no matter how narrow or minute, would have some constitutional significance.

For example, section 201 of the Social Security Act was most recently amended on October 22 of last year by section 3(a) of the Social Security Domestic Employment Reform Act of 1994. Had the provision offered today been in the Constitution at that time, the language on this chart would have had some kind of constitutional significance. Just look at it:

Sec. 3(a) ALLOCATION WITH RESPECT TO WAGES.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended by striking ''(O) 1.20 per centum'' and all that follows through ''December 31, 1999, and so reported,'' and insert ''(O) 1.20 per centum of the wages (as so defined) paid after December 31, 1989, and before January 1, 1994, and so reported, (P) 1.88 per centum of the wages (as so defined) paid after December 31, 1993, and before January 1, 1997, and so reported, (Q) 1.70 per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 2000, and so reported, and (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and so reported,''.—P.L. 103–387, §3(a), 108 Stat. 4074–75, Oct. 22, 1994.

Could you imagine what that would mean to the Constitution?

This is not the sort of soaring language proclaiming broad and timeless principles we usually associate with the Constitution. But it is the kind of language that will be given at least quasi-constitutional status by this proffered amendment by those who are offering it. I would think anyone who reveres the Constitution would want to avoid cluttering up the Constitution and the constitutional order by adopting this amendment and giving such legislative language some new paraconstitutional status.

The language of the Reid amendment, like the slogans surrounding it, may look or sound simple, but it has extraordinarily complex implications. The amendment is short because it uses titles, but using simple labels does not simplify the legal ramifications.

This amendment refers to the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, but they, together with their legislative histories, take up some 300 pages in the United States Code. You can find it at title 42, United States Code sections 401–433. I am citing the 1988 edition and supplement V of 1993. There are also volumes of relevant judicial opinions and agency rules and adjudications which could be affected. This amendment's implications are a little clearer if restated with elaboration, as shown on this chart.

Again, is this the kind of constitutional language we want to put in the Constitution?

Look at this next chart:

The receipts (including attributable interest) and outlays of the Federal Old-Age and Survivors Insurance Trust Fund—

By the way, those are the receipts and outlays mentioned in the Reid amendment.

and the Federal Disability Insurance Trust Fund [comprising Title II of the Social Security Act, 42 U.S.C. Sec. 401(a)–(m), Sec. 402(a)–(x), Sec. 403(a)–(l), Sec. 404(a)–(e), Sec. 405(a)–(r), Sec. 405a, Sec. 406, Sec. 407, Sec. 408, Sec. 409, Sec. 410(a)–(q), Sec. 411(a)–(i), Sec. 412, Sec. 413(a)–(d), Sec. 414(a)–(b), Sec. 415(a)–(i), Sec. 416(a)–(l), Sec. 417(a)–(h), Sec. 418(a)–(n), Sec. 420, Sec. 421(a)–(k), Sec. 422(a)–(d), Sec. 423(a)–(i), Sec. 424(a)–(h), Sec. 425(a)–(b), Sec. 426(a)–(h), Sec. 426–1(a)–(c), Sec. 426a(a)–(c), Sec. 427(a)–(h), Sec. 429, Sec. 430(a)–(d), Sec. 431(a)–(c), Sec. 432, Sec. 433(a)–(e) (1988 ed.), as amended, where relevant, and comprising tens of thousands of words, together with all relevant judicial decisions and agency rules and adjudications, comprising millions and millions of words] used to provide old-age, survivors, and disabilities benefits shall not be counted as receipts or outlays for purposes of this article.

Additionally, title II of the Social Security Act is referred to in numerous other sections of title 42 of the United States Code, and it is also referred to in titles 2, 5, 7, 10, 12, 14, 22, 26, 29, 30, 38, 45, 49 appendix, and 50 appendix of the United States Code.

Mr. President, there are further complications raised by the drafting of this attempted statutory exemption. The drafters of the Reid exemption amendment have attempted to narrow the scope of their exemption from previous incarnations by adding an attempt at limiting language. This attempt to paper over the gaping, and hugely elastic loophole created by this amendment only serves to further clutter the constitutional subtext and confuse the

constitutional implications of this provision. The Reid exemption states that it only applies to funds which are used for ''old age, survivors, and disabilities benefits.''

But it fails to define those terms. The other way you can find the definition is through the statute. The Social Security statute which does attempt to define some of these terms does little to put me at ease about the vagueness. Just look at some of the definitions of that act on these posters. Let us take these two posters behind me and see what I mean about constitutional confusion. This is ''Constitutional Language?'' Again with a question mark. ''42 U.S.C. section 306, definitions.''

Section 306 defines ''old age assistance'' in the first sentence of the section. But it does not end there.

For the purposes of this subchapter, the term ''old age assistance'' means money payments to, or if provided in or after the third month before the month in which the recipient makes application for assistance, medical care in behalf of or any type of remedial care recognized under State law in behalf of, needy individuals who are 65 years of age or older, but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution except as a patient in a medical institution. Such term also includes payments which are not included with the meaning of such term under the preceding sentence, but which would be so included except that there are made on behalf of such a needy individual to another individual, who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such needy individual, but only with respect to a State whose State plan approved under section 302 of this title includes provision for * * *.

That alone shows the problems of writing a statute into the Constitution. But let me read the rest because I think it is worthwhile to the people of this country so see how really absurd this becomes, if we adopt the Reid amendment.

No. 1:

Determination by the State agency that such needy individual has—can you imagine what ''needy individual means''—by reason of his physical or mental condition—can you imagine what that means—such inability to manage funds—can you imagine what ''managed funds'' means—that making payments to him would be contrary to his welfare—do you know what ''welfare'' means—and, therefore, it is necessary to provide such assistance—what does ''assistance'' mean—through payments—what does that mean—described in this sentence.

That just gives you a little bit of an idea what writing a statute into the Constitution means.

No. 2:

Making such payments only in cases in which such payments go will under the rules otherwise applicable under the State plan for determining need and the amount of old age assistance to be paid and in conjunction with other income and resources meet all of the needs of individuals with respect to whom such payments are made.

Just the word ''needs'' gives you heartburn. That could be defined in many different ways. But every word in there can be defined.

No. 3:

Undertaking and continuing special efforts to protect the welfare of such individual and to improve, to the extent possible, his capacity for self-care and to manage funds.

Can you imagine what they could do with this language?

No. 4:

Periodic review by such State agency of the determination under paragraph 1 of this subsection to ascertain whether conditions justify such determination still exists and provision for termination of such payments, if they do not, and for seeking judicial appointment of a guardian or other legal representative as described in section 1311 of this title, if and when it appears that such action will best serve the interests of such needy individual; and * * *.

Let us read No. 5:

Opportunity for a fair hearing before the State agency on the determination referred to in paragraph 1 of this subsection for any individual with respect to whom it is made.

At the option of a State if its plan is approved under this subchapter so provides.

So we have State plans brought into this. What does that mean? Can we have 50 different State plans? Of course, you can.

Such term (i) need not include money payments to an individual whose absence from such State for a period in excess of 90 consecutive days regardless of whether he has maintained his residence in such State during such period, until he has been present in such State for 30 consecutive days in the case of such an individual who has maintained his residence in such State during such period, or 90 consecutive days in the case of any other such individual, and (ii), may include rent payments made directly to a public housing agency in on behalf of the recipient or a group or groups of recipients of assistance under such plan.

Can you imagine if this is written into the Constitution—which it will be because receipts and disbursements will be written into the Constitution—can you imagine what just these paragraphs will do? These are only some of the 300 pages of legislation that come under the title of what is trying to be excluded from budgetary considerations under the balanced budget amendment. You can see why some of us feel that is not the way to approach this problem. It is not the way to protect Social Security because I can give you at least 3,000 different ways right off the top of my head if I had to—it would take us a few days—as to how all those terms can be interpreted, or probably 100,000 different ways given enough time. Once that starts, Social Security is going to be the first to be bombarded by every special interest group in the country under needy, those who are needy, those who are elderly, those who live in housing projects, those who have any number of these qualifications listed just in these few paragraphs. Like I say, we have 300 pages of the Federal Code on this. That could not even begin to touch the thousands and thousands of pages of regulations pertaining to it.

Section 306 right here defines old age assistance in the first section of this section. But like I say, it does not end there.

The next sentence says:

Such term also includes payments which are not included with the meaning of such term under the preceding sentence, but which would be so included except that they are made on behalf of such a needy individual to another individual who (as determined in accordance with standards prescribed by the Secretary)—in other words, the Secretary can prescribe the standards. That becomes constitutional, or at least constitutional as long as it is law.

* * * is interested in or concerned with the welfare of such needy individual, but only with respect to a State whose State plan approved under section 302 * * *.

This goes on and on.

Mr. President, this is not language which belongs in our Constitution. This is legal double-talk, not the consistent, clear statement of principles which we have come to associate with the Constitution.

Remember, since this definition is only in a statute, that statute can be easily amended as we already mentioned. Future Congresses can dramatically alter this definition and thereby change the whole meaning of the constitutional language.

The statutory definition of ''disability'' is even more convoluted. Just look at it here on this next poster. It goes on for no less than four pages in the United States Code. It has six subsections, and eight sub-subsections.

Both the definition of ''old age assistance'' and this definition are subject to change through regulations issued by the Secretary. That means that the Secretary of Health and Human Services can amend the Constitution without any action by the Congress. Let me repeat that. The Secretary of Health and Human Services, an appointee of the President, who at best is going to be a temporary occupant of the White House, whoever the President is, that means Secretary Shalala and her successors will be empowered to define constitutional terms for bureaucratic rulemaking. As I have said before, here we are in this new Congress trying to reduce the power of the bureaucracy, and here we have an amendment which is trying to ''constitutionalize'' it. This is a constitutional abomination.

Let me make that case again. ''Constitutional Language?'' and a question mark. Title 42 United States Code, section 423, disability insurance benefit payments. This is just one of the definitions that can be changed. Any word can be changed, any paragraph, any phrase, any sentence. Anything in here can be changed by a mere change of statute. But this amendment writes this into the Constitution, which means that although it becomes part of the Constitution, should there be enough votes for it, it can be changed any time anybody wants to change it. Look at this. Look how difficult it is. Disability defined:

The term ''disability'' means, paragraph (a), the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which could be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, or, (b), in the case of an individual who has attained the age of 55 and is blind within the meaning of blindness as defined in section 416(i)(1) of this title, inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

Now, they can add another whole alphabet of provisions there and paragraphs if they want to in future Congresses and all of that becomes part of the Constitution.

Let us go to paragraph 2.

For the purposes of paragraph 1(a). (A) An individual shall be determined to be under a disability only if his fiscal or mental impairment or impairments are of such severity that he is not only unable to do his previous work but cannot, considering his age, education and work experience, engage in any other kind of substantial gainful work which exists in the national economy—

Can you imagine the loophole there?

regardless of whether such work exists in the immediate area in which he lives or whether a specific job vacancy exists for him or whether he would be hired if he applied for work. For the purposes of the preceding sentences with respect to any individual, work which exists in the national economy means work which exists in significant numbers either in the region where such individual lives or in several regions of the country.

As you can see, it is legal doublespeak—nevertheless important. But is it important enough to put into the Constitution? I just cannot imagine why anybody would want to do that.

3. For purposes of this subsection, a ''physical or mental impairment'' is an impairment that results from anatomical, physiological, or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

Can you imagine how that could be amended?

4. The Secretary shall by regulations prescribe the criteria for determining what services performed or earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity.

Boy, talk about giving the Government control of our lives. Put that into the Constitution and, my gosh, it is going to be unbelievable. It is bad now; can you imagine what it would be like if we put it into the Constitution?

No individual who is blind shall be regarded as having demonstrated an ability to engage in substantial gainful activity on the basis of earnings that do not exceed the exempt amount under section 403(f)(8) of this title which is applicable to individuals described in subparagraph (D) thereof. Nothwithstanding the provisions of paragraph (2), an individual whose services or earnings meet such criteria shall, except for purposes of section 422(c) of this title, be found not to be disabled. In determining whether an individual is able to engage in substantial gainful activity by reason of his earnings, where his disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, there shall be excluded from such earnings an amount equal to the cost (to such individual) of any attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary (as determined by the Secretary in regulations) which are necessary (as determined by the Secretary in regulations) for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions; except that the amounts to be excluded shall be subject to such reasonable limits as the Secretary may prescribe.

I think I am making the case. Those who are arguers for this or proponents of it are saying all we are asking for is that the receipts and disbursements be put off budget. It is not as simple as that. We all know that every word in the Constitution has resplendent meaning. Every word can be interpreted by the courts in different ways. Every word can be interpreted by Congress in different ways and by the President in different ways. So when you put this into the Constitution and it is a statute, a mere statute at that, albeit important, then you are just asking for it because that becomes a loophole for which you can drive anything you want to drive.

Mr. President, the Framers used only a few thousand words. You can read the Constitution in a half hour from beginning to end, including the amendments. It took a few thousand words, or less than 2,500 words, I think, to create the U.S. Constitution. Title II of the Social Security Act, on the other hand, is comprised of tens of thousands of words and hundreds of pages and thousands of regulations. Many of those are going to have some constitutional significance if the Reid amendment is accepted. Is this what we want to add to our Constitution?

I would like to point out that none of these issues that I am raising can be solved by more elegant drafting. The constitutional problems raised by the unprecedented step of attempting to incorporate a mere statute into the Constitution are simply insuperable. No variations on the theme presented in this amendment can be fixed by an alternative rendering. This amendment and all variations on it are simply unacceptable and wholly inappropriate for a constitutional amendment.

Mr. President, this is not simple stuff we are doing here. This is not a simple amendment. This is not a constitutional amendment, the way they have drafted it. It is placing a statute and all that that statute means and may mean and will mean in the future into the Constitution where they could write anything into it they want. Under the guise of trying to do something good—that is, protect Federal and old age survivors insurance, their trust fund and the Federal disability trust fund, the Reid amendment would constitutionalize those trust funds on the date of enactment or ratification and forever thereafter, however amended. Like I say, that is no small point. The Social Security Trust Act—both of these trusts have been amended a number of times. I am very concerned if we put language like this into the Constitution.

Let me just spend a few minutes on why is this language essential. Last Friday, we had the pictures of young kids whose future depends on whether we pass the balanced budget amendment or not, whether we are going to get spending under control, or whether we are going to get serious about it, or whether we are going to have a mechanism in the Constitution to help us to get serious about it.

It is no secret to anybody that because of voting power, our seniors now have some of the most massive power in our country today. We keep putting more and more money into our seniors and more and more children are left behind. That is not a reason not to help our seniors. But I do caution everybody that we have to worry about helping our children, too, because they are the future generations who have to pay the price so that the seniors can get their Social Security. But it still does not negate my point.

My point is that the seniors are one of the most powerful voting blocks in our country today and, rightly so; I find no fault with that. They should exercise their voting power. On the other hand, are we not shortchanging the children if we just worry about the seniors, when they have the power to compete very well with every other item in the Federal budget? If we pass the constitutional amendment without the Reid language, everybody knows that the Congress of the United States is going to have to take care of the seniors because of the voting power and because it is the right thing to do.

On the other hand, are we going to do that to the exclusion of everybody else in our society, to the exclusion of children, who are continually getting less and less of the Federal pot in comparison? Well, I hope not. But the only way you can balance these things up is not by writing one special interest group into the Constitution when they have the power and the most massive power in our country today to get their will done anyway. Our seniors and Social Security and most every program pertaining to seniors will complete excellently against all other spending programs of the Federal Government. There is no doubt in my mind about that, and I do not think there is any doubt in anybody else's mind.

In conclusion, Mr. President, I see that the distinguished Senator from New York is here and may want to speak on this subject. The biggest threat to Social Security is our growing debt and concomitant interest payments. Debt-related inflation hits especially hard those on fixed incomes, and the Government's use of capital to fund

debt slows productivity and income growth.

The way to protect Social Security benefits is to support the balanced budget constitutional amendment and balance the budget so that the economy will continue to grow. Senior citizens know this. That is why a recent poll shows that an overwhelming 91.8 percent of senior citizens favor a balanced budget amendment. They know it is simply the best way to protect their children and grandchildren and the best way to ensure that runaway deficits do not lead to runaway inflation, which hurts those on fixed incomes especially hard.

Being a supporter of both the balanced budget amendment and Social Security, I believe this exemption raises major concerns. The proposal before us now, to exempt Social Security, will not only destroy the balanced budget amendment but will cause the Social Security trust fund to run out of money sooner than it would under a clean balanced budget amendment. And I believe that the Senate has already voted on a better way to protect Social Security, which would protect Social Security from benefit cuts and tax increases to balance the budget.

Let me repeat in no uncertain terms that the best way to protect the Social Security program in our country is to pass a clean balanced budget amendment. This is the best and most appropriate way to protect Social Security for our seniors and for all other generations, and to provide for a future for our children and our grandchildren, those who are going to have to work very hard to pay for our Social Security.

I do not know how anybody can read that amendment that is the current pending amendment before this body and not be concerned about writing a statute into the Constitution and about opening loopholes through which you could drive spending trucks bigger than any trucks we have every driven through spending loopholes in the history of the Congress, and do it in a way that totally negates and makes feckless the balanced budget constitutional amendment.

With that, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, when in doubt, wave your arms, scream and shout.

Now, my friend from Utah has not been screaming and shouting because, in his mild manner, that is not how he speaks. But it appears clearly that those who are looking for a way to oppose this amendment to exempt Social Security are in doubt. That has to be the case, based upon the argument we have just heard.

Mr. President, I have here a copy of the Constitution of the United States. Let us flip over to——

What do we pick? Let us pick amendment No. 16. Amendment No. 16 is the amendment that allows this country to collect an income tax. I do not know how many thousands of books—not words or paragraphs, books—are in our statutes and codes regarding IRS. Now, using the logic of the manager of this bill, the 16th amendment is inoperable.

We could take the 14th amendment. We know the spate of litigation and legislation that has ensued following the passing of this very important amendment, that dealing with equal rights, due process under the law. How many thousands of words are in our statute books regarding due process? Does that mean it is not a good amendment or it is an unworkable amendment? The obvious answer is no.

Mr. President, what about the 19th amendment? This is the amendment giving people in our country, regardless of sex, equal rights. How many statutes, how many pages in our code books are relating to the 19th amendment?

I say, respectfully, that the argument of the manager of this bill indicates to me that there are grave reservations on their behalf that their position is valid. Otherwise, how could they come up with anything as ridiculous as reading statutes that apply to a particular part of the constitutional amendment?

My friend from Utah used a couple of terms that I think are reversibly applicable, ''legal doubletalk.'' Well, I am not sure legal doubletalk is really clear enough. It is at least 10 or 12 times more than doubletalk. Another statement made by my friend from Utah is, ''I think I am making my case.'' With all due respect: Sorry, case not made.

I see a member of my staff walking in here. I sent him out just a minute ago to see what he could grab close by that were code books relating to the 16th amendment. These are just a couple at random that were grabbed right outside the doorway here.

I do not know, Mr. President, how many pages we have here. This book has about 1,600 pages; this book about 1,200 pages; this book about 1,700 pages. These are just a few. These are all my staff could lug in for illustrative purposes.

So we have been through this argument on a previous occasion that the problem that we now have——

I did not write it. Somebody drafted a constitutional amendment to balance the budget. I say, we have a tremendous amount of precedent on this floor that indicates that we, as a Congress, want to keep Social Security out of our general revenues.

The balanced budget amendment does just the opposite. The language of the balanced budget amendment—I will go into this in more detail later on—but the language of the balanced budget amendment, House Joint Resolution 1, says: ''Total outlays shall include all outlays of the United States Government.'' That is what it says. I did not write it.

And I want to simply state that this amendment keeps out of the general revenues of this country Social Security. That is what this amendment does. It very simply and concisely does that. Social Security should rise or fall on its own merits.

Mr. President, we have heard a lot here this morning, really not too much, that we do too much for senior citizens; we have to worry about our children. I believe we do not do too much for senior citizens. In fact, if you will look at the State of Nevada as an example, you will find that, in Nevada, the average retired worker gets $680 a month.

That is really not a lot of money. I ask anyone within the sound of my voice—and there are plenty of them—who do try to live on $680 a month, how difficult it is.

But most people that are living on $680 a month are seniors. They do not qualify for welfare. Why? Because they are Social Security recipients.

So we do not really overpay senior citizens who are recipients of Social Security. In fact, Mr. President, it is quite the opposite. They are not welfare recipients. They receive benefits from Social Security that they paid into while working and their employer paid into. That is now 12.4 percent of their monthly income.

This Nation was founded based on a core belief that governments are instituted and exist not as rulers but as servants of the people.

The American people are good masters. They are tolerant of mistakes and waste which would have most employees, perhaps, out on the street. But like all employers, the American people have a characteristic that they will not tolerate, and that is dishonesty.

As the servants of the people in 1935, this body and the Government of which we are a part, made a promise to the Nation that we would create a separate insurance trust fund paid for, Mr. President, out of working people's pockets, to provide for the widowed and the aged, the orphaned, and the infirm.

As servants of the people, we radically overhauled the fund in the early 1980's, substantially raising the tax burden that people had to bear in order to secure the Nation's solvency and the system's solvency. That overhaul worked, Mr. President.

The Social Security trust fund now pulls in a substantial surplus to provide for the future when America's graying baby boomers need their promised retirement. There are those, however, who would raid that account to pay for the mess created by the reckless deficit spending in the general fund.

During the past few weeks, I have urged each Senator not to violate the Social Security trust fund in the name of a balanced budget. This would be like going out of your home to go grocery shopping, and when you get there someone has picked your pocket.

To violate Social Security, Mr. President, would not resolve the central problem of this Government, created over the last decade and a half, that we have spent more than we have taken in, and at a very reckless pace, but would create a new and wholly illusory source of revenue which would encourage more spending, not the reductions we so desperately need to put in place.

It would also do something even worse. It would dishonor a promise we made to the American people when we completely overhauled the Social Security system. It would prove this Government unworthy of the only thing it has which really matters: the trust of the American people. It would shred the Social Security contract created by the legislators and presidents of yesteryear, and it would justify the cynical rejection of our core values, which is already so badly infecting many of our young people.

There was a time in this country when honor was an individual's most important possession. There was a time that as a people, we looked to a national honor as our most honored birthright. There was a time when one's word was his bond.

So, my colleagues, my fellow Senators, is that time passed? Have we become such little men and little women, of such low morals and such easy virtue, that we can disregard our solemn vows to those whom we serve, to the oaths that we made, to the values we espouse? I think not.

Sixty years ago, this body made a promise to the American people that we would not touch the Social Security trust fund for any other purpose. This promise was reaffirmed by President Reagan, Speaker of the House, Thomas ''Tip'' O'Neill, Claude Pepper, and the chairman of the Aging Committee, my friend, the senior Senator from New York, who was in on the program to bail out Social Security.

They did it because it was the right thing to do. We should do this because it is the right thing to do. Keep that promise, because it is the plaintive plea of the American people: This Reid amendment is not only for senior citizens, it is for all Americans, so Social Security will protect them.

Mr. President, I see on the floor, the senior Senator from New York and the senior Senator from Florida. I have some questions I want to ask the Senator from Florida. How long will the Senator from New York speak?

Mr. MOYNIHAN. Mr. President, I would like to speak for approximately 10 minutes to make a point in support of the Senator from Nevada.

Mr. REID. Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, I am happy to have this opportunity to make a point which I will summarize first, which is that the analyses of the effect of the balanced budget amendment that have been prepared in the Department of Treasury, for example, have typically been static estimates of the reduction of Government programs and Government transfers that would be required to reach a balanced budget by the year 2002. I think the familiar figure is about $1.2 trillion, and we will get that much less in the way of highway funds and this much less in the way of some other program.

I would like to introduce not a new thought but a parallel—and in my view, much more important—point which is that we put in jeopardy with a balanced budget amendment everything we have learned in the 60 years since the Great Depression about Government's capacity, through fiscal policy and monetary policy, to restrain the business cycle and put the economy on a steady path of economic growth.

The Senator from Nevada speaks of the Social Security trust funds. They are in surplus. In 1977 we moved from a pay-as-you-go system which was purely intergenerational. Persons paid into system and moneys were received by people who had left the system, or retired. We went to a partially funded basis in anticipation of the baby boom retirement. We put in place a surplus which would—just to give a sense of the dimension—would buy the New York Stock Exchange.

But we have not saved it. It was used to run or pay down the public debt, which translates into an increase in investment. We have used it for general fund purposes as the Senator from Nevada has said.

All should be on notice that that surplus, that cash surplus, runs out in the year 2012. Thereafter, the increasing portions of the Social Security payments will have to be brought out of the economy generally, not from the payroll tax. The year 2012 is not that far in the distance. I would be closer to 2012 than I would be from the time that I entered the U.S. Senate.

Therefore, the great issue is to maintain the economic growth of the past four decades, which marks a great change in our understanding of this subject. How to maintain more or less steady growth without the panics and depressions that have preceded it for a century and brought the great crisis of capitalism as it was understood to be in the 1930's.

Here is a chart with one of the most remarkable bits of line drawings we will ever see. Here is the real growth, percent change of real GDP—which is gross domestic product—from 1890 up to 1945. Look at that graph. Up, down; up, down; up, down. Three distinct times in that 60-year period there is a drop in GDP of 5 percent; twice there is a drop of 10 percent; once a drop of 15-percent. That 15-percent drop was the 1930's. If you liked the 1930's, you would like what came out of the 1930's—war. World war, with horrors still shaping citizens.

It was thought, what could be done? Classical economics taught us that markets clear, prices change, and we always get the full use of resources.

In the 1930's, an economics developed that we associate with John Maynard Keynes, however, he is not the only one that said, ''No, no, you can have an equilibrium with large proportions of capacity in the work force and capital unused.'' That was the great insight of the 1930's.

And now, Mr. President, if I may say, I speak about what I saw. I came to this city in the Kennedy administration. I became Assistant Secretary of Labor for Policy Planning and Research. The Bureau of Labor Statistics provided the data on which our economic policies were based. We had in 1958 the first real recession in the postwar period. Unemployment reached 6.8 percent. Then a recovery began in 1959 and 1960. Then it stalled, and President Kennedy came in and unemployment was 6.7 percent.

What to do. The analysis, and a correct one, which followed through three Presidencies, was that the revenues of the Federal Government were greater than its outlays. We kept running a surplus. In consequence, you had fiscal drag. You never reached full employment.

The Kennedy advisers thought of anything that came to mind. They moved the annual dividend on the veterans' affairs life insurance up one-quarter, which brought $300 to our household. Then inspired, they doubled the dividend, which actually brought us enough money to reach $1,000, which was a downpayment on the farm we still live in at Pindar's Corner in New York. Walter Heller, with the aid of Joseph Pechman at the Brookings Institution, thought about revenue sharing; if we could give money to the States, they would spend it, and you would not have the fiscal drag of surpluses.

President Johnson's people ascribed to this approach to fiscal policy and followed it pretty much. They did not quite deal with the inflationary aspects brought on by spending in the Vietnam war. President Nixon had to bring that down, but then he had to stimulate it up again.

George Shultz, one of the great public men of our age, as the first Director of the Office of Management and Budget, put in place a balanced full employment budget which he defined as one in which actual outlays did not exceed revenues that would come in at full employment. We built in a deficit to increase employment. It is a little arcane but not so arcane. Your average high school graduate can understand it. It is just if you have been out of high school a long time, it is a little harder.

Look at that performance—up, down; up, down; up, down; prices, panic, depression, and since 1945, a steady growth. This represents real growth, increases in GDP each year, a little tick in 1958, a little tick in 1961, another tick in 1979. The only real recession was 1982, when GDP dropped about 2 percent. Otherwise, steady growth. A great achievement in social learning. I

do not know the equivalent in modern times. And we put it directly in jeopardy with this amendment. A balanced budget, for 12 months; if you think about it, it is an agricultural cycle. We do not live on an agricultural cycle, Mr. President. We live on a 5-year cycle, or something like that.

I would like to go back to the Smoot-Hawley tariff, which was another idea on this floor in 1930. At that time, 1,028 economists pleaded with Herbert Hoover not to sign that bill. He signed it. Within a year, the British had gone off free trade into imperial preference. The Japanese went to the Greater East Asian Prosperity Sphere. In 1933, with unemployment at 25 percent, Adolf Hitler became Chancellor of Germany in a free election within the Parliament. This is what we climbed out of in the way of knowledge and what we are plunging back into in our ignorance.

In 1979, I asked Charles Schultze, then Chairman of the Council of Economic Advisers, would he run the 1975 recession on a computer down at the Council with a balanced budget amendment. He wrote me that the computer blew up—GDP dropped 12 percent.

Just now, Dr. David Podoff, the former chief economist of the Committee on Finance—and now minority chief economist—who studied under Robert Solow, Paul Samuelson, and Franco Modigliani, three Nobel laureates, simulated a drop in the 1995 economy if some—I use a big term—exogenous shock came along, oil prices doubled, Mexico defaulted—you can name a lot of things—and unemployment went up by 3 percentage points. Using Okun's law, as to what a rise of 1 percentage point in the unemployment means, a drop of about 2.5 percent in GDP, he comes up with a new equilibrium of 18 percent below GDP's potential because of this amendment. Unemployment 12 percent. The last time we had 12 percent unemployment was 1937.

That is why, just as the economists tried to warn in 1930, last week Robert Solow of MIT came here with other economists, and read a statement opposing the balanced budget amendment that he and Paul Samuelson, both Nobel laureates, had written. The petition—circulated by Mr. Jeffrey Faux made a number of points about this proposal. But No. 2 is this:

Even if economic forecasting could be done with pinpoint accuracy—

As the Senator from Nevada knows, it cannot be done and as he was saying—

requiring balanced budgets in each fiscal year, regardless of prevailing economic circumstances, is bad public policy. The Federal Government, unlike State and local governments or individual households, has a special responsibility to finance its operations in a way that helps balance economic activity in the entire economy. When the private economy is in recession, a constitutional requirement that would force cuts in public spending or tax increases could worsen the economic downturn, causing greater losses of jobs, production, and income.

Mr. President, we know this, we have shown it, we have done it, and they will curse this generation in times come if we ever inflict this abomination on the Constitution of the United States.

We will not have the resources to pay Social Security benefits. The economy will be stuck at 80 percent of capacity, 15 percent unemployment—whatever it will be. It will not get better because there will be no way for it to get better. The courts will dither and the monetary authorities at the the Federal Reserve will ask what is its capacity. You could cripple the American economy. Just to get reelected? No, Mr. President, there are things more important than getting reelected.

I hope we understand what is at issue: Social Security and the American economy and the extraordinary achievement of economic understanding of the last half century. Nothing less, Mr. President, and we will ignore this to our disgrace if it should pass.

I yield the floor, and I thank my friend from Nevada for allowing me to speak.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, one of the pleasures I have had in serving in the Senate of the United States is to be able to serve on a committee with the distinguished Senator from New York who has just spoken. I think one of the two or three highlights of my congressional career is when a few years ago we did the highway surface bill. We had a real tough time in the committee, we had a difficult time on the floor, and a real tough time in conference.

But we came up with a bill which I am proud of and I think was the beginning of a new surface transportation philosophy in this country. We have come to the realization in this country, as a result of the input of the distinguished Senator from New York, that more highways is not necessarily the answer to all of our problems; that we need incentives to keep people from driving their automobiles.

I could go on at some length about the statement just made by the Senator from New York, but one point is that all Senators who were on the floor during this particular time moved to listen to him.

I appreciate the statement of the Senator from New York.

Mr. MOYNIHAN. I thank my friend.

(Mr. GRAMS assumed the chair.)

Mr. REID. Mr. President, I indicated earlier that I saw the Senator from Florida come to the floor. I am wondering if I could engage in a colloquy with the Senator from Florida. I have some questions based on a previous statement the Senator gave, the answers to which I think the Senator could impart his thoughts and views and I believe wisdom to the Members of the Senate.

I would first ask Senator GRAHAM if he could review the structure of the Social Security trust funds. Will the Senator do that?

Mr. GRAHAM. Mr. President, I appreciate the question that has been asked by my friend and colleague from Nevada, and it follows on very appropriately after the comments that have just been made by Senator MOYNIHAN, who was here for the restructuring of Social Security.

As Senator MOYNIHAN indicated, up until the late 1970's, Social Security was like most Federal trust funds, a pay-as-you-go system. It took in enough money each year to meet the obligations for that year. But beginning in the late 1970's, it became apparent that as demographic changes were occurring in our country, it would be necessary to change the structure of Social Security.

What were those demographic changes? Demographic changes were not a new phenomena. They occurred throughout man's history and our national history, that is, the rate of births is influenced by historic, economic, and social factors.

I do not know the exact birth date of the Senator from Nevada, but I believe that he and I are approximately the same age, which means we were both born during the period of the Depression. If that is correct, that would indicate both of us were born at a time of relatively low birth numbers in the United States. There were not a lot of parents having children in the period of the 1930's. So we represent a small percentage of the total population of the United States.

Conversely, in the period immediately after World War II, large numbers of persons who had suffered through the Depression and then World War II came back, formed families and large numbers of children were born from the late forties up until the mid-1960's, the so-called baby boom era.

Those demographic highs and lows are going to have significant impact on the demand of the Social Security system. When Senator REID and I retire, if we do, at around 65, we and our cohorts and aides will not be putting too much of a demand on Social Security because there are not that many of us.

Conversely, when our children retire, they will be putting a very substantial demand on Social Security because there are so many of them. So beginning in the late 1970's and particularly with a revision of the Social Security System that occurred in 1983, Social Security shifted from a pay-as-you-go system to a surplus system, and the theory was that amounts beyond those necessary to meet immediate demands would be raised primarily through the payroll tax for Social Security and would build up surpluses until you reached the point that the large number of persons who were born in the post-World War II period reached retirement, and they would then draw upon those accumulated surpluses to meet their needs.

And so this first-blue-then-red line indicates the structure of the Social

Security system as outlined under a surplus plan.

This structure is not a mistake. It is not an aberration. It is not something where part of the machinery went bad. This is the way it is supposed to operate. And so the system is that this year we will have a surplus of revenues in the Social Security over expenditures of approximately $80 billion.

Mr. REID. Could I ask the Senator another question then?

Mr. GRAHAM. Yes.

Mr. REID. I think the Senator has done a good job of reviewing the structure of Social Security. How does that surplus affect our ability to bring the rest of the Federal budget into balance?

Mr. GRAHAM. Well, it does in a very dramatic way. If Social Security were on a pay-as-you-go basis, it could be melded easily into the rest of the Federal budget because each year you would be taking in approximately the same amount that you would be expending.

However, with Social Security, since it is structured to have large surpluses followed by enormous deficits, it will have a very distorting effect on the rest of the Federal budget if you attempt to arrive at a balanced Federal budget.

Let me just pick a couple of years as an example. In approximately the year 2010, the Social Security system will be running a surplus of close to $200 billion a year. Now, under the way in which the Federal budget is constructed today and in which this amendment will constitutionally require it to be constructed for all times, all Federal revenues and all Federal expenditures are merged together. That is, a dollar spent on Social Security and a dollar spent on paper clips has exactly the same impact on the Federal deficit.

Now, the consequence of that is that the $200 billion of surplus that Social Security will be running in approximately 15 years effectively becomes a subtract factor from the rest of Federal expenditures, that is, the Federal Government can run a deficit of up to approximately $200 billion in the year 2010 and it will not have any effect in terms of a balanced Federal budget because you will be able to subtract the Social Security surplus against the deficit that you are running in the rest of the budget and it ends up at zero. Therefore, you have met the constitutional requirement of a balanced Federal budget.

Let us just take another year, 10 years further down the stream in the year 2025, when we will be running not a surplus in Social Security but a deficit of approximately $400 billion.

Let me just point out to my colleagues that the structure of this surplus plan is that at a point in about 2019 we will reach a maximum surplus of $3 trillion plus or minus, and then in a period of 10 years we will spend that $3 trillion. Every one of those dollars represents a contribution to an enhanced Federal deficit. So our colleagues who will follow us here in the year 2025 will start their budget deliberations $400 billion in the hole because that is the amount of expenditures over income in the Social Security system in the year 2025.

I submit to my friend and colleague from Nevada that the Social Security pattern of surplus and then spendout is incompatible with its amalgamation with the rest of the Federal expenditures. It is such a large and such a distorting factor and its structure is so antithetical to the rest of the Federal budget that in my opinion it will be impossible to balance the Federal budget during this period from the year 2019 to 2029 if we mandate Social Security be integrated with the rest of the Federal budget.

Mr. REID. If I could ask my friend another question, it would seem to me from the picture the Senator has painted here the last few minutes that Social Security should rise or fall on its own merits; it is such a large numerical part of our Government that whatever happens to Social Security should be handled alone, separate and apart from the general revenues of this country.

Mr. GRAHAM. The Senator has made a very good point, Mr. President. Let me just put some approximate numbers behind that. This year the Federal Government will spend approximately $1.6 trillion—$1.6 trillion.

Of that $1.6 trillion of expenditures, approximately $320 billion will be Social Security expenditures. So Social Security represents, more or less, 20 percent of all Federal expenditures.

In terms of Federal income, the Federal Government will take in this year approximately $1.4 trillion—the difference being the $200 billion of deficit that we are currently scheduled to absorb this year. Of that $1.4 trillion of income, Social Security represents $400 billion. So Social Security represents well over 25 percent of our income into the Federal Government. It represents 20 percent of our outgo. So it is an enormous proportion of our Federal fiscal activity.

That large scale and this peculiar spending pattern—which is dictated by demographic considerations, the surge of births in the population over generations—are the factors that, in my opinion, not only justify, but mandate that Social Security be removed from the rest of the Federal Government and treated as it should be, as a separate fund representing a special trusteeship responsibility between the American Government and the American people.

Mr. REID. Mr. President, I ask my colleague, Senator GRAHAM, are there other policy considerations relating to whether Social Security is included in the Federal budget or off budget, as the Reid amendment proposes?

Mr. GRAHAM. In my opinion there are some very powerful considerations. Let me just mention a few of them.

One is the fact that Social Security, as the Senator from New York indicated, is going to have some serious challenges in and of itself. As an example, there is an assumption among many Americans that the surplus that we have been building up is being invested in some type of security that will be sacrosanct, will be protected, will be prudently managed so that when we need the money—beginning in approximately the year 2019—the Social Security administrators will be able to go to a third party and say, ''Here is the money that I invested in you way back there in 1995. We need the money now in order to pay off the rights, the aspirations, the expectations of our current generations of retirees. Would you please liquidate this instrument so we can make these payments?''

Well, the person to whom that question is going to be asked—''Ask not who that person is, because he and she is us.'' We are spending that money now, not investing it prudently for future years' needs. We are spending it to finance the deficit. There is no pool of money that is being prudently managed. So when the year 2019 comes, the Social Security Administrator is going to come to us, those who will be in these seats, and say: I need approximately $40 billion, which is the amount beyond what we will take in this year in order to meet our obligations. Please write us a check for $40 billion.

We are going to have to either raise taxes or cut spending somewhere another $40 billion, or some combination, in order to meet those obligations. That is a very serious issue. We need to be able to deal with that issue. We need to be able to deal with it, in my opinion, as a separate, discrete issue, not commingled with the question of whether we are trying to do it, really, as an under-the-rug way of balancing our Federal budget demands this year.

I think as long as we have Social Security integrated with the rest of the Federal budget, we are going to be frozen in our capacity to deal with some of the real, fundamental issues facing Social Security because there will be this cloud of suspicion that we are doing it, not to protect and solidify and make more reliable Social Security, but are just doing this as a means of balancing the Federal budget on the back of Social Security.

So I think that is just one policy reason why we ought to remove Social Security from the rest of the Federal budget as it relates to this constitutional amendment to require balancing and be able to treat with the real needs of the Social Security system as an independent trustee would do, not as politicians subject to the cynical charge they are doing it in order to balance the rest of the Federal budget on the savings of our Social Security beneficiaries.

Mr. REID. I have a subsequent question I would like to ask the Senator.

What would be the Senator's answer if a question were asked, which I am asking: If this amendment, the Reid amendment, is not agreed to and Social Security becomes again part of the general revenues of this country, what is the future of Social Security?

Mr. GRAHAM. Mr. President, I think the future of Social Security, if it is held within this balanced budget amendment as part of an integrated Federal budget, will mandate major change. For instance, I think we will have to go back to a pay-as-you-go approach to financing Social Security. In my judgment it is incompatible to have a combination of, one, a surplus approach to financing Social Security and, two, a constitutional mandate that Social Security revenues and receipts be integrated, commingled with everything else that the Federal Government does and, third, that the result of that Federal budget is an equilibrium, a balance of expenditures and revenues.

Those three principles are, in my judgment, incompatible. So I think we will have to go back to a pay-as-you-go Social Security system and therefore will face, as the Senator from New York stated, intensified intergenerational conflicts as we are going to be asking a smaller and smaller pool of Americans—particularly after the year 2019—to be paying for the costs of a larger and larger group of American retirees.

Mr. SIMON. Will my colleague yield?

Mr. GRAHAM. I would, but——

Mr. REID. I have the floor.

Mr. SIMON. I apologize.

Mr. REID. I ask, will the Senator wait until I finish the colloquy with the Senator from Florida?

Mr. SIMON. Sure. I did not realize the Senator from Nevada had the floor.

Mr. REID. I see the Senator has some other visual aids here that he wanted to go over. Is that right?

Mr. GRAHAM. I do. These really relate, not specifically to the Social Security issue, but rather to the general question of should we have a constitutional amendment requiring that we balance the Federal budget, a proposition that I support. We should have it.

Mr. REID. As does this Senator.

Mr. GRAHAM. We should have such amendment. But it should be a thoughtful, sensitive—frankly, a smart amendment, not one that is just a mindless sledgehammer. And I believe part of that intelligence is to use a scalpel and remove Social Security from the balanced budget amendment, treat it as a separate item, and then balance the remainder of the Federal budget.

Mr. REID. Has the Senator from Florida not also suggested that one of the avenues would be to extend the time out for a few years until you balance the budget? Will the Senator explain that?

Mr. GRAHAM. Yes. I have indicated one thing that I think we are going to have to do if we do not agree to the Reid amendment; that is, we are going to have to go away from a surplus system of Social Security to a pay-as-you-go, which I think would be a serious step backward and will put in political, if not economic, jeopardy the future of Social Security because of the generational conflicts that it will create.

One of the purposes of this surplus system was to avoid exactly those generational conflicts. The people who are going to be benefited after the year 2019 are paying the taxes that are building the surplus. So, essentially, they are making a payment for themselves. I do not believe we can continue that system if we require a balanced budget which integrates Social Security with the rest of the Federal budget.

I believe if the Senator's amendment is adopted that a change that we should make would be to rethink the year that we should attempt to reach balance. Currently, we are going to be reaching balance in the year 2002. We do that in large part because we have these significant Social Security surpluses to take into account.

My calculations are that if we adjusted that from 2002 to 2005 or 2006, we would be in exactly the same economic position as we will be with the year 2002, minus the distorting effect of these Social Security surpluses, and we will be able to reach balance in a prudent period of time that will not cause unexpected shocks to the economy. No one wants to be part of passing a constitutional amendment and then find out that we are charged with having contributed to a national recession or depression because of the too-rapid pace in which we tried to bring a 30-year, out-of-control spending pattern into balance.

So if we do not agree to the amendment, I think we are going to have to move away from the current pattern of financing Social Security. If we do agree to the Senator's amendment, which I strongly urge my colleagues do, then I think we should adjust the date from 2002 to 2005 or 2006.

Mr. REID. Mr. President, I say to my friend from Florida, he has been a long supporter of the balanced budget amendment. We need to do a better job of matching our spending with our receipts.

Does the Senator feel that a Social Security exemption, taking Social Security out of the balanced budget amendment, in effect, is a more sound way of arriving at a balanced budget, working with the unified budget of this country?

Mr. GRAHAM. Absolutely. The reason is because there will be so much distortion in Federal expenditures and receipts because of the size of Social Security today—20 percent of expenditure and 25 percent of income—and even more so because of the way in which those revenues and expenditures are taken in and disbursed based on the desire to meet a generational shift in demographics.

Mr. REID. I would also ask my friend this question. It seems to me that those people who are calling for a balanced budget would have a much easier time, in the first few years of balancing it, if they can use this money which is not theirs, so to speak.

Mr. GRAHAM. I am afraid of that. There are some, such as the Chair of the House Judiciary Committee, who in fact spoke about the reason that he opposed taking Social Security out of the rest of the Federal budget, which was for exactly that reason. It is going to make our task in the next few years more difficult if we are not able to unmask the extent of the deficit by these Social Security surpluses. He is absolutely right. It will make our task more difficult. That is one of the reasons I am suggesting that we extend the period by 3 or 4 years. But I do not believe the purpose of this ought to be to meet our comfort level in the next decade.

I think it is interesting—and I know the Senator is aware of this because we discussed it last week—there have been, I believe, some 27 amendments to the U.S. Constitution since it was first adopted, and only one of those amendments has ever been repealed once adopted. That was prohibition. What that says to me is that we are about very serious and long-term business. When the first 10 amendments, the Bill of Rights, were written, people were not thinking about, ''Well, what kind of right of assembly or what type of right of freedom of the press do I want to have for the next 10 years, because I am running a newspaper and I want to protect myself for the next decade?'' They were thinking for the indefinite future. And we are the beneficiaries, 200-years-plus-later, of their vision.

We need to think in the same way about what we are doing here this day, this week, this month, this year; that is, if we pass a balanced budget amendment, we should assume that it is going to be part of the Constitution of this country for the indefinite future, and should attempt to structure it in a way that best meets those long-term needs of our Nation.

Mr. REID. I appreciate the answers to the questions.

Mr. GRAHAM. I thank the Senator very much.

Mr. REID. Mr. President, did the Senator from Illinois still have a question of the Senator from Nevada?

Mr. SIMON. Mr. President, if my colleague will yield just for 5 minutes, I would like to respond.

Mr. REID. I have a statement to make. If the Senator has a question.

Mr. SIMON. I do not have a question. I ask unanimous consent that I have the floor for 5 minutes following the statement.

Mr. REID. Mr. President, reserving the right to object, there are a number of other people coming. I do not think

there will be a problem in the world. I withdraw my objection.

The Senator from Illinois, as I understand the unanimous-consent request, desires 5 minutes when I finish.

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

Mr. REID. That is reasonable.

Mr. President, I received over the weekend two letters which I want to share with this body. One letter is from the National Committee to Preserve Social Security, wherein the president of that organization, Martha McSteen, said among other things the following. The letter is directed to me:

This is in response to the Republican Policy Committee analysis of your amendment to exclude Social Security from the balanced budget amendment.

I say as an annotation to this that the Republican Policy Committee came out with a paper as to why this amendment was not good. Martha McSteen is responding to that. She said:

The first option presented in the paper makes clear once again that supporters of the balanced budget amendment intend to continue using the Social Security trust fund surpluses to mask the general fund deficit. The analysis under option 1 reminds lawmakers that, if the amendment to exclude Social Security is adopted, the Government will no longer be permitted to use the surplus to mask the deficit and would be forced to cut spending or increase taxes . . . Of course, this is precisely what must happen if the Congress is serious about dealing with the deficit. Continuing to use Social Security surpluses to mask the deficit only allowed the continuation of deficit spending in the general fund. The Republican policy paper notes that excluding Social Security would ''make it harder to achieve a balanced budget.'' But although it is a more difficult path, it is the only fiscally responsible path towards balancing the Federal budget.

This is exactly what my friend, the senior Senator from Florida, just said on this floor.

Ms. McSteen continues:

A balanced general revenue budget which does not rely on borrowing from Social Security is a budget which will foster the savings necessary to create jobs and to increase productivity. This ultimately is what is necessary to finance retirement of baby boomers. Excluding Social Security receipts and outlays under a balanced budget amendment is an accounting system used by employers and State governments all over the country to balance their budgets without counting the returns of funds as revenues. These entities all recognize that these funds are collected for the purposes of retirement, not general fund financing. The Federal Government should be held to the same standard of fiscal integrity.

I think that says volumes, Mr. President, about option one of the Republican Policy Committee.

Option 2: She says:

Reid argues there is a potential loophole for Congress to redefine other spending programs as Social Security. Of course, the implementing legislation which supporters contend can deal with any problem with the balanced budget amendment could certainly deal with this problem. At any rate, we believe that Americans would not tolerate such a plainly deceptive practice which would undermine Social Security while increasing the deficit.

We have said in this debate, Mr. President, that it would take a 60 vote supermajority to allow any other programs to come into the program. So for this and other reasons, Mrs. McSteen is right.

Third option: Mrs. McSteen complains that

Without a constitutional requirement to soundly finance the Social Security system, Congress would deliberately create a deficit in the trust fund. This argument ignores nearly 60 years of history with Social Security. Since the inception of Social Security, Congress has acted repeatedly to keep Social Security solvent, without any constitutional requirement to do so. The discipline of the trust funds' approach has required Congress to maintain a system on a sound financial basis. After all, if the trust funds would run out of money, the Government could not pay the benefits, including Social Security and consolidated budget under the balanced budget amendment, destroys this trust fund discipline, and creates the gravest threat to the future of Social Security.

The fourth option raises a serious problem with the balanced budget amendment. The balanced budget amendment changes the definition of Federal debt under the relevant debt limit. Currently, debt for the purposes of the debt limit is defined as ''debt held by the public and debt held by trust funds.'' The balanced budget amendment changes the definition and limits it to only the debt held by the public under this new definition. The debt, at the end of fiscal year 1994 would be $3.4 trillion, not the $4.6 trillion statutorily defined in the Federal debt. Enactment of this balanced budget amendment would wipe out $1.2 trillion in debt owed to Social Security and other Government trust funds. It is this accounting system which is bizarre and the policy paper analysis for option 4, if the amendment is adopted, Congress will not get away with this budgetary sleight of hand. In conclusion, the nearly 6 million members and supporters of the national committee remain committed to your amendment to exclude Social Security as the only way to preserve the integrity of Social Security under the balanced budget amendment.

Mr. President, I also have here a letter from the American Association of Retired Persons. It says, among other things:

The AARP thanks you for your leadership in trying to protect Social Security in the proposed constitutional amendment requiring a balanced budget. Your efforts, particularly on the Senate floor, underscore the program's importance and the potential impact of the balanced budget amendment on the over 42 million people of all ages who receive Social Security benefits and the 138 million workers who contribute to the system and expect to receive Social Security.

Specifically exempting Social Security recognizes that Social Security is a self-financed program, based on contributions from employers and employees that are credited to Social Security Trust Funds. Social Security currently has over $400 billion in reserves and is not contributing 1 penny to the deficit. The reserve is projected to grow by about $70 billion this year alone, and raiding the trust funds would be devastating to both current and future beneficiaries and would further undermine confidence in this Nation's most important program.

A specific exemption in the balanced budget amendment for Social Security is the only way to protect the program from being misused in the name of deficit reduction. Anything less than this exemption is not binding on future Congresses. Older Americans agree that the deficit is a major threat to our Nation's future and that deficit reduction must be a high priority for Congress and the President.

Signed by Harold Deets, president of the American Association of Retired Persons.

Mr. President, the Center on Budget Policy Priorities, of which the executive director is a man named Robert Greenstan, has put out a paper on February 10, where they analyze what the Joint Committee on Taxation says about the Contract With America and other programs now being initiated here in Congress. The final paragraph of this paper says:

The potential for large tax cuts to be enacted and paid for only for 5 years suggest the Nation could be placed on a course in which very large deficits would remain as we get close to the year 2002. If a balanced budget amendment has been approved and ratified, this could create a constitutional crisis. In that crisis, it would be extremely difficult for the largest Federal program, Social Security, to be shielded.

Mr. President, I further say that the amendment that was passed here last Friday is meaningless. I talked about it then. We know that section 7 of the constitutional amendment that is before this body mandates that Social Security trust funds be part of the effort to balance the budget. It is not only in the written English language of the proposed constitutional amendment, but the Judiciary Committee which put the bill on the Senate floor also said specifically that Social Security trust funds will be part of the moneys used to balance the budget. It cannot be any clearer than that.

We know that any enacting or enabling legislation could not supersede the language of the Constitution. So amendments like that which passed on Friday are as worthless as the paper they are written on. It was a meaningless amendment in every form of the word.

We have had many statements, Mr. President, in support of Social Security. When the balanced budget amendment passed in the House, we had Members of that body saying we are going to protect Social Security. The balanced budget amendment will not use Social Security. Their words could fill up more than these statute books on the Internal Revenue Code and what the Internal Revenue Service has done. Stacks and stacks more of words. They mean nothing, because the constitutional amendment now before this body mandates that those trust funds be used to balance the budget. Those statements were made only to divert.

The only way to show the sincerity to protect Social Security is to vote for my amendment. It is very simple. You either exempt Social Security through voting for this amendment or place the Social Security trust fund into a pot to

be used for aid to families with dependent children, foreign aid, farm subsidies, peacekeeping missions to Rwanda, Iraq, to buy B–1 and B–2 bombers. That is what the Social Security trust funds will be used for. The only way to show one's sincerity about protecting the Social Security trust fund is to vote for the Reid amendment.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. GRAHAM. Mr. President, I ask the Senator if he would yield for a question.

Mr. REID. I will yield for a question.

The PRESIDING OFFICER. The Senator has that right.

Mr. GRAHAM. the Senator has raised a point in his last comment, in reading from one of the letters he had received, that I do not think has received adequate attention as relates specifically to Social Security. Let me state my concern and see if I have accurately understood him.

Section 2 of the amendment, which is the section that will require that a three-fifths vote of the whole number of each House—that is the whole number of persons elected—will be required in order to change or to increase the debt limit of the United States held by the public. And the key phrase is ''by the public''.

It is my understanding that today when we deal with the debt limit, we are dealing with the debt limit of the United States and all of those persons or entities which may hold a portion of that debt, including the Social Security trust fund, which today holds approximately $400 billion of the debt of the United States or a shade under 10 percent of the debt.

Mr. REID. The Senator from Florida is correct.

Mr. GRAHAM. So this would say, for the future, we would ignore that portion of the debt that is held by Social Security and for other similar governmental trust funds and that would not count in terms of what the limit on the Federal debt would be.

Mr. REID. That is what the specific language of the proposed constitutional amendment says.

Mr. GRAHAM. That would seem to me, then, to create a situation in which, if this and future Congresses wanted to borrow money, it would be more appealing to borrow money from the Social Security trust fund or other funds like it than it would to borrow money from the general public, corporations, or other potential lenders, since borrowing from the public would require a three-fifths vote to do, whereas we could borrow without limit from the Social Security trust fund without such a restraint.

Mr. REID. The Senator is correct. All these moneys, all these excesses which, as the Senator pointed out earlier, will reach about $3 trillion, we could borrow against those and it would not even show on our balance sheet—''we,'' the Federal Government.

Mr. GRAHAM. In answer to one of the Senator's questions earlier when he asked some of the policy implications of having Social Security integrated with the Federal budget, I said that one of those was that it was going to make it more difficult to deal with some of the real problems Social Security has because there will be this cloud of suspicion that we are doing it not to help Social Security but to raid Social Security. And I suggested that one of those real problems is that the Social Security funds today are invested in U.S. Treasury instruments, for which there is no prudent plan of investment, and essentially the Social Security fund is going to have to come to the Congress in about 25 years, hat in hand, asking that these IOU's be converted into real dollars that can be used to pay the Social Security benefits to real Americans.

My own feeling is that we ought to be looking for ways in which to reduce that level of dependence on Federal Government borrowing, as, I might say, collaterally, have most of the countries which have a social security system analogous to the United States, such as in Europe and Canada. They are using a broader investment pool than just their national treasury.

It seems to me that this language is going to make it politically much less attractive for us to consider those other alternatives to strengthen Social Security, because we are going to have a strong incentive to want to borrow every dollar we can from Social Security, since those dollars do not have to be subject to a debt limit, whereas the dollars that were borrowed from virtually everybody else are subject to a debt limit.

Mr. REID. I say to my friend from Florida that he is absolutely right. We have been through, here in this body, the savings and loan debacle. That would appear as nothing on the radar screen, literally nothing, the billions of dollars that we had to come up with to make whole the savings and loans and those people that made deposits in those institutions. It would be nothing compared to what we would have to do if these moneys are gone when we start delving into the Social Security trust fund which, in effect, would be nonexistent at that time.

Mr. GRAHAM. I say to the Senator, I will just conclude by saying his responses to my questions and his analysis of this, I think, raises even further reasons why it is so critical that we adopt his amendment and treat Social Security as a trust fund, as a contract, as a sacred responsibility between the American people and their Government and not have it mindlessly commingled with the rest of the Federal budget.

Mr. REID. I agree with the Senator from Florida.

I yield the floor to my friend from Illinois.

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

Mr. SIMON. Mr. President, I start off from the same premise as my friend from Nevada and my friend from Florida. The reality is, we have a contract with Social Security recipients.

And I started—I say to my colleague from Florida, if I may have his attention here—I started off precisely where he is for some of the same reasons. If you check back about 10 or 12 years ago, I introduced a balanced budget amendment that excluded Social Security. I want to protect Social Security.

We have today only 11—I should not say ''only,'' because it is still too high—but 11 percent of those over the age of 65 who live in poverty. And those who say, ''Well, since we have 23 percent of the children who live in poverty, somehow this is wrong,'' the reality is, Social Security has worked, it is a contract that has worked. We have to protect it. And we ought to deal in other ways to protect the children.

But my reason for not including it, as we worked on the language, in those outyears is because I want the Federal Government to feel that it has an obligation not just when there is a surplus, as there is today, but in those outyears that go down. And some projections have it earlier than the year 2019.

I think if this is agreed to, what leaders of Congress should do—and my friend from Florida has been a real champion in the whole area of senior citizens and protecting them—I think people like Senator GRAHAM and others ought to sit down with the AARP, with other senior groups and say, ''How do we protect this in the long run?'' I do not want an exclusion where we say, ''Well, Social Security is off by itself,'' and then in another couple of decades or three decades it starts going down the tube and Congress can say, ''Well, that is excluded from the Federal budget. We don't have a constitutional responsibility here.''

I think we ought to protect Social Security. I have voted statutorily for many years to balance the budget without including that surplus, and I know my friend from Florida has also.

But, I think if the constitutional amendment passes—and I would add the great threat to Social Security is the monetizing of the debt; that we are just going to start the printing presses rolling. That is the huge threat. That is what Bob Myers has talked about. This is a judgment call. I respect my friend from Florida and my friend from Nevada and others who are going to vote on the other side of this.

But if this amendment loses, let no one have any doubt about it, that the best way to protect Social Security is to protect the value of the dollar so that those bonds are meaningful. And that is why we have to agree to the amendment.

But I think then we are also going to have to review a lot of things that we have not reviewed up to this point.

Just as one example—I do not know the right answer here—I think is the immigration law. We may very well, as

you look at the demographical studies of our population, we may very well have to say in the future we are going to give priority to younger people as immigrants because of this situation, things that we have traditionally not done before.

But I agree completely that we have to protect the system. I do not want to go on a pay-as-you-go system. I think that would be devastating.

And I have to say, I am not convinced we should follow the path of other nations in terms of private investments. But this amendment does not change that. I think we have to be cautious as we move in that direction.

But I just wanted my colleagues from Florida and Nevada to know that those of us who will vote against the amendment also believe very strongly that we have to protect Social Security.

Mr. GRAHAM. Mr. President, would the Senator from Illinois yield?

Mr. SIMON. Mr. President, I would be pleased to yield.

Mr. GRAHAM. Mr. President, this may appear to be tangential to the issue before the Senate, which is the question of whether Social Security should be removed from the calculation of the balanced budget amendment. But I think that it does, in fact, go to the ability to deal with some of the fundamental problems of Social Security.

Section 2 of the amendment which talks about the Congress having to vote by a three-fifths margin to raise the debt limit specifically restricts that vote to raising the debt limit for debt held by the public. In the committee report it clarifies that is meant to exclude borrowing from the Social Security trust fund or from other Federal trust funds.

I am curious as to what is the rationale of that restriction on only debt held by the public being required to be subjected to that higher than majority vote of the Congress.

Mr. SIMON. Mr. President, the idea here is simply that we have to have some kind of an enforcement mechanism. So to increase the debt, we have to have the three-fifths.

Now the point that my colleague makes that would make it more difficult to shift to a different way of utilizing the funds of Social Security, that is accurate. I would agree with his point, though I have to add that every committee of Congress that has ever studied this, to my knowledge, has come to the conclusion that it would be a great mistake for the Social Security funds to be used for private investment.

Mr. GRAHAM. Mr. President, my concern is that it seems to me if we are concerned about the amount of debt that the Federal Government is undertaking, we ought to be concerned about the amount of debt without regard to who the lender of those funds happens to be.

I am concerned that by saying that we can borrow from Social Security with a majority vote, would require a three-fifths vote to raise the debt limit where it relates to borrowing from the public, that we will create a political imbalance which will be more attractive to borrow from Social Security.

Mr. SIMON. Mr. President, I think my colleague misreads the amendment here. We are not talking about treating those funds held by Social Security—the bonds held by Social Security—as any different than the bonds held by the Senator from Florida.

Mr. GRAHAM. That is not what the committee report says. The committee report specifically states that the purpose of the phrase ''debt of the United States held by the public'' is to differentiate between indebtedness which is held to private individuals, corporations, nonpublic institutions, State and local governments, are all part of the category of ''The public''—those that are excluded that are the Federal Government trust funds of which Social Security is by far the largest.

So, it seems to me we are setting up a system here in which we create a clear political preference for borrowing from nonpublic entities, for example, Government trust funds, primarily Social Security, as opposed to borrowing from other sources.

I do not understand what the public policy rationale of that is and, more so, what the rationale is of putting that in the Constitution.

Mr. SIMON. Mr. President, I yield to my colleague from Idaho, and then I will yield the floor, Mr. President,

Mr. CRAIG. I appreciate the Senator from Illinois for yielding and I appreciate the question of the Senator from Florida.

Last week, the Senator from California and I got involved in a similar discussion, what the committee report reflects is the current law. What the Senator is reading is the current law. The current law of the Social Security system requires that the Federal Government borrow the reserves. No one can borrow them. They cannot be invested outside of Government.

What the Senator is reflecting, and what the committee report reflects, is the current law. I think it is clear in that report. What would have to happen for it to do as the Senator is suggesting might be done, we would have to go in and change the Social Security laws of our country. That is not what this Senate is about to do in any sense, nor does it want to.

Ever since Social Security was created, the reserves that build up could only be loaned to the Federal Government, and because that is a current and constant process, that is what the report reflects.

Now, outside borrowing by the sale of Government securities, is a separate and different item. Of course, this report reflects that kind of statement. That is what the report of the committee is intended to reflect. I believe if we read it we can read that into it. Clearly, that is what was intended.

I have been involved with this for a long time. As we began to look at Social Security, we knew that the Social Security law was sovereign. Nobody wanted to change it. We did not have a majority vote to change it, did not want to. Nor could we, by crafting an amendment, change the nature of that statute. It was not intended.

Mr. SIMON. Mr. President, I yield the floor.

Mr. REID. Mr. President, I know the Senator from Idaho has the floor, but I would like to ask the manager of the bill a question.

I have had a number of people come over here and then have had to leave the floor because of other meetings taking place. I want to meet the concerns of the Republican leader and finish debate on this as quickly as possible. Would it be possible when the Senator from Idaho completes his statement, that we then go to the Senator from California, who has been waiting here for a considerable period of time? She desires 20 minutes. Then the Senator from South Carolina [Mr. HOLLINGS] has come to the floor three times, seeking the floor. I think it would be good to have him finish his statement, and he said he had 20 minutes. And I see the Senator here from West Virginia who desires 10 minutes, so he could follow the Senator from California and then the Senator from South Carolina.

Mr. HATCH. Mr. President, I ask unanimous consent that the three get permission to speak following the Senator from Idaho, as soon as he has concluded, in that order and for those amounts of time.

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

Mr. CRAIG. Mr. President, I will talk briefly this afternoon about the Reid amendment.

As the Senator from Florida leaves, there is one comment I would like to make about a question that he asked the Senator from Nevada, and an ensuing dialog that they had that I felt was very insightful and extremely important as we address the issue of the inclusion of Social Security and its trust funds inside a balanced budget amendment, as the Senator from Nevada is proposing.

After an analysis by the Senator from Florida—and I am only paraphrasing from memory—I believe he concluded that one of the real problems that put the Social Security trust funds at risk, based on the Social Security law that those reserves must be borrowed by the Federal Government and exclusively by the Federal Government, is that we had to stop the Federal Government or slow down the Federal Government's ability to borrow.

I believe that is what he said. That is one of the great threats. And he is absolutely right. I agree with it totally. The debt of our Federal Government is the threat to Social Security. The borrowing of the Federal Government is the threat to Social Security—not a

balanced budget amendment. The very accumulative activities that this Congress has been involved in for the last few decades.

The Senator from Florida is absolutely right—borrowing is the problem. It is what put Social Security at risk. It is what has consumed the trust funds, in a legal way, in an interest-bearing way. But when the day comes that those trust funds must yield for the purposes of paying the recipients of the Social Security system, what do we do?

This is what Bob Myers said, who was the actuarial of Social Security: Stop the debt creation. That is exactly what a balanced budget amendment is intended to do.

If we pass a balanced budget amendment and if we follow, then, the organic law of the land, the Senator from Florida's worries will begin to decrease. So what he is doing if he will support us in the balanced budget amendment is he will work to protect the Social Security system.

You just do not set it off to the side and continue to borrow the money away from it without some day having to ask the citizens of this country to raise the FICA tax to such a level that it would be confiscatory to the average working person in this country. That is what puts Social Security at risk; not a balanced budget amendment in the year 2002, but an empty trust fund in the year 2020. It is the borrowing of our Federal Government that has created or is creating this risk.

Gross interest is a product of the borrowing of the Federal Government. Right now, that gross interest figure is approaching one-fifth of our total spending. It is the second largest spending item in the Federal budget today. As debt grows, the logic is very simple: So does the interest charged grow. Therefore, I believe the logic that has been put forth by those who are the knowledgeable accountants and economists of the Social Security system is so sound, and that is that the debt is the threat, not the balanced budget amendment, but the very debt that we are all here trying to address and trying to resolve through this new mechanism, and that is the changing of the organic law of our land.

If we do nothing, and my guess is that if we vote the balanced budget amendment down we will do nothing again, because this Congress has demonstrated no political will to be fiscally responsible. What we are trying to do is to rearrange our institutional biases toward a fiscally responsible attitude and away from the pressures of the special interest groups that force us to borrow or cause us to borrow on a regular basis that has created the debt structure that we have.

So I am absolutely amazed when somebody wants to take Social Security and put it in the constitutional amendment and protect it in a way that does not allow the board of directors—the Congress of the United States—to manage it in a responsible way that will maintain its sovereignty and its solvency as we near those critical years of 2020 and 2030.

According to the Kerrey-Danforth entitlement commission, we saw the figures of what would happen by the year 2030 in their own projections:

Total Federal spending will top 37 percent of the gross domestic product, if we keep this Government on the auto pilot that it has been on for the past couple of decades; net interest will exceed 10 percent of the gross domestic product of our country, and the deficit will be 19 percent of the gross domestic product.

It does not take a lot of good common sense to understand that if we do not deal with this issue now, Social Security is going to be in desperate trouble at that time.

You can almost argue that all of the money of the Federal Government will go to interest on debt and Social Security payments. What about the pressures to fund some of the other programs? That is the risk to Social Security, not the debate on the floor today, not the idea of putting it in the amendment. We are not going to do that. The Congress knows better than to do that and to put it on auto pilot. It will not work. You cannot manage a system that must be managed as Social Security has been over the years.

The statistics and the facts that bear up under the current spending structure and the nature in which Congress now utilizes by borrowing the reserves of the trust funds of Social Security tell us very clearly that it is the debt that is the threat, not an amendment to the Constitution. It is the amendment that we are debating today and will vote on, hopefully, this week or next that will begin to move the Social Security system into a much stabler and fiscally sound economic environment of the Federal budget.

So I am always amazed at the idea that somehow we can wave magic wands. It does not work; it never has worked. What we are talking about here is a balanced budget amendment, and there is nothing magic about this. It just forces an entirely new responsibility and discipline. But the tough choices, as they have always been, will always be right here on the floor of the U.S. Senate and in all of the committees of authority and responsibility. We cannot pass go; there is no easy out.

But for the first time, we will not be able to just simply shrug our shoulders and go borrow a little more money. We will have to make the tough decisions, and in making those, we will have stabilized the economy of our Government, our country and, in my opinion, strengthened the Social Security system tremendously.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from California is recognized, under a previous unanimous consent order, for 20 minutes, to be followed by the Senator from West Virginia for 10 minutes, to be followed by the Senator from South Carolina for 10 minutes.

Mr. REID. Mr. President, the Senator from South Carolina was 20 minutes.

The PRESIDING OFFICER. The Senator is correct. The Senator from South Carolina will be recognized for 20 minutes. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, I would like to confine my remarks to four specific areas of concern. I have spoken on the Reid amendment twice before, and there are four specific areas that I want to discuss today.

The first is the committee report and its exemption of the everything-is-on-the-table concept.

The second is the floor discussion, centering around the concern that we are putting a statute into the Constitution.

The third area is the Dole figleaf amendment.

The fourth area is the point that Senator GRAHAM, the Senator from Florida, just made in his comments about section 2 of the balanced budget amendment as presented to this body.

Let me begin with my first point, the committee report and the exemption of the everything-is-on-the-table concept in this committee report.

Last Thursday, I mentioned that on page 19 under the section marked ''Total Outlays'' of the Judiciary Committee report for this legislation, the language states that among the Federal programs that would not be covered by S.J. Res. 1 is the electric power program of the TVA.

And then in the course of our floor discussion, it became clear that not only was the Tennessee Valley Authority excluded, but the Bonneville Power Authority was excluded as well. In other words, the electric power programs of this Nation took a higher priority than did the Social Security of some 42 million Americans today.

As I began to take a look at the Bonneville Power Authority, the point was raised, ''Well, these are not quasi-Federal authorities,'' and I must dispute that. They are, in fact, quasi-Federal authorities.

I refer this body to the General Accounting Office report entitled ''Bonneville Power Administration, Borrowing Practices and Financial Condition,'' dated April 1994. The facts from this GAO report are as follows:

The Bonneville Power Authority's plan for fiscal years 1993 to 2001 relies on Treasury for about 90 percent of its borrowing, 76 percent from bonds and 14 percent from appropriated debt.

Second, the accessibility of low-interest Treasury financing plays a substantial role in Bonneville Power Authority's approach to financing capital projects.

Third, Bonneville Power Authority is more heavily leveraged than other utilities.

Fourth, the Bonneville Power Authority faces significant operating and financial risks because of its heavy reliance on borrowing, recent operating losses, and various uncertainties.

Fifth, the Bonneville Power Authority's long-term debt in fiscal year 1991 was equal to 96 percent of its total assets, while the figures for public utilities, investor-owned utilities, and the Tennessee Valley Authority were 67 percent, 37 percent, and 79 percent, respectively.

And finally, Bonneville Authority's projected debt for fiscal year 2001 is $17.9 billion.

It was said on the floor that, if the Bonneville Power Authority got into trouble, this body would then have to consider whether we are going to pick up its debt or not. However, this Government would have no choice but to bail it out because the Bonneville Power Authority depends on the Treasury for 90 percent of its borrowing.

The point I am trying to make is that we are excluding a heavily leveraged power authority from the balanced budget amendment, but we are not excluding Social Security.

To me, that is a mistaken list of priorities.

I was also told on Thursday that I would receive a list of the other items that are excluded from the balanced budget amendment. I have not received such a list, but it is clear that everything is not on the table in the balanced budget amendment as has hitherto been reported.

I must assume that if the wording on page 19 of this report says, ''Among the Federal programs that would not be covered by Senate Joint Resolution 1 is the electric power program of the TVA authority,'' that there are also other programs excluded from the balanced budget amendment.

Now, I do not know whether the progams excluded are some Senators' pet programs, or some House Members' pet programs, or a group's pet programs, or this body's pet programs. But the point I wish to make is it is clear, crystal clear, in black and white, that programs are excluded from the balanced budget amendment. Not ''everything,'' as the distinguished Senator from Illinois says, is on the table.

This report indicates to me that everything is not on the table. I think those of us who are concerned about Social Security have a right to know what other programs are being excluded from the balanced budget amendment that we are not being told about.

Let me go on to my second point. The floor discussion that has just taken place, in essence, says that we should not put a statute in the Constitution. There is a certain iambic pentameter to the amendments of the Constitution of the United States that would not lend itself to anything as crass as protecting old age survivors and benefits trust fund moneys and that it should not be in the Constitution of the United States.

And then, second, the concern is expressed, well, if it is written into the Constitution of the United States, there are sure to come a large number of statutes.

Well, that is correct. However, let us take a look at the 14th amendment to the Constitution of the United States, a very major amendment to the Constitution, an amendment which guarantees civil rights. There are 20 volumes of statutes defining this amendment, and they are right here—20 volumes of the United States Code Annotated. It goes on and on, statute after statute, that has flowed from the passage of the 14th amendment to the Constitution of the United States.

That is well and as it should be because constitutional amendments need enabling action. That constitutional amendment, in fact, even says that there will be enabling legislation. So, frankly, that argument does not hold much water with me.

Let me go on to point No. 3, the Dole figleaf amendment. One of the things that is most disturbing to me about this debate is that the Senate must do just what the House has done. Suddenly we are the second-rate body. Just because the House of Representatives has passed an amendment, we must pass an identical amendment. There cannot be a conference committee to remedy differences.

Suddenly, the highest policymaking body in the United States of America is relegated to an also-ran body. We must do things just as the House of Representatives has done.

I do not accept that argument, Mr. President. People have often said that the House of Representatives and the Senate are like a cup of coffee and a saucer. The House is the cup of coffee, and you drink the coffee out of the cup. The Senate is the saucer into which you pour the coffee to cool it, and to discuss it, and to have it stand the test of time.

If this, in fact, is true, there is ultimate precedent for the Senate to take another course and to fashion its own balanced budget amendment recognizing the concerns of tens of millions of young Americans who are paying FICA taxes today to save funds for retirements tomorrow. These funds may not be available for their retirements.

Now, the Dole amendment. Why is it a figleaf? Why is it a figleaf that does not even cover the parts that a figleaf would normally cover?

Let me try to explain. The Congressional Research Service in an opinion dated February 6 very clearly states that if the amendment is ratified as drafted, Congress would be without the authority to exclude the Social Security trust funds from the calculations of total receipts and outlays under section 1 of the amendment.

The figleaf simply stated that we refer this to the Budget Committee, and we say, ''Budget Committee, at your leisure consider this and present back to the Senate at some later time how to achieve a balanced budget without increasing the receipts or reducing the disbursements of the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Trust Fund to achieve that goal.'' It is whole cloth. It will not make any difference because this esteemed body, number one in the United States of America, would have passed an amendment which enshrines language into the Constitution of the United States that the Dole figleaf is absolutely unable to amend or change in any way. And yet we did it because the House of Representatives did it.

So what passes the House of Representatives is good, and we then must be in lockstep and also pass?

I do not believe that is right. I do not believe that is why the people of the United States elected people to the Senate, to say OK, you say jump and we will say just how high?

We have our own minds, our own voices, our own constituencies that reach deep across the United States of America and involve entire States.

I do not believe that the working men and women of this country are well served if we impose, as this body and the other body have, a FICA tax to pay for their retirements and then we take those moneys and use them to balance the budget. That is wrong. It is dishonest. It masks the debt. It betrays people. And it violates a compulsory tax act which every one must pay.

If we are going to misuse these FICA taxes, then we ought to cut the FICA tax. If we are going to run surpluses in Social Security of more than $700 billion between now and 2002, then we should save them, not use them to finance the deficit and to balance the budget. That is what we who support the Reid amendment say is wrong, is dishonest, and should not be done.

I would also like to point out that the National Committee to Preserve Social Security and Medicare, representing 6 million Americans, has written stating that clearly this is the case.

I will once again have that letter of February 1 printed in the RECORD, if I may, Mr. President. The Dole amendment, or S. 290, which was at the desk prior to the Dole amendment, are really only fig leaves; they cannot countermand a balanced budget amendment.

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

(See exhibit 1.)

Mrs. FEINSTEIN. I pointed out, for 58 percent of all working Americans, the employees' share of FICA and the employer's share of FICA put together are more than they pay in Federal income taxes. It is a big-ticket item for working Americans. Because it goes into a trust fund—and this trust fund is like an annuity. It is like buying an insurance policy. What you put in you

believe you will get back when you retire—we should protect that trust fund. We should protect that annuity.

The Reid amendment protects that trust fund and protects that annuity, and I am proud to support it and vote for it.

The vote on this issue will be very close. The balanced budget amendment may have 67 votes without the Reid amendment. It may not.

There is, however, enough support in this body to pass a balanced budget amendment with Social Security excluded. So if my colleagues want to take a gamble to try to pass a balanced budget amendment without the Reid amendment because they want to misuse Social Security funds, they can do that. But, they have an opportunity to pass a real and honest constitutional balanced budget amendment that protects Social Security. I know this Senate could pass it, and I hope it does. It will be nobody's fault, but their own if the constitutional amendment goes down because they took this gamble.

Finally, I want to address my remarks to the concern that just came up about section 2 in the budget report. It was the argument made by the distinguished Senator from Florida. That budget report, right in the very beginning of section 2, points out that to utilize funds from Social Security for purposes of this amendment would only take a majority vote. Votes for other than this program would take a three-fifths vote.

To run a deficit, the Federal Government must borrow funds to cover its obligations. Section 2 removes the borrowing power from the Government, unless three-fifths of the total membership of both Houses vote to raise the debt limit.

However, the point that was made by Senator GRAHAM, which is well taken, is that in the case of Social Security this vote would be a simple majority. That is wrong.

To sum up, I would like to commend the Senator from Nevada. I would like to commend the coauthors of this amendment. Many of us have said, if the Reid amendment is agreed to, we will vote for a balanced budget amendment. We have said so for good and just reasons. There is a need for the castor oil of a constitutional amendment to force the body to do some of the things it has been loath to do.

However, without the Social Security amendment, I believe the balanced budget amendment is, indeed, a slippery and treacherous slope. I believe it jeopardizes the retirements of future generations and it jeopardizes a trust that these bodies have put in place with purpose and with specific financing. We should not do that. We should not break that trust with the American people.

I yield the floor.

EXHIBIT 1

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
February 1, 1995.

Hon. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINSTEIN: I am writing with regard to S. 290, introduced recently by Senators Kempthorne, Dole, Thompson and Inhofe. The fact that the sponsors of S. 290 believe that it is necessary to take action to protect Social Security under a balanced budget amendment is, in my view, proof that it is imperative that the Senate adopt your amendment to exclude Social Security from the balanced budget amendment.

The pending balanced budget amendment reverses the 1990 law removing Social Security from a consolidated budget and puts Social Security back on budget as part of the Constitution. This presents serious problems for Social Security which cannot be addressed by S. 290 or any statutory measure. The sponsors of S. 290 cannot bind future Congresses to their legislation, or for that matter ensure that this Congress will not modify or overturn this legislation while Social Security would remain on budget as part of the Constitution. I also note that while S. 290 attempts to prohibit Congress from increasing Social Security revenues or reducing benefits to balance the budget, it will allow Congress to continue using the surplus in the Social Security trust funds to conceal the deficit. This only confirms our understanding that the proponents of the balanced budget amendment intend to continue this budgetary charade thereby avoiding balancing the budget until will into the next century.

The nearly six million members and supporters of the National Committee to Preserve Social Security and Medicare strongly oppose this practice of using the surplus generated by the Social Security payroll tax to fund deficit reduction or mask the true size of the general fund deficit.

Let's not forget that the continued borrowing from the Social Security trust funds will only create huge debts for the next generation which will be forced to redeem the bonds through massive tax increases.

The only way for proponents of the balanced budget amendment to live up to the many promises not to harm or undermine Social Security is to explicitly exclude it from the text of S.J. Res 1.

Sincerely,

MARTHA A. MCSTEEN,
President.

Mr. HATCH. Mr. President, the Senator from California dragged a number of volumes of the United States Code down here to the floor to show us all how much legislative language Congress has passed pursuant to the 14th amendment. The Senator from Nevada has alluded to this theme as well. The Senators from California and Nevada seem to be attempting to respond to my criticisms of the Reid amendment's attempt to insert a statute into the Constitution. No matter how many volumes of legislation are brought to the floor, they do not make these arguments responsive to mine.

Mr. President, the entire body of legislation—every and all volumes of the United States Code—are written and passed pursuant to the grant of legislative authority to Congress by the Constitution. But nowhere in the Constitution has any piece of that legislation been incorporated by reference into the constitution text as the Reid amendment attempts to do.

The 14th amendment, like many other grants of power, allows for legislative application. The balanced budget amendment itself grants Congress power to enforce and implement the amendment by legislation. But application of constitutional principles by the legislature is wholly different from grafting a mere statute onto the Constitution. Putting a statute into the Constitution by reference has never been done before, and with good reason. Such a reference would place that statute in a twilight zone of some type of quasi-constitutional status. It is unclear what such status would mean. Apparently the statute referred to, and any amendments thereto, would have constitutional implications—that is, a mere statutory change could alter the meaning of the Constitution, or perhaps we would need to go through a constitutional amendment procedure in order to effect a statutory change in the incorporated statute. It is simply unclear, because it completely unprecedented.

But what is clear is that the Constitution has never referred to statutes, and we should not start now. Other statutes enacted pursuant to constitutional grants of power are simply inapposite to the discussion of this issue, and they provide no precedent for the radical and unjustifiable step of grafting statutes into the text of the Constitution.

I urge my colleagues to defeat this unprecedented, ahistorical, and unjustified step toward constitutional confusion. I urge them to defeat the Reid exemption.

The PRESIDING OFFICER. The Senator from West Virginia is recognized to speak for up to 10 minutes.

Mr. ROCKEFELLER. Mr. President, when the roll is called on this amendment, the Reid amendment, every American will begin to get a much clearer picture of how a constitutional amendment to balance the budget will in fact affect them as individuals. Only by adopting the Reid amendment now before us will the U.S. Senate prove that Social Security is safe—prove that it is safe. And that is why I urge its adoption.

I must be honest with my colleagues. Even though I intend to vote against the constitutional amendment before us, I will vote for the Reid amendment to protect Social Security and the promise that has been made to the people of my State and to the people of America. If the Reid amendment is rejected or dropped along the way—and, of course, there is a real possibility that it could be accepted and then dropped in conference, something of that sort—it will be the equivalent of posting a danger sign in front of every household that counts on Social Security, not only in my State of West Virginia but all across the country.

Our colleagues promoting this balanced budget amendment can promise in every way they can possibly think

of—get on their bended knee and promise they will leave Social Security alone, they will not touch it after they get the amendment ratified—but unless the Constitution also reminds them of their promise, I think the pressure to nip, to tuck, and to do much more to Social Security could be unstoppable. This constitutional amendment for balancing the budget is not just a statement of support for the idea; it is a plan to put the Federal budget on a speeding train. It will require something in the neighborhood of $1 trillion in spending cuts over 7 years.

Just imagine what Congress will have to consider when the clock on those 7 years starts ticking. All the theorizing will be gone and the budget cutting will start. You can just hear the talk already. ''Social Security,'' they say, ''will have to be on the table.''

''No, we did not want it to be on the table. We just had no idea that would happen. But it has just come about that it has to be on the table because we have to cut this $1 trillion, or $1.3 trillion. How are we going to cut all these entitlements? How are we going to do all this without Social Security and without Medicare and without benefits for disabled veterans?'' That is what will happen.

Mr. President, I actually do not know how this will come about. I believe the worst part of this constitutional amendment is its very proponents do not know how they will rush their way to its destination. They defeated the right-to-know amendment. They did that very decisively and deliberately. And because I see Social Security as just one of the sacred trusts that might get torn up on the way, I do not trust them in their budget-cutting zeal. I do not trust their sense of priorities.

But the Reid amendment is one way to keep the Social Security train off the track that could very well plow down any number of things important to people's lives, to their hopes, to their expectations—from vaccinations of children, to home health care for seniors, to the way we repay our debt to disabled veterans.

I mentioned disabled veterans and I will again and again and again, because the people who were wounded in our wars, we have an obligation to them. We pay pensions to them. We have obligations that we must pay, and I fear those obligations will be compromised.

Why do I say that? Because I believe that.

As my colleagues think about the underlying legislation and the more immediate vote on the Reid amendment to protect the Social Security trust funds, I urge you to look at letters from seniors in your State and get a sense of what is at stake.

I have done that and I assume that other Senators have, too. Skip the impersonal postcards generated by interest groups, skip all of the form letters when people's names come rolling out of computers. We all understand that game. But take the time to pick up some of the personal letters with the kind of very scrawled handwriting from seniors who are truly frightened about what will happen to them if the Social Security trust fund is unprotected and this balanced budget amendment passes.

I have hundreds of such letters. Let me paraphrase the style. Take a letter that I got that starts with:

> I am 69 years old and worked every day of my life until I had to retire. I paid into the Social Security fund since the beginning. I collect $600 to $800 in Social Security a month, but my bills are more than that.

So she has done everything right all of her life, paid into the fund. She gets Social Security that does not cover her bills. The woman does not live ostentatiously. West Virginia is not one of the richest States in our country. People do not have the luxury of living ostentatiously. When somebody says they cannot pay their bills, I am inclined to believe them because over the last 30 years, I have seen so many people in that condition.

I have letters where seniors from my State painstakingly list their monthly expenses, their rent, their heat, their food, and their prescriptions. They ask me what they can do. In fact, what will they do if Social Security or Medicare is cut? They do not know. They are not hostile to a budget amendment. They are not hostile to cutting the budget. They just do not know what is going to happen to them. They honestly do not, and they are honestly afraid.

Mr. President, I tell you that there are 9 million senior citizens who live all by themselves in this country, many of whom do not have daily contact with others, except sometimes home health care agencies check in on them. They do not know what they are going to do if this comes to pass. They are afraid. Where can they turn in their twilight years for help? I do not know what to tell them when they ask me the question. I do not know how to answer that question.

I ask my colleagues who support the balanced budget amendment and who oppose the Reid amendment, what do you tell the senior citizens of your States? I can only tell West Virginians that I keep fighting to uphold the promise made to them. The benefits they earned by contributing to the Social Security system throughout their working years and careers are theirs. It is not a program; it is a trust fund. It is theirs.

Over 250,000 West Virginia citizens rely on Social Security benefits. Nationwide, almost 30 million senior citizens get their benefits that way, 30 million people. For many, their monthly Social Security check is the difference between poverty and so-called independence, the difference between buying groceries or going hungry.

Thirty-eight percent of senior citizens are not living in poverty today, Mr. President, thanks to Social Security. It has made that kind of a difference. This is a tremendous achievement that we can be proud of.

So our challenge, as I see it, is, one, to protect Social Security now for the seniors living on fixed incomes; and, two, to plan ahead to ensure that Social Security is there when the young workers who are now contributing over 7 percent of their wages are ready to retire, which will come quicker than they think.

Passing this constitutional amendment to balance the budget without the Reid amendment is one way to guarantee that we will fail to meet either of the challenges that I listed. We must protect the Social Security trust funds from becoming a pawn in a political debate over a politically attractive balanced budget amendment which sounds so reasonable and sounds so simple. That is why so many Americans support it. It sounds so easy.

Here is an example of where the devil in fact really does lie in the details—the details that the proponents refuse, I might say, to spell out, where the right-to-know amendment was rejected. We were told in no uncertain terms that we were all to strap ourselves onto the speeding train and to stop worrying about what and who gets trampled along the way. This does not say that over the next decade, the Social Security system will not need change. It will, for its own sake.

A recent report of its trustees clearly shows that long-term solvency problems threaten the Social Security trust funds. That is amply spoken about on the floor. If changes are not made, the trust funds will be exhausted in the year 2029. We have to begin working on solutions to the danger facing Social Security to restore its integrity, just as courageous Members of this body did, Senator MOYNIHAN being one, in the past; in fact, in bipartisan legislation in 1983. But any change made to Social Security should be designed to strengthen the trust fund, not to surrender to the speed chase started recklessly by the constitutional balanced budget amendment.

This balanced budget amendment—I am sorry; I just have to say it, because I believe it—is a game. It allows politicians to promise to be deficit hawks without requiring one single act on their part or one single clue on what they will actually cut. In my book, that is a game. And because I fear for the people of my State, which is vulnerable to the hidden agendas in this amendment, I support this proposal to make absolutely sure that Social Security is left alone.

I thank the Presiding Officer. I yield the remainder of my time.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Under a previous unanimous-consent request, the distinguished Senator from South Carolina is recognized to speak for up to 20 minutes.

Mr. HOLLINGS. Mr. President, I thank the distinguished Chair.

Mr. President, it is hard to make sense out of the debate in this town. We suffer through tremendous frustrations in trying to balance the budget, trying to pay the bills, trying to put the Government on a pay-as-you-go basis. Every State has to do that. Every city has to do it. I, as a Senator, participated back in 1969 when the Congress voted and the President signed into law a balanced budget. As chairman of the Senate Budget Committee, I participated in President Carter's efforts to cut government spending and leave his successor with a smaller deficit than he had inherited. We have seen the successes of President Clinton's $500 billion deficit reduction plan, and have known the tremendous struggle and frustration—the partisanship whereby there was not a single Republican vote in the House or in the Senate. Instead, Members predicted that the economy would stall, the deficit would rise, and everything was going to happen in the next hour.

Now comes what the distinguished Senator from West Virginia calls a game. I call it outright fraud, because I know they know better.

Here we are, trying to balance the budget without raiding Social Security, but all we are given is a constitutional amendment that uses these surpluses. This very minute, we have a statutory law on the books—section 13301 of the Budget Enforcement Act of 1990—signed into law on November 5 by President George Bush, which in effect says: ''Thou shalt not use Social Security funds.'' That is the formal statutory law; that is what we should be following today with or without the Dole amendment.

If we are serious about trying to balance the budget, we should recognize that a constitutional amendment alone is not balancing the budget at all. It is a delay. It says you have to pass a joint resolution through both of these Houses, and then send it, and hopefully have 37 States ratify it in the next few years.

So before we pat ourselves on the back for all our good work on balancing the budget, we should be mindful that a balanced budget amendment may not give discipline but rather may inspire creativity.

We have seen that in circumvention of the Byrd amendment which statutorily required Congress to balance the budget, in talk about capital budgets and about off-budget exercises, and in eliminating the fixed deficit targets of Gramm-Rudman-Hollings as they did in the 1990 budget summit.

Rather than recognize these shenanigans, the media in this town are smitten by the Contract With America and eagerly joins in this fraud.

Taking our streets back is not going to balance the budget. The Personal Responsibility Act is not going to balance the budget. The Family Reinforcement Act is not going to balance the budget. The American Dream Restoration Act is not going to balance the budget. The National Security Restoration Act is not going to do it. The Senior Citizens Fairness Act is not going to balance the budget. The Job Creation and Wage Enhancement Act is not going to balance the budget. Common-sense legal reform is not going to balance the budget, and the Citizens Legislature Act and constitutional amendment to limit congressional terms will not balance the budget.

So I come to this session of the Congress, having worked 28 years now in the vineyards trying to pay the bill and put the Government on a pay-as-you-go basis. Mr. President, we can put the Contract With America into law this afternoon. No budget is balanced, but that is exactly what we need in this land.

On Friday, we got another creative maneuver. We voted on the Dole amendment which said:

> Strike the Dole amendment. Strike all after the first word and insert the following: ''For the purpose of any constitutional amendment requiring a balanced budget, the Budget Committee of the Senate shall report forthwith H.J. Res. 1 in status quo, and at the earliest date practicable after February 8, 1995, they shall report to the Senate how to achieve a balanced budget without increasing the receipts or reducing the disbursements and the Federal old age and survivors insurance trust funds and the Federal disability insurance trust fund to achieve that goal.''

But having the Budget Committee report how to balance the budget obscures what the law already says that the Congress must do. Instead, we have these creative put-offs that the media covers like they would an athletic contest. On Saturday morning, we see the headline ''Senate Resolution Bars Congress from Dipping into Social Security.'' Absolutely false. There is no bar to Congress dipping into Social Security. The folks that write these stories have been covering the Congress and they keep writing it the way the majority wants it written, not the way the facts are. They ought to expose this nonsense. They say it is called a fig leaf, but they do not say why. Why it is a fig leaf is absolutely important. The Dole amendment does not change the Constitution. But the constitutional provision that they want us to vote on after all of the amendments is ''total receipts shall include all receipts of the United States Government except those derived from borrowing''. That constitutionally mandates the inclusion of Social Security funds. That is the whole point here. You cannot talk sense in this town; no wonder you can't get anything done.

My good friend, the distinguished former Vice President, was on ''Meet the Press'' this past Sunday. He said, ''These are the types of things that we ought to look at, but when you have amendments in the Senate right now that we are going to put in the Constitution that you cannot touch Social Security, this is ridiculous.'' Those are the words of Vice President Quayle. But the Reid amendment does not say that at all. You can touch Social Security. We touched it the year before last in the budget.

This particular Reid amendment does not say do not touch it; it says do not include it in your receipts and your outlays and disbursements. That is all it says. The Republicans want to use the $636 billion in Social Security surpluses—that is the whole point here. If they kill that Reid amendment, then they have $636 billion in their pocket that they do not have to cut in order to put us on a pay-as-you-go basis. That is the intent of the Concord Coalition which has done some good work. I wish they would get that digital clock that has the running tally of the national debt and put it into the parking lot in front of the Capitol so we could see it every morning when we come to work. But I wish they would not put forth this subterfuge about entitlements, entitlements, entitlements. Social Security is a trust fund; it is paid for. Do not give me 2029. Let us worry about today.

I have said time and again that it is like the 49ers, going down to Miami and running into the stands hollering ''We want a touchdown.'' Get down on the field and score the touchdown. That is what the 49ers did. We are the Government. The Republicans on the other side of the aisle are in the majority. They have control. They have the Supreme Court, they have the House of Representatives, and they have the U.S. Senate. Let them act like they have some responsibility. But do not give me this hit and run driving. All of this is process, process, process.

Nothing is real. Nothing gets done. No budget is balanced. They want to use these Social Security funds.

Mr. President, a few years ago I had a conference with the former OMB Director, Dick Darman at the insistence of President Bush. Later he enumerated in public exactly what he told me in the office. They want to get entitlements. They will not say the word ''tax'' even though they know that you have to have tax increases as well as spending cuts to balance the budget. Yes, you have to do something about Government spending on entitlements, but Social Security is paid for, so why break the trust? You are going to try your best with welfare, you are going to try your best with health. If you cut health back from a 10-percent growth rate to 5 percent, you will be a magician. You will get the good government award.

President Clinton has already gone a long way in this regard. They say he did not have the courage, but I get letters of thanks for his bringing up health reform last year. The chairman of the board of one of the largest employers in the State of South Carolina recently told me ''Keep on pouring on the coals. For the first time, I got my insurance coverage for the employees instead of going up, it went down 10 percent.''

Why? Because President Clinton had the courage to bring up health reform. And for that, they ridicule him and the First Lady. They criticized him last year for his proposed cuts in Medicare and Medicaid. Now they are running around here, bumping over desks and talking about no courage, taking a walk, putting up the white flag, and all that.

Where has any Republican put up their budget? They will not do it because they do not want to show senior citizens that they want to use the moneys in the Social Security trust fund. At least the Concord Coalition has the decency to say so. This crowd goes around, like the distinguished majority whip, the distinguished Senator from Mississippi, who says, ''No one—no Republican, no Democrat, no conservative, no liberal, no moderate—is even thinking,'' he says, ''about using Social Security.''

That is all they are thinking about. Why the big debate?

There is already one exception in the language of the constitutional amendment. Their amendment says, ''Total receipts shall include all receipts of the U.S. Government except those derived from borrowing.'' And the Reid amendment says, ''except Social Security trust funds.'' Now what is the matter with that? Don't give me all this gobbledygook about legislating in a constitutional amendment. They got an exception in here. You cannot hide from this.

What did old Joe Louis tell Billy Conn? ''You can run, but you cannot hide.'' They cannot hide on this one. It is crystal clear and we tried to show that in the RECORD. Some say we are trying to defeat the balanced budget amendment. I voted three times for it; I will vote for it again if you get the Reid amendment in there. But I am not going to breach the trust. I am not going to violate the contract that we made with America in 1935.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to thank Senator HATCH for finding a few moments for me. I was not part of the unanimous-consent agreement. I say to Senator HATCH, whenever it is somebody else's turn, if he will just advise me. I cannot be here longer than 10 minutes in any event.

But I come to the floor to suggest to the senior citizens of this country that, if they want to protect Social Security, they should not adopt the Reid amendment. Quite to the contrary, what he thinks he is propounding, and those who think it is to be off budget, off the constitutional amendment, I believe seniors ought to pay attention, because I believe it will be easier to spend Social Security money on things that are not Social Security if it is outside the budget than if it is within.

Let me give you some examples, as I see it. First of all, if Social Security revenues and outlays are outside of the balanced budget requirement, you can be sure that Congress will look for ways to move costs into Social Security and out of the rest of the budget.

The Reid amendment says Social Security is excluded from the balanced budget amendment only if the revenues and outlays are, and I quote, ''used to provide old-age, survivors and disability benefits.'' Social Security recipients might think that is only them. But this does not say that. It says ''old-age, survivors and disability benefits.'' So this amendment is saying all of those purposes are now outside of the budget.

And let me give you a couple of examples of what is going to happen.

For instance, the supplemental security income, the SSI Program, as Senator HATCH well knows, going through this debate provides income support for the poor, elderly, and disabled Americans, most of whom also get Social Security benefits. This program is part of the Social Security Act. In fact, it is title 16, and is administered by the Social Security Administration.

But, Mr. President, fellow Senators, and senior citizens who are concerned about this debate, this program is financed out of general revenues of $24 billion in 1994, not the Social Security trust fund. In other words, Congress budgets out of regular taxes $24 billion that goes into the trust fund to pay for SSI.

Why could not Congress, when it gets pushed in the balanced budget, why could not Congress cut the SSI to balance the budget and fund exactly the same benefits out of Social Security to protect the beneficiaries? There is no question that Congress can say, ''This trust fund is protected. Why don't we just not put the $24 billion in from the outside. Why don't we just use the trust fund to pay for the SSI?''

I believe it is legal. I believe it is just as possible as any horror or scare story about leaving it on budget.

Now let me proceed. Is that not doing that to ''old age'' or ''disability'' benefits? You bet. So the definition used by my good friend from Nevada includes what I am speaking of under the rubric of Social Security, but clearly there is a $24 billion easy loophole to charge the trust fund for SSI and there is nothing illegal about it.

Now, let me move on and then insert some things in the RECORD.

First of all, I want to move quickly to another notion. Supporters of the amendment of my friend from Nevada, Senator REID, may argue that current law provides a firewall around Social Security requiring 60 votes to raid it.

Now, I do not know if it has been argued, but I think it should be put on the table. Frankly, I had a lot to do with it. It is a Domenici amendment, a Domenici proposed firewall. I helped direct that despite objections from some who wanted to raid the trust fund. That firewall is very important.

But Congress can change it by changing our internal budget rules. In fact, we saw it happen in the 1993 reconciliation bill.

Let me tell you what happened. The President proposed to increase income taxes on Social Security benefits and instead of giving that revenue to Social Security—I say to my friend—as required by the 1983 bipartisan solvency package—he put the money in Medicare, a pretty healthy chunk of money.

In effect, if the Reid amendment passes, the paradox is it will take 60 votes to run a deficit, but only 51 votes to raid Social Security. Let me make sure everybody understands. Right now, the internal law of this Congress—and I believe it will be there for a long time—permits raiding on 51 votes. But if—if, in fact, you have a balanced budget amendment—and remember, it is enforced by a 60-vote rule—if, in fact, you are overspending, it takes 60 votes.

I assume part of the way to overspending would be to raid the trust fund. If you raid the trust fund, to go out of balance, it will take 60 votes; whereas, if you do not have the constitutional amendment, even with the firewall and all the other things, it will take only 51 votes to raid the trust fund.

Now, frankly, I believe the second thing we ought to make sure everybody knows, the Social Security fund is in danger not by the threats that have been posed by those who essentially, I believe, want to kill the balanced budget amendment—I mean, to me it seems like those who are saying put Social Security outside of the balanced budget clearly understand that many who are for the balanced budget amendment would leave that side of support and say we should not even have a constitutional balanced budget if everything we spend on is not on it.

So, what do I think is the most important thing for Social Security in the future? I believe the best way to protect Social Security, Mr. President, is to balance the Federal budget.

There is no doubt that if you ask economists, those who are familiar with the fund, those who are familiar with its idiosyncrasies, they will say the most important thing to do to protect it is to balance the budget.

If we continue to run budget deficits as we have been for two decades, we will sap all of our already meager national savings, which leads to lower investment and slower productivity growth.

Ultimately, let me tell Members what that means. Lower productivity and slower growth and lack of investment ultimately means stagnant wages. Stagnant wages ruin Social Security trust funds. Lower payroll taxes come from stagnant wages. Stagnant wages come, as I indicated, from spiraling deficits, without national savings, which make long-term interest rates go up, and the Social Security recipient is doomed.

Already we see the deficit in Social Security way out there in about 2½ decades, finally arriving again, because of demographics. And clearly if we have on top of that—without major reform in Social Security in the way out years on top of that—a slower wage growth base, we will never be able to afford the Social Security system.

That gets back to what is best for the seniors. What is best is a balanced budget. What kind of balanced budget? One that is real, one that is true to valid spending processes, that excludes nothing. That excludes nothing.

I want to repeat the fact that because I am here saying the Reid amendment should fail does not mean that this Senator or that Republicans on this side or Democrats on that side that are with the balanced budget amendment and do not want to take the Reid amendment, do not want to vote for it, we are not against Social Security.

Anybody that has taken the floor here and says this is calculated to harm Social Security, listen carefully. We are absolutely convinced that to take it off budget lends itself to more mischief and more robbing of the trust fund than if it is on budget. We are firmly convinced of it and we gave only two little examples today. But they are big. One is over $39 billion, the one on taxes; and one is $24 billion, just 1994. They will come up like mushrooms. The way is to make it more solvent but not bite the hard bullets of getting the deficit under control. That is No. 1.

No. 2, make it clear. Social Security and pensions and seniors' well-being is more predicated upon wage growth, productivity increases and economic prosperity than any other commitment of our Government. What is more apt to make those commitments viable and solid? A balanced budget where we spend within our means and live within our revenues.

We do not want to kill the constitutional amendment. Seniors do not want Members to kill a constitutional amendment on an amendment that says it will protect while all the time we are assured that it will kill the balanced budget amendment which is intended to protect seniors, which everybody knows will protect seniors, which everybody knows is a necessity.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from Nevada.

Mr. REID. Mr. President, I appreciate the statement of the Senator from New Mexico. I do say, however, that no matter how loud the Senator talks, or how many examples the Senator gives that are not relevant, the fact of the matter is that the only way to protect Social Security is through the Reid amendment.

Mr. President, the Senator from New Mexico did not deny—nor has anyone, as a matter of fact—that this amendment, House Joint Resolution 1, includes in the general revenues of this country Social Security. There is no question about that.

In addition to that, Mr. President, the report that came to this body from the Judiciary Committee which reported the amendment says that Social Security shall be counted in the general revenues of this country. There is no question about that.

House Joint Resolution 1, section 7, if it passes, it will have passed with 67 votes. We do not have to worry about 60 or 50 votes. If the constitutional amendment passes and does not have the Reid amendment it will include Social Security revenues. Clear as that. No question about that.

My friend from New Mexico said on this floor the best way to protect Social Security is to balance the budget. The best way to protect Social Security, according to my friend from New Mexico, is to use Social Security trust funds. That is what this debate is about.

The debate on this amendment is whether or not we should exclude from the language of this underlying constitutional amendment Social Security receipts. I say yes. There are those in this body who disagree. They believe that Social Security funds should be used to balance the budget. I do not. I think that is wrong.

We can go back, Mr. President, to a history of Social Security. We hear a lot in this body and in the other body about a Contract With America. Let me remind everyone again that the real contract with America is not something that has to be passed in 100 days. The real contract with America was that contract that was negotiated by the Members of the House and the Senate and the President back in 1935.

They set up a trust fund that would be funded by employers and employees so that people when they reached the magic age of 65, they would be able to draw moneys from that trust fund that had been accumulated as a result of their paying into the trust fund with their employers. It is a contract. It is the original contract with America.

We, as Members of Congress, have a fiduciary relationship with the people of this country—not only senior citizens, but the people of this country—to protect moneys. This is for me, my children and my grandchildren. That is what this is all about. We have an obligation to protect those moneys.

We must remember that Social Security moneys come from taxes that are paid. Social Security has not contributed one penny to the multitrillion-dollar debt we have in this body. Not one penny. Why should it be used to help balance the budget?

Mr. President, we know it has been the intent of this body to exclude Social Security from the general revenues of this country. We know that because there is a law that says that. This is a section of our statutes.

This amendment was offered, among others, by the junior Senator from South Carolina who recently spoke on this floor. It says there will be an exclusion of Social Security from our general revenues—our budget. It says that. This was not a real close vote, although we did have a vote on that.

In fact, Mr. President, by a vote of 98 to 2, this law was passed: 98 yeas; 2 nays. It was the decision of the Senate and the House, and this was signed into law by the President, that we should exclude Social Security trust funds from deficit calculations.

Now, it seems rather unusual to me that we would come along just a few short years later and say, well, that was all wrong, the vote did not really mean that much, and with House Joint Resolution 1, the underlying constitutional amendment that is now pending in this body, it says we are going to include total outlays. I repeat, if it is not graphic enough for everyone, look at the report language that we have. It is a report that came from the Judiciary Committee that included language that says we are going to include Social Security in the general revenues of this country.

There could be no mistake made that this underlying constitutional amendment will take Social Security trust funds and use them to balance the budget.

There have been very few objections raised to excluding Social Security. I heard the Senator from North Dakota say on a number of occasions: ''Give me a reason why you would not want to exclude Social Security from the deficit reduction problems we have in this country. Social Security does not add to the deficit.''

So why should we?

Some of the reasons that have been raised are, No. 1, we are going to take care of things by using implementing legislation to exempt Social Security from the balanced budget amendment. We know that if the underlying constitutional amendment passes, it will have section 7 in it. This would be part of the Constitution. I have a copy of the Constitution in my hand, Mr. President, and this amendment will become part of this Constitution. If I am not mistaken, it will be amendment No. 28. If it is part of our Constitution, you cannot pass a statute that says the Constitution does not really mean what it says.

If the underlying constitutional amendment passes and you try to pass a law that says the Constitution does not mean what it says, it is obviously unconstitutional. So how could anyone accept the proposition that we will pass a law that will change the Constitution? That is what we are hearing around here.

''We will use implementing legislation to exempt Social Security from balanced budget calculations''—it is irrational; it is impossible to arrive at any conclusion that would make that possible. Attempts to exempt Social Security through implementing legislation would be futile.

I repeat, once the Constitution is amended, to include, as the chart shows behind me, ''Total outlays shall include all outlays of the U.S. Government except for those for repayment of debt principal,'' in effect what we want to put here, in addition to ''repayment of debt principal,'' is ''Social Security.'' That is what this amendment is all about. You cannot change the Constitution with simple implementing legislation.

Senator HEFLIN has said this means that there will be a constitutional requirement that Social Security funds be considered on budget. I point to this for the third time; that is what it says.

''If the balanced budget amendment,'' Senator HEFLIN continues, ''is adopted as presently worded, it would prohibit Congress from legislatively taking Social Security funds off budget and would nullify the provisions of the 1990 Budget Enforcement Act which would require Social Security funds to be considered off budget.''

He is not the only one who has said this. It is not as if Senator HEFLIN, who is, I think, one of the leading legal scholars in this body, does not have any support. We have an opinion from the Congressional Reference Service that says:

> Under the proposed language, it would appear the receipts received by the United States which go to the trust fund and the Federal Disability Trust Fund would be included in the calculations of total receipts, and that payments from these funds would similarly be considered in the calculation of total outlays.
>
> Thus, if the proposed amendment was ratified, then Congress would appear to be without the authority to exclude the Social Security trust funds from the calculation of total receipts and outlays under section 1 of the amendment.

There has also been an allegation made that statutes never have been incorporated in the Constitution and this would be unprecedented, constitutionalizing a statute.

As I have said before, Mr. President, if a statute is included in the constitutional amendment, it is no longer a statute. We have established through Senator FEINSTEIN and the Senator from Nevada that every constitutional amendment has a spate of accompanying legislation that implements legislation, and that is why we talk about the 16th amendment, IRS.

I think, more importantly, you should know though, this is the first time in the history of this country that we have attempted to affix fiscal policy in the Constitution. So if we are talking about fiscal policy, should we not be concerned about one of the largest fiscal elements of our society, namely, Social Security?

We are also told if Social Security is put off budget, then Congress would have to raise taxes or cut spending to meet this year's deficit and future years'.

That is the whole point of the amendment. We do not believe that the budget should be camouflaged as to its deficit component by Social Security surpluses, and that is what would be happening if this amendment is passed without exempting Social Security.

The Senator from New Mexico and others have said on occasion that exempting Social Security in the constitutional amendment would create a loophole.

Well, Mr. President, as I have stated briefly, after Senator DOMENICI spoke, in section 7 of this proposed constitutional amendment, Social Security receipts are lumped into the general budgets of this country. The only way that you could change Social Security, as Senator DOMENICI has said—he acknowledged our previous statement—is if in fact you get 60 votes. So I think creating a loophole is a real stretch.

Now, Mr. President, there are some other things that I desire to say, but I have been in the Chamber now for some time as the manager of this amendment, and I see two Senators in the Chamber. I would be happy to yield to them if in fact they desire to speak on this amendment. Could I inquire through the Chair if the Senator from Georgia and Oklahoma wish to speak on the pending amendment?

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I do desire to speak on the amendment.

Mr. REID. I am wondering, Mr. President—we have until 5 o'clock—if perhaps we could enter into some type of agreement—I know we did that earlier in the day—and save Senators hustling around. We have about 40 minutes left. How long, may I inquire through the Chair, does the Senator from Georgia wish to speak?

Mr. COVERDELL. I would only require 5 minutes.

Mr. REID. And the Senator from Oklahoma?

Mr. COVERDELL. He is not speaking today.

Mr. REID. I would yield the floor to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I rise to speak on the amendment as offered by my friend from Nevada and the language that has been embraced by the Senator from Colorado.

Mr. President, throughout this debate and, for that matter, throughout the last several years as we talked about the balanced budget amendment I have watched Members of Congress, House and Senate, come before the American people and repeatedly say almost with abandon—and that may be the right word—they support a balanced budget amendment. In the President's State of the Union Address, he told us that he supported a balanced budget amendment. Of course, within a week he submitted a budget that nowhere approached a balanced budget and did not even make an attempt to move toward one. And of course, with all the statements that we have heard from both sides of the aisle, all across the board, Republican and Democrat, and for years that said they were for a balanced budget, I think the American people can come to the conclusion after 25 or 30 years that must not mean very much because we just do not produce balanced budgets.

Worse yet, we have spent every dime we have—$5 trillion that we do not have, 30 percent of the property tax base of America through the egregious unfunded mandates, and now we are in the process of spending the Treasury, so to speak, of the children and grandchildren of America—in every corner we can find. So I do not believe that people of the country can take much comfort from a President who says he supports a balanced budget but does not offer one, or from the Members of Congress, no matter what side of the aisle, who come before us and say they are for balanced budgets but never produce one.

Now, the Constitution is our conceptual law. It is an acknowledgment that to manage the affairs of this great Nation there must be core law—core law.

So this idea that we can do this—and this does not need to be added to the Constitution—is a specious argument because there is no issue of greater concern to the health and the future of our country than its fiscal health. No family, no business, no community, State, or nation can conduct the affairs required of it if they are financially unhealthy. And the United States is on the verge of enormous financial destabilization.

So it is absolutely logical that we now add to our core law a process by which we will govern and assure the people of the country sound financial fiscal law.

With regard to the amendment, in my judgment, any amendment of exemption makes the law virtually moot because that exemption will ultimately be the vehicle by which all the pressures we have suffered this last quarter century will focus, whether it is 60 votes or a majority—all the pressures to keep doing what we are doing and to resist change will collapse with the full weight of the last 25 years on the exemption, no matter what it is.

Now, we have focused on Social Security here time and time again. I have to say that I believe this is used to raise fear in our country, and it is used as a vehicle with which to block the concept of core law that will manage our financial affairs.

Now, if you are for a balanced budget and keep saying so, then you would obviously vote for a balanced budget amendment. And if you are worried about Social Security—and everybody says they are on both sides of the aisle—then the first thing you have to do is to produce fiscal health. Otherwise, Social Security and every other meaningful program in our country will fall victim to a financially destabilized nation.

Mr. President, I would just say that we are very dangerously close to being

the first generation of Americans that would be willing to turn over to the future of our Nation a country that is financially destabilized and unable to properly care for itself.

Mr. President, I yield.

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

Mr. COVERDELL. Mr. President, I would be glad to yield if I am within the time agreement.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I thank the Chair.

Mr. President, the Senator said something about how long we have been talking about the balanced budget amendment, and tomorrow I plan to go back and revisit an experience I had with Senator Carl Curtis, a former Senator, conservative Senator who was the father of the balanced budget concept way back in 1972.

At that time, when his idea was to get three-fourths of the States to ratify, force Congress to do this instead of talking about it, he brought up at that time that every time it has been brought up it has been killed by someone who wanted to have an exception to it written into the Constitution, knowing full well that it will not work.

Does the Senator think that after 22 years, people out there are now going to be in a position to demand that we quit talking about it and do it?

Mr. COVERDELL. The Senator from Oklahoma is absolutely correct in the assertion of his statement. The American people want the balanced budget amendment passed. It was the centerpiece in the election just concluded; 70 or 80 percent, depending on whose poll you read, want this balanced budget amendment passed, and the reason is they have heard us say we are for a balanced budget time and time again—they heard the President say it just the other night—and then within hours in history reverse themselves and do nothing to produce it. And so they come to believe that the only way our system will be disciplined enough in the core responsibility of caring for the financial health is for it to be written in the core document that governs the United States, that is, the Constitution of the United States.

Mr. INHOFE. Will the Senator yield for one more question?

Mr. COVERDELL. I certainly will.

Mr. INHOFE. Does the State of Georgia have a balanced budget constitutional amendment?

Mr. COVERDELL. Yes, they do. It goes further than this one. If the Governor fails to meet it, he goes to prison.

I remember very well when I first went to the State senate, within several years, we were going to exceed our revenues by some $120 million. The Governor was forced, choosing this over prison, to call a special session, and we found a way to eliminate the expenditure of $120 million.

Now, if that amendment, a requirement and discipline, I might point out to the Senator from Oklahoma, if it had not been in place, do you think we could have come into special session? Do you think we would have taken on the hard job of finding where to eliminate $120 million?

The answer is no. It required a discipline built into our core governance, the Constitution of the State of Georgia, to force us to make the hard decisions, which we did. We fought about them. We set our priorities, made the decision, and went home. Some were happy, some were not, but we made the decision, Mr. President. We made the decision. And we kept the finances of the State of Georgia intact. I might add that the financial health of my home State is considerably improved over the financial health of our home nation.

Mr. INHOFE. I appreciate the Senator yielding. I asked that question because in the State of Oklahoma, I went back and read extensively about our balanced budget amendment which we passed in 1941. The interesting thing is the same arguments that are being used today in this forum were used back then, saying that it would not work, and it has worked since 1941. It would not have worked if it had not been in the constitution.

I thank the Senator for yielding.

Mr. COVERDELL. I thank the Senator, and I thank the Senator from Nevada for yielding time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I say through the Chair to my friends from Georgia and Oklahoma a couple things. First, I want the record to be very clear the majority leader, the Republican leader, has been entirely fair with this Senator and those of us sponsoring this amendment. Going into this I asked the senior Senator from Utah that we be given enough time, because of the importance of this amendment, to debate the issue. We have had that opportunity. It is my understanding the leadership is now working on a time sometime tomorrow that we will vote on this amendment. I think we have had an adequate time to debate this issue, for which I am publicly thankful to the majority leader.

The point that I raise here is there has been no effort to stall this. We have had a full and complete debate. I do not think we have had a quorum call, to my knowledge, during the entire time that my amendment has been debated.

I do say, however, in response to some of the statements raised by the Senator from Georgia that people are trying to raise the fear of Social Security recipients: Mr. President, I am not trying to raise the fear of Social Security recipients. I am trying to inform the Social Security recipients of the facts. And the facts are, if this amendment passes, the underlying amendment, Social Security will be included in the general funds of this budget. I do not know if that will cause fear to be instilled in senior citizens. If it does not, it should, because clearly the American public, who badly want a balanced budget amendment, do not want Social Security receipts to be part of the balanced budget amendment.

My friend from Georgia said 70 or 80 percent of the people want a balanced budget amendment. That is true. But 90 percent of the people of this country want a balanced budget amendment that excludes Social Security.

While it is not a big issue and not part of this amendment—and my support of the balanced budget amendment is not contingent upon a capital budget—I think it is fair to inform everyone that the States of Georgia and probably Oklahoma and I know Nevada have a balanced budget requirement but they exclude capital expenditures. We have a beautiful new building in Las Vegas, a State building. But that State building was paid for with bonds, or a considerable part of it. BONDS. That is moneys that are paid on time, so to speak, like when we personally buy a home or we buy a car personally, or a company buys a piece of equipment. Not often is cash paid for it.

Mr. President, I see the distinguished Senator from Alabama here. Does the Senator wish some time?

Mr. HEFLIN. Yes, I would appreciate some time.

Mr. REID. Please proceed.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HATCH. Will the Senator yield for a unanimous-consent request?

Mr. HEFLIN. Certainly.

Mr. HATCH. Mr. President, I ask unanimous consent, so we have some order, that when the distinguished Senator from Alabama completes his remarks in the time he desires, then we move to the distinguished Senator from Tennessee so we can keep some sort of an order here.

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

Mr. HATCH. I thank my friend.

Mr. HEFLIN. Mr. President, I strongly support the resolution calling for a balanced budget amendment. I think it is long overdue. It provides the discipline that is absolutely essential if we are going to balance the budget and eliminate deficit spending. However, I do feel in a balanced budget resolution we ought to provide for the absolute truth as it would apply to deficit spending, at least to the extent of having Social Security off budget and not a part of the overall budget.

When Social Security was created in 1935, it was created as a trust fund to be held separate and apart from the general operating budget of the Government. That was true up until 1969, when it was used to, really, hide the true deficits that were occurring as a result of the Vietnam war and some other matters that called for the expenditure of funds.

In 1990, we attempted to take Social Security off budget and have truth in the budget. That was the intent but,

under some mechanisms and maneuvers, we do not really have it today.

The amendment calling for a balanced budget would mean that we would have Social Security funds included in the budget process for the general operating budget, and this causes me concern. I have looked at figures of projections which the Social Security Administration has worked up relative to the amount of excess of receipts over outlays, or surpluses, that are occurring. In 1995, which is the present fiscal year we are in, the Social Security trust fund will have a surplus of $69 billion; in 1996, $73 billion; 1997, $78 billion; 1998, $84 billion; 1999, $90 billion. In the year 2000, $96 billion.

I do not have the figures, but as I understand it, they continue to grow and we will say, by the year 2001, it is in excess of $100 billion.

The present projected deficits, according to the President's budget and otherwise, indicate that at around the year 2001 we will have deficit spending around $200 billion. According to the Social Security Administration, the surplus in the Social Security trust fund in the year 2001 will be $951.8 billion. What happens to that surplus? The surplus is invested with the idea of drawing interest in order that that interest can compound the assets each fiscal year to make it grow. We hear the term that it is designed to make it more actuarially sound.

So you have interest that is then growing, and in the year 2001, according to the Social Security Administration, they anticipate—and it is based on factors based largely on interest rates today—that the Social Security trust fund will yield about $63.3 billion in interest in the year 2001.

So we have coming in $100 billion and $58 billion from interest, making approximately a total of $158 billion that will be coming available as surplus interest and surplus payments in the year 2001. The year 2001 is the year before 2002, which is the target date for balancing the budget.

So you say if Social Security is a part of the budget, then in the year 2001, we will find—the projections on the deficit spending as of that year would be $200 billion—if you allocate toward the reduction of the deficit $158 billion, coming from principal that comes in to be paid plus $58 billion that would be drawn on interest on the surplus, it would leave $42 billion that you would have to cut in programs.

It seems to me that if you were at the stage of that and you were attempting to balance the budget and to bring about a reduction of spending in unwise programs, you would not want to be in that position. But under the language here, under the definition of total receipts, the total receipts include all receipts of the Government except those that are obtained or derived from borrowing. So, therefore, it is mandatory that at least $100 billion of the principal has to be included on the receipts side relative to the balancing of the budget.

This matter of attributable interest causes me concern. The definition of total receipts shall include all receipts of the U.S. Government except those derived from borrowing. Therefore, when the Social Security surplus, nearly $1 trillion in the year 2001, has been invested and you bring in the money that has been obtained from borrowing, it means, therefore, that the interest, the attributable interest, is not included. One would think it would be included from the borrowing. But when it comes to the outlays, it is excepted because of the fact that you cannot allow under the definition of outlays to pay back interest under the concept of the budget. So, therefore, you are in a situation where the total receipts shall include all receipts of the U.S. Government except those derived from borrowing. That means you include all receipts that the Social Security tax pays, and it is required that you have to do it.

The money that is invested by Social Security funds can be paid back, and they will be paid back, because it says total outlays shall include all outlays of the U.S. Government except those for the repayment of debt principal—debt principal—but it does not guarantee necessarily that the interest will be included in the budget. Therefore, it puts it into a situation of uncertainty as to whether or not the interest will be repaid. But the debt principal, of course, is not included in the outlays and, therefore, you have a problem that arises in connection with that.

I think that we ought to at least, if the Reid amendment is defeated, address the question of debt interest that is coming in regard to the Social Security Administration. This is sort of a complicated concept. But it ought to be that attributable interest is also kept off budget, and that we do not have to depend on the payment of interest to come from actual outlays that are appropriated under the general budget because it is a temptation. And it may well be that they will be repaid. But there is no guarantee that the debt principal interest, the interest that is grown, will be repaid relative to that matter.

I think there are a lot of things pertaining to the Social Security amendment of Senator REID that are very important. I think it is one of the most consequential votes of this young session of Congress that we have had.

I want to rise to voice my strong support for Senator REID's amendment exempting Social Security receipts and outlays from the budget. Social Security is the Federal Government's original contract with America. I believe Senator REID used that word in one of his speeches. If the Reid amendment does not pass, then we will be breaking that contract, and we will ultimately be forced to balance the budget on the backs of hardworking Americans who have contributed toward their retirement with a portion of each paycheck.

This provision says it is a protection for all Americans who pay into the program. There is no question that, under the language in the balanced budget amendment resolution now pending, the Social Security trust fund will no longer be completely safe for future generations.

The Reid amendment seeks to correct the deficient language so as to uphold the original contract with America, one that has lived up to its intent like few other Government contracts have. The amendment is very simple. It protects the Social Security Program by excluding the receipts and the outlays in the system from the budget.

Social Security is not causing the deficit. Its revenues and surpluses should not be used to mask the receipts, nor should its outlays be counted as part of expenditures. We should keep in mind that Social Security is a program self-financed from contributions by employers and employees, which does not contribute one cent to the deficit. In fact, in 1990, Congress included a provision in the Budget Enforcement Act declaring that funds off budget, much like our personal savings accounts, are not counted towards the budget.

The current underlying resolution, if not amended, would clearly put Social Security on budget, and thus overturn the decision 5 years ago to affirm the off-budget status of Social Security.

As we debate and develop the balanced budget amendment, we need to be certain that we protect the integrity of the Social Security System and maintain truth in budgeting. The protection of this self-funded program can only be accomplished by keeping it off budget and out of the balanced budget equation.

This vote should be easy. The bottom line is that we are voting on whether or not to protect the true contract with America, Social Security. I urge my colleagues to vote in favor of protecting the terms of this sacred contract and covenant, and keep Social Security in its protected position as a trust fund separate and distinct from the Federal budget.

Mr. President, I yield the floor.

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

Mr. THOMPSON. Mr. President, we have been debating the balanced budget amendment now over a 15-day period—or about 11 days of debate. I think it is very important that we step back and reconsider the fundamental question that we are dealing with here, and that is whether or not we are going to take the steps necessary to put ourselves in a position of dealing with the problems facing the next generation, or whether or not we are going to go down the same old road and proceed to bankrupt that generation.

There is nothing more fundamental in human nature than looking out for

one's offspring, for the people that we bring into the world. I am not sure we have done a very good job of that so far. We have an opportunity to do that with the balanced budget amendment.

We have heard several amendments discussed over this 15-day period. Many of those amendments would defeat the balanced budget amendment if adopted. I respectfully submit that the Reid amendment under present consideration would fit that category and would defeat the amendment if adopted. Many good arguments have been made against this amendment. One is that it would be a loophole through which anything could be driven and will obviate the purpose of the balanced budget amendment.

Senator HATCH from Utah this morning pointed out that the adoption of this amendment would put into the Constitution very complex language which would create a field day for lawyers, and it does not belong in a constitutional amendment. I believe the most important part is to understand the protection issue. This amendment is being set forth as protection for Social Security. Social Security, and the protection of it, is something we are all committed to. We have made that commitment by vote and we have made that commitment by voice in this body. We will continue to make that commitment.

But the fact of the matter is that the safety of Social Security depends upon the commitments of this and future Congresses as we proceed, and not upon the language of this amendment. If this amendment is adopted, it will do nothing to prevent future taxes of Social Security. If this amendment is adopted, it will do nothing to prevent cuts in Social Security in the future. It is essentially a bookkeeping measure. The proponents of this amendment rightfully point out that at the present time the surplus in the Social Security trust fund does assist in making our deficit picture look a little better, as bleak as that is. That is a short-term consideration, Mr. President.

The fact of the matter is that within a relatively few years, depending on how you calculate the Federal Government employer part of it, in 2010 or 2013 the Social Security trust fund is going to be in the red and the real protection for Social Security again is not in this amendment, which I think really in many respects would endanger it more than it already is. The real protection is in balancing the budget.

I think it is important to keep in mind two factors that are driving this debate. One is the fact that the Social Security trust fund will be going into the red in the not-too-distant future. It is right around the corner. The second is the phenomenon of the interest on the debt.

As you know, Mr. President, the interest on the debt right now constitutes—or will in a couple of years—the second highest expenditure of our Federal budget and will continue in that direction as far as the eye can see. Those two factors go on together. I submit, Mr. President, they constitute the real danger to Social Security. All programs are going to be squeezed if this scenario continues to play out in the current direction if we do nothing about it. All programs are going to be squeezed and those programs applying high expenditures, such as Social Security, will be high on the list and under close observation, Mr. President, if we come to that point.

Let us consider separately those two factors I just mentioned. Interest on the debt. Interest payments on the debt are currently $235 billion. They are expected to rise to about $5 trillion by the year 2030 under current circumstances. This is according to the Commission on Entitlements. Interest payments on the debt currently accounts for approximately 22 percent of the general non-Social Security revenue. By the year 2030, Mr. President, interest payments on the debt will account for approximately 75 percent of general revenues.

Let us consider the Social Security trust fund for a minute, the second part of that equation. We will start to go into the general fund to meet current Social Security liabilities by the year 2010, which is right around the corner. We will need an additional $850 billion in the year 2030 alone over anticipated Social Security receipts to meet current liabilities. That is an additional $850 billion if we proceed under current circumstances. So by the year 2030, we will have Social Security needing about an additional $850 billion, at the same time that interest payments on the debt are exceeding 75 percent of general revenue. You can see where that takes us.

The sum of interest payments and Social Security equals just under $6 trillion. General revenues are expected to be just over $6 trillion. Clearly, this is a catastrophe waiting to happen, Mr. President. We cannot sustain that trend.

What else will be going on if this scenario plays out? These are just numbers. What is going to be going on in the real world? Our savings rate is going to decline even further. That, in turn, will cause our interest rates, now hurting, to decline even further. That, in fact, will hamper our growth rate; it will hamper the standard of living for every young couple starting out and trying to start a family. It is already going down. We hear a lot of talk that the real income of working Americans today has stagnated for some time now in this country. The other part of this story is that for younger Americans, since 1973, the real income for them has actually gone down. This economy is slowing down. We talk about what happened last quarter or the quarter before last, but if you take the long-term trend, this economy is slowing down. Our investment rate is slowing down. Our savings rate, which produces that investment, is slowing down. As interest takes a bigger and bigger chunk of the savings dollar, there is less there for private investment. Interest rates will go up and taxes will go up astronomically. We all know the demographics, and before long we are going to have a smaller and smaller working force, taking care of a larger and larger retired population.

Some people even talk in terms of a generational war—a generational war, Mr. President. Surely we can do better than that. That is the real danger to Social Security. If that happens, if we get to that point, if we get to a 70-percent tax rate, if we get to an economy slowing down, if young working people see this is happening to them and these figures go out of sight, nothing is going to be safe, including Social Security. We must avoid that, and the only way to do that is by a constitutional amendment.

We have already turned ourselves from a creditor nation into a debtor nation. We already have the lowest savings rate among all of the industrialized countries. We have now one of the lowest investment rates of any of the industrialized countries. We must be able to see the handwriting on the wall. The only other options would be to cut Social Security dramatically, raise taxes dramatically, keep raising the deficit, or not fund anything else, such as defense, infrastructure, Medicaid, or any of those things that we know we must fund.

Had we balanced the budget in 1981, based on the law passed at that point—as the President recalls, the history is replete with instances of failed attempts to balance the budget. We have declared it to be a national priority. We have put it into law in 1979. But even the year we put it into law, there was a $79 billion deficit. Failed attempt after failed attempt, Mr. President. If we, in effect, had balanced the budget, as the law required in 1981, our interest payments today would be only $45 billion, compared to the $234 billion. And it is almost $200 billion less than we are paying today. Indeed had we balanced the budget beginning in 1981, interest payments would be so much lower that by this year we could have a balanced budget and still spend virtually the same amount as actually is being spent on noninterest spending.

Therefore, I urge that we not lose sight of what we are about here. This amendment does not protect Social Security; in fact, it endangers it. The only true protection for Social Security is the passing of the balanced budget amendment.

I yield the floor.

THE REID AMENDMENT

Mr. WELLSTONE. Mr. President, I rise to support the Reid amendment which would make crystal clear that if a constitutional amendment to balance the budget does pass the Senate—I know it is going to be a very, very close vote. So it is very difficult to tell whether that will happen—that there will be language that will ensure that

Social Security and Social Security trust funds will not be used for the purposes of deficit reduction as spelled out in the balanced budget amendment goal.

Mr. President, let me make clear in the beginning that I believe the Social Security trust fund, as we look well into the next century and really not that far into the next century, just in terms of its own trend lines and making sure that it is self-supporting, that reforms will be necessary, that there are steps that we are going to have to take, and difficult decisions will have to be made. But, Mr. President, the reason I feel strongly about the Reid amendment is this is a separate trust fund, and indeed, as other Senators have said, if we are going to be talking about contracts, Social Security is a contract with many Americans.

So, Mr. President, there is no question in my mind that this trust fund should be kept separate, that when we look at Social Security—and we do this as a Nation and we take steps that we need to take to make this trust fund work well into the next century—we should do so. But that money should be kept separate. That issue should be kept separate. That should not be part of the effort to balance the budget by the year 2002. I think the only way we live up to our commitment with older Americans and their children and their grandchildren is to make it crystal clear through this Reid amendment.

The second point: There was a reason for passage of the Social Security bill in 1935. It used to be that in the United States of America, if you were to look to see where the vast majority of poor people lived and who they were, they were disproportionately the elderly. There is an obvious reason, which is after people became older and no longer were able to work, and employment earnings severely dropped and, therefore, many of our elderly citizens were destitute. The Social Security Program, because it is universal, because it is a sacred contract, has been, I think along with the GI bill of rights, one of our two or three most successful programs. And, as a matter of fact, poverty has dramatically declined among older Americans. It is no longer the case that we find the poverty disproportionate among the elderly within our country.

The third point: I make the argument that it has been an extremely important program. As a matter of fact, Mr. President, this is truly a middle-class program. It is as if middle-class people and working families through their own sweat equity and their own work were able to in 1935 effect a huge accomplishment which changed our country forever, and for the better. That is Social Security.

Mr. President, what I resent in some of the discussions about Social Security and Social Security recipients is this caricature that we have too many older Americans who are ''greedy geezers playing golf every day.'' That is simply not true. It is simply not true.

Mr. President, as a matter of fact, there are many people—40 percent—for whom Social Security is really their sole source of retirement income. I will never forget in a cafe called Wimpy's Cafe in Faribault, MN, two elderly women, not that long ago, said to me: ''Senator, we receive, altogether, I do not know, like $440 a month. Do not cut our Social Security payment; it is what we depend on. Senator, we are terrified that is what you are going to do.''

My colleagues on the other side of the aisle say we are not going to do that. If that is the case, then let us ensconce that as part of the constitutional amendment, make it a part of the constitutional amendment. That is what the Reid amendment says.

Mr. President, the fourth point is that it bothers me no end that we continue to focus on—or at least some do—this kind of generational conflict. I have not been to one gathering of older Americans, of senior citizens in Minnesota, where people have not said to me that one of their top three issues are children, which in many cases are their grandchildren. It strikes me that this is a program that is sacred, this is a program that is a sacred trust, and this is a program that if we are going to make any changes, they ought to be made with the community and it ought to be made viewing Social Security as a separate trust fund and a separate program. We have to make sure that there is not a raid on the revenues of this program right now to be used for deficit reduction.

Mr. President, let me make one or two final points. One has to do with what I said last week on the floor of the Senate. I just want to sound the alarm that each and every Senator, regardless of his or her party, is held accountable for the remarks we make on the floor of the Senate. I take any speech or remarks on the floor of the Senate very seriously, first of all, because of the honor of being here.

Mr. President, when we look at this balanced budget amendment and we understand the projections on the amount of money that is to be saved by 2002, the amount of budget cuts that have to take place —and we are talking somewhere in the neighborhood of $1.3 trillion, and we are talking about cutting taxes. As I said the other day, there is an old Yiddish proverb that you cannot dance at two weddings at the same time. You cannot talk about cutting taxes and increasing the Pentagon's budget and paying interest on the debt and say Social Security is going to remain separate—what is left to cut? Medicare is much like Social Security. It is a sacred trust with the elderly in our country.

Mr. President, in 1965, much like in 1935, our parents and our grandparents changed the United States of America for the better. And the Medicare program, imperfections and all, is a program that, for many elderly people, is the difference between being able to live the end of their lives with dignity as opposed to being destitute because of medical bills.

Mr. President, we ought to be straightforward with people that there are going to be draconian cuts in Medicare and Medicaid. Fifty percent of Medicaid goes for elderly and nursing home care. I can tell you that in my State of Minnesota, doctors, clinics, hospitals and the elderly are very worried; some of them are downright terrified. It is not because people are using scare tactics; they have reason to be scared because there will have to be, on present course if this balanced budget amendment is passed, deep cuts in those medical programs.

Mr. President, if there are deep cuts—and there will be—then I wonder why, as I said last week, the very Senators who, when it came to health care reform last session and when we were talking about universal coverage, were yelling and screaming about rationing and lack of choice, now when we are about to pass a constitutional amendment—maybe, maybe not—but we do not list where the cuts are going to take place, because we know we are going to have deep cuts in Medicare—and some want to cut Social Security, and we know they want deep cuts in Medicaid—the very Senators who know that and know this is going to lead to rationing among the elderly, the poor and the disabled, are silent.

That is what I find to be so disingenuous about this amendment and the failure on our part, as Senators, to step up to the plate and be clear with people as to where we are going to make the cuts, as to what our priorities are, as to what kind of choices we are going to make.

So I think the Reid amendment is an extremely important amendment. I think if Senators believe that the Social Security trust fund should be kept separate, then they should vote for the Reid amendment. It is simple. In a sense, it is sort of like not separating the votes you cast from the words you speak.

And, by the way, I think it is not just Social Security. It is also the very question of Medicare.

Finally, because I think this is what this debate is all about, it is interesting to me that now what I see happening in Minnesota is a lot of the education people, not just the teachers or college presidents, but, all of a sudden, students are saying, wait a minute, you say you are for the middle class, and our understanding is that there are going to have to be significant cuts in PELL grant and on campus need-based low interest loan programs? If you are for the middle class, Senators, then do not cut the very programs that enable our children to have a chance to be able to afford their education.

Mr. President, I find it interesting that Senators do not want to vote to keep the Social Security trust fund

separate—though I hope we win that vote—and are not willing to go on record saying we will do nothing that will create more hunger or homelessness among children. I lost twice on that amendment. They are silent as to all the rationing that is going to take place because of deep cuts in Medicare and Medicaid. They have not been forthright with the vast majority of Americans, who, all the time, wonder how they are going to be able to afford higher education for their children because we know we are going to be cutting some of those programs. But when it comes to subsidies for oil companies, pharmaceutical companies, insurance companies, all sorts of loopholes and deductions, adding up, I might add, to hundreds of billions of dollars, they are silent. I would think that would be part of the way in which we do deficit reduction. But none of us will know unless we are willing to lay out our budget plan before we vote for a balanced budget amendment. That is what is wrong about our approach.

With those remarks, I yield the floor.

Mr. ROCKEFELLER. Mr. President, when the roll is called on this amendment, every American will begin to get a much clearer picture of how a constitutional amendment to balance the budget will affect them.

Only by adopting the Reid amendment, will the U.S. Senate prove that Social Security is safe. That's why I urge its adoption. Even though I intend to vote against the Reid amendment to protect Social Security and the promise that has been made to the people of my State and the rest of America.

If the Reid amendment is rejected, or dropped along the way, it will be the equivalent of posting a danger sign in front of every household that counts on Social Security today or sometime in the distant future.

Our colleagues promoting this balanced budget amendment can promise in every way they know how that they'll leave Social Security alone after they get the constitutional amendment ratified. But unless the Constitution also reminds them of their promise, the pressure to nip, to tuck, and do much more to Social Security could be unstoppable.

This constitutional amendment for balancing the budget is not just a statement of support for the idea. It is a plan to put the Federal budget on a speeding train. It will require something in the neighborhood of $1 trillion in spending cuts over 7 years. Just imagine what Congress will have to consider when the clock on those 7 years starts ticking. You can just hear the talk already. Social Security has to be on the table. How can we get $1 trillion or more without all of the entitlements—without Social Security, without Medicare, without benefits for disabled veterans?

Mr. President, I actually don't know how. I believe that the worst part of this constitutional amendment is the fact that its very proponents don't know how they will rush their way to its destination. And because I see Social Security as just one of the sacred trusts that might get town up on the way, I don't support this idea.

But the Reid amendment is one way to keep Social Security off the track of a train that could very well mow down any number of things important to the lives, the hopes, the expectations of our people—from vaccinations for children to home health care for seniors to the way we repay our debt to disabled veterans.

As my colleagues think about the underlying legislation and the more immediate vote on the Reid amendment to protect the Social Security trust funds, I urge you to take a look at letters from seniors in you State to get a sense of what is at stake. I have, and it is sobering.

Skip the impersonal postcards generated by interest groups. Skip the form letters when people's names roll out of computers. But take the time to pick up the personal letters, with scrawled handwriting, from senior citizens who are truly frightened about, what will happen to them if the Social Security trust fund is unprotected and this balanced budget amendment passes.

I have hundreds of such letters, and let me paraphrase the style. Take a letter I got that starts with:

* * * I am 69 and worked every day of my life until I had to retire. I paid into Social Security since the beginning. I collect $600 or $800 in Social Security a month, but my bills are more than that * * *

I have letters where seniors from my State painstakingly list their monthly expenses—rent, heat, food, and prescriptions. They ask me what can they do if Social Security or Medicare is cut? Where can they turn in the twilight years of their lives?

I don't know what to tell them. And I ask my colleagues who support the balanced budget amendment, and who oppose the Reid amendment, what do you tell the senior citizens of your States?

I can only tell West Virginians that I keep fighting to uphold the promise made to them—the benefits they earned by contributing to the Social Security system throughout their working years and careers.

Over a quarter of a million West Virginia senior citizens rely on Social Security benefits, and nationwide almost 30 million seniors get benefits. For many, their monthly Social Security check is the difference between poverty and independence; the difference between buying groceries or going hungry. Thirty-eight percent of senior citizens are not living in poverty, thanks to Social Security. This is a tremendous achievement that we can be proud of, and should protect and continue.

Our challenge, as I see it, is No. 1, to protect Social Security now for the seniors living on fixed incomes, and No. 2, to plan ahead to ensure that Social Security is there when the young workers contributing over 7 percent of the wages are ready to retire. Passing this constitutional amendment to balance the budget without the Reid amendment is one way to guarantee that we will fail to meet either of these challenges.

We must protect the Social Security trust funds from becoming a pawn in a political debate over a balanced budget amendment, which sounds so reasonable and so simple.

Here is an example where the devil lies in the future details. The details that the proponents refuse to spell out. When the right-to-know amendment was rejected, we were told in no uncertain terms that we are all to strap ourselves into the speeding train, and to stop worrying about what and who get trampled along the way.

This does not say that over the next decade that Social Security will not need to change—it will. A recent report of its trustees clearly shows that a long-term solvency problem threatens the Social Security trust funds.

If changes are not made, the trust funds will be exhausted in 2029. We have to begin working on solutions to this danger facing Social Security, to restore the integrity of the trust funds just as courageous members of this body did in the past, most recently through bipartisan legislation in 1983.

But any change made to Social Security should be designed to strengthen the trust funds—not to surrender to the speed-chase started recklessly by this constitutional balanced budget amendment.

This balanced budget amendment is a game. It allows politicians to promise to be deficit hawks without requiring a single clue on what they will actually cut.

And because I fear, for the people of West Virginia, what the hidden agendas are in this amendment, I support this explicit method for making absolutely sure that Social Security is left alone.

There is no other way that the senior citizens can count on their benefits. There is no other way that the millions of working men and women who put aside part of their income every week, every month, every year for Social Security, can be sure that they will see a dime of it back when they retire.

Mrs. MURRAY. I rise today in support of the Reid amendment to exclude the receipts and outlays of Social Security from the budget. I want to commend the Senator from Nevada for his work on this important issue.

As Senator Reid noted last week, Congress ended the practice of masking our deficit by excluding the Social Security trust fund from the budget in 1990. That was a proper and necessary step then just as this amendment is a proper and necessary step now.

The provision in 1990 was taken to ensure that the beneficiaries of the Social Security trust fund could trust that Congress would stop the practice of using the fund to mask the deficit

and to ensure that the money put in the system would be there when people retire.

That means simply that everyone of us has a right to know that when our money is taken out of our check today, it is put into a fund that cannot be raided and will be there for us when we retire.

Today as we have the serious proposal of passing a balanced budget amendment in front of us, Congress is being called on again to ensure some level of security for the beneficiaries of the trust fund. We have a responsibility to every person in this country who pays Social Security taxes to ensure that their Government required investment in their future will be there when it is supposed to be.

I cannot emphasize this enough. We have a real responsibility to our current beneficiaries and to those in the future.

The measures this body took in 1990 and before reaffirmed that responsibility, and with consideration of the balanced budget amendment, we once again are being called on to provide greater assurances to Social Security beneficiaries.

Given that, how can we in good conscience tell the American people that they do not need to worry about their Social Security when we all know that if this bill passes without this amendment, we cannot promise anything. Social Security will be on the chopping block along with all other programs.

I know we have to get our Federal budget in order. I have a commitment to work on that as a member of the Budget Committee. I also know we have to work on Social Security to ensure its long-term solvency. We cannot achieve either of those goals by violating the trust of the American people and going into the Trust Fund to balance the budget.

Let me be clear. I believe we must work to balance our budget. I also believe that a constitutional requirement to do so is not sound policy, but if this body is going to impose the constitutional amendment on us, if we are going to admit we are not strong enough to reduce spending without being forced to, then we have to let the American people know at a minimum that our elderly will not have to bear a disproportionate burden in this process.

We have to let the American people know that the Federal Government will keep its promises and ensure that the money they put in this system now will be there for them when they retire. This amendment ensures just that and I hope that my colleagues will support this amendment.

Mr. JEFFORDS. I rise today in support of the balanced budget amendment.

Mr. President, this vote has been described in historic terms. Only the historians can make that decision, but a brief description of our budget history might be instructive. In the heat of our arguments the past gets poorly presented.

Thomas Jefferson was not in the United States when the Constitution was written. He was abroad representing the United States as our Minister to France. When he came back, he said, ''If I could add one Amendment to the Constitution, it would be to prohibit the Federal Government from borrowing funds.''

His reasoning was simple. ''We should consider ourselves unauthorized to saddle posterity with our debts,'' he said, ''and morally bound to pay them ourselves.'' Thomas Jefferson, as in so many other areas, was ahead of his time. For two centuries, this moral contract bound our predecessors. While debt was accumulated in times of dire national emergencies, in 1975 the debt stood at but $629 billion.

Since then, we have increased the debt by more than seven fold, standing at $4.7 trillion today. The track record of the past two decades, more than anything else, has led me to the point where I now reluctantly support amending the Constitution to impose a discipline on Congress which we all wish it had but know it lacks.

I agree with critics of the amendment that this is not something to undertake lightly. Since 1791, there have been over 10,000 constitutional amendments offered in Congress. During this time, only 22 of these 10,000 amendments have been deemed important enough by Congress to be passed. Of these 22, only 17 have been ratified by the States and have become part of the Constitution.

INTEREST SPENT ON OUR DEBT

What is the problem with our enormous debt today? The problem that exists today, Mr. President, is that the Federal Government owes more than $4.7 trillion. Therefore, we must spend over $800 million on interest every day—that's right, Mr. President, over $800 million on interest every day—and this does absolutely nothing for us to help the needs of all Americans. We send more to our bondholders in 3 days than we do to every man, woman, and child in Vermont over the course of an entire year, making Federal interest payments the second largest spending item in the budget.

Mr. President, these interest payments are crippling our ability to adequately fund national priorities, such as education. We now spend five and a half times as much on interest payments than we do for all education, job training, and employment programs combined. We spend twice as much on interest payments than we do on all Federal programs for the poor.

In 1950, the publicly held debt per family was $5,800, today the debt averages about $54,000 per American family. If we do not balance the budget by the year 2002, the debt burden per family will be a staggering $78,000.

Interest on the debt is over $1,200 per person per year. At this rate, a child born today, living a normal lifespan of 75 years, will pay some $135,000 in interest on the debt. That assumes that no further debt is added and interest rates do not increase—both are highly unlikely.

When I came to Congress in 1975, our gross interest expenditure totaled $49 billion. This year it is expected to be over $300 billion, meaning that today every dollar in personal income taxes collected west of the Mississippi is used to pay for interest on our national debt. The CBO estimates that in 10 years it will be over $650 billion and 35 percent of the revenue of the Federal Government will go just for debt service. This assumes that there will be no increase in the current interest rates.

Since 1975, our national debt has grown from $542 billion to $4.7 trillion. It is expected to grow to $6.3 trillion by 1999—a 1,200-percent rate of growth since 1975. It this is the best case scenario, we must get hold of this enormous problem as quickly as possible. The only way I feel that this can be accomplished is by a balanced budget amendment.

Back in 1975, every man, woman, and child owed $2,500 because of the debt. That figure now stands at over $18,000. It is expected that the amount of national debt that every man, woman, and child owes will increase by $5,000 over the next 5 years to a staggering $23,000. The last time we balanced the budget in 1969—only 9 cents of every Federal dollar went to pay interest. Today, 26 cents of every Federal dollar goes to pay for interest on the national debt.

Furthermore, projections for our debt are frightening. It is expected to double to $9 trillion over the next 10 years. That means if we do nothing to balance the budget over the next 10 years, our interest payments will double to almost $2 billion a day. It is quite obvious that this trend can not continue.

THE NATIONAL DEBT JEOPARDIZES OUR ECONOMIC FUTURE

Mr. President, the greatest economic threat this country is facing is out-of-control spending by the Federal Government.

Recently, the New York Federal Reserve Board reported that the Nation lost 5 percent in GDP due to the deficits in the 1980's—in other words our national income did not grow by an astonishing 5 percent. According to the CBO, 1 percent of growth is equal to creating 650,000 jobs. That means that the debt of the 1980's cost us over 3.5 million new jobs. Mr. President, every dollar that goes to pay for the interest of our national debt takes a dollar away from our economy to assist in productivity increases. Congress can not continue to do this to our national economy and, most importantly, to Americans. We can only guess where our economy would be if this Nation had a balanced budget amendment before the 1980's.

The GAO recently released a report that a balanced budget by 2001 would

create an average increase, adjusted for inflation, of 36 percent for every American's standard of living. Further, since 1960, the private savings rate has dropped from over 8 percent of our economy to 5 percent. During the same time, the Federal Government deficits have increased from less than 1 percent of the economy to more than 3 percent, resulting in a net national savings rate of less than 3 percent. On this note, the OMB reports that if we balance the budget over the next 5 years, the net national savings rate would increase to 6.1 percent. If nothing is done our national savings rate would be a mere 3 percent.

Over the past 15 years, our expenditures in inflation adjusted percentages from fiscal year 1980 to fiscal year 1994 have decreased Federal spending for education by 13 percent and transportation by 2 percent. On the other hand, defense expenditures were up by 18 percent and entitlement expenditures, mainly Social Security and Medicare, were up by 50 percent. However, our gross interest payments have grown 120 percent. Mr. President, this trend can not continue if this Nation is going to be able to continue educating our children to compete in this global economy.

If you were to ask what should the priorities of this Nation be? Let us just take a choice. Should we spend more money on education for the future of this Nation, or more money on interest? Well, it is clear what our choice would be—education. Yet, we have precisely reversed our priorities because we have been imprudent with our fiscal policy.

SAVINGS AND DEBT

Why are deficits so bad for our economy? First, deficits tend to consume savings that we could use for truly productive investments. To fund these budget shortfalls, the Federal Government must keep borrowing, consuming limited capital. The resulting shortage of capital exerts an upward pressure on interest rates, recently done by the Federal Reserve, and further depresses economic activity.

Second, the budget deficit is eroding our economic standing relative to the rest of the world. Raising interest rates and discouraging private investment, the deficit has continued to slow our economic growth in terms of our Nation's productive capacity relative to other nations. An excellent example of this is the cost American business pays to borrow capital, about 10 percent; compared to Japan, which can borrow money at under 5 percent. Clearly, American businesses are at a competitive disadvantage because of imprudent fiscal policies followed by the U.S. Government. Further evidence of this growing competitive disadvantage can be found during the 1980's, when thousands of American businesses made the decision that they cannot afford high interest rates on future investments—investing instead overseas, where interest rates were more affordable. Because of our lack of fiscal restraint, American firms are creating new jobs overseas and not in the United States.

To further outline the economic incentives to relocate overseas a recent hearing on education and the economy highlighted the tremendous financial pressures placed on American investments. In his testimony, Alan Wurtzel, vice chairman of Circuit City Stores, Inc. stated that our poor education system provides very few qualified and skilled workers. For this reason, many firms find it more attractive to relocate overseas where a highly skilled work force can produce quality products without extensive job training or skill enhancement.

Our performance in reindustrialization will continue to remain sluggish until we restore our economic health. This cannot be done when the Federal Government continues to run deficits. Without increased productivity in this Nation, our wages can not increase.

Even more significant to our international position, our debt has been the principal factor in the Nation's trade deficits. The CBO recently estimated that over 50 percent of our trade deficit is from our Federal deficits. The CBO also reported that ''deficit reduction increases investments, which in turn increase the productive capacity of the economy. Moreover, deficit reduction lowers borrowing from abroad, which reduces the amount of income that is generated in the United States but flows to foreigners.'' Not surprisingly, our trade deficit remains a serious problem for our economy.

THE NEED FOR THE BALANCED BUDGET AMENDMENT

Mr. President, some of my colleagues have asked why do we need to have a balanced budget amendment? They often cite the recent Treasury Department's study which indicates the possible effects on States and their finances if a constitutional amendment is passed. They often discuss the possible negative impact this amendment might have on their State. What this study does not discuss is what will happen to Federal spending if we do nothing. Or, if nothing is done to control Federal spending how this will adversely impact our childrens' future. What this study clearly shows is how far Federal spending is out of whack. The bottom line in this budget battle is what is best for our children. I believe that for the good of our children we must end budget deficits. Congress needs to learn what those in my home State's capital, Montpelier and all other State capitals, take as an article of faith—a balanced budget.

Mr. President, a balanced budget amendment is necessary from just what I outlined above. That is, Congress, both Democrats and Republicans, are unable to make the tough choices necessary to balance the budget. A prime example of not making the difficult choices necessary to balance our budget can be found during the last Congress. Take for example, three battles last Congress on appropriation matters, as my colleagues will recall. One of these was an amendment to cut the defense budget by only $1 billion—only one-third of 1 percent. The second fight was on continued funding for the space station. The third fight was on increasing the grazing fees to lower Federal costs.

How did we deal with these three appropriation battles? We compromised by passing everything, and that is what we do day after day, year after year, piling up the debt for our children's children to take care of. Over the past decade, the deficit numbers have worsened to the point that they are now deeply embedded in our budgets, in our priorities and even in our national consciousness. This constant barrage of deficit spending seems to have given us a sense of numbness, making us feel that it is now beyond our control and not in the interest of our national will.

Finally, over the next few days I plan to discuss what Congress can and cannot do to balance the budget. First, I will discuss the desperate need to reinvigorate the American educational system. Our poor educational results remain a constant drain on our standard of living and economic growth. The cost to our economy is enormous, mainly through lost productivity and decreased revenue that results from our inadequate education system. Second, I will outline the need to carefully review and reform Federal spending on health care. As my colleagues know, about one-half of the deficit is related to increased Federal spending on health care.

Mr. President, my experience is that unless we get firm control on these two critical problems, Congress will be unable to balance the budget and our Nation will continue to suffer lost economic growth. Our future will be dim. However, if we do as I believe we can, our future will be bright and prosperous. In the days ahead, I will show how I believe it can be done.

Mr. President, in closing, I think we need to follow what Thomas Jefferson voiced some 200 years ago, we must pass a constitutional balanced budget amendment.

Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I ask unanimous consent to be recognized for 2 minutes, and I will try to take less time than that.

The PRESIDING OFFICER. I say to the Senator from Utah, a vote has been ordered. Do you seek consent to postpone that for 2 minutes?

Mr. HATCH. I seek unanimous consent to speak for 2 minutes or less.

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

Mr. HATCH. Mr. President, the one thing we have not done today is put up our balanced budget debt tracker.

For the 13th day, we are up to now $10,782,720,000. For the 14th day, which

was Sunday, we went up to $11 billion. And for the 15th day, just so we all understand where we are here, we are now up to $12,441,600,000, just for 15 days that have expired since we started this debate, above the $4.8 trillion baseline that we started with.

I just want everybody to understand that, while we are fiddling, Washington is burning with deficits that are going up and up and up every day. That is why this balanced budget amendment is so important.

I would have felt badly if we had gone through this whole day without putting up our balanced budget amendment tracker.

With that, I yield back the remaining time and hope we can go to the vote.

AUTHORIZING BIENNIAL EXPENDITURES BY COMMITTEES OF THE SENATE

The PRESIDING OFFICER (Mr. THOMPSON). Under the previous order, the hour of 5 o'clock having arrived, the clerk will report Senate Resolution 73, the committee funding resolution.

The legislative clerk read as follows:

A resolution (S. Res. 73) authorizing biennial expenditures by the committees of the Senate.

The Senate resumed consideration of the resolution.

VOTE

The PRESIDING OFFICER. The question occurs on the adoption of the resolution. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from New York [Mr. D'AMATO], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Wyoming [Mr. SIMPSON], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Virginia [Mr. WARNER] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote ''yea.''

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] is necessarily absent.

The result was announced—yeas 91, nays 2, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—91

Abraham	Cochran	Grams
Akaka	Cohen	Grassley
Ashcroft	Conrad	Gregg
Baucus	Coverdell	Harkin
Bennett	Craig	Hatch
Biden	Daschle	Hatfield
Bingaman	DeWine	Heflin
Bond	Dodd	Hollings
Boxer	Dole	Hutchison
Bradley	Domenici	Inhofe
Breaux	Dorgan	Inouye
Brown	Exon	Jeffords
Bryan	Feingold	Johnston
Bumpers	Feinstein	Kassebaum
Burns	Ford	Kempthorne
Byrd	Frist	Kennedy
Campbell	Glenn	Kerrey
Chafee	Gorton	Kerry
Coats	Graham	Kohl
Kyl	Murkowski	Sarbanes
Lautenberg	Murray	Shelby
Leahy	Nickles	Simon
Levin	Packwood	Smith
Lieberman	Pell	Snowe
Lott	Pressler	Stevens
Lugar	Pryor	Thomas
Mack	Reid	Thompson
McConnell	Robb	Thurmond
Mikulski	Rockefeller	Wellstone
Moseley-Braun	Roth	
Moynihan	Santorum	

NAYS—2

Helms	McCain

NOT VOTING—7

D'Amato	Nunn	Warner
Faircloth	Simpson	
Gramm	Specter	

So the resolution (S. Res. 73) was agreed to, as follows:

(The resolution was not available for printing. It will appear in a future edition of the RECORD.)

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for not to exceed 5 minutes each.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

TRIBUTE TO DR. DON NEEL

Mr. FORD. Mr. President, I rise today to pay tribute to Dr. Don Neel of Owensboro, who was honored last week with the 1994 Physician's Award for Best Notifiable Disease Reporter by the Kentucky Department of Health Services.

The department recognized Dr. Neel for his longstanding support of community health, particularly his efforts to contain the outbreak of an acute infectious disease last fall.

Reginald Finger, M.D., chief epidemiologist for the department of health services, presented the award at Dr. Neel's Owensboro office.

''Dr. Neel represents the very essence of public health in his efforts to detect potential health hazards and then prevent the spread of these diseases to others,'' Finger said in his presentation. He noted that without Dr. Neel's early actions last fall, many more children would have come down with shigellosis. ''Dr. Neel is being honored for that and more—throughout his career, he has been a strong supporter and partner of the local health department in Owensboro. Dr. Neel's career has been characterized by an unending zeal to improve the health and well being of children—all children,'' he said.

This award from the department of health services recognizes someone who has made outstanding contributions in public health, specifically reporting diagnosed diseases to the local health department.

Last October, Daviess County experienced an unusual outbreak of shigellosis, which is an acute infection of the intestine. This disease can be particularly dangerous for small children. To date, 74 cases have been diagnosed.

Upon identifying the first few cases of shigellosis, Dr. Neel immediately contacted the health department to alert public health officials of a possible community outbreak. Working with the health department and the Owensboro-Daviess County Hospital, he coordinated efforts to have people tested and treated for the disease.

Education sessions were held at several schools, preschools, and day care centers to help prevent the disease through thorough hand washing.

Lenna Elder, R.N., of the Daviess County Health Center, attributed Dr. Neel's early action to his sincere interest in the community and well-being of children.

''The health department's goal is to help maintain a healthy community so that everybody is well,'' Elder said. ''Dr. Neel has always been cooperative and very helpful in helping us meet that goal. He has always asked, 'How can I help you?' We know that he is truly only a phone call away.''

Long active in Owensboro's community life, Dr. Neel is a graduate of Owensboro High School and received his medical degree from the University of Kentucky. He has had a private pediatric practice in Owensboro since 1970 and is chief of pediatrics at the Owensboro-Daviess County Hospital.

He served on the Daviess County board of health from 1980 to 1991, the Green River district board of health from 1980 to 1986 and was part-time health officer for the Daviess County Health Center.

He lives with his wife, Faye, in Owensboro. He is the father of two and has three grandchildren.

CONCERNING DR. HENRY W. FOSTER, JR.

Ms. MIKULSKI. Mr. President, I rise today to bring to the attention of my colleagues the excellent column which appeared in this morning's Washington Post by Dr. Henry Foster, President Clinton's nominee for surgeon general, entitled ''Why I Want To Be Surgeon General.''

I support this sterling nominee. He brings the right professional credentials. He has an extraordinary life history and record. Dr. Foster has devoted years to maternal and child health, and he is dedicated to the prevention of

teen pregnancy. He has delivered approximately 10,000 babies. He is a respected doctor for over 30 years, a medical professor and former dean of a medical school. He is a community leader in Nashville—a member of the board of the March of Dimes Birth Defects Foundation and the force behind a teen pregnancy prevention program, ''I Have a Future.'' ''I Have a Future'' was recognized by the Points of Light Foundation and former President Bush for its efforts in fighting teen pregnancy and fighting drugs.

I am very concerned about the toxic atmosphere which has accompanied recent nominations of distinguished professionals to high office in our Government. I am disturbed at the thought that Americans of great accomplishment will decline to serve, reluctant to undergo the invasive and debilitating nomination process.

Dr. Foster is the kind of distinguished public servant our Government needs. I am pleased that he is telling his own story, through this column and through the recent speech he delivered at George Washington University. I believe he must have the opportunity to tell his story in confirmation hearings. I am asking all of my colleagues to reserve judgment on Dr. Foster until he has the chance to tell his own story through the normal committee process.

I ask unanimous consent that Dr. Foster's column appear in the RECORD at the conclusion of these remarks, and I yield the floor.

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

WHY I WANT TO BE SURGEON GENERAL

(By Henry Foster)

Just a little over a week ago, few people outside Nashville knew anything about me. But after President Clinton announced his intention to nominate Dr. Henry Foster for surgeon general on Feb. 2, it seems like everybody thinks they know everything about me.

Two weeks ago, no one, not even my wife, St. Clair, my daughter, Myrna, and my son, Wendell—as devoted as they are—followed my every move and every word with rapt attention. Now, when I wake up in the morning and look out my window, the press is out there waiting and watching. When I go to my office, they follow me into the elevator. And walking down the street, I have been punched in the face, inadvertently, I think, with one of those huge microphones you see on TV. I have never seen anything like it.

I have even picked up a new lexicon. Words that matter in Washington are not in dictionaries in the rest of America. They certainly never taught me these words in medical school or the delivery room: Sound bites. Boom mikes. Stakeouts. Live shots. Talking heads. On-air analysis. All dissecting me over and over again. And all before I've uttered one word at my confirmation hearings before the Senate.

People who have never met me analyze my character and my life's work. They attack me personally before they ever give me a chance to introduce myself or tell my story. But those attacks do not define me. I know who I am and what I stand for. I also know that I am a symbol in a larger debate that has polarized this country for many years. But the attacks do hurt.

I cannot say that my work as a doctor entirely prepared me for these two turbulent weeks. But I have learned a few things during my 38 years as a doctor, a teacher and a crusader against teen pregnancy that have prepared me to be a good surgeon general.

I have been face to face with real life-and-death challenges. When you see low birthweight babies born to mothers not yet old enough to drive a car, you have an appreciation of what trauma really means. When you visit the homes of families living in grinding poverty and feel the palpable sense of hopelessness in their lives, you begin to understand what it is to be up against the odds. Compared to that, shouted questions and overheated rhetoric may be uncivil, but I can handle them. When people ask me why I want to be surgeon general, I know the answer.

When you've had the good fortune to participate in the miracle of birth as many times as I have, it is difficult to stand on the sidelines and watch so many people wasting the precious gift of life.

It is difficult to look around America today and see so much needless suffering. Too many children suffer, because their parents have not been taught the value of prevention. Too many people don't have access to quality health care. And too many of us have turned away from those basic American values that can prevent violence or abuse of any kind from taking root.

But all is not lost. America is moving forward to confront both our health care crisis and the crisis of values that has led to far too much irresponsibile behavior. As your surgeon general, I believe I can turn the small ripples of success that we have produced into great waves of progress. I believe that I can draw attention and help develop lasting solutions to the tragic public health problems confronting us—from the epidemic of violence to the spread of AIDS to the terrible problem of substance abuse. but I will be giving my greatest attention to what the president has called ''our most serious social problem,'' the epidemic of teen pregnancy in this country.

It's ironic that my work fighting teen pregnancy has been overshadowed by my opponents' talk about abortion. I do believe in the right of a woman to choose. And I also support the president's belief that abortions should be safe, legal and rare. But my life's work has been dedicated to making sure that young people don't have to face the choice of having abortions.

I have some ideas about how young people can avoid that difficult choice. We are reducing teen pregnancy in the Nashville housing projects through ''I Have a Future''—a program we started at Meharry Medical College back in 1987. Our approach is to expand adolescent health care programs beyond the schools and bring them to the Community, where they can become a part of the fabric of everyday life. Encouraging abstinence and involving the entire community, we have begun to replace a culture of hopelessness with one that gives young people clear pathways to healthy futures.

In my work with young people in Nashville, there is one lesson I stress above all others. To break the cycle of despair, you must learn that there is a reward for sacrifice. And earning that reward has a fringe benefit. It allows you to give something back. That is a hard lesson to learn, but it is one that has kept me going through these difficult weeks. Having President Clinton place his faith in me is something I could never had imagined as a young boy growing up in the segregated South. Now, I want to give something back to a country that has rewarded my work and sacrifice, and God willing, I'll have that opportunity.

RIGHT TO LIFE OF MICHIGAN

Mr. ABRAHAM. I would like to commend the marchers who came to Washington from all over the country to join in the March for Life here on January 23, 1995, the anniversary of Roe versus Wade.

At the time of the march I was pleased to have the opportunity to meet with the pro-life delegation from my home State of Michigan. In my State, the right-to-life orgnaization has long pursued legal channels in attempting to restore the civil rights of the unborn and in helping women with problem pregnancies.

Unfortunately, the peaceful and legal efforts of organizations such as Right to Life of Michigan have been obscured by the actions of those who have resorted to violence as a means of expressing their opposition to abortion. In response to these senseless acts of violence, the Michigan right to life orgnaization has launched a series of television commercials calling for an end of all violence at abortion clinics. I rise today to commend Right to Life of Michigan for their leadership on an important issue of the day. I also applaud them for their constructive project as they pursue our common goal of advancing the cause of the pro-life movement, and I further join them in condemning those who would resort to any form of such violence in an attempt to advance their objectives.

REMARKS OF WILLIAM S. COHEN, WEHRKUNDE CONFERENCE, MUNICH, GERMANY

Mr. DOLE. Mr. President, on the weekend of February 4, the annual Wehrkunde Conference was held in Munich, Germany. This conference is a gathering of government representatives from NATO countries and leading experts on alliance security. Not surprisingly, one of the main topics of discussion was the situation in Bosnia and NATO's role in that conflict.

This year, the Senate delegation to the Wehrkunde Conference was led by the distinguished Senator from Maine, BILL COHEN. In his remarks to the Wehrkunde delegates, Senator COHEN underscored the serious weaknesses of the U.N. protection forces in Bosnia and Herzegovina, as well as the erosion of NATO's military credibility as a result of the dual-key arrangement between the United Nations and NATO. His bottom line is that if we are unable to provide the U.N. forces with the necessary authority and firepower, these forces should be withdrawn.

Mr. President, I ask unanimous consent that Senator COHEN's insightful remarks to the conference be included in the RECORD.

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

REMARKS BY SENATOR WILLIAM S. COHEN, WEHRKUNDE CONFERENCE, MUNICH, GERMANY, FEBRUARY 4, 1995

We have entered a new world of disorder and our inability to formulate coherent policies and strategies to deal with ethnic conflicts and the expansion of NATO membership has led to cross-Atlantic fear, confusion, incoherence, and recrimination—a state of affairs not unprecedented for the NATO alliance.

I would like for the moment to offer a few observations on Bosnia to see whether the present is prologue:

1. NATO cannot act unless America leads.

2. America will not lead unless it can persuade the American people that it is imperative for us to do so.

3. The conflict in Bosnia is not perceived to involve American interests that are vital. Rather, it is a quagmire where its inhabitants would rather dig fresh graves than bury old hatreds.

4. The European members of NATO were not willing to wade into the quick sand of ancient rivalries and engage in peacemaking operations so the responsibility was passed to the U.N., which has fewer divisions than the Pope and none of his moral authority.

As a result, we are all bearing witness to the decimation of a nation that was guaranteed protection under the U.N. Charter while the best we can offer is to seek to minimize the bloodshed by denying arms to the victims of aggression.

Our collective acquiescence to aggression may be the lesser of two evils—but it is nonetheless the participation in the evil of ethnic cleansing that we hoped might never again touch the European continent.

We are hesitant to take more aggressive action because the consequences of our action cannot be predicted. The absence of predictability prevents the development of consensus:

Should we do nothing militarily to stop Serbian aggression?

Lift the arms embargo unilaterally if necessary and strike?

Lift and get out of the way—if that is possible?

Time is running out on our Hamlet-like irresoluteness. Before the decision is made to lift the arms embargo, with all of its attendant uncertainties—including the fear of Americanizing the war on the part of some and the hope of doing so on the part of others—we should make an effort to establish the credibility of UNPROFOR's mission and might:

New leadership is required. General Rose has departed. General Smith has taken his place. Mr. Akashi should be asked to resign immediately.

When a no-fly zone or weapons exclusion zone has been declared, it should be enforced, not allowed to be violated with impunity.

No tribute or tolls should be paid by UNPROFOR forces to gain passage to help the victims of war.

No tolerance should be granted for taking hostages or using them as human shields.

If any harm should come to UNPROFOR forces, we should take out every major target that allows the Serbs to continue to wage war. That power should be disproportionate to the transgression and no area in Serbia ruled out of our bomb sites.

UNPROFOR should be given the heavy armor necessary to protect its forces and achieve its humanitarian mission.

If we are unable to give UNPROFOR—whose troops are trapped in the layers of a disastrous dual command structure—the authority and firepower to achieve these ends, then we should remove the forces before the U.N.'s political impotence is allowed to corrode NATO's military integrity and credibility any further than it has already done so.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MIDDLE-CLASS BILL OF RIGHTS TAX RELIEF ACT OF 1995—MESSAGE FROM THE PRESIDENT—PM 17

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, transmitting, a draft of proposed legislation to amend the Internal Revenue Code of 1986 to provide tax relief for the middle-class, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the ''Middle-Class Bill of Rights Tax Relief Act of 1995.'' I am also sending you an explanation of the revenue proposals of this legislation.

This bill is the next step in my Administration's continuing effort to raise living standards for working families and help restore the American Dream for all our people.

For 2 years, we have worked hard to strengthen our economy. We worked with the last Congress to enact legislation that will reduce the annual deficits of 1994–98 by more than $600 billion; we created nearly 6 million new jobs; we cut taxes for 15 million low-income families and gave tax relief to small businesses; we opened export markets through global and regional trade agreements; we invested in human and physical capital to increase productivity; and we reduced the Federal Government by more than 100,000 positions.

With that strong foundation in place, I am now proposing a Middle Class Bill of Rights. Despite our progress, too many Americans are still working harder for less. The Middle Class Bill of Rights will enable working Americans to raise their families and get the education and training they need to meet the demands of a new global economy. It will let middle-income families share in our economic prosperity today and help them build our economic prosperity tomorrow.

The ''Middle-Class Bill of Rights Tax Relief Act of 1995'' includes three of the four elements of my Middle Class Bill of Rights. First, it offers middle-income families a $500 tax credit for each child under 13. Second, it includes a tax deduction of up to $10,000 a year to help middle-income Americans pay for post-secondary education expenses and training expenses. Third, it lets more middle-income Americans make tax-deductible contributions to Individual Retirement Accounts and withdraw from them, penalty-free, for the costs of education and training, health care, first-time home-buying, long periods of unemployment, or the care of an ill parent.

The fourth element of my Middle Class Bill of Rights—not included in this legislation—is the GI Bill for America's Workers, which consolidates 70 Federal training programs and creates a more effective system for learning new skills and finding better jobs for adults and youth. Legislation for this proposal is being developed in cooperation with the Congress.

If enacted, the Middle Class Bill of Rights will help keep the American Dream alive for everyone willing to take responsibility for themselves, their families, and their futures. And it will not burden our children with more debt. In my fiscal 1996 budget, we have found enough savings not only to pay for this tax bill, but also to provide another $81 billion in deficit reduction between 1996 and 2000.

This legislation will restore fairness to our tax system, let middle-income families share in our economic prosperity, encourage Americans to prepare for the future, and help ensure that the United States moves into the 21st Century still the strongest nation in the world. I urge the Congress to take prompt and favorable action on this legislation.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 13, 1995.*

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 18

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Joint Economic Committee:

To the Congress of the United States:

Two years ago I took office determined to improve the lives of average American families. I proposed, and the Congress enacted, a new economic strategy to restore the American dream. Two years later, that strategy has begun to pay off.

Together we have created an environment in which America's private sector has been able to produce more than 5 million new jobs. Manufacturing employment grew during each month of 1994—the first time that has happened since 1978. We have cut the deficit in

the Federal budget for 3 years running, we have kept inflation in check, and, based on actions I have already taken, the Federal bureaucracy will soon be the smallest it has been in more than 3 decades. We have opened up more new trade opportunities in just 2 years than in any similar period in a generation. And we have embarked on a new partnership with American industry to prepare the American people to compete and win in the new global economy.

In short, America's economic prospects have improved considerably in the last 2 years. And the economy will continue to move forward in 1995, with rising output, falling deficits, and increasing employment. Today there is no country in the world with an economy as strong as ours, as full of opportunity, as full of hope.

Still, living standards for many Americans have not improved as the economy has expanded. For the last 15 years, those Americans with the most education and the greatest flexibility to seek new opportunities have seen their incomes grow. But the rest of our work force have seen their incomes either stagnate or fall. An America that, in our finest moments, has always grown together, now grows apart.

I am resolved to keep the American dream alive in this new economy. We must make it possible for the American people to invest in the education of their children and in their own training and skills. This is the essence of the New Covenant I have called for—economic opportunity provided in return for people assuming personal responsibility. This is the commitment my Administration made to the American people 2 years ago, and it remains our commitment to them today.

THE ADMINISTRATION'S ECONOMIC STRATEGY

Our economic strategy has been straightforward. First, we have pursued deficit reduction to increase the share of the Nation's economic resources available for private investment. At the same time we have reoriented the government's public investment portfolio with an eye toward preparing our people and our economy for the 21st century. We have cut yesterday's government to help solve tomorrow's problems, shrinking departments, cutting unnecessary regulations, and ending programs that have outlived their usefulness. We have also worked to expand trade and to boost American sales to foreign markets, so that the American people can enjoy the better jobs and higher wages that should result from their own high-quality, high-productivity labor. Having fixed the fundamentals, we are now proposing what I call the Middle Class Bill of Rights, an effort to build on the progress we have made in controlling the deficit while providing tax relief that is focused on the people who need it most.

PUTTING OUR OWN HOUSE IN ORDER

The first task my Administration faced upon taking office in January 1993 was to put our own economic house in order. For more than a decade, the Federal Government had spent much more than it took in, borrowing the difference. As a consequence, by 1992 the Federal deficit had increased to 4.9 percent of gross domestic product—and our country had gone from being the world's largest creditor Nation to being its largest debtor.

As a result of my Administration's deficit reduction package, passed and signed into law in August 1993, the deficit in fiscal 1994 was $50 billion lower than it had been the previous year. In fact, it was about $100 billion lower than had been forecast before our budget plan was enacted. Between fiscal 1993 and fiscal 1998, our budget plan will reduce the deficit by $616 billion. Our fiscal 1996 budget proposal includes an additional $81 billion in deficit reduction through fiscal 2000.

PREPARING THE AMERICAN PEOPLE TO COMPETE AND WIN

As we were taking the necessary steps to restore fiscal discipline to the Federal Government, we were also working to reorient the government's investment portfolio to prepare our people and our economy for 21st-century competition.

Training and Education. In our new information-age economy, learning must become a way of life. Learning begins in childhood, and the opportunity to learn must be available to every American child—that is why we have worked hard to expand Head Start.

With the enactment of Goals 2000 we have established world-class standards for our Nation's schools. Through the School-to-Work Opportunities Act we have created new partnerships with schools and businesses to make sure that young people make a successful transition to the world of work. We have also dramatically reformed the college loan program. Americans who aspire to a college degree need no longer fear that taking out a student loan will one day leave them overburdened by debt.

Finally, we are proposing to take the billions of dollars that the government now spends on dozens of training programs and make that money directly available to working Americans. We want to leave it up to them to decide what new skills they need to learn—and when—to get a new or better job.

New Technology. Technological innovation is the engine driving the new global economy. This Administration is committed to fostering innovation in the private sector. We have reoriented the Federal Government's investment portfolio to support fundamental science and industry-led technology partnerships, the rapid deployment and commercialization of civilian technologies, and funding for technology infrastructure in transportation, communications, and manufacturing.

A Middle Class Bill of Rights. Fifty years ago the GI Bill of Rights helped transform an economy geared for war into one of the most successful peacetime economies in history. Today, after a peaceful resolution of the cold war, middle-class Americans have a right to move into the 21st century with the same opportunity to achieve the American dream.

People ought to be able to deduct the cost of education and training after high school from their taxable incomes. If a family makes less than $120,000 a year, the tuition that family pays for college, community college, graduate school, professional school, vocational education, or worker training should be fully deductible, up to $10,000 a year. If a family makes $75,000 a year or less, that family should receive a tax cut, up to $500, for every child under the age of 13. If a family makes less than $100,000 a year, that family should be able to put $2,000 a year, tax free, into an individual retirement account from which it can withdraw, tax free, money to pay for education, health care, a first home, or the care of an elderly parent.

EXPANDING OPPORTUNITY AT HOME THROUGH FREE AND FAIR TRADE

Our efforts to prepare the American people to compete and win in the new global economy cannot succeed unless we succeed in expanding trade and boosting exports of American products and services to the rest of the world. That is why we have worked so hard to create the global opportunities that will lead to more and better jobs at home. We won the fight for the North American Free Trade Agreement (NAFTA) and the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

Our commitment to free and fair trade goes beyond NAFTA and the GATT. Last December's Summit of the Americas set the stage for open markets throughout the Western Hemisphere. The Asia-Pacific Economic Cooperation (APEC) group is working to expand investment and sales opportunities in the Far East. We firmly believe that economic expansion and a rising standard of living will result in both regions, and the United States is well positioned both economically and geographically to participate in those benefits.

This Administration has also worked to promote American products and services to overseas customers. When foreign government contracts have been at stake, we have made sure that our exporters had an equal chance. Billions of dollars in new export sales have been the result, from Latin America to Asia. And these sales have created and safeguarded tens of thousands of American jobs.

HEALTH CARE AND WELFARE REFORM: THE UNFINISHED AGENDA

In this era of rapid change, Americans must be able to embrace new economic opportunities without sacrificing their personal economic security. My Administration remains committed to providing health insurance coverage for every American and containing

health care costs for families, businesses, and governments. The Congress can and should take the first steps toward achieving these goals. I have asked the Congress to work with me to reform the health insurance market, to make coverage affordable for and available to children, to help workers who lose their jobs keep their health insurance, to level the playing field for the self-employed by giving them the same tax treatment as other businesses, and to help families provide long-term care for a sick parent or a disabled child. We simply must make health care coverage more secure and more affordable for America's working families and their children.

This should also be the year that we work together to end welfare as we know it. We have already helped to boost the earning power of 15 million low-income families who work by expanding the earned income tax credit. With a more robust economy, many more American families should also be able to escape dependence on welfare. Indeed, we want to make sure that people can move from welfare to work by giving them the tools they need to return to the economic mainstream. Reform must include steps to prevent the conditions that lead to welfare dependence, such as teen pregnancy and poor education, while also helping low-income parents find jobs with wages high enough to lift their families out of poverty. At the same time, we must ensure that welfare reform does not increase the Federal deficit, and that the States retain the flexibility they need to experiment with innovative programs that aim to increase self-sufficiency. But we must also ensure that our reform does not punish people for being poor and does not punish children for the mistakes of their parents.

REINVENTING GOVERNMENT

Taking power away from Federal bureaucracies and giving it back to communities and individuals is something everyone should be able to support. We need to get government closer to the people it is meant to serve. But as we continue to reinvent the Federal Government by cutting regulations and departments, and moving programs to the States and communities where citizens in the private sector can do a better job, let us not overlook the benefits that have come from national action in the national interest: safer foods for our families, safer toys for our children, safer nursing homes for our elderly parents, safer cars and highways, and safer workplaces, cleaner air and cleaner water. We can provide more flexibility to the States while continuing to protect the national interest and to give relief where it is needed.

The New Covenant approach to governing unites us behind a common vision of what is best for our country. It seeks to shift resources and decisionmaking from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy. In the second round of reinventing government, we propose to cut $130 billion in spending by streamlining departments, extending our freeze on domestic spending, cutting 60 public housing programs down to 3, and getting rid of over 100 programs we do not need. Our job here is to expand opportunity, not bureaucracy—to empower people to make the most of their own lives. Government should be leaner, not meaner.

THE ECONOMIC OUTLOOK

As 1995 begins, our economy is in many ways as strong as it has ever been. Growth in 1994 was robust, powered by strong investment spending, and the unemployment rate fell by more than a full percentage point. Exports soared, consumer confidence rebounded, and Federal discretionary spending as a percentage of gross domestic product hit a 30-year low. Consumer spending should remain healthy and investment spending will remain strong through 1995. The Administration forecasts that the economy will continue to grow in 1995 and that we will remain on track to create 8 million jobs over 4 years.

We know, nevertheless, that there is a lot more to be done. More than half the adult work force in America is working harder today for lower wages than they were making 10 years ago. Millions of Americans worry about their health insurance and whether their retirement is still secure. While maintaining our momentum toward deficit reduction, increased exports, essential public investments, and a government that works better and costs less, we are committed to providing tax relief for the middle-class Americans who need it the most, for the investments they most need to make.

We live in an increasingly global economy in which people, products, ideas, and money travel across national borders at lightning speed. During the last 2 years, we have worked hard to help our workers take advantage of this new economy. We have worked to put our own economic house in order, to expand opportunities for education and training, and to expand the frontiers of free and fair trade. Our goal is to create an economy in which all Americans have a chance to develop their talents, have access to better jobs and higher incomes, and have the capacity to build the kind of life for themselves and their children that is the heart of the American dream.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 13, 1995.*

MESSAGES FROM THE HOUSE

At 4 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following bills, in which it requests the concurrence of the Senate:

H.R. 668. An act to control crime by further streamlining deportation of criminal aliens; and

H.R. 729. An act to control crime by a more effective death penalty.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 668. An act to control crime by further streamlining deportation of criminal aliens; to the Committee on the Judiciary.

H.R. 729. An act to control crime by a more effective death penalty; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–412. A communication from the Director of the Office of Management and Budget, transmitting, pursuant to law, the Office's Sequestration Preview Report for fiscal year 1996; pursuant to the order of August 4, 1977; referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

EC–413. A communication from the Secretary of Commerce, transmitting, pursuant to law, the 1994 annual report of the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology; to the Committee on Commerce, Science and Transportation.

EC–414. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled ''Performance Profiles of Major Energy Producers 1993''; to the Committee on Energy and Natural Resources.

EC–415. A communication from the Secretary of Transportation, transmitting, pursuant to law, the Department's fiscal year 1994 report relative to Superfund; to the Committee on Environment and Public Works.

EC–416. A communication from the Acting Inspector General of the Department of the Interior, transmitting, pursuant to law, a report entitled, ''Accounting for Fiscal Year 1993 Reimbursable Expenditures of Environmental Protection Agency Superfund Money, Water Resources Division, U.S. Geological Survey''; to the Committee on Environment and Public Works.

EC–417. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, prospectuses for three U.S. courthouses; to the Committee on Environment and Public Works.

EC–418. A communication from the Inspector General of the Federal Emergency Management Agency, transmitting, pursuant to law, a report relative to the temporary and permanent relocation components of the Superfund Program during fiscal year 1993; to the Committee on Environment and Public Works.

EC–419. A communication from the Chairman of the Physician Payment Review Commission, transmitting, pursuant to law, a report relative to Medicare beneficiaries; to the Committee on Finance.

EC–420. A communication from the Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, a report relative to the payment of a reward pursuant to 22 U.S.C. Section 2708; to the Committee on Foreign Relations.

EC–421. A communication from the Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, a report relative to the payment of a reward pursuant to 22 U.S.C. Section 2708; to the Committee on Foreign Relations.

EC–422. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-392 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–423. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-393 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–424. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-394 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–425. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-395 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–426. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-396 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–427. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-397 adopted by the Council on January 3, 1995; to the Committee on Governmental Affairs.

EC–428. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-398 adopted by the Council on January 3, 1995; to the Committee on Governmental Affairs.

EC–429. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-399 adopted by the Council on January 3, 1995; to the Committee on Governmental Affairs.

EC–430. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-401 adopted by the Council on January 3, 1995; to the Committee on Governmental Affairs.

EC–431. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-402 adopted by the Council on January 8, 1995; to the Committee on Governmental Affairs.

EC–432. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a report relative to the Senior Executive Service; to the Committee on Governmental Affairs.

EC–433. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, a Notice of Proposed Rulemaking docket number RM95-3; to the Committee on Governmental Affairs.

EC–434. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Native Hawaiian Revolving Loan Fund for fiscal year 1993; to the Committee on Indian Affairs.

EC–435. A communication from the Senior Attorney of the Copyright Office of the Library of Congress, transmitting, pursuant to law, a report of the activities of the Office under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–436. A communication from the Secretary of the Judicial Conference of the United States, transmitting, pursuant to law, a report containing recommendations regarding the admission of character evidence in certain cases under the Federal Rules of Evidence; to the Committee on the Judiciary.

EC–437. A communication from the Director of Operations and Finance, American Battle Monuments Commission, transmitting, pursuant to law, a report relative to the Commission's compliance with the Freedom of Information Act during calendar year 1994; to the Committee on the Judiciary.

EC–438. A communication from the Executive Director of the Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, a report relative to the Corporation's activities under the Freedom of Information Act during calendar year 1994.

EC–439. A communication from the Chief Justice of the United States, transmitting, pursuant to law, a report of the proceedings of the Judicial Conference of the United States on September 20, 1994; to the Committee on the Judiciary.

EC–440. A communication from the Chairman of the Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, the annual report of the Foundation for 1994; to the Committee on Labor and Human Resources.

EC–441. A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual proceedings of the One-Hundred and Third Continental Congress of the National Society of the Daughters of the American Revolution; to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 395. A bill to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG:

S. 396. A bill for the relief of Amalia Hatzipetrou and Konstantinos Hatzipetrou; to the Committee on the Judiciary.

By Mr. MCCAIN:

S. 397. A bill to benefit crime victims by improving enforcement of sentences imposing fines and special assessments, and for other purposes; to the Committee on the Judiciary.

By Mr. LAUTENBERG (for himself, Mr. COHEN, Ms. SNOWE, Mr. HEFLIN, Mr. GRAHAM, and Mr. DODD):

S. 398. A bill to amend the Solid Waste Disposal Act to provide congressional authorization for State control over transportation of municipal solid waste, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for Mr. KEMPTHORNE (for himself, Mr. DOLE, Mr. COCHRAN, Mr. ROBB, Mr. ASHCROFT, Mr. BIDEN, Mrs. BOXER, Mr. CAMPBELL, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DORGAN, Mr. FEINGOLD, Mr. GRAMM, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. INHOFE, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. LOTT, Mr. MCCAIN, Mr. MURKOWSKI, Mr. ROCKEFELLER, Mr. SIMPSON, Mr. STEVENS, and Mr. FORD)):

S. Res. 77. A resolution to commemorate the 1995 National Peace Officers Memorial Day; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 395. A bill to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes; to the Committee on Energy and Natural Resources.

ALASKA POWER ADMINISTRATION SALE ACT

Mr. MURKOWSKI. Mr. President, I am pleased today to introduced legislation to sell the Alaska Power Administration's two hydroelectric projects, as well as a trailing amendment which would lift the Alaska North Slope crude oil export ban.

Mr. President, title 1 of this legislation will authorize the sale of the Alaska Power Administration. The Alaska Power Administration is really different from the other Federal power marketing agencies of the Department of Energy. It has only two hydroelectric projects, Eklutna, near Anchorage, and Snettisham, near Juneau. These were never intended by Congress to remain indefinitely under Federal control.

The Eklutna Project Act, for example, states that:

> Upon completion of amortization of the capital investment allocated to power, the Secretary is authorized and directed to report to the Congress upon the feasibility and desirability of transferring the Eklutna project to public ownership and control in Alaska.

Moreover, these two projects were created specifically to promote economic and industrial development in Alaska, and they are not the product of a water resource management plan.

I have been a strong advocate of ensuring that Alaskans control their own destiny, which is really what this bill is about. It will put the management of these two hydroelectric projects into the hands of those who best know Alaska. One project would be sold to the State of Alaska and the other will be sold to a group of three Alaskan public electric utilities.

Equally as important, this legislation will relieve the Federal Government of the expenses of operating and maintaining these two projects. It also provides for the termination of the Alaska Power Administration once the sale is complete, further saving money for taxpayers.

It is important to note that this legislation provides necessary safeguards for the environment. It requires the State of Alaska and the Eklutna purchasers to abide by the memorandum of agreement they entered into regarding the protection and enhancement of fish and wildlife. This legislation makes this legally enforceable.

Last year, the Committee on Energy and Natural Resources reported Senate bill 2383, the Alaska Power Administration Sale Authorization Act. The administration testified in strong support of this legislation. Unfortunately, the committee acted too late in the year to allow for Senate action. With early introduction in this Congress, I am hopeful we will see this legislation enacted into law soon.

There is one provision which needs to be included in the Alaska Power Administration legislation before it is sent to the President for signature. But I have not included it because it addresses the Internal Revenue Code. In order to indicate my strong desire that such a provision be included in the final bill, I have introduced it as a printed amendment.

Title 2 of this bill will lift the Alaska North Slope crude oil export ban. Alaska is the only State that is subject to such an onerous plan. The 1.6 million barrels of oil transported through the TransAlaska pipeline is not forced into the lower 48 crude markets, creating artificially low crude oil prices on the west coast. The majority of this oil is tankered along our coast to Washington and California.

Some of the oil is even shipped all the way down to Panama, pumped through the TransPanamanian pipeline, which is owned in large part by the Panamanian Government. The oil is then put back on smaller U.S.-flagged tankers that transport it into the gulf States at exorbitant prices. This process is no longer economic with the decline in the price of oil.

Now what we have seen is we have seen an increase in the supply of oil on the west coast. It has depressed the cost of crude oil in California by as much as $3 a barrel, and that has discouraged the exploration of development of oilfields in California and Alaska.

The Department of Energy completed a study of the Alaskan North Slope crude oil ban in June 1994 and the Department of Energy concluded that the lifting of this ban would add as much as $180 billion in tax revenue to the U.S. Treasury, create some 25,000 jobs by the year 2000, preserve some 3,300 maritime jobs, inasmuch as some of the oil will probably be moving to the Far East in U.S.-flagged vessels that are crewed by U.S. sailors, and would require additional ships because, obviously, the transit is longer than moving that oil down to the west coast. It would also increase American oil production by as much as 110,000 barrels a day, according to a DOE estimate. This study also found it would not significantly impact gas prices to consumers in California.

Mr. President, this ban no longer makes any sense. Rather than decrease our dependence on foreign oil, it has decreased our domestic production, and made us more reliant on imported oil. Oil, like any other commodity, should find its own level and its own market. The exception of this has been the prohibition on allowing the export of Alaskan oil.

Mr. President, all this legislation would so is to allow the market to determine the price and buyer of the crude oil. The TransAlaska pipeline would still supply the west coast with crude oil because it is simply the closest market for the oil. The excess crude that creates a glut in California and the oil that is forced through the TransPanamanian pipeline would probably be sold overseas and find a market there. But the market would primarily determine where it is sold.

Mr. President, I ask unanimous consent that the bill and the associated amendment be printed in the CONGRESSIONAL RECORD and that my statement and the accompanying bill be addressed for referral as it appropriate.

Mr. President, I neglected to announce that the senior Senator from Alaska [Mr. STEVENS] joins me as a cosponsor on the bill.

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

S. 395

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled,

TITLE I

SECITON 101. SHORT TITLE.

This title may be cited as the ''Alaska Power Administration Sale Act''.

SEC. 102. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.

(a) The Secretary of Energy is authorized and directed to sell the Snettisham Hydroelectric Project (referred to in this Act as ''Snettisham'') to the State of Alaska in accordance with the terms of this Act and the February 10, 1989, Snettisham Purchase Agreement, as amended, between the Alaska Power Administration of the Department of Energy and the Alaska Power Authority.

(b) The Secretary of Energy is authorized and directed to sell the Eklutna Hydroelectric Project (referred to in this Act as ''Eklutna'') to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc., (referred to in this Act as ''Eklutna Purchasers'') in accordance with the terms of this Act and the August 2, 1989, Eklutna Purchase Agreement, as amended, between the Department of Energy and the Eklutna Purchasers.

(c) The heads of other Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized and directed by this Act.

(d) The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

(e) There are authorized to be appropriated such sums as may be necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance. Such preparations and acquisitions shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the asset to be sold.

SEC. 103 EXEMPTION.

(a)(1) After the sales authorized by this Act occur, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a et. seq.).

(2) The exemption provided by paragraph (1) does not affect the Memorandum of Agreement entered into between the State of Alaska, the Eklutna Purchases, the Alaska Energy Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, which remains in full force and effect.

(3) Nothing in this Act or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the Memorandum of Agreement.

(b)(1) The United States District Court for the District of Alaska has jurisdiction to review decisions made under the Memorandum of Agreement and to enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance.

(2) An action seeking review of a Fish and Wildlife Program (''Program'') of the Governor of Alaska under the Memorandum of agreement or challenging actions of any of the parties to the Memorandum of agreement prior to the adoption of the Program shall be brought not later than 90 days after the date of which the Program is adapted by the Governor of Alaska, or be barred.

(3) An action seeking review of implementation of the Program shall be brought not later than 90 days after the challenged act implementing the program, or be barred.

(c) With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

(1) The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

(A) at no cost to the Eklutna Purchasers;

(B) to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

(C) sufficient for the operation, maintenance, repair, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including land selected by the State of Alaska.

(2) If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued uses of the rights-of-way on land managed by the Bureau of Land Management and military lands in accordance with current law.

(3) Fee title to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary of the Interior determines that pending claims to, and selection of, those lands are invalid or relinquished.

(4) With respect only to approximately 853 acres of Eklutna lands identified in paragraphs 1.a., b., and c. of Exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select, and the secretary of the Interior shall convey, to the state, improved lands under the selection entitlements in section 6(a) of the Act of July 7, 1958 (Public Law 85–508) and the North Anchorage Land Agreement of January 31, 1983. The conveyance is subject to the rights-of-way provided

to the Eklutna Purchasers under paragraph (1).

(d) With respect to the approximately 2,671 acres of Snettisham lands identified in paragraphs 1.a and b. of Exhibit A of the Snettisham Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey to the State, improved lands under the selection entitlement in section 6(a) of the Act of July 7, 1958 (Public Law 85–508).

(e) Not later than 1 year after both of the sales authorized in section 2 have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

(1) complete the business of, and close out, the Alaska Power Administration;

(2) prepare and submit to Congress a report documenting the sales; and

(3) return unused balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

(f) The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, when all Eklutna assets have been conveyed to the Eklutna Purchasers.

(g) Section 204 of the Flood Control Act of 1962 (Public Law 87–874; 76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, when all Snettisham assets have been conveyed to the State of Alaska.

(h) As of the later of the two dates determined in subsection (f) and (g), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)) is amended—

(1) in paragraph (1)—

(A) by striking our subparagraph (C); and

(B) by redesignating subparagraphs (D), (E) and (F) as subparagraphs (C), (D), and (E) respectively;

(2) in paragraph (2), by striking out ''the Bonneville Power Administration, and the Alaska Power Administration'' and inserting in lieu thereof ''and the Bonneville Power Administration''.

(i) The Act of August 9, 1955 (69 Stat. 618), concerning water resources investigation in Alaska, is repealed.

(j) The sales of Eklutna and Snettisham under this Act are not considered a disposal of Federal surplus property under the following provisions of section 203 of the Federal Property and Administration Services Act of 1949 (40 U.S.C. 484) and section 13 of the Surplus Property Act of 1944 (50 U.S.C. app. 1622).

TITLE II

SEC. 201. SHORT TITLE.

This Title may be cited as ''Trans-Alaska Pipeline Amendment Act of 1995''.

SEC. 202. TAPS ACT AMENDMENTS.

Section 203 of the Act entitled the ''Trans-Alaska Pipeline Authorization Act,'' as amended (43 U.S.C. 1652), is amended—

(a) by inserting the following new subsection (f): ''(f) Exports of Alaskan North Slope oil.

''(1) Subject to paragraphs (2) and (3), notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over a right-of-way granted pursuant to this section may be exported.

''(2) Except in the case of oil exported to a country pursuant to a bilateral international oil supply agreement entered into by the United States with the country before June 25, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, the oil shall be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 2 of the Shipping Act, 1916, (46 U.S.C. App. 802)).

''(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers act (50 U.S.C. 1701 et seq.), or the National Emergencies Act (50 U.S.C. 1601 et seq.) to prohibit exportation of the oil.''.

SEC. 203. SECURITY OF SUPPLY.

Section 410 of the Trans-Alaska Pipeline Authorization Act (87 Stat. 594) is amended to read as follows:

''The Congress reaffirms that the crude oil on the North Slope of Alaska is an important part of the Nation's oil resources, and that the benefits of such crude oil should be equitably shared, directly or indirectly, by all regions of the country. The President shall use any authority he may have to ensure an equitable allocation of available North Slope and other crude oil resources and petroleum products among all regions and all of the several States.''.

SEC. 204. ANNUAL REPORT.

Section 103(f) of the Energy Policy and Conservation Act (42 U.S.C. 6212(f)) is amended by adding at the end thereof the following:

''In the first quarter report for each new calendar year, the President shall indicate whether independent refiners in Petroleum Administration District 5 have been unable to secure adequate supplies of crude oil as a result of exports of Alaskan North Slope crude oil in the prior calendar year and shall make such recommendations to the Congress as may be appropriate.''.

SEC. 205. GAO REPORT.

The Comptroller General of the United States shall conduct a review of energy production in California and Alaska and the effects of Alaskan North Slope crude oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast. The Comptroller General shall commence this review four years after the date of enactment of this Act and, within one year after commencing the review, shall provide a report to the Committee on Energy and Natural Resources in the Senate and the Committee on Resources in the House of Representatives. The report shall contain a statement of the principal findings of the review and such recommendations for consideration by the Congress as may be appropriate.

SEC. 206. EFFECTIVE DATE.

This Act and the amendments made by it shall take effect on the date of enactment.

By Mr. McCAIN:

S. 397. A bill to benefit crime victims by improving enforcement of sentences imposing fines and special assessments, and for other purposes; to the Committee on the Judiciary.

PRIVATIZATION OF DEFAULTED DEBT COLLECTION

• Mr. McCAIN. Mr. President, today I am introducing legislation to improve collection of the staggering amount of delinquent debt that convicted criminals owe to crime victims and the Federal Government. The bill calls on the Department of Justice to contract with private firms to collect criminal fines and special assessments from offenders who are in default. These criminal fines and assessments are used to finance various programs to assist crime victims. The Department of Justice is responsible for making criminal debt collections, but DOJ is not getting the job done. Privatizing the effort will enable us to tap into the source of billions of dollars that otherwise might go uncollected.

The Justice Department and the U.S. General Accounting Office reported an inventory of more than 110,000 overdue criminal debts valued at more than $2.3 billion at the end of fiscal year 1992. This money, if collected, would be deposited into the Crime Victims Fund—for the counseling of victims of violent crime, for domestic abuse shelters, for many programs nationwide that help victims and their families cope with the devastation caused by these criminals.

But the money cannot go into the Crime Victims Fund unless it is collected. And right now, many defaulted fines and special assessments go uncollected because there is such a tremendous backlog of cases. When convicts escape from jail, they are hunted down and forced to do their time. So it seems ridiculous that criminal debtors who escape payment are not hunted down with the same determination and forced to make good on their debts to their victims and the Federal Government.

Currently, the Department of Justice is responsible for collecting past due debts, both criminal and civil. Within the Department of Justice, the Associate Deputy Attorney General plans and supervises the collections, while the U.S. attorneys in 94 judicial districts are charged with actually collecting the past due debts.

The U.S. attorney offices are not always able to handle the huge volume of debt collection cases, however, because of a backlog of older cases, inadequate resources, and other priorities. In fact, from 1985 to 1992, the number of criminal debts tripled while the time spent on collections declined. What effect can these fines possibly have, what good can they do for victims, if they are not strictly enforced?

At a time when fiscal restraint is a top priority, it is absurd that we are not vigorously pursuing this multibillions-dollar source of funds and that we are letting convicted criminals compound their crimes by defying court orders to pay fines for these misdeeds.

Mr. President, privatizing debt collection has proven to be effective. Public Law 99–578 authorized a pilot program that allowed the Attorney General to contract with 18 private law firms in 7 Federal judicial districts to collect past due civil debts, such as student loans as federally guaranteed mortgages. The General Accounting Office completed an evaluation of the pilot program in September 1994, and in its report to Congress, the GAO recommended expanding the pilot program because it was so successful.

The GAO report concluded that the private law firms were cost effective, collecting $9.2 million in defaulted civil debts at a cost of $2.4 million. Further, the private firms closed more cases at a low unit cost than the collectors in

the U.S. attorney offices. The U.S. attorney collectors spend $422 to close each case compared to $243 for the private firms. Most important of all, the GAO study noted that the private firms worked cases and collected debts that the U.S. attorney collectors had given up on or may never have dealt with because of their ever-increasing workloads.

This pilot program is successful dealing with civil debt collection. We should apply this same approach to capturing the $2.3 billion in uncollected criminal debt.

The legislation I am introducing today would require the Director of the Administrative Office of the U.S. Courts to contract with private sector firms to collect defaulted criminal debts. The private firms would be paid on a contingent fee basis, which means that these firms would receive a set percentage of any amount that they collected. This approach would ensure that the Government will not pay for work unless it is completed and it would ensure that the private firms will be motivated to do the work.

All of the defaulted criminal debt that would be collected, less the contingency fee, would be deposited directly into the Crime Victims Fund, in accordance with Federal law. I want to stress that this is money that would not otherwise be collected if it were not for privatized collection. Every dollar collected will provide additional resources to render desperately needed victim assistance.

The Crime Victims Fund finances many vital programs across this Nation. In my home State of Arizona, the Brewster Center in Tucson annually depends on money from the Crime Victims Fund to provide shelter and counseling for more than 1,000 women and children living through the horror of domestic violence.

In Phoenix, AZ, the Crisis Nursery is a lifeline for the youngest and most helpless victims of crime—children. Last year, money from the Crime Victims Fund sheltered and counseled 806 children at the Crisis Nursery—helping them endure the tragedy of physical and sexual abuse, the loss of a murdered parent, and neglect or abandonment. Victims assistance programs in Arizona received slightly more than $1 million from the Crime Victims Fund last year, but that amount is down for the third year in a row.

Every dollar of defaulted criminal debt that is collected as a result of this legislation means continued funding for places like Brewster Center and the Crisis Nursery. And, remember, this is money that is coming directly from court fines on the convicted criminals who committed the crimes.

Mr. President, I am amenable to discussion on the mandatory nature of this legislation. There may be some merit to considering an optional approach to contracting with private firms or, perhaps, a pilot program similar to the successful one that Congress created for privatizing civil debt collection.

It is imperative, however, that we act swiftly because there is a 5-year statute of limitations on collection of the criminal special assessments. Every day that we spend debating this issue is one less day spent tracking down and collecting from these deadbeat criminals; and when the statute of limitations passes, that money is gone forever.

Mr. President, this legislation clearly empowers the Department of Justice to obtain much-needed help on an overwhelming task—collecting more than $2 billion in defaulted criminal debts, and I urge quick consideration and passage of this measure.

I ask unanimous consult that several letters be printed in the RECORD.

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

NATIONAL ORGANIZATION FOR VICTIM ASSISTANCE,
Washington, DC, February 10, 1995.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: I write to express the enthusiastic support of the National Organization for Victim Assistance for your proposed legislation to privatize the collection of backlogged, uncollected penalty assessments and criminal fines owed to the federal courts—and to the Crime Victims Fund.

As you know, the Victims of Crime Act of 1984, as amended, created the Crime Victims Fund, into which are placed virtually all Title 18 federal criminal fines, the ''penalty assessments'' created by VOCA, and forfeited bail bonds. These revenues (which run about $150–$200 million a year) are then expended on two small victim-oriented programs and two major ones—one supporting the various states' crime victim compensation programs, and the other thousands of local programs of personal assistance and advocacy.

Through these two programs, VOCA has become the ''Marshall Plan of the victims' movement,'' a stimulator of huge growth in victim compensation and assistance programs. Its multiplier effects make all of us in the victims' movement very protective of its funding base, and very supportive of expanding that base wherever possible.

We therefore applaud your many efforts to increase VOCA's revenues, from trying to make the Federal Fine Center more productive in its collection efforts to proposing the doubling of the penalty assessments. But it is our estimation that the privatization of delinquent fine collections, which is your latest proposal, would prove to be by far the most beneficial to the Fund and to the programs and victims it supports.

The reason for this is the much-discussed $4 billion backlog in unpaid fines. We, like you, have heard it said that much of this is uncollected and uncollectable, involving everything from many small assessments against deported aliens to a few fines against bigtime, white-collar offenders who are now effectively destitute.

To which we say, first, the financial services industry that does collections for government agencies of every description indicates that this is a worthwhile venture to pursue—and second, we have heard of no plausible alternative to the privatization option—and third, the delinquencies in question are over $4 billion—and growing. A mere penny on each of those dollars adds up to very real money in the economy of VOCA.

To put this concern about federal fines into perspective, we believe very strongly that victims and their advocates have no special, legitimate interest in the setting of fine levels or the ordering of fines except that they meet one test—that of just and proportionate punishment.

But once that test is met, it is fair, indeed essential, for victim advocates to demand more effective efforts to collect the fines that are ordered. In our view, your privatization proposal offers that needed progress in improved collections, which makes it superior to every other alternative brought to our attention.

We therefore thank you for this newest expression of your support for crime victims and the programs that help them.

Sincerely,
MARLENE A. YOUNG, Ph.D., J.D.,
Executive Director.

NATIONAL VICTIM CENTER,
Arlington, VA, February 13, 1995.

Hon. JOHN MCCAIN,
Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the Board of Directors and Staff of the National Victim Center, we wish to express our support for your proposed measure to begin the privatization of the Federal fine collection program which secures delinquent penalties, fines and assessments destined for the Victims of Crime Act (VOCA) Fund.

The National Victim Center works with more than 8,000 victim and law enforcement organizations nationwide—a substantial number of which benefit directly or indirectly from VOCA funding through state administered compensation and victim assistance programs.

In preparation for last fall's hearing held by the Senate Committee on Government Affairs, I spoke with dozens of VOCA Administrators and VOCA sub-grantees in the field. When asked about the importance of VOCA Funding to their program, the unanimous response was that this source of financial support was not only important but indispensable to the survival of their programs. In fact, most made it clear that given reductions in contributions from other private and public sources, programs are being forced to rely more heavily than ever on VOCA money to keep their doors open.

While the resources available to assist crime victims continue to shrink in these times of fiscal caution and restraint, the demand for victim assistance and services continue to grow. Let me provide some specific examples given to me directly from State Administrators and victim service organizations last fall.

Typical is the case of the Jefferson County Domestic Violence Shelter in Arvada, Colorado. In 1993 alone 524 domestic violence victims were turned away for lack of space, including 222 children.

Texas was forced to de-fund some of its victim service programs like the Court Appointed Special Advocates (CASA) Program that provides child victims of abuse and sexual assault with a volunteer advocate to protect their rights and represent their interests before the court—particularly when the offender is a parent. In many cases, CASA volunteers are the only persons in the system who are performing such services. Without them, children will be left to fend for themselves in a system they cannot comprehend. Surrounded by adults making demands, they are too frightened or simply unable to fulfill.

Washington State recently funded a program to provide assistance to male victims of sexual assault (the most common target of

pedophiles). The program had resources to serve about 50 clients. Within three months, it had applications from more than 500 victims.

Thus, every dollar collected in fines for the VOCA fund makes a difference in the life of some crime victim. This fact viewed in the shadow of $4 billion in outstanding fines makes collection of Federal Fines an important priority of the victims' movement. It is for this reason that the movement generally supported the decision to use a portion of the VOCA fund to aid in the collection. More than $6 million per year is earmarked off the top of the VOCA Fund for that specific purpose. A good portion of that money has been dedicated to the creation of a ''Federal Fine Center'' as an investment that would assure a far greater return in increased collections.

Unfortunately, reports raise serious questions concerning the wisdom of that investment. After years in developing and millions of dollars spent, crime victims and their advocates are left with little alternative than to doubt the viability of the Center and Federal Government's current collection strategy.

We feel your proposal to privatize a portion of that collection process is an important first step in the pursuit of an alternative and more effective collection strategy. The challenge presented by the collection of fines is not dramatically different than that faced by hundreds of thousands of private firms seeking collection of debt. Yet such private concerns seem to have far greater success in meeting the challenge of debt collection than their counter-parts in the Federal Judicial System.

We believe the time has come to look to the private sector for solutions to our critical fine collection quandary. Given current circumstances, we feel that crime victims, advocates and service providers have little to lose and everything to gain.

Your proposal to allow private firms the opportunity to collect unpaid fines after 120 days will be a challenging test of private sector's proficiency. If they succeed in collecting these relatively ''stale debts'', than expansion of their role in the collection arena may be desirable.

While the National Victim Center continues to believe there is a need to overhaul the entire Federal fine collection process, your proposed measure represent the first serious step toward that undertaking.

It is for this reason that the Board of Directors and staff of the National Victim Center strongly urge your colleagues to co-sponsor and support this measure of crucial importance to our nation's crime victims.

Thank you for your consideration and support.

Sincerely,

DAVID BEATTY,
Director of Public Policy.

ARIZONA DEPARTMENT OF
PUBLIC SAFETY,
Phoenix, AZ, February 10, 1995.

Senator JOHN MCCAIN,
United States Senate,
Washington, DC.

DEAR SENATOR MCCAIN: Thank you for providing us the opportunity to respond to the proposed Privatization of Defaulted Debt Collection Act.

The Arizona Department of Public Safety administers the federal Victims of Crime Act (VOCA) victim assistance grant which supports private non-profit and governmental agencies who serve victims of crime. For the past several years, the level of deposits into the Crime Victims Fund has dropped due to decreasing collections. This results in a reduction of victim services during a time when victim services should be significantly increased. Agencies who provide direct assistance to victims of sexual assault, child abuse, domestic violence and other violent crimes are dramatically impacted.

Therefore, the Arizona Department of Public Safety strongly supports the proposed legislation which would ultimately result in more funding for victims of crime.

Sincerely,

LYNN PIRKLE,
VOCA Grant Administrator.●

By Mr. LAUTENBERG (for himself, Mr. COHEN, Ms. SNOWE, Mr. HEFLIN, Mr. GRAHAM, and Mr. DODD):

S. 398. A bill to amend the Solid Waste Disposal Act to provide congressional authorization for State control over transportation of municipal solid waste, and for other purposes; to the Committee on Environment and Public Works.

FLOW CONTROL ACT

● Mr. LAUTENBERG. Mr. President, I rise today to reintroduce the Flow Control Act. The Flow Control Act will overturn a 1994 Supreme Court decision and give State and local governments the authority to control the flow of solid waste under specific circumstances. The Supreme Court decision, if allowed to stand, could result in chaos in communities in virtually all of the States where flow control authority is currently in place and constitutes a critical component of strategies to manage waste. My legislation provides that State and local governments, not the Federal Government, will decide whether to use flow control authority.

The bill I am introducing today contains the provisions of title II of S. 2345 which were negotiated by a House-Senate conference committee and passed the House. Unfortunately, the bill died on the Senate floor because of concerns regarding another issue in the bill on the last day of the Congress last October. It was endorsed last year by all those parties faced with the responsibility of disposing of solid waste. While there are technical problems with the bill, it incorporates the bulk of the agreement worked out last year. I intend to work with all of the parties to address these remaining technical issues.

On May 16, 1994, in a 6-to-3 decision, the Supreme Court ruled in the case of Carbone versus Clarkstown that a New York municipality could not require that garbage generated in the locality be sent to a designated waste management facility. The Court held that a Clarkstown, NY, flow control ordinance interfered with interstate commerce and deprived out-of-State firms access to the local trash market. The Constitution provides that only the Federal Government may regulate commerce among the States unless it specifically delegates this authority to them. The court's ruling held that this power had not been granted by Congress to the States.

If not reversed, this decision will have a significant effect on the ability of State and local governments to manage garbage. Historically, State and local governments have had the responsibility for municipal solid waste management. This is recognized in the Nation's solid waste management law, the Resource Conservation and Recovery Act or RCRA. In RCRA, the Congress found that collection and disposal of garbage is primarily a function for State and local governments. To foster this function, RCRA requires EPA to provide assistance in the development and implementation of State solid waste management plans. States are encouraged to develop statewide solid waste management plans. Before EPA approves a plan, it must find that the plan identifies the responsibilities of State, regional, and local governments and has provided for the establishment of such State regulatory powers as is necessary to implement the plan. It's clear from RCRA that Congress intended that State and local governments have the authority necessary to manage solid waste. My bill authorizes, but doesn't require, State and local governments to use flow control authority.

According to the Congressional Research Service, 43 States, including New Jersey, either utilize flow control authority or have authorized local governments to use flow control for waste management. Flow control laws have been in place in New Jersey since 1979 and control all of the nonhazardous solid waste in the State's 567 municipalities and 21 counties. Flow control has been a significant part of New Jersey's ability to build an infrastructure to handle the 14 million tons of solid waste requiring disposal annually. Collectively, this infrastructure represents a capital investment of over $2 billion. New Jersey's recycling programs also are dependent on revenues received for use of New Jersey waste management facilities.

The Supreme Court decision threatens this authority, undercuts the roles of State and local governments in solid waste management and negates the planning process contemplated by the Congress in RCRA. It would impose a radical change in the way solid waste is managed in the United States.

The Carbone decision could hamper solid waste management efforts in three ways. First, the decision makes it impossible for cities to guarantee a steady stream of waste to waste disposal and processing facilities. Without this guaranteed steady stream of garbage, communities will be unable to secure financing to build solid waste management facilities. This threatens New Jersey's program to become solid waste self-sufficient by the end of the decade. It also threatens New Jersey's existing program to restrict exports of garbage without approval by the State.

In addition, localities would lose the revenue generated by garbage disposal at municipal facilities as garbage flowed to other facilities. This would

eliminate the source of funding for related nonprofitable waste management activities such as recycling and household hazardous waste programs. We need to increase recycling efforts. But the loss of flow control authority threatens existing efforts and makes an expansion of recycling programs less likely. Local governments will be forced to increase taxes to pay for the costs of these imported solid waste programs.

Finally, existing bonds used to finance waste management facilities are at risk if localities cannot send an adequate level of garbage to the facility to generate revenues to pay off the bonds. If localities cannot send an adequate level of garbage to a facility to generate the revenue needed to pay off the bonds, they face default and the affected communities face higher taxes.

The Supreme Court decision already is having an adverse effect on local governments. Moody's Investors Services, a bond rating service, is reviewing the bond rating for 100 solid waste facilities dependent on flow control. Facilities in New Jersey, Pennsylvania, Ohio, Minnesota, and Wisconsin where flow control ordinances are facing court challenges are at particular risk of having their bonds devalued or degraded. The bond rating for the Lancaster County Pennsylvania Solid Waste Management Authority has been lowered and the rating for the Camden County Pollution Control Authority was placed on a credit watch. A number of solid waste facilities already have been cancelled or stalled because Congress has failed to act to authorize flow control.

The flow control provision takes a balanced approach to addressing the concerns raised by the Supreme Court decision. It is intended to give State and local governments flow control authority under certain circumstances while requiring that local communities use a competitive designation process in making flow control decisions to ensure that free market competition is a component of flow control efforts. The provision has four major components.

First, it protects all existing flow control arrangements where flow control had been used to designate solid waste management facilities prior to May 15, 1994.

Second, it grants authority to States and local governments to institute additional flow control authority for: recyclables which have been voluntarily surrendered to the government, and municipal solid waste generated from household, commercial, industrial and institutional sources, as well as incinerator ash and construction and demolition debris if such waste had been flow controlled under a State or local law, ordinance, solid waste management plan or legally binding provision prior to May 15, 1994 or the local government had committed to the designation of one or more waste management facilities for the transportation, management or disposal of waste and had made a designation within 5 years of the enactment of this section.

Third, it provides that flow control authority can only be used if the community has a program to remove recyclables from the solid waste stream in accordance with State law or a local solid waste management plan. Recyclable materials are materials which have been separated, or diverted at the point of generation, from municipal solid waste. This language does not require materials to be separated at the point of generation because some recycling operations have multiple sorting arrangements some of which may occur after the point of generation. The language in this bill ensures that such multiple sorting operations will be considered recycling.

Fourth, it requires that when a local government decides to implement flow control authority, it undertake a competitive designation process which considers the facilities and services which the private sector can provide. Local governments in states other than New Jersey would also have to undertake a determination regarding whether they needed flow control to manage their waste.

This competitive designation process requires the government to establish specific criteria to be used to select facilities and also compare alternatives when designating a facility for flow control. The process also provides for public participation during the selection process. At the same time, it allows State and local governments to retain final decision making authority over most waste disposal decisions. A process is established which allows a Governor to certify that the State has a competitive process which satisfies this requirement.

Mr. President, I know some have expressed concern that flow control legislation will allow local governments to establish uneconomical monopolies on solid waste management. I believe that market competition can reduce the costs of solid waste management and, in turn, individual property taxes. That's why my legislation requires a competitive designation process. Municipal solid waste is a State and local government responsibility but doesn't have to be carried out by these governments. There are numerous examples of successful efforts to privatize government operations. This bill will bring the pressure of the free market to bear on solid waste decisions and hopefully lead to the most efficient operation providing relief to local taxpayers.

I want to make clear what this bill does not do. It does not tell State and local governments how to manage waste. Decisions on how to manage garbage and where to cite management facilities are not Federal responsibilities. These decisions have been and continue to be issues for local governments to decide, subject to State permits. The provision does not require State and local governments to use flow control authority. Again, this decision is left to these governments. The provision leaves State and local governments with the same authority they've had other than dealing with flow control to address solid waste.

Mr. President, many of my colleagues have expressed concern about the effect that unfunded mandates can have on State and local governments. I share this concern. But if we fail to act to overturn this Supreme Court decision, we could significantly increase the costs to local governments of solid waste management just as if the Congress had imposed a costly unfunded mandate on these governments. We should be giving State and local governments wide latitude to address solid waste management, particularly because the Federal Government does not provide assistance for State and local solid waste management programs.

The legislation I have developed has been endorsed by a wide range of organizations including the Conference of Mayors, and National Association of Counties, the National League of Cities, the National Association of Towns and Townships, the National Conference of State Legislatures, the Institute of Scrap Recycling Industries, and hundreds of local communities across the country.

Mr. President, we cannot expect State and local governments to manage solid waste as contemplated by RCRA if we fail to provide those governments with the tools to ensure that properly sized facilities to manage the waste are constructed. My legislation merely overturns the Supreme Court decision and provides State and local governments with the tools they need to manage solid waste. It maintains the status quo and avoids the radical change in solid waste management which would result from the Supreme Court decision.

The Congress must deal with the ambiguities that flow from the Supreme Court decision soon. State and local governments need to discharge their responsibilities for solid waste disposal.

Mr. President, I urge my colleagues to join in support of the Flow Control Act of 1995. I ask unanimous consent that a copy of the bill, an October 7, 1994 letter signed by all parties in support of the bill, and a number of articles discussing the adverse effect the Supreme Court decision is having on local communities be included in the CONGRESSIONAL RECORD.

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

S. 398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Flow Control Act of 1995''.

SEC. 2. CONGRESSIONAL AUTHORIZATION OF STATE CONTROL OVER TRANSPORTATION, MANAGEMENT, AND DISPOSAL OF MUNICIPAL SOLID WASTE.

Subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) is amended by adding after section 4010 the following new section:

"SEC. 4011. CONGRESSIONAL AUTHORIZATION OF STATE CONTROL OVER TRANSPORTATION, MANAGEMENT, AND DISPOSAL OF MUNICIPAL SOLID WASTE.

''(a) AUTHORITY.—

''(1) IN GENERAL.—Each State and each qualified political subdivision may, in accordance with this section—

''(A)(i) exercise flow control authority for municipal solid waste, incinerator ash from a solid waste incineration unit, construction debris, or demolition debris generated within the boundaries of the State or qualified political subdivision if, before May 15, 1994, the State or qualified political subdivision—

''(I) adopted a law, ordinance, regulation, solid waste management plan, or legally binding provision that contains flow control authority and, pursuant to such authority, directs such solid waste, ash, or debris to a proposed or existing waste management facility designated before May 15, 1994; or

''(II) adopted a law, ordinance, regulation, solid waste management plan, or legally binding provision that identifies the use of one or more waste management methods that will be necessary for the transportation, management, or disposal of municipal solid waste generated within such boundaries, and committed to the designation of one or more waste management facilities for such method or methods;

''(ii) after the effective date of this section, in the case of a State or qualified political subdivision that adopted such a law, ordinance, regulation, plan, or legally binding provision that meets the requirements of subclause (I) or (II) of clause (i), exercise flow control authority over such solid waste from any existing or future waste management facility to any other existing or future waste management facility; and

''(iii) after the effective date of this section, in the case of a State or qualified political subdivision that adopted such a law, ordinance, regulation, plan, or legally binding provision that meets the requirements of subclause (I) of clause (i), exercise flow control authority over such solid waste, ash, or debris from any existing waste management facility to any other existing or proposed waste management facility, and may do so without regard to subsection (b)(2); and

''(B) exercise flow control authority for voluntarily relinquished recyclable materials generated within the boundaries of the State or qualified political subdivision.

''(2) REASONABLE REGULATION OF COMMERCE.—

''(A) A law, ordinance, regulation, solid waste management plan, or legally binding provision of a State or qualified political subdivision, described in paragraph (1), that implements or exercises flow control authority in compliance with this section shall be considered to be a reasonable regulation of commerce and shall not be considered to be an undue burden on or otherwise as impairing, restraining, or discriminating against interstate commerce.

''(B) A contract or franchise agreement entered into by a State or political subdivision to provide the exclusive or nonexclusive authority for the collection, transportation, or disposal of municipal solid waste, and not otherwise involving the exercise of flow control authority described in paragraph (1), shall be considered to be a reasonable regulation of commerce and shall not be considered to be an undue burden on or otherwise as impairing, restraining, or discriminating against interstate commerce.

''(b) LIMITATIONS.—

''(1) LIMITATION OF AUTHORITY REGARDING RECYCLABLE MATERIALS.—A State or qualified political subdivision may exercise the authority described in subsection (a)(1)(B) with respect to recyclable materials only if—

''(A) the generator or owner of the materials voluntarily made the materials available to the State or qualified political subdivision, or the designee of the State or qualified political subdivision, and relinquished any rights to, or ownership of, such materials; and

''(B) the State or qualified political subdivision, or the designee of the State or qualified political subdivision, assumes such rights to, or ownership of, such materials.

''(2) LIMITATION OF AUTHORITY REGARDING SOLID WASTE OR RECYCLABLE MATERIALS.—

''(A) A State or qualified political subdivision may exercise the authority described in subparagraph (A) or (B) of subsection (a)(1) only if the State or qualified political subdivision establishes a program to separate, or divert at the point of generation, recyclable materials from municipal solid waste, for purposes of recycling, reclamation, or reuse, in accordance with any Federal or State law or municipal solid waste planning requirements in effect.

''(B) A State or qualified political subdivision may exercise the authority described in clause (i) or (ii) of subsection (a)(1)(A) only if, after conducting one or more public hearings, the State or qualified political subdivision—

''(i) finds, on the basis of the record developed at the hearing or hearings, that it is necessary to exercise the authority described in subparagraph (A) or (B) of subsection (a)(1) to meet the current solid waste management needs (as of the date of the record) or the anticipated solid waste management needs of the State or qualified political subdivision for the management of municipal solid waste or recyclable materials;

''(ii) finds, on the basis of the record developed at the hearing or hearings, including an analysis of the ability of the private sector and public bodies to provide short and long term integrated solid waste management services with and without flow control authority, that the exercise of flow control authority is necessary to provide such services in an economically efficient and environmentally sound manner; and

''(iii) provides a written explanation of the reasons for the findings described clauses (i) and (ii), which may include a finding of a preferred waste management methodology or methodologies for providing such integrated solid waste management services.

''(C) With respect to each designated waste management facility, the authority of subsection (a) shall be effective until completion of the schedule for payment of the capital costs of the waste management facility concerned (as in effect on May 15, 1994), or for the remaining useful life of the original waste management facility, whichever is longer. At the end of such period, the authority of subsection (a) shall be effective for any waste management facility for which subparagraph (B) and subsection (c) have been complied with by the State or qualified political subdivision, except that no facility, and no State or qualified political subdivision, subject to subsection (a)(1)(A)(i)(I) or subsection (a)(1)(A)(ii) shall be required to comply with subparagraph (B) for a period of 10 years after the date of enactment of this section. Notwithstanding the provisions of this paragraph, compliance with subparagraph (B) shall not be required where—

''(i) a designated waste management facility is required to retrofit or otherwise make significant modifications to meet applicable environmental requirements or safety requirements;

''(ii) routine repair or scheduled replacements of existing equipment or components of a designated waste management facility is undertaken that does not add to the capacity of the waste management facility; or

''(iii) a designated waste management facility expands on land legally or equitably owned, or under option to purchase or lease, by the owner or operator of such facility and the applicable permit includes such land.

''(D) Notwithstanding anything to the contrary in this section, paragraphs (2)(B) and (2)(C) shall not apply to any State (or any of its political subdivisions) that, on or before January 1, 1984, enacted regulations pursuant to a State law that required or directed the transportation, management, or disposal of solid waste from residential, commercial, institutional and industrial sources as defined by State law to specific waste management facilities and applied those regulations to every political subdivision in the State.

''(3) LIMITATION TO APPLIED AUTHORITIES.—The authority described in subsection (a)(1)(A) shall apply only to the specific classes or categories of solid waste to which the authority described in subsection (a)(1)(A)(i)(I) was applied by the State or qualified political subdivision before May 15, 1994, and to the specific classes or categories of solid waste for which the State or qualified political subdivision committed to the designation of one or more waste management facilities as described in subsection (a)(1)(A)(i)(II).

''(4) EXPIRATION OF AUTHORITY.—The authority granted under subsection (a)(1)(A)(i)(II) shall expire if a State or qualified political subdivision has not designated, by law, ordinance, regulation, solid waste management plan, or other legally binding provision, one or more proposed or existing waste management facilities within 3 years after the date of enactment of this section.

''(5) LIMITATION ON REVENUE.—A State or qualified political subdivision may exercise the authority described in subsection (a) only if the State or qualified political subdivision limits the use of any of its revenues derived from the exercise of such authority primarily to solid waste management services.

''(c) COMPETITIVE DESIGNATION PROCESS.—

''(1) IN GENERAL.—A State or qualified political subdivision may exercise the authority described in subsection (a) only if the State or qualified political subdivision develops and implements a competitive designation process, with respect to each waste management facility or each facility for recyclable materials. The process shall—

''(A) ensure that the designation process is based on, or is part of, a municipal solid waste management plan that is adopted by the State or qualified political subdivision and that is designed to ensure long-term management capacity for municipal solid waste or recyclable materials generated within the boundaries of the State or qualified political subdivision;

''(B) set forth the goals of the designation process, including at a minimum—

''(i) capacity assurance;

''(ii) the establishment of provisions to provide that protection of human health and the environment will be achieved; and

''(iii) any other goals determined to be relevant by the State or qualified political subdivision;

''(C) identify and compare reasonable and available alternatives, options, and costs for designation of the facilities;

''(D) provide for public participation and comment;

''(E) ensure that the designation of each facility is accomplished through an open competitive process during which the State or qualified political subdivision—

''(i) identifies in writing criteria to be utilized for selection of the facilities, which shall not discriminate unfairly against any particular waste management facility or any method of management, transportation or disposal, and shall not establish qualifications for selection that can only be met by public bodies;

''(ii) provides a fair and equal opportunity for interested public persons and private persons to offer their existing (as of the date of the process) or proposed facilities for designation; and

''(iii) evaluates and selects the facilities for designation based on the merits of the facilities in meeting the criteria identified; and

''(F) base the designation of each such facility on reasons that shall be stated in a public record.

''(2) CERTIFICATION.—

''(A) IN GENERAL.—A Governor of any State may certify that the laws and regulations of the State in effect on May 15, 1994, satisfy the requirements for a competitive designation process under paragraph (1).

''(B) PROCESS.—In making a certification under subparagraph (A), a Governor shall—

''(i) publish notice of the proposed certification in a newspaper of general circulation and provide such additional notice of the proposed certification as may be required by State law;

''(ii) include in the notice of the proposed certification or otherwise make readily available a statement of the laws and regulations subject to the certification and an explanation of the basis for a conclusion that the laws and regulations satisfy the requirements of paragraph (1);

''(iii) provide interested persons an opportunity to comment on the proposed certification, for a period of time not less than 60 days, after publication of the notice; and

''(iv) publish notice of the final certification, together with an explanation of the basis for the final certification, in a newspaper of general circulation and provide such additional notice of the final certification as may be required by State law.

''(C) APPEAL.—Within 120 days after publication of the final certification under subparagraph (B), any interested person may file an appeal of the final certification in the United States Circuit Court of Appeals for the Federal judicial district of the State, for a judicial determination that the certified laws and regulations do not satisfy the requirements of paragraph (1) or that the certification process did not satisfy the procedural requirements of subparagraph (B). The appeal shall set forth the specific reasons for the appeal of the final certification.

''(D) LIMITATION TO RECORD.—Any judicial proceeding brought under subparagraph (C) shall be limited to the administrative record developed in connection with the procedures described in subparagraph (B).

''(E) COSTS OF LITIGATION.—In any judicial proceeding brought under subparagraph (C), the court shall award costs of litigation (including reasonable attorney fees) to any prevailing party whenever the court determines that such award is appropriate.

''(F) LIMITATION ON REVIEW OF CERTIFICATIONS.—If no appeal is taken within 120 days after the publication of the final certification, or if the final certification by the Governor of any State is upheld by the United States Circuit Court of Appeals and no party seeks review by the Supreme Court (within applicable time requirements), the final certification shall not be subject to judicial review.

''(G) LIMITATION ON REVIEW OF DESIGNATIONS.—Designations made after the final certification and pursuant to the certified laws and regulations shall not be subject to judicial review for failure to satisfy the requirements of paragraph (1).

''(d) OWNERSHIP OF RECYCLABLE MATERIALS.—

''(1) PROHIBITION ON REQUIRED TRANSFERS.—Nothing in this section shall authorize any State or qualified political subdivision, or any designee of the State or qualified political subdivision, to require any generator or owner of recyclable materials to transfer any recyclable materials to such State or qualified political subdivision unless the generator or owner of the recyclable materials voluntarily made the materials available to the State or qualified political subdivision and relinquished any rights to, or ownership of, such materials.

''(2) OTHER TRANSACTIONS.—Nothing in this section shall prohibit any person from selling, purchasing, accepting, conveying, or transporting any recyclable materials for purposes of transformation or remanufacture into usable or marketable materials, unless a generator or owner voluntarily made the materials available to the State or qualified political subdivision and relinquished any rights to, or ownership of, such materials.

''(e) RETAINED AUTHORITY.—Upon the request of any generator of municipal solid waste affected by this section, the State or political subdivision may authorize the diversion of all or a portion of the solid wastes generated by the generator making such request to a solid waste facility, other than the facility or facilities originally designated by the political subdivision, where the purpose of such request is to provide a higher level of protection for human health and the environment and reduce potential future liability under Federal or State law of such generator for the management of such wastes. Requests shall include information on the environmental suitability of the proposed alternative treatment or disposal facility and method, compared to that of the designated facility and method. In making such a determination the State or political subdivision may consider the ability and willingness of both the designated and alternative disposal facility or facilities to indemnify the generator against any cause of action under State or Federal environmental statutes and against any cause of action for nuisance, personal injury, or property loss under any State law.

''(f) EXISTING LAWS AND CONTRACTS.—

''(1) IN GENERAL.—To the extent consistent with subsection (a), this section shall not supersede, abrogate, or otherwise modify any of the following:

''(A) Any contract or other agreement (including any contract containing an obligation to repay the outstanding indebtedness on any proposed or existing waste management facility or facility for recyclable materials) entered into before May 15, 1994, by a State or qualified political subdivision in which such State or qualified political subdivision has designated a proposed or existing waste management facility, or facility for recyclable materials, for the transportation, management or disposal of municipal solid waste, incinerator ash from a solid waste incineration unit, construction debris or demolition debris, or recyclable materials, pursuant to a law, ordinance, regulation, solid waste management plan, or legally binding provision adopted by such State or qualified political subdivision before May 15, 1994, if, in the case of a contract or agreement relating to recyclable materials, the generator or owner of the materials, and the State or qualified political subdivision, have met the appropriate conditions in subsection (b)(1) with respect to the materials.

''(B) Any other contract or agreement entered into before May 15, 1994, for the transportation, management or disposal of municipal solid waste, incinerator ash from a solid waste incineration unit, or construction debris or demolition debris.

''(C)(i) Any law, ordinance, regulation, solid waste management plan, or legally binding provision—

''(I) that is adopted before May 15, 1994;

''(II) that pertains to the transportation, management, or disposal of solid waste generated within the boundaries of a State or qualified political subdivision; and

''(III) under which a State or qualified political subdivision, prior to May 15, 1994, directed, limited, regulated, or prohibited the transportation, management, or disposal of municipal solid waste, or incinerator ash from, a solid waste incineration unit, or construction debris or demolition debris, generated within the boundaries;

if the law, ordinance, regulation, solid waste management plan, or legally binding provision is applied to the transportation of solid waste described in subclause (III), to a proposed or existing waste management facility designated before May 15, 1994, or to the management or disposal of such solid waste at such a facility, under such law, ordinance, regulation, solid waste management plan, or legally binding provision.

''(ii) Any law, ordinance, regulation, solid waste management plan, or legally binding provision—

''(I) that is adopted before May 15, 1994; and

''(II) that pertains to the transportation or management of recyclable materials generated within the boundaries of a State or qualified political subdivision;

if the law, ordinance, regulation, solid waste management plan, or legally binding provision is applied to the transportation of recyclable materials that are generated within the boundaries, and with respect to which the generator or owner of the materials, and the State or qualified political subdivision, have met the appropriate conditions described in subsection (b)(1), to a proposed or existing facility for recyclable materials designated before May 15, 1994, or to the management of such materials, under such law, ordinance, regulation, solid waste management plan, or legally binding provision.

''(2) CONTRACT INFORMATION.—A party to a contract or other agreement that is described in subparagraph (A) or (B) of paragraph (1) shall provide a copy of the contract or agreement to the State or qualified political subdivision on request. Any proprietary information contained in the contract or agreement may be omitted in the copy, but the information that appears in the copy shall include at least the date that the contract or agreement was signed, the volume of municipal solid waste or recyclable materials covered by the contract or agreement with respect to which the State or qualified political subdivision could otherwise exercise authority under subsection (a) or paragraph (1)(C), the source of the waste or materials, the destination of the waste or materials, the duration of the contract or agreement, and the parties to the contract or agreement.

''(3) EFFECT ON INTERSTATE COMMERCE.—Any contract or agreement described in subparagraph (A) or (B) of paragraph (1), and any law, ordinance, regulation, solid waste management plan, or legally binding provision described in subparagraph (C) of paragraph (1), shall be considered to be a reasonable regulation of commerce by a State or qualified political subdivision, retroactive to

the effective date of the contract or agreement, or to the date of adoption of any such law, ordinance, regulation, solid waste management plan, or legally binding provision, and shall not be considered to be an undue burden on or otherwise as impairing, restraining, or discriminating against interstate commerce.

''(4) LIMITATION.—Any designation by a State or qualified political subdivision of any waste management facility or facility for recyclable materials after the date of enactment of this section shall be made in compliance with subsection (c). Nothing in this paragraph shall affect any designation made before the date of enactment of this section, and any such designation shall be deemed to satisfy the requirements of subsection (c).

''(g) SAVINGS CLAUSE.—

''(1) FEDERAL OR STATE ENVIRONMENTAL LAWS.—Nothing in this section is intended to supersede, amend, or otherwise modify Federal or State environmental laws (including regulations) that apply to the disposal or management of solid waste or recyclable materials at waste management facilities or facilities for recyclable materials.

''(2) STATE LAW.—Nothing in this section shall be interpreted to authorize a qualified political subdivision to exercise the authority granted by this section in a manner inconsistent with State law.

''(h) PROHIBITION.—No political subdivision may exercise flow control authority to direct the movement of municipal solid waste to any waste management facility for which a Federal permit was denied twice before the enactment of this section.

''(i) DEFINITIONS.—For purposes of this section only, the following definitions apply:

''(1) COMMITTED TO THE DESIGNATION OF ONE OR MORE WASTE MANAGEMENT FACILITIES.—The term 'committed to the designation of one or more waste management facilities' means that a State or qualified political subdivision was legally bound to designate one or more existing or future waste management facilities or performed or caused to be performed one or more of the following actions for the purpose of designating one or more such facilities:

''(A) Obtained all required permits for the construction of such waste management facility prior to May 15, 1994.

''(B) Executed contracts for the construction of such waste management facility prior to May 15, 1994.

''(C) Presented revenue bonds for sale to specifically provide revenue for the construction of such waste management facility prior to May 15, 1994.

''(D) Submitted to the appropriate regulatory agency or agencies, on or before May 15, 1994, administratively complete permit applications for the construction and operation of a waste management facility.

''(E) Formed a public authority or a joint agreement among qualified political subdivisions, pursuant to a law authorizing such formation for the purposes of designating facilities.

''(F) Executed a contract or agreement that obligates or otherwise requires a State or qualified political subdivision to deliver a minimum quantity of solid waste to a waste management facility and that obligates or otherwise requires the State or qualified political subdivision to pay for that minimum quantity of solid waste even if the stated minimum quantity of solid waste is not delivered within a required timeframe, otherwise commonly known as a 'put or pay agreement'.

''(G) Adopted, pursuant to a State statute that specifically described the method for designating by solid waste management districts, a resolution of preliminary designation that specifies criteria and procedures for soliciting proposals to designate facilities after having completed a public notice and comment period.

''(H) Adopted, pursuant to a State statute that specifically described the method for designating by solid waste management districts, a resolution of intent to establish designation with a list of facilities for which designation is intended.

''(2) DESIGNATION; DESIGNATE.—The terms 'designate', 'designated', 'designation' or 'designating' mean a requirement of a State or qualified political subdivision, and the act of a State or qualified political subdivision, to require that all or any portion of the municipal solid waste that is generated within the boundaries of the State or qualified political subdivision be delivered to a waste management facility identified by a State or qualified political subdivision, and specifically includes put or pay agreements of the type described in paragraph (1)(F).

''(3) FLOW CONTROL AUTHORITY.—The term 'flow control authority' means the authority to control the movement of solid waste or recyclable materials and direct such waste or recyclable materials to one or more designated waste management facilities or facilities for recyclable materials.

''(4) INDUSTRIAL SOLID WASTE.—The term 'industrial solid waste' means solid waste generated by manufacturing or industrial processes, including waste generated during scrap processing and scrap recycling, that is not hazardous waste regulated under subtitle C. 'Industrial solid waste' does not include municipal solid waste specified in paragraph (5)(A)(iii).

''(5) MUNICIPAL SOLID WASTE.—

''(A) IN GENERAL.—Subject to the limitations of subsection (b)(3), the term 'municipal solid waste' means—

''(i) any solid waste discarded by a household, including a single or multifamily residence;

''(ii) any solid waste that is discarded by a commercial, institutional, or industrial source;

''(iii) residue remaining after recyclable materials have been separated or diverted from municipal solid waste described in clause (i) or (ii);

''(iv) any waste material or waste substance removed from a septic tank, septage pit, or cesspool, other than from portable toilets; and

''(v) conditionally exempt small quantity generator waste under section 3001(d), if it is collected, processed or disposed with other municipal solid waste as part of municipal solid waste services.

''(B) EXCLUSIONS.—The term 'municipal solid waste' shall not include any of the following:

''(i) Hazardous waste required to be managed in accordance with subtitle C (other than waste described in subparagraph (A)(v)), solid waste containing a polychlorinated biphenyl regulated under the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), or medical waste listed in section 11002.

''(ii)(I) A recyclable material.

''(II) A material or a product returned from a dispenser or distributor to the manufacturer or the agent of the manufacturer for credit, evaluation, or reuse unless such material or product is discarded or abandoned for collection, disposal or combustion.

''(III) A material or product that is an out-of-date or unmarketable material or product, or is a material or product that does not conform to specifications, and that is returned to the manufacturer or the agent of the manufacturer for credit, evaluation, or reuse unless such material or product is discarded or abandoned for collection, disposal or combustion.

''(iii) Any solid waste (including contaminated soil and debris) resulting from a response action taken under section 104 or 106 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604 or 9606) or a corrective action taken under this Act.

''(iv)(I) Industrial solid waste.

''(II) Any solid waste that is generated by an industrial facility and transported for the purpose of containment, storage, or disposal to a facility that is owned or operated by the generator of the waste, or a facility that is located on property owned by the generator.

''(6) QUALIFIED POLITICAL SUBDIVISION.—The term 'qualified political subdivision' means a governmental entity or political subdivision of a State, as authorized by the State, to plan for, or determine the methods to be utilized for, the collection, transportation, disposal or other management of municipal solid waste generated within the boundaries of the area served by the governmental entity or political subdivision.

''(7) RECYCLABLE MATERIAL.—The term 'recyclable material' means any material (including any metal, glass, plastic, textile, wood, paper, rubber, or other material) that has been separated, or diverted at the point of generation, from solid waste for the purpose of recycling, reclamation, or reuse.

''(8) SOLID WASTE MANAGEMENT PLAN.—The term 'solid waste management plan' means a plan for the transportation, treatment, processing, composting, combustion, disposal or other management of municipal solid waste, adopted by a State or qualified political subdivision pursuant to and conforming with State law.

''(9) WASTE MANAGEMENT FACILITY.—The term 'waste management facility' means any facility or facilities in which municipal solid waste, incinerator ash from a solid waste incineration unit, or construction debris or demolition debris is separated, stored, transferred, treated, processed, combusted, deposited or disposed.

''(10) EXISTING WASTE MANAGEMENT FACILITY.—The term 'existing waste management facility' means a facility under construction or in operation as of May 15, 1994.

''(11) PROPOSED WASTE MANAGEMENT FACILITY.—The term 'proposed waste management facility' means a facility that has been specifically identified and designated, but that was not under construction, as of May 15, 1994.

''(12) FUTURE WASTE MANAGEMENT FACILITY.—The term 'future waste management facility' means any other waste management facility.''.

SEC. 203. TABLE OF CONTENTS AMENDMENT.

The table of contents in section 1001 of the Solid Waste Disposal Act (42 U.S.C. prec. 6901) is amended by adding after the item relating to section 4011 the following new item:

''Sec. 4011. Congressional authorization of State control over transportation, management and disposal of municipal solid waste.''.

SUPPORT THE FLOW CONTROL CONSENSUS BILL: FINAL PASSAGE TODAY

OCTOBER 7, 1994.

DEAR CONGRESSPERSON/SENATOR: We, the undersigned, have been negotiating in good faith over the past several days to craft a waste flow control proposal which is acceptable to stakeholders on both sides of the issue. The attached document represents our best efforts at reaching consensus on this complex and, at times, difficult issue.

Negotiators on both sides have made significant concessions. Each of us, if true to his/her own self-interest, would make changes to the attached legislative draft.

However, we are united in our belief that Congress must take action to provide a stable municipal solid waste regulatory environment for communities and businesses in light of the Carbone Supreme Court decision. If Congress fails to act in the wake of the Carbone decision, it will leave many facilities in financial jeopardy.

The attached document addresses the need to protect existing flow control arrangements and the facilities that are financially dependent on waste flow control, and allows a competitive, free-market process to continue. While imperfect, this proposal meets the immediate needs of public and private entities, and is far more preferable to the uncertainty which will result if no bill is passed.

We urge you to support enactment of this compromise in this session of Congress.

Respectfully submitted,

Browning-Ferris Industries, Public Securities Association, National Association of Counties, WMX Technologies, Environmental Transportation Association, Laidlaw, Inc., Chambers Development Company, Inc., Ogden Projects, Inc., National League of Cities, U.S. Conference of Mayors, Solid Waste Management Association of North America, Southern Pacific Transportation Company.●

● Mr. DODD. Mr. President, I want to speak today about flow control authority—an issue that is vital to the public safety and fiscal soundness of States and localities. I commend Senator LAUTENBERG and the coalition of local government officials, waste management groups, and public security interests for working to craft this important legislation.

I feel so strongly about the need for action that I was prepared to introduce my own legislation this Congress. Frankly, I would have liked to see more authority given to municipalities. State and local governments have a vested interest in how solid waste produced within their borders is transported and disposed. However, I recognize that a hard-fought consensus has been reached, and I am pleased to be a cosponsor of this important legislation.

According to the Environmental Protection Agency [EPA], approximately 35 States were adversely affected by the May 1994 Supreme Court Carbone decision, which invalidated local flow control authority. It is important to note that Justice O'Connor, while siding with the majority, did in fact state that it was within Congress' purview to authorize local imposition of flow control. It is my feeling that if Congress does not enact legislation, States will continue to suffer environmentally and financially.

Flow control is essential to the implementation of Connecticut's integrated waste management plan. Many localities have made significant capital investments to move away from outdated landfills to construct efficient, yet costly, waste disposal centers. Approximately 86 percent of Connecticut's waste is now disposed of in these state-of-the art facilities. The State, and ultimately the taxpaying citizens, are backing $500 million in bonds that were used to finance the construction of regional waste disposal centers and recycling transfer stations. Profits from the facilities, used to pay off the bonds, were to be ensured by flow control authority.

Almost 75 percent of Connecticut municipalities entered into ''put-or-pay'' contracts, and will be forced to pay penalties for the shortfall created by trash moving elsewhere. At a time when Congress is trying to ease the tax burden on working families, it is highly likely that their taxes could increase, if towns are unable to meet their garbage quotes. If transporters choose to deliver waste to landfills out of State, then citizens will in effect pay twice—first, to have their waste transported away, and again to cover the put-or-pay requirement. Finally, municipal bond ratings could plummet, increasing the cost of future local projects.

This legislation strikes an appropriate balance. Only those communities that have already relied on flow control authority or have detailed plans to do so, are protected. This legislation is proconsumer and probusiness because it preserves competition and levels the playing field. This bill is also proenvironment because it encourages the further construction of recycling and composting facilities as a byproduct of a successful revenue bond financing program.

The legislation that we are introducing today is identical to what passed the House of Representatives last fall. It was most unfortunate that in the Senate, flow control legislation fell victim to the stalling tactics employed by some members on the other side of the aisle on the last day of the session. This compromise legislation died, despite strong bipartisan support.

Mr. President, I hope that this year we will be successful. It is clear that this issue is not going away and it is important to the people on my State and in many others that we deal with this problem. I urge my fellow Senators to join me in moving forward on this vital piece of legislation.●

ADDITIONAL COSPONSORS

S. 109

At the request of Mr. DASCHLE, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 109, a bill to amend the Internal Revenue Code of 1986 relating to the treatment of livestock sold on account of weather-related conditions.

S. 110

At the request of Mr. DASCHLE, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 110, a bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year.

S. 145

At the request of Mr. GRAMM, the name of the Senator from Tennessee [Mr. THOMPSON] was added as a cosponsor of S. 145, a bill to provide appropriate protection for the Constitutional guarantee of private property rights, and for other purposes.

S. 181

At the request of Mr. HATCH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 181, a bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage small investors, and for other purposes.

S. 198

At the request of Mr. CHAFEE, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 198, a bill to amend title XVIII of the Social Security Act to permit medicare select policies to be offered in all States, and for other purposes.

S. 218

At the request of Mr. MCCONNELL, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 218, a bill to repeal the National Voter Registration Act of 1993, and for other purposes.

S. 240

At the request of Mr. DOMENICI, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 240, a bill to amend the Securities Exchange Act of 1934 to establish a filing deadline and to provide certain safeguards to ensure that the interests of investors are well protected under the implied private action provisions of the Act.

S. 277

At the request of Mr. D'AMATO, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 277, a bill to impose comprehensive economic sanctions against Iran.

S. 287

At the request of Mrs. HUTCHISON, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 287, a bill to amend the Internal Revenue Code of 1986 to allow homemakers to get a full IRA deduction.

S. 303

At the request of Mr. LIEBERMAN, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 303, a bill to establish rules governing product liability actions against raw materials and bulk component suppliers to medical device manufacturers, and for other purposes.

S. 304

At the request of Mr. SANTORUM, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 328

At the request of Mr. SANTORUM, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor

of S. 328, a bill to amend the Clean Air Act to provide for an optional provision for the reduction of work-related vehicle trips and miles travelled in ozone nonattainment areas designated as severe, and for other purposes.

S. 356

At the request of Mr. SHELBY, the names of the Senator from Idaho [Mr. CRAIG], the Senator from North Carolina [Mr. HELMS], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 356, a bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States.

S. 376

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 376, a bill to resolve the current labor dispute involving major league baseball, and for other purposes.

SENATE RESOLUTION 77—COMMEMORATING THE MEN AND WOMEN WHO HAVE LOST THEIR LIVES WHILE SERVING AS LAW ENFORCEMENT OFFICERS

Mr. LOTT (for Mr. KEMPTHORNE, for himself, Mr. DOLE, Mr. COCHRAN, Mr. ROBB, Mr. ASHCROFT, Mr. BIDEN, Mrs. BOXER, Mr. CAMPBELL, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DORGAN, Mr. FEINGOLD, Mr. GRAMM, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. INHOFE, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. LOTT, Mr. MCCAIN, Mr. MURKOWSKI, Mr. ROCKEFELLER, Mr. SIMPSON, Mr. STEVENS, and Mr. FORD) submitted the following resolution; which was considered and agreed to:

S. RES. 77

Whereas, the well being of all citizens of this country are preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas, more than 500,000 men and women, at great risk to their personal safety, presently serve their fellow citizens in their capacity as guardians of the peace;

Whereas, peace officers are the front line in preserving our childrens' right to receive an education in a crime free environment that is all to often threaten by the insidious fear caused by violence in schools;

Whereas, 157 peace officers lost their lives in the performance of their duty in 1994, and a total of 13,413 men and women have now made that supreme sacrifice;

Whereas, every year 1 in 9 officers are assaulted, 1 in 25 is injured, and 1 in 4,000 in killed in the line of duty;

Whereas, on May 15, 1994 more than 15,000 peace officers are expected to gather in our Nation's Capital to join with the families of their recently fallen comrades to honor them and all others before them: Now, therefore, be it

Resolved, That May 15, 1995, is hereby designated as ''National Peace Officers Memorial Day'' for the purpose of recognizing all peace officers slain in the line of duty. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with the appropriate ceremonies and respect.

AMENDMENTS SUBMITTED

ALASKA POWER ADMINISTRATION SALE ACT

MURKOWSKI (AND STEVENS) AMENDMENT NO. 239

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. MURKOWSKI (for himself and Mr. STEVENS) submitted an amendment intended to be proposed by them to the bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes; as follows:

At the end of Title I of S. — add the following: ''(k) For the purposes of section 147 (d) of the Internal Revenue Code, ''first use'' Snettisham occurs upon the acquisition of the property by the State of Alaska.''.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding an oversight hearing on Tuesday, February 14, 1995, beginning at 9:30 a.m., in room 485 of the Russell Senate Office Building on the fiscal year 1996 budget.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding an oversight hearing on Thursday, February 16, 1995, beginning at 9:30 a.m., in room 485 of the Russell Senate Office Building on the fiscal year 1996 budget.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Monday, February 13, for purposes of conducting a full committee hearing which is scheduled to begin at 2 p.m. The purpose of the hearing is to consider the nomination of Wilma Lewis to be inspector general of the Department of the Interior.

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

ADDITIONAL STATEMENTS

BLOCK GRANTS

• Mr. SARBANES. Mr. President, in recent weeks much has been written and said about proposals to combine all Federal food assistance programs into a block grant to States. The debate has lead to a close examination of nutrition programs such as WIC and the School Lunch and Breakfast Programs. As a strong supporter of these vital programs, I have been deeply concerned about the potential consequences such action could have on our Nation's most vulnerable—children, pregnant women, and senior citizens.

The Census Bureau estimates that more than 37 million Americans live below the poverty line. More distressing, however, is that children continue to be the poorest age group in the country. Over the past 20 years, the number of American children in poverty has increased by more than 37 percent. According to data released by the National Center for Children in Poverty last month, 6 million American children under age 6 were living in poverty in 1992—the highest rate since researchers have been documenting such figures.

Mr. President, in my view, we have a responsibility to these children. If our children are to succeed in an increasingly competitive world, efforts to guarantee them access to basic nutrition services must be maintained and expanded. Traditionally, the Federal Government has exhibited a strong commitment to its food assistance programs and many of these programs are among the most successful of all Federal initiatives.

Take, for example, the WIC or Women, Infants, and Children Program. WIC provides food vouchers and nutrition education to pregnant women and young children and is expected to support an average of 7.2 million participants at an average monthly cost of $42.38 per person per month in fiscal year 1995. The General Accounting Office estimates that WIC services to pregnant women who gave birth in 1990 cost the Federal Government nearly $296 million, but could save a projected $1.036 billion in Federal, State, local, and private dollars by the year 2008. According to a Harvard University study, every dollar spent on prenatal care through the WIC Program saves as much as $3 in future health care costs. The Department of Agriculture also estimates that every dollar spent on prenatal care through the WIC Program results in a significant Medicaid savings within the first 60 days after birth.

The WIC Program not only provides taxpayers one of the greatest returns on their investment, it has also improved the long-term health of millions of American women and children. According to the U.S. Department of Agriculture, since the inception of the WIC Program, low birthweight rates have dropped, the prevalence of anemia in preschool-aged children has declined, and the incidence of stunting has decreased by nearly 65 percent.

To date, this important program has served almost 90,000 of more than 210,000 eligibles in my home State of

Maryland. If this program were to become part of a block grant to States, the USDA estimates that at least 12 percent of the total funding for the program would be cut, which translates to a loss of approximately $3.6 million for Maryland.

I wonder, Mr. President how many people realize that the National School Lunch Program—the oldest of all child nutrition programs—serves more than 25 million meals daily and boasts a 90-percent participation rate of schools nationwide? The average daily participation rate in Maryland is estimated to be around 374,855 children out of a public school enrollment of 763,274—nearly half of all children enrolled in the Maryland public school system. The Maryland State Department of Education estimates that Maryland would lose more than $22 million in funding for fiscal year 1996 if proposals to block grant nutrition programs were implemented.

In addition, block granting nutrition programs would effectively eliminate all uniform national standards for nutrition. These standards, which were strengthened last year through the Better Nutrition and Health for Children Act, appropriately recognized that in providing food assistance to needy children, it is equally important to make certain that the food provided is nutritious. To neglect this important aspect of the debate would be truly irresponsible.

A recent editorial in the Baltimore Sun stated that ''By and large, Federal food programs work well. They reach the people who need them, and their existence over the past couple of decades has demonstrably reduced hunger and malnutrition.'' Mr. President, Federal food assistance programs do work well. They achieve their desired goals with a high degree of efficiency and success. In this case, the old adage ''if it's not broke, don't fix it'' rings true.●

BLACK HISTORY MONTH

● Mr. LAUTENBERG. Mr. President, I rise today to recognize February as Black History Month and to honor the rich cultural heritage of African-Americans in my State of New Jersey. In the arts or letters, history or politics, business or education, New Jersey's African-American community has made a strong and lasting impact on our Nation's culture.

We in New Jersey are very proud that so many great figures in history have called our State home. This morning, in honor of Black History Month, I would like to call the Senate's attention to four distinguished African-Americans who made major contributions to my State and our country.

First, Mr. President, I would call your attention to Jessie Redmon Fauset, the seventh child born to Redmon Fauset, an African Methodist Episcopal minister in Camden, NJ. Jessie grew up in poor circumstances, but her family made education a top priority, and in 1905 she went on to become the first black woman in the country elected to Phi Beta Kappa. After graduating, Ms. Fauset taught high school French for many years, before becoming literary editor of the Crisis, an NAACP publication that played a central role in the Harlem renaissance.

In addition to her work as an editor, Ms. Fauset was also a successful novelist. Her initial motivation for becoming a novelist was her belief that African-Americans were not being portrayed accurately in black fiction. Her work did paint a more accurate picture, and as a result, she is still read by those who want to understand African-American life.

Second, Mr. President, while many do not know it, the great actress and singer Melba Moore is a New Jersey native and a product of New Jersey schools. Ms. Moore grew up in Newark, where she attended Arts High School and majored in music, following in the footsteps of other prominent musicians, including Sarah Vaughan.

After high school, Melba Moore attended Montclair State Teachers College and worked as an elementary school music teacher. She loved her students, but her heart was on the stage. Ms. Moore soon left teaching and began wowing Broadway crowds with her amazing voice and her brilliant sense of humor. Ms. Moore made her Broadway debut in ''Hair,'' where she attracted widespread attention as the first black lead of any of the Broadway ''Hair'' companies around the world—and in many people's opinion, the best. Melba Moore once said, ''I want to give black people something to look up to, an image they can be proud of and kids can emulate.'' She certainly has done that.

Third, Mr. President, we in New Jersey are very proud to include abolition leader William Still as one of our own. William Still was the son of two former slaves who escaped from the Eastern Shore of Maryland to Burlington County, NJ, in the early 19th century. As a young married man, Mr. Still found a job at the Pennsylvania Society for the Abolition of Slavery. He soon became a leader in the underground railroad and began to aid fugitives from slavery, offering many of them room and board in his home. One of the former slaves passing through to Canada turned out to be William Still's own brother. Mr. Still was so affected by that discovery that he began to keep careful records of all the former slaves who passed through Philadelphia and New Jersey.

In 1872, Mr. Still turned these records into a thorough and compelling book, which continues to be one of the most influential records of the underground railroad movement. William Still's legacy was not just the many lives he saved through the underground railroad; it is also the timeless chronicle he left of his efforts and those of others who helped fugitive slaves escape to Canada.

Finally, Mr. President, a spirit of social activism also drove Paul Robeson, a Princeton, NJ, native, who achieved fame as an all-American football player at Rutgers University and later attained worldwide recognition as an actor and singer.

In an interview, Paul Robeson once described his goals this way:

> If I can teach my audience who know almost nothing about [my people], to know [them] through my songs and through my roles . . . then I will feel that I am an artist, and that I am using my act for myself, for my race, for the world.

Anyone who had the fortune to hear Paul Robeson sing a spiritual, anyone who saw his unparalleled performance of ''Othello,'' anyone who heard him speak so passionately about the ills of segregation and of poverty, knows that in his long and fulfilling life, Paul Robeson, the son of a former slave, changed all of us, black and white alike, by sharing his passion for justice and for equality.

Mr. President, there are countless other African-American heroes who hail from New Jersey: poets and scientists, entertainers and political activist. And there are uncounted others who may never be known beyond their families or their neighborhoods, but who have lived their lives with dignity and contributed a basic decency and distinction to our State.

Let me just say in closing, that Black History Month should be a time for reflection; a time to reflect on the accomplishments of African-Americans throughout this country and throughout our history, accomplishments that often were made in the face of racism, of poverty, and unequal opportunity. It should be a time to increase our understanding of African-American history and culture, and a time to reaffirm our understanding of our cultural diversity, our commitment to equality, and our support of racial justice.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 86–380, appoints the Senator from Idaho [Mr. KEMPTHORNE] to the Advisory Commission on Intergovernmental Relations, vice Senator DURENBERGER.

TO COMMEMORATE AND ACKNOWLEDGE THE DEDICATION AND SACRIFICE OF LAW ENFORCEMENT OFFICERS

Mr. LOTT. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:.

> A resolution (S. Res. 77) to commemorate and acknowledge the dedication and sacrifice made by the men and women who lost their

lives while serving as law enforcement officers.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FORD. Mr. President, I ask unanimous consent that I be added as an original cosponsor.

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

The PRESIDING OFFICER. If there is no further debate, without objection, the resolution and preamble are agreed to.

The resolution (S. Res. 77) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, are as follows:

S. RES. 77

Whereas, the well being of all citizens of this country are preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas, more than 500,000 men and women, at great risk to their personal safety, presently serve their fellow citizens in their capacity as guardians of the peace;

Whereas, peace officers are the front line in preserving our childrens' right to receive an education in a crime free environment that is all too often threatened by the insidious fear caused by violence in schools;

Whereas, 157 peace officers lost their lives in the performance of their duty in 1994, and a total of 13,413 men and women have now made that supreme sacrifice;

Whereas, every year 1 in 9 officers are assaulted, 1 in 25 is injured, and 1 in 4,000 is killed in the line of duty; and

Whereas, on May 15, 1994, more than 15,000 peace officers are expected to gather in our Nation's Capital to join with the families of their recently fallen comrades to honor them and all others before them: Now, therefore, be it

Resolved, That May 15, 1995, is hereby designated as ''National Peace Officers Memorial Day'' for the purpose of recognizing all peace officers slain in the line of duty. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with the appropriate ceremonies and respect.

Mr. LOTT. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

ORDERS FOR TUESDAY, FEBRUARY 14, 1995

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Tuesday, February 14, 1995, that following the prayer, the Journal of proceedings be deemed approved to date, and that the time for the two leaders be reserved for their use later in the day, and that the Senate immediately resume consideration of House Joint Resolution 1 and the Reid amendment No. 236, and that the time between 9:15 and 9:30 be equally divided between the two leaders or their designees.

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

Mr. LOTT. Mr. President, I further ask unanimous consent that at the hour of 9:30 a.m. on Tuesday, the majority leader or his designees be recognized to make a motion to table the Reid amendment.

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

Mr. LOTT. I further ask unanimous consent that the Senate stand in recess between the hours of 12:30 and 2:15 p.m. in order for the weekly party caucuses to meet.

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

PROGRAM

Mr. LOTT. Mr. President, for the information of all of my colleagues, under the previous order, there will be a rollcall vote at 9:30 a.m. on Tuesday on the motion to table the Reid amendment.

Additional votes are expected to occur prior to the scheduled recess for the party caucuses.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, and if no other Senator is seeking recognition, I now ask that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 5:54 p.m. recessed until tomorrow, Tuesday, February 14, 1995, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate February 13, 1995:

THE JUDICIARY

CURTIS L. COLLIER, OF TENNESSEE, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF TENNESSEE, VICE A NEW POSITION CREATED BY PUBLIC LAW 101–650, APPROVED DECEMBER 1, 1990.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

REGULAR AIR FORCE

To be brigadier general

PATRICK O. ADAMS, 000–00–0000
THEODORE C. ALMQUIST, 000–00–0000
ROBERT P. BONGIOVI, 000–00–0000
ROGER A. BRADY, 000–00–0000
HUGH C. CAMERON, 000–00–0000
JOHN H. CAMPBELL, 000–00–0000
BRUCE A. CARLSON, 000–00–0000
HOWARD G. DEWOLF, 000–00–0000
DANIEL M. DICK, 000–00–0000
LAWRENCE P. GRAVISS, 000–00–0000
DAVID A. HERRELKO, 000–00–0000
ROBERT C. HINSON, 000–00–0000
STEPHEN E. KELLY, 000–00–0000
TIIU KERA, 000–00–0000
MICHAEL S. KUDLACZ, 000–00–0000
ARTHUR J. LICHTE, 000–00–0000
WILLIAM R. LOONEY III, 000–00–0000
EARL W. MABRY II, 000–00–0000
DAVID F. MACGHEE, 000–00–0000
JAMES E. MILLER, JR., 000–00–0000
GLEN W. MOORHEAD III, 000–00–0000
LARRY W. NORTHINGTON, 000–00–0000
EVERETT G. ODGERS, 000–00–0000
RALPH PASINI, 000–00–0000
WILLIAM A. PECK, JR., 000–00–0000
GERALD F. PERRYMAN, 000–00–0000
HARRY D. RADUEGE, JR., 000–00–0000
LEONARD M. RANDOLPH, JR., 000–00–0000
RANDALL M. SCHMIDT, 000–00–0000
NORTON A. SCHWARTZ, 000–00–0000
RONALD T. SCONYERS, 000–00–0000
ARTHUR D. SIKES, JR., 000–00–0000
LANCE L. SMITH, 000–00–0000
LINDA J. STIERLE, 000–00–0000
WILLIAM E. STEVENS, 000–00–0000
TODD I. STEWART, 000–00–0000
PHILIP G. STOWELL, 000–00–0000
CHARLES F. WALD, 000–00–0000
OLAN G. WALDROP, JR., 000–00–0000
TOME H. WALTERS, JR., 000–00–0000
HERBERT M. WARD, 000–00–0000
JOSEPH H. WEHRLE, JR., 000–00–0000
MICHAEL E. ZETTLER, 000–00–0000

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF MAJOR GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be major general

KURT B. ANDERSON, 000–00–0000
WILLIAM J. BEGERT, 000–00–0000
FRANK B. CAMPBELL, 000–00–0000
PAUL K. CARLTON, JR., 000–00–0000
JOHN P. CASCIANO, 000–00–0000
JAMES S. CHILDRESS, 000–00–0000
ROGER G. DEKOK, 000–00–0000
JOHN A. GORDON, 000–00–0000
MARCELITE JORDAN HARRIS, 000–00–0000
WILLIAM S. HINTON, JR., 000–00–0000
WALTER S. HOGLE, JR., 000–00–0000
CLINTON V. HORN, 000–00–0000
RONALD T. KADISH, 000–00–0000
GEORGE P. LAMPE, 000–00–0000
EUGENE A. LUPIA, 000–00–0000
DAVID J. MCCLOUD, 000–00–0000
GEORGE W. NORWOOD, 000–00–0000
RICHARD R. PAUL, 000–00–0000
DONALD L. PETERSON, 000–00–0000
ERVIN C. SHARPE, JR., 000–00–0000
EUGENE L. TATTINI, 000–00–0000
ARTHUR S. THOMAS, 000–00–0000
DAVID L. VESELY, 000–00–0000
JOHN L. WELDE, 000–00–0000