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Senate

(Legislative day of Wednesday, February 22, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the Honorable LAUCH FAIRCLOTH, a Senator from the State of North Carolina.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, the Reverend Dr. Earnest Gibson, First Rising Mount Zion Baptist Church, Washington, DC.

PRAYER

The guest Chaplain, the Reverend Dr. Ernest R. Gibson, pastor of First Rising Mount Zion Baptist Church, offered the following prayer:

Let us pray:

Blessed are the peacemakers: for they shall be called the children of God.—Matthew 5:9.

O gracious God, Thou who hast created all things and created Thine human creatures in Thine own image, we adore Thee and praise Thee. We magnify Thy name. There is none like Thee in all the Earth.

Thou hast given this country representative government and led us into peaceful paths. Thou hast given us men and women, through the electoral process, whom the people of this Nation have chosen to speak for them.

Lord, we ask Thee to be with Your elected servants as they consider what is best for Your people and nation. Help them to be sensitive to the needs of those whom You called Your ''little ones.'' Lord, may every legislative decision be one in which we can rejoice, thank the Senate, and give Your Name the honor and glory.

In the name of Him who said to Moses, and to others, ''I will be with thee.'' Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will read a communication to the Senate.

The assistant legislative clerk read as follows:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 23, 1995.

To the Senate:

Under the provisions of rule 1, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable LAUCH FAIRCLOTH, a Senator from the State of North Carolina, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Alaska [Mr. MURKOWSKI] is recognized to speak for up to 20 minutes.

Mr. MURKOWSKI. Mr. President, I wish you a good morning.

THE ADMINISTRATION'S RESPONSE TO THE THREAT TO U.S. NATIONAL SECURITY POSED BY U.S. GROWING DEPENDENCE ON FOREIGN ENERGY

Mr. MURKOWSKI. Mr. President, I rise to discuss President Clinton's ''do nothing—and I repeat ''do nothing''—response to the threat to our national security from the rising tide of oil imports.

Mr. President, the threat posed by our growing dependence on foreign energy is once again in the spotlight because of last Thursday's release of the Commerce Department's report to the President titled ''The Effect of Imports of Crude Oil and Refined Petroleum Products on the National Security.'' The report found that:

> * * * the reduction in exploration, dwindling reserves, falling production, relatively high cost of U.S. production, and the resulting low rates of return on investments all point toward a contraction of the U.S. petroleum industry and increasing imports from OPEC sources. Growing import dependence, in turn, increases U.S. vulnerability to a supply disruption because non-OPEC sources lack surge production capacity; and there are at present no substitutes for oil-based transportation fuels which account for two-thirds of U.S. petroleum consumption.

Based on these findings, the Secretary of Commerce formally advised the President that:

> The Department found that petroleum imports threaten to impair the national security. I recommend that you confirm this finding.

Mr. President, it is reasonable to expect the President of the United States to take bold action—bold action—if the national security is at risk. President Clinton agreed that it is at risk, but he simply refuses to take action or propose anything. In his statement, President Clinton said:

> I am today concurring with the Department of Commerce's finding that the nation's growing reliance on imports of crude oil and refined petroleum products threaten the nation's security because they increase U.S. vulnerability to oil supply interruptions.

So far, so good. But President Clinton went on to say:

I also concur with the Department's recommendation that the Administration continue its present efforts to improve U.S. energy security, rather than to adopt a specific import adjustment mechanism.

So that is out.

Further, Mr. President, translated into English, President Clinton will not do anything; the administration will simply continue its existing policies—the very policies that allowed the threat to our national security to occur in the first place. I would have hoped that he would come up with at least one new initiative. I know that I could have. But he did not.

It is not that the report is trivial and can be ignored. It was put together by a high-level interagency task force led by the Department of Commerce, and included every major Federal agency; namely, the Department of Defense, the Department of State, the Department of the Treasury, the Department of the Interior, the Department of Labor, the Department of Energy, the Office of Management and Budget, the Council of Economic Advisers, and the U.S. Trade Representative. Public hearings were held throughout the country, and testimony was received from 69 witnesses. The report is well researched, thoughtful, and based on fact.

It is not that the President does not have any authority to act. He certainly does. Under the Trade Expansion Act, once a determination is made that imports threaten the national security, the President obtains broad powers. These powers have been used in the past against other threats to the national security, just as they should have been put to use here. Moreover, even if the President did not want to make use of the Trade Expansion Act authority, there is a host of other regulatory and administrative changes the President could take under existing law. If the President found these powers too limited, he could have proposed legislative changes. But for reasons I cannot fathom, he has not done a single thing other than continue the administration's policy which makes us more dependent on imports.

The President's don't worry, be happy attitude may be disturbing, but I guess it is not surprising. He is equally unwilling to promote hydroelectric power, nuclear power, or coal power. He strongly supports the use of natural gas, but not the domestic production of natural gas. Based on unfounded fears of the environmental community, he is unwilling to open up even the smallest amount of the Arctic National Wildlife Refuge for exploration and development, just as he does not want to see additional onshore and offshore Federal lands opened up.

I find it ironic that at the very moment that the President of the United States is saying that the administration will do nothing new to promote energy production in the United States, the Secretary of Energy is in China promoting Chinese energy production. Perhaps we should invite the Chinese Secretary of Energy to the United States to help our industry.

To this Senator, the President's decision to do absolutely nothing about a threat to our national security is nothing short of incredible. To agree with the Department of Commerce that the national security is at risk, but to take no action, is simply unconscionable. That is particularly mystifying because in 1992 candidate Bill Clinton made the following statement:

Our reliance on foreign oil is a genuine threat to our national and economic security. When George Bush took office, foreign oil made up a third of our trade deficit, and since then the U.S. has not had an energy policy. Now we import nearly half our oil, which accounts for two-thirds of our trade deficit. Even James Watkins, the President's Secretary of Energy, has written that the U.S. imports much of its oil ''from potentially unreliable suppliers half a world away.'' That kind of dependence makes us vulnerable, and we must change that situation.

That was President Clinton the candidate.

Mr. President, there is an old saying that those who do not learn from the past are condemned to repeat it.

Does President Clinton remember the shortages, price increases, and long gasoline lines caused by the 1973 Arab oil embargo?

Does he remember the energy shortages during the 1976–77 winter, which shut down schools and businesses throughout the Midwest?

Does he remember the Khomeni revolution and the Iraq-Iran war which threatened international oil supplies?

Does he remember our reflagging Kuwaiti oil tankers to allow the United States Navy to protect them from Iran?

And, finally, does he remember Iraq's invasion of Kuwait, which threatened two-thirds of the world's oil reserves and resulted in one-half million United States troops laying their lives on the line?

Mr. President, that was a war over oil, make no mistake about it.

In refusing to take any action, however modest, President Clinton is putting hope over experience. He is also placing our energy and economic destiny into the hands of foreign producers—producing nations who have demonstrated time and time again, that they have their political and economic interests in mind, not ours.

Mark my words: If we do not pay attention to the present, we will relive the past.

We will look at the energy situation very briefly this morning.

Mr. President, there is no question that each day our energy situation is increasingly perilous. That is obvious from the data which I would now like to provide for the benefit of the Senate. I will first describe the rapid decline in U.S. crude oil production, and the state of natural gas production.

In 1970, U.S. crude oil production hit its all-time peak of 9.6 million barrels per day. In 1973, the year of the Arab oil embargo, U.S. production had fallen to 9.2 million barrels per day. Today, we produce only 6.6 million barrels per day, a 28-percent decline since 1973 and a 32-percent decline since 1970.

Today, the United States produces less crude oil than we did back in 1955. Had environmentalists succeeded in preventing the development of the Prudhoe Bay in Alaska, the United States would now be producing less oil than before 1949, the first year for which we have data.

I might add, that Prudhoe Bay has been contributing about 25 percent of the Nation's total crude oil for the last 17 years. That production is now in decline. We would like to open up new areas in Alaska to replace the decline of Prudhoe Bay, but clearly it is not the present policy at this time. I would hope the President would see fit to change his mind. He has been known to do that on occasion.

As bad as that sounds, it is only going to get worse. According to the Department of Energy, in 5 years the United States will be producing only 5.4 million barrels per day of crude oil. In the year 2005—only 10 years from now—U.S. oil production will fall to 5.2 million barrels per day. Thus, unless we take action, and take it now, in the year 2005 we will be producing about the same amount of crude oil as we did back in 1949.

To put this all in perspective, in 1949 there were only 36 million cars on the road; today there are 143 million on the road, four times as many. The good news, of course, is that energy efficiency has increased dramatically.

Although natural gas production has increased over the past 2 years, it is still 13 percent below the 1973 production rate. Moreover, the Department of Energy forecasts that natural gas production will not keep pace with increased demand over the next decade.

Let me now very briefly talk about our dwindling reserves of crude oil and natural gas.

As worrisome as the decline in U.S. production may be, the decline in U.S. proven reserves of crude oil and natural gas is even more worrisome.

From 1949 until 1968, the combined U.S. reserves of crude oil and natural gas increased every year. Beginning in 1968, however, production exceeded net additions to proved reserves, and net reserves began their current decline. Since 1968, except for the addition of Alaska's North Slope reserves in 1970, our combined proven reserves of oil and gas have consistently declined.

Today, U.S. proven reserves of crude oil are 40 percent below their peak in 1979. They are even lower than they were back in 1949.

Today, U.S. proven reserves of natural gas are 43 percent below their peak in 1967. They are also lower than they were back in 1949.

In this connection, it is interesting to note that the Commerce Department's report cites the decisions

''against developing other geological prospects such as the Arctic National Wildlife Refuge and the Outer Continental Shelf'' as key factors contributing to the decline of U.S. oil reserves.

It should not come as any surprise that the combination of increasing demand and declining production results in growing foreign dependence on imported oil.

In 1973, the year of the Arab oil embargo, we imported 6.3 million barrels per day of crude oil and refined petroleum products. We were 36 percent dependent on foreign oil.

Today, we import 8.9 million barrels per day of oil, making us more than 50 percent foreign dependent.

By the year 2005, the Department of Energy projects that we will import 12.5 million barrels per day of oil, making us 68 percent foreign dependent.

Although we are less dependent on imports of natural gas than we are on imports of oil, our natural gas imports are also rising. In 1973, we imported 5 percent of the natural gas we consumed. Today, we are importing 12 percent, and the Department of Energy projects that by the year 2005 our foreign dependence will increase to 14 percent.

As the Commerce Department's report notes, our growing dependence on foreign energy is very worrisome because:

''The United States and the OECD countries have limited prospects to offset a major oil supply disruption * * *.'' and that ''(d)uring a major oil supply disruption, there could be substantial economic austerity as a result of the decreased availability of oil * * * (which would) pose hardships for the U.S. economy.''

Our foreign oil dependency also has significant financial implications for the United States, particularly with respect to the trade deficit.

Each and every day we spend $140 million on foreign energy—$55 billion last year alone. Altogether, over the past decade we have spent one-half trillion dollars on imported energy.

Clearly, our economy would have been healthier and more of our workers employed if we had spent that money on domestically produced energy instead of on imports.

Imports of foreign energy have cost oil workers thousands of jobs, according to IPAA and Department of Commerce statistics. In 1981, there were 15,000 independent oil and gas producers; today there are less than 8,000. Total employment in oil and gas production has fallen from 700,000 in 1982, to 350,000 today—a 50-percent decline. We can only expect this to get worse over the next decade as domestic production declines and imports increase.

You do not have to be a rocket scientist to figure out what it all means. The Department of Commerce is right on target. Our economic and national security is threatened. Our growing dependence on foreign energy leaves the United States vulnerable to the whims of foreign producers. No matter how stable our energy supply now appears, the price and availability of energy from foreign nations has been, and will continue to be, a function of their political and economic priorities, not ours.

The problem is largely self-made. For example, the entire east coast of the United States is under a leasing moratorium, just as is the west coast and the eastern Gulf of Mexico off Florida's coast. There is great oil and gas potential there which can be developed with due regard to the environment. Drill in ANWR? Not a chance, says the environmental community.

We must not forget that the picture is no better for our other energy resources. For example, no new nuclear powerplant has been announced for two decades. It is difficult and costly for U.S. refineries to comply with environmental restrictions. Federal environmental laws and regulations likewise make it difficult and very costly to build a natural gas pipeline, a coal-fired powerplant, an electric transmission line, or a hydroelectric dam.

There is much that can be done to promote the production of domestic energy from our abundance resources. It ranges from the mundane to the controversial. But if we do not take action, our children are going to be very critical of us as they sit in long gasoline lines or are cold at night or are unemployed.

Mr. President, the Commerce Department's report is a clarion call to action, not a lullaby to put us to sleep. We have a choice: Produce more energy domestically, or suffer the consequences of our dependency. I choose the former; President Clinton chooses the latter.

Finally, Mr. President, I ask unanimous consent that the press release from the Independent Petroleum Association of America, the American Petroleum Institute, and the National Stripper Well Association be printed in the RECORD following my statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MURKOWSKI. I thank the Chair.

Mr. President, these press releases really express the petroleum industry's deep disappointment with the President's response to the Commerce Department's finding that oil imports threaten the national security.

Mr. President, I also want to bring to the attention of the Senate a letter to the President dated February 10, 1995, sent by 70 Members of Congress, myself included. This bipartisan letter identifies a host of administrative, regulatory, and legislative actions that the President could have taken in response to the Department of Commerce report. But as I have stated before, the President instead decided to do nothing, and this is disappointing to me and to my colleagues who signed the letter.

I ask unanimous consent that this letter be printed in the RECORD.

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

CONGRESS OF THE UNITED STATES
Washington, DC, February 10, 1995.

Hon. WILLIAM J. CLINTON,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: The Secretary of Commerce recently reported to you the results of an investigation, conducted under the Trade Expansion Act, into the impact of crude oil imports on the national security of the United States. The investigation determined that oil imports threaten to impair the national security of the United States. While this finding may be startling to some, that is exactly the point that so many of us made when we met with you, Secretary Bentsen, and Deputy Secretary White last June.

As required by the Administration's Domestic Natural Gas and Oil Initiative, the Department of Energy recently completed a cost benefit analysis to quantify the costs of imported oil that are not reflected in the price. DOE's analysis determined that the United States pays a hidden and exorbitant economic and environmental price for imported oil.

Clearly, it is imperative that we take immediate action to alleviate this threat to our national security. By removing unnecessary impediments to domestic exploration and development we can strengthen our domestic oil and gas industry and begin to correct this dangerous oil trade deficit.

During the 103rd Congress, a bipartisan group of Senators and Representatives submitted to you the attached comprehensive domestic oil and gas policy initiative. This is a balanced package of legislative proposals and regulatory actions that could immediately boost domestic energy production.

As you will recall, the Departments of Energy, Treasury, and Interior favorably expressed a willingness to work within the framework of this bipartisan policy proposal in an effort to respond to the crisis in the domestic oil and gas industry.

In addition to the widespread support on Capitol Hill, all of the segments of the domestic energy industry enthusiastically support our proposed solutions.

Mr. President, the Trade Expansion Act requires you to take action within ninety days of the Secretary of Commerce's report. We strongly believe that our recommendations to preserve marginal well production, encourage new oil and natural gas drilling, reduce regulatory compliance costs, abolish existing prohibitions against the export of domestic crude oil production provided that full and adequate protections for the domestic merchant marine industry are assured, and ensure reasonable access to oil and gas resources on public lands, provides a blueprint for fast, effective action to protect our Nation's vital economic and security interests.

We are confident that working together with the Administration, we can quickly implement these proposals and reduce our dangerous dependence on imported oil.

We look forward to working with you to protect our Country's future.

Sincerely,

Bill K. Brewster, Glenn Poshard, Frank H. Murkowski, J. Bennett Johnston, Craig Thomas, Jim Inhofe, Jim McCrery, Pete V. Domenici, Jeff Bingaman, Conrad Burns, Howell Heflin, Kay Bailey Hutchison.

Nancy Landon Kassebaum, Don Nickles, Paul Simon, Richard Shelby, Larry E.

Craig, John Breaux, Alan Simpson, Trent Lott, Ted Stevens, Thad Cochran.

Frank D. Lucas, Tom A. Coburn, Henry Bonilla, Jerry F. Costello, Pete Geren, Ralph M. Hall, Barbara Cubin, Blanche Lambert Lincoln, Sonny Callahan, Greg Laughlin, Wm. J. Jefferson, Bob Livingston, ——— ———.

Jim Chapman, Ernest Istook, Tim Hutchinson, James Hayes, W.J. Billy Tauzin, Ken Bentsen, Gene Green, Charles Wilson, Pat Danner, Alan B. Mollohan, Chet Edwards, Bob Wise, Don Young.

Larry Combest, Steve Largent, Ray Thornton, Lamar Smith, Jack Fields, Wally Herger, Joe Skeen, Sam Johnson.

Charlie Stenholm, Jay Dickey, Frank Tejeda, Jerry F. Costello, Solomon P. Ortiz, Calvin Dooley, Mac Thornberry, Bill Thomas, Dave Camp.

PROPOSAL, MARCH 25, 1994

A TAX CREDIT TO PRESERVE MARGINAL PRODUCTION AND TO ENCOURAGE NEW DRILLING

The provision will first establish a tax credit for existing marginal wells. The provision will allow a $3 per barrel tax credit for the first 3 barrels of daily production from an existing marginal oil well and a $0.50 per Mcf tax credit for the first 18 Mcf of daily natural gas production from a marginal well.

The current definition of marginal wells will be expanded to include a new category for ''high water cut property''—producing 25 barrels per day or less per well, with produced waters accounting for 95 percent of total production. In addition, techniques such as waterflooding and disposal, cyclic gas injection, horizontal drilling, and gravity drainage should be encouraged to enable domestic producers to capture more of the oil in a given marginally economic property.

The provision will also include a tax credit for production from new wells that have been drilled after June 1, 1994. The provision will allow a $3 per barrel tax credit for the first 15 barrels of daily production for such oil wells and a $0.50 per Mcf for the first 300 Mcf per day for such gas wells.

The tax credit will be phased out in equal increments as prices for oil and natural gas rise. The phaseout prices, which are based on BTU equivalence, are as follows: Oil—phase out between $14 and $20; Gas—phase out between $2.49 and $3.55.

The tax credit is creditable against regular tax and AMT.

ADDITIONAL LEGISLATIVE INITIATIVES

Geological and Geophysical Costs. We continue to urge the administration to support the current expensing of G&G costs. We understand that the administration is studying the tax treatment of G&G costs, and we recognize that legislative action may be required.

Eliminate the Net Income Limitations on Percentage Depletion. Currently, the depletion deduction cannot exceed 100% of income from the property, and the deductions from all properties cannot exceed 65% of taxable income. Many of producers have so little income from the property that the net income limitations further restrict the value of their deductions. We support the repeal of both these limitations.

Limitation on Exports. We favor abolishing the existing prohibitions against the export of domestic crude oil production provided that full and adequate protections for the domestic merchant marine industry are assured.

OCS Deepwater and Frontier Area Production. With domestic reserves dwindling, areas with potential for new production are the deepwater of the Outer Continental Shelf (water depths greater than 400 meters) and frontier areas. The costs of finding and producing most oil and gas in these areas exceed the current price for that oil and gas. We support the consideration of a per barrel tax credit to encourage deepwater and frontier production.

ADMINISTRATIVE/REGULATORY INITIATIVES

Oil Pollution Act of 1990. We believe that the financial responsibility requirements of OPA '90 are excessive, and we support a reduction in the dollar levels. In addition, the agencies implementing the financial responsibility requirements should revise their regulations to make the requirements more realistic in several ways. First, the regulations must recognize that Protection and Indemnity Clubs function as indemnitors, rather than guarantors. Second, we support a thorough examination of existing resources to identify those that are available for immediate response and those that are available to pay damage claims and restoration costs. Third, we believe that the MMS should propose regulations regarding de minimis quantities. Finally, the MMS should apply the requirement for offshore facilities to maintain financial responsibility only to the area seaward of the coastline, consistent with prior agency actions implementing the OPA '90 and with the February 28, 1994, Memorandum of Understanding establishing Federal jurisdictional boundaries for offshore facilities.

Royalty Reduction. To remain competitive in attracting capital, U.S. royalty laws should be reassessed. The existing royalty reduction for marginal oil wells on public lands (onshore) should be expanded to include marginal natural gas wells. The royalty reduction for offshore production should be extended for new activity, especially deep water and other frontier areas, and marginal properties. Finally, we support legislation that would temporarily suspend the collection of royalties from wells in deep water, such as the bill that was approved by the Senate Energy and Natural Resources Committee.

Royalty Collection. 'Reinventing Government'' legislative proposals establish an unworkable, unfair penalty regime that will have particularly adverse affects on natural gas production. The Administration should withdraw this proposals and work with industry to eliminate royalty collection problems.

Underground Injection Control. The EPA is developing revised regulations, reportedly deviating from recommendations made by the Advisory Committee on UIC. Indications that the EPA is considering tightening regulations are disappointing, especially in light of its report to Congress which found that any problems could be solved by enforcing existing regulations, rather than adopting new rules. This proposal could be extremely costly to the industry without improving environmental protection. We oppose the EPA proposed revision of existing UIC regulations.

Natural Resources Damage Assessment. The Departments of Interior and Commerce are developing regulations to impose liability on natural resource producers for injuries caused by hazardous discharges. Although relevant statutes do not require it, damages could include emotional loss of persons who do not suffer from direct contact or use of the natural resources. The ''non-use'' damage proposal relies on an economic methodology known as contingent valuation (CV).[1] However, a panel of economists created by NOAA was unable to confirm that CV was a reliable methodology. We believe that CV for damage assessments is seriously flawed and oppose the inclusion of liability for non-use value loss in the final regulations.

Oil and Gas Leasing on Public Lands. The Interior Department is conducting an internal review of leasing to promote a new approach called ''ecosystem management.'' Current law, the Federal Land Policy Management Act (FLMPA), is based on multiple use, including oil and gas leasing activity. We urge the Interior Department to abide by the principle of multiple use.

EXHIBIT 1

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA

Independent Oil and Gas Producers Reject Clinton Administration's Do-Nothing Strategy, Call for Congressional Hearings on Risks Posed by Oil Imports.—Independent producers are stunned and disappointed by President Clinton's response to a Commerce Department finding that oil imports threaten to impair national security. ''The good news is the president agreed that oil imports pose a national security threat. The bad news is he's not going to do anything about it,'' said IPAA Chairman George Alcorn. ''That's a do-nothing approach from an administration that talks about taking action but fails to follow-through.''

''It is unprecedented for a president not to take any new action, direct or indirect, to address the national security threat,'' said Alcorn. ''All other presidents who have concurred with the national security finding have proposed specific new initiatives.''

IPAA and a nationwide coalition of producers petitioned Commerce to launch the investigation under section 232 of the Trade Expansion Act last March following a drop in world oil prices that forced producers to shut-in wells and lay off thousands of employees. Last year the amount of oil the United States imported reached an all-time high—over 50 percent of demand—while domestic production fell to a 40-year low. During the first two years of the Clinton administration, over 22,000 more American workers in the U.S. oil and gas industry lost their jobs. ''It has all happened on the Clinton administration's watch,'' said Alcorn.

''This industry has been made noncompetitive by over-regulation and a confiscatory tax policy. Congress has recognized the threat and asked for presidential leadership in a letter written only a week ago,'' said Alcorn. ''Faced with congressional support and evidence provided by the administration's own investigation that the loss of this strategic American industry poses a national security risk, the president still proposes no specific action.''

''The lack of leadership and action by this administration again demonstrates a flawed view of national security and economic stability that cannot be allowed to prevail,'' said Alcorn. ''Therefore we are calling upon Congress to investigate the threatened impairment of national security and to act where the president has failed to do so.''

IPAA Hails Energy Bill.—Today the Oklahoma Congressional delegation led by Sen. Don Nickles (R–Okla.), a key member of the Senate leadership and a member of the Finance Committee and Energy and Natural

[1] A simplified example of the use of CV is as follows: Trustees representing the public's interest in natural resources injured by an oil spill conduct a survey in which individuals are asked to state an amount they or their household would pay to prevent this injury. The reported amounts are averaged and then multiplied by the number of affected individuals or households. Since no actual use of the injured natural resource is required, the multiplier is frequently quite large and the resulting ''damage'' figure can run into the billions.

Resources Committee, introduced a comprehensive energy bill designed to help put the domestic oil and natural gas industry back to work and strengthen the U.S. economy by increasing domestic production and creating jobs throughout the 33 oil and gas producing states.

''This bill goes a long way toward developing a national energy strategy that will make the domestic oil and gas producer more competitive,'' said IPAA President Denise Bode. ''These energy initiatives are far-reaching because they will impact virtually every producer who explores for and produces oil and natural gas in the United States. The legislation is the foundation for much-needed energy reforms and it has the support of independent producers.''

The bill was introduced in the House and Senate by Congressmen Bill Brewster, Tom Coburn, Ernest Istook, Steve Largent, Frank Lucas, J.C. Watts and Senators Nickles and James Inhofe. It includes tax and regulatory measures that will help maintain production from marginally economic wells, encourage new drilling, provide relief from an unpredictable royalty collection system, promote the cost-benefit analysis of new regulations and support the export of Alaska North Slope crude oil.

''This energy bill is clearly a way we can alleviate the oil import crisis and jump-start the domestic industry,'' said Bode. ''It will put domestic producers back to work, benefiting the nation with more jobs, economic wealth and tax revenue.''

If you need additional information or would like to talk to an independent producer for a local angle on this story contact Kate Hutcheons or Jeff Eshelman.

AMERICAN PETROLEUM INSTITUTE

WASHINGTON, February 22.—The surest and most important way to stem rising oil imports is to produce more oil and natural gas at home, the American Petroleum Institute emphasized today.

The API made that observation after expressing disappointment in President Clinton's reaction to the Commerce Department's study and finding that rising oil imports are a threat to the nation.

''The President had the opportunity to express his commitment to open federal lands to new oil and gas leasing, exploration and development,'' the API said in a statement, ''but he chose to emphasize federal programs that have had no impact on rising oil imports, such as promoting alternative fuels and renewable energy resources.''

The coastal plain of the Arctic National Wildlife Refuge in Alaska holds the promise of billions of barrels of oil, as do the offshore areas of California and Florida, now closed to leasing by the federal government, API noted. The new Congress indicates a willingness to grant greater access to federal lands, but the President's support is vital, API added.

In 1994, for the first time in history, more than half of the oil used in the United States was imported. The 8,894,000 barrels a day of crude oil and petroleum products amounted to 50.4 percent of domestic demand and set an all-time record. At the same time, domestic crude oil production averaged 6,629,000 barrels a day—the lowest level in 40 years.

The President often speaks of jobs and the need for federal revenues. Both could be attained by opening new areas to oil and gas development, API said. Tens of thousands of jobs, not only in the oil fields, but in the host of service industries and factories throughout the country would be created. At the same time billions of dollars in revenues would accrue to the federal treasury in the payment of bonuses, rentals, royalties and income taxes.

The Bureau of Labor Statistics reported that in 1982, employment in the exploration and development sector of the petroleum industry reached a high of 754,500. At the end of December 1994, that number stood at 332,800—a loss of 421,300 jobs! The principal cause, the API said, were unwise federal government policies closing lands onshore and offshore to oil and gas development.

''The opportunity exists now to reverse these unwise and unsound policies,'' API said, ''and initiate policies to increase oil and gas production that would impact on oil imports.''

NATIONAL STRIPPER WELL ASSOCIATION BLASTS CLINTON ADMINISTRATION'S RESPONSE TO OIL IMPORTS SECURITY RISK—JOINS CALL FOR CONGRESSIONAL HEARINGS

Virginia Lazenby, president of the National Stripper Well Association, made the following statement regarding President Clinton's Feb. 16 response to the Commerce Department's finding that oil imports threaten to impair national security:

''I am enraged, not for myself, but for the thousands of U.S. oil and natural gas producers the National Stripper Well Association represents.

President Clinton agrees that the rising level of oil imports—now over 50 percent—pose a threat to U.S. security. That's a step in the right direction. What the Clinton administration failed to do is address the threat by proposing new initiatives such as tax and regulatory measures that would help boost domestic production. The Clinton administration's inaction is unacceptable.

In addition to the nine-month national security investigation, other studies were completed last year, including one by the National Petroleum Council, which supports the call for the passage of initiatives to maintain production from the nation's marginally economic wells. NSWA played a key role in developing the report. At the time of its release Department of Energy Secretary Hazel O'Leary said ''There are actions we can and must take that will benefit the gas and oil industry.''

Why the administration has decided against taking action is shocking. Nearly half-a-million people in the domestic oil and gas industry have been forced out of their jobs over the last decade as low-priced oil has been imported into the United States. Domestic production is at a 40-year-low. The nation can not afford to lose an increasing amount of production from marginal wells which represents $10 billion of avoided imports each year.

NSWA joins the Independent Petroleum Association of America in its call for Congressional hearings on this matter and hopes that the members of Congress will take action.''

The National Stripper Well Association represents domestic producers who produce oil and gas from so-called stripper or marginal wells which are wells that produce less than 15 barrels per day. NSWA was among the groups that petitioned the Commerce Department to conduct the national security investigation last March.

THE 50TH ANNIVERSARY OF THE FLAG RAISING AT IWO JIMA

Mr. MURKOWSKI. Mr. President, last week, a somber time passed on this floor when some of our colleagues remembered the momentous battle of Iwo Jima in the Second World War. As Senator BUMPERS so eloquently reminded us, nearly 6,000 of our marines were lost forever in that battle waged 50 years ago this week and were never to know the world they helped save from tyranny in that most dreadful struggle.

There are many others who remember Iwo Jima, Mr. President, and each has his own story. One of my constituents, Herb Rhodes of Anchorage, AK, was at Iwo in February 1945. As a member of the 5th U.S. Marine Division dispatched to Red Beach II, Herb was severely wounded in the initial attack on February 19, 1945. There were a total of 6,821 American lives lost in those first 4 days following the landing on the beach at Iwo Jima, making this battle one of the costliest of the war.

In a compilation of photos, stories, and historical information gathered by Lyn Crowley, an engineering officer with the 5th Marine Division, Herb and his former comrades in arms recount the events of that now famous day, 50 years ago, when a 40-man platoon made its way to the top of Mount Suribachi. Of these 40 men, 36 were wounded or killed in subsequent fighting on Iwo Jima. This compilation, titled ''The Flags of Iwo Jima,'' recounts the first U.S. flag on Suribachi—the one it is said that ''nobody remembers.''

This is so because the first flag was very small and could not be seen down the mountain or across the island. The 5th Marine commander then ordered a larger flag be raised as a sign of encouragement to our troops, who were still in the throes of a great battle.

This second raising of Old Glory was captured for all time by combat photographer Joe Rosenthal. His photograph on Mount Suribachi became the model for the Marine Memorial that we all know so well. The photograph itself—of the second flag raising, not the first—is said to be the most famous photograph of wartime history

I promised Herb that I would speak here in order to remind us of the acts of all brave marines, the sacrifice and loss suffered by the Nation, and indeed, I speak to honor my friend Herb Rhodes and his marine brothers who climbed Suribachi in February 1945 and were the first to raise the flag. With humility and gratitude, I know that we live better lives because many of them gave their lives for us. My feelings are shared by many in Congress, and throughout our Nation and the world.

I know that Herb Rhodes will agree that the marines who fought on Iwo Jima gave their all to earn victory. This is as true for the marines who were the first to reach the top of Mount Suribachi as it is for those captured in Joe Rosenthal's photograph. Indeed, glory and honor are due to all those who sacrificed their lives or who put themselves in harm's way on Iwo Jima. While some of our warriors were captured on film, and some are immortalized in bronze in Arlington Cemetery, these serve to symbolize the heroism of all who fought to save liberty. Herb Rhodes and his soldier brothers deserve our everlasting gratitude on

this historic day, and as long as our freedom endures.

On this 50th anniversary of the battle on Iwo Jima, we remember flags raised by marines all over the world. And we remember flags draped over marines, airmen, sailors, and soldiers, in honored glory, from Iwo Jima to Omaha Beach to Da Nang. Today and every day, we remember all our brave heroes.

Do I have any remaining time, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 1 minute and 40 seconds.

Mr. MURKOWSKI. I see my friend from Colorado is in the Chamber. The Senator from Texas had asked me to yield if I had any remaining time, but I do not see the Senator from Texas, so I obviously will yield to my good friend from Colorado.

I thank the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Colorado [Mr. CAMPBELL], is recognized for up to 10 minutes.

AMERICA'S ENERGY CRISIS

Mr. CAMPBELL. Mr. President, I am here today to speak about another bill, but I listened with interest to the comments of my colleague from Alaska on our energy crisis and would like to associate myself with his comments.

I know, as does he, that we are more dependent now, I guess, than at any time in our history on foreign oil. And anyone who thinks that the war in the gulf was anything other than a war over oil is being naive. I think, as my friend from Alaska, that trading the blood of American soldiers is a pretty darned poor trade for oil. But clearly, if we do not have some kind of coherent energy policy and if we do not move to develop our resources, we are destined to do more battle on foreign lands.

It also is interesting to me to note that when we do have public hearings about developing America's natural resources, some of the people who protest the development show up in automobiles getting about 4 miles to the gallon.

At any rate, I look forward to working with the chairman on trying to enhance production of American resources.

THE NATIVE AMERICAN FINANCIAL SERVICES ORGANIZATION ACT

Mr. CAMPBELL. Mr. President, I want to take a few moments to speak on legislation I introduced last week entitled the ''Native American Financial Services Organization Act,'' S. 436. This legislative initiative is the culmination of extensive deliberations between officials from the Department of Housing and Urban Development, the Department of the Treasury, the USDA, members of my staff, and staff of the Senate Committee on Indian Affairs.

The primary purpose of the Native American Financial Services Organization Act is to begin to look at innovative funding mechanisms to address the critical housing needs prevalent in most native American communities.

The cornerstone of this legislation is the establishment of a native American Financial Services Organization as a limited-government chartered corporation that would have the authority to:

Assist native American communities to create local financial institutions that will attract capital investment in housing and economic development in Indian communities.

And, to develop and provide specialized technical assistance on how to overcome barriers to primary mortgage lending on native American lands, such as issues relating to trust lands, discrimination, and inapplicability of standard underwriting criteria.

As a matter of consistency this legislation is intended to supplement, not duplicate, the efforts of any other government-sponsored enterprise or organization.

Through a cooperative agreement with the Community Development Financial Institutions [CDFI] fund established in the Riegle Community Development Banking and Regulatory Improvement Act, the Native American Financial Services Organization will provide technical assistance to native American financial institutions pursuant to the provisions of the CDFI fund.

Mr. President, last week Secretary Cisneros testified before the Committee on Indian Affairs. In his remarks, he discussed HUD's reinvention blueprint for native American programs in the context of overall HUD reorganization.

I was particularly impressed with his commitment to revitalize and reorganize the Department of Housing and Urban Development so that local communities, and in this instance Indian communities, are further empowered to administer housing programs with greater flexibility.

In addition to consolidating many existing programs into funds, which will be administered as block grants, the Secretary reiterated his commitment to seek out alternative, innovative funding mechanisms that could be a catalyst for supplementing existing Federal dollars with greater private investment.

Mr. President, as the Chair is probably aware, housing on Indian reservations is terrible. The existing housing conditions prevalent in many Indian reservation communities are so bad an estimated 50,000 families are in need of new homes. And further, according to a study completed by the Commission on American Indian, Alaska Native, and Native Hawaiian Housing, the total backlog of needed homes approaches 5,500 or an estimated cost of $460 million.

I think it is realistic to say that under our current fiscal constraints, Congress will probably not be able to appropriate the necessary funding to meet such a large backlog of basic housing needs.

It is for this very reason that I believe the Native American Financial Services Organization Act is a viable solution to existing housing crisis in our Indian reservation communities. I want to thank my colleagues Senator MCCAIN, Senator INOUYE, and Senator DASCHLE for cosponsoring this important legislative initiative and look forward to its speedy passage.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

THE NO DUCK SEASON CANARD

Mrs. HUTCHISON. Mr. President, it is about time to lay to rest the fears of duck hunters across America about the effects of S. 219, the Regulatory Transition Act of 1995, on this year's duck hunting season.

This bill, which would impose a moratorium on all new Federal regulations, is an integral part of our regulatory reform agenda. It is designed to protect the public from regulatory overzealousness, but certainly not at the expense of one of our country's most enjoyable pastimes.

The legislation introduced by Senator DON NICKLES, Senator BOND, and myself, cosponsored by 36 Members of the Senate, clearly exempts regulatory activity if the President finds the action is a routine administrative action or principally related to public property benefits or contracts.

No activity of the Federal Government can be considered more routine than setting limits on duck bags.

But, fueled by faulty information and media hype, millions of our country's sportsmen are crying foul. We call these tactics the close-the-Washington-Monument syndrome. The bureaucrats say if you are going to do something we do not like we will make the most ridiculous decision possible and try to blame you for it.

The proponents of this legislation have no intention of shooting themselves in the foot by losing the support of duck hunters for new regulatory common sense in our Federal Government. I have cosponsored the Federal regulatory moratorium and am a lead sponsor of the moratorium on the Endangered Species Act because they are important tools in our fight to protect private property rights and to safeguard small businesses and communities throughout the country from excessive Government regulation. Ill-conceived regulation curbs economic growth and curtails productivity at a significant cost to our taxpayers and it costs jobs in America.

While the moratorium would achieve the desired effect of slowing down this

administration's appetite for Government control of our businesses, it certainly is not intended to prevent routine Government procedures, or to deprive our citizens of their favorite leisure sports. And we have gone out of our way to take care of these concerns.

While the opponents of these bills are likely to continue to try to ruffle the feathers by trying to scare the public, the public's interest would be far better served by imposing moratoriums. It will prevent further regulatory burdens from being added before this Congress can revise current laws, and add common sense to overzealous regulations. That is our goal, common sense.

I think the close-the-Washington-Monument tactics show how little common sense there has been in the regulatory climate. The public understands one point all too clearly: Regulatory reform is an issue we cannot afford to duck.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Dakota is recognized to speak for up to 15 minutes.

HUNGER

Mr. DORGAN. Mr. President, the other evening in a meeting in North Dakota with a couple hundred North Dakotans, mostly farmers, I asked to do something different. I asked if those who came to the meeting to participate would spend a little time talking about what is right, what works, which Government programs are good and address real needs in the right way?

It was an interesting exercise. The sport in America, the pastime in our country that consumes the minutes of virtually every town meeting of every Member of Congress, is talking about what is wrong. I understand that. We should figure out what is wrong and make it right. But it is also important to understand that there are a lot of things done in this country that are good, that are worthwhile, that make this country better.

There is, it seems to me, a requirement from time to time for us to stop and think about that. What is it that works? What is worthwhile?

We have in this country today something called a Contract With America, which was offered by the majority party in the House of Representatives. In the last election, when the American people decided who would govern, 20 percent of those who were eligible to vote cast their vote for Republicans, 19 percent of those eligible to vote cast their vote for Democrats. In other words, the Republicans won 20 percent to 19 percent, and 61 percent decided they would not bother to vote at all. That was the score. The 20-to-19 victory produced was called a mandate by some. This 1 percent mandate in the House of Representatives then provided us with something called a Contract With America. The Contract With America has some things in it that I support and some things that we on the Democratic side of the aisle have brought to the floor of the Senate previously. There are things in it that I think are bipartisan and that will enjoy bipartisan support. There are other things that cause me great concern, which is where I think we are going to be in some public policy aggressive discussions later this year.

We are now discussing the constitutional amendment for a balanced budget on the floor of the Senate. Consuming a substantial amount of time in that debate is the notion that there are some people in this Congress who want to spend a lot of money and there are others who are conservative that do not.

Something happened last week that once again belies that general notion. In the House of Representatives, the majority party, the conservatives, the ones who push the Contract With America, said they wanted to add $600 million in defense spending to a bill. The Secretary of Defense said, ''No, we do not want that. We do not need that. We do not support that.'' The conservatives said, ''No, no, no, we insist. We want $600 million more for you to spend.''

The question is, Who is conservative and who is liberal? We have conservatives saying the Defense Department should be given more money than they want or need because that is where they want to spend money. Where did they get it? They said, ''We will not increase the deficit. We will take the money that's in an account for improvements for schools in low-income neighborhoods and we will use that to give the Defense Department money it says it does not need. We will cut job training for disadvantaged youth in order to give the Defense Department money the Defense Department says it does not want.'' This coming from conservatives.

So, who is a liberal and who is a conservative? Who are the big spenders? Are the big spenders people who want to stuff another $600 million over to the Pentagon when the people who run the Pentagon say, ''We do not want it, we do not need it, we did not ask for it, do not give it to us?''

I take from this lesson the general notion that is there is really not a plugged nickel's worth of difference between Republicans and Democrats, conservatives and liberals, in their appetite for spending money. Everyone wants to spend resources. The question is, on what? One wants to build star wars, another wants a feeding program for children. But both want to spend money.

I think a century from now one will be able to look back at this society, at this country, at this group of people and make a reasonably good judgment about who we were and what we were about and what kind of people we were by how we decided to spend public resources.

One will be able to look at the Federal budget 100 years from now and decide: Here is what the American people felt. Here is what they thought was important in the year 1995, because the Federal priorities on spending, the priorities of the Federal and State governments and the other uses of public funds establishes what our country and its people thought was important.

There are some things in this country that are of national importance, that we have decided were important over 20 and 50 years. I have worked on one of these issues a great deal for many, many years. It is that issue—hunger—which persuaded me to come to the floor for just a couple of minutes today. I have traveled to refugee camps around the world. I chaired a task force on hunger with the chair of the Hunger Committee, the late Mickey Leland, when I was a Member of the House of Representatives. We have the winds of hunger blowing every day in every way in every country around the world—killing 40,000 to 45,000 people a day, most of them children. And yet it is not a headline anywhere. It is just a persistent, chronic problem that imposes massive suffering on millions and millions of people. Hunger is not some mysterious disease for which we do not have a cure. We know what causes it. We know what cures it. Hunger is a very serious problem, and there is a national responsibility and a national requirement to respond to it.

The national priority to respond to hunger has been manifested in things like the school hot lunch program, the WIC program, the Food Stamp Program, a whole range of programs that invest in those who find themselves with the misfortune of being poor and hungry, particularly in young people.

We are told now in the Contract With America that the new way to respond to these issues is through block grants. Substantially cut the total amount of money for a number of programs, especially programs that affect the poor, the vulnerable, and the hungry. Substantially cut the money in the aggregate, roll it into one block grant, move it back to the States, and say to the States, ''Use it as you wish. Address these problems as you will. It is your choice.'' Presumably, the State governments are more efficient and more effective than the Federal Government.

I will admit that there are many areas where the delivery of services by State governments can be more efficient and more effective. I also would say that, just because people talk about wanting to create block grants and use them as the device to save money, this does not in any way obliterate urgent national needs. Hunger and poverty are among those urgent national needs.

Block grants will create a system, to ask the poor and the most vulnerable—and, unfortunately, especially the hungry and the children—to compete against a range of other urgent needs because, if we say we are going to roll all of these programs into a block

grant, there then is no national priority that says we are going to feed hungry kids. It becomes a decision by 50 different States about how much money they have to feed hungry kids versus the needs of all of other interests that are at their doorsteps asking for funds. Block grants themselves are not, in my judgment, the answer.

Yes, we use block grants from time to time, and, yes, they can be effective in some cases. But, frankly, I am pretty unimpressed with some of these new Governors who are busy cutting taxes at the State level and puffing out their chests, walking around holding their suspenders, and boasting about what a great job they are doing cutting taxes back at home. Then they come here and walk through these doors with a tin cup asking if they can have money, no strings attached, in the form of block grants which eliminate the kind of things we have targeted as national needs, things that effectively respond to hunger in children. If they can get their hands on that money with no strings attached, then they have the resources to respond to the problems they have caused by their own tax cuts. I say, if they want resources, let them raise them.

If you want to cause maximum waste in government, just decide to create a government in which you disconnect where you raise money from where you spend it. Decide to raise it here and spend it there, I guarantee you it will be free money in the eyes of those who spend it. You can look at program after program for examples. Go back to the Law Enforcement Assistance Act (LEAA) and ask yourselves if some of the most egregious wastes of Federal money did not occur under its block grants. I have some specific examples I could use, but I will do that at a later time.

The point I want to make today is that it might be out of fashion to be poor. It might be out of fashion to be hungry. There may not be a lot of high-paid lobbyists around supporting the interests of the hungry, but that does not mean that they are not people with compelling needs, and that does not mean that we do not have a responsibility as a nation to respond to their needs.

The young boy named David Bright came to Congress one day. He was 10 years old, living with his mother and a brother and a sister in a homeless shelter in New York, lost, troubled, living in squalid poverty. He talked about the rats in the shelters. Then he said something I have never forgotten. He said, ''No 10-year-old boy like me should have to put his head down on his desk at school in the afternoon because it hurts to be hungry.'' No 10-year-old boy should have to put his head down on his desk at school in the afternoon because it hurts to be hungry.

If anyone in this Chamber or in the House Chamber or elsewhere can look in the eyes of 10-year-old kids who are hungry because their family does not have enough money to buy groceries, their family does not have a home, their family does not have enough to eat and say that there is not a national need, not an urgent priority, you do not rank up here, you go down and compete someplace for some block grant that we gave to a Governor who talks about cutting taxes back home, then this is a debate I am anxious to have on this floor.

We need to debate what our national priorities are. Yes, we need incentives to tell people who are down and out, ''Here is a stepladder to get up and going again.'' We need incentives to say, ''You go from welfare to work.'' We need all of those things. I will be one supporting others on this floor who say, ''Let us change the welfare system.'' But I will not be part and parcel of that discussion and decide, as some have, that this is a kind of a survival-of-the-fittest society where, if you are poor, you do not matter, and if you are a kid who is hungry, you are not a national need.

When I see what happens over in the House, where they say, ''We are conservatives. We think that the Government wastes too much money, and so here is 600 million bucks we want to stick into the Pentagon,'' and the Pentagon says, ''We do not want it and we do not need it and please do not give it to us,'' and the House says, ''Sorry, but we are going to give it to you anyway, and we will take the money from a program that helps poor kids,'' then I think something is wrong with the thinking around here. That's why I hope we can have legislation and substantial debate about what this Nation's urgent needs and priorities are.

As we do that, I at least hope all of us will understand this country's kids deserve to have a prominent place in the array of national needs that this Congress decides to establish. We have spent a long time looking at this country's problems and trying to address them. No one here, I think, has decided to do that in any other manner but with good will and with their best judgment. We have made some mistakes along the way. There is no question about that. But we have also done some good things, and I would hate very much to see this wave of emotion about the Contract With America sweep out the door with some of the inefficient things that we certainly should change a set of good programs and a set of urgent national priorities that respond to the interests of the most vulnerable in this country, our children.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Arizona.

Mr. McCAIN. Mr. President, I ask unanimous consent that I be recognized to speak for 10 minutes as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, before I begin the substance of my remarks, I would like to comment briefly on the comments of the Senator from North Dakota. In case he missed an election last November 8, the American people want to do things differently from what was just espoused by the Senator from North Dakota. It is not old fashioned to want to have a change in the way that we address the problems affecting America. It is not old fashioned to recognize that the programs so greatly espoused and seeking to be continued by the Senator from North Dakota have failed.

I would urge him to consider the words of our new Congressman from Oklahoma, Congressman J.C. WATTS, Jr., who said, ''We don't measure compassion by the number of people who are on welfare. We measure compassion by the number of people we can get over the welfare.''

The spirited defense of the status quo and business as usual just articulated by the Senator from North Dakota is ample evidence to me that he has not gotten the message of November 8 as the American people want things done differently, not business as usual. I believe that, if the Senator in North Dakota would check around, he would find that the overwhelming majority of Americans want the Contract With America passed.

They want the Contract With America because they lost confidence in the way that the Senator from North Dakota and the leadership on the other side of the aisle was running America. They are totally dissatisfied. They want change. They are going to get change. I am proud of the job that is being done by my colleagues in the House and the courage that they are showing in taking on some sacred cows.

If the Senator from North Dakota thinks this old line about being cruel to poor people and depriving food from people's mouths is going to work, my message to him is, it ''ain't'' going to work.

I also look forward to a spirited debate and discussion with him because we have to find new ways to attack old problems, rather than going back to the old ways of spending more money on programs that have failed to fulfill our obligation to those in our society.

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

Mr. McCAIN. I only have 10 minutes. I will be glad to yield to the Senator from North Dakota at the expiration of my time, if I have any remaining.

THE BASE CLOSING COMMISSION

Mr. McCAIN. Mr. President, I am deeply concerned about the fact that there will not be, I am told by the leadership, a vote on the nominees for the Base Closing Commission today.

The fact is, on February 28, the Secretary of Defense will file for the Federal Register a list of bases that the

Secretary of Defense is recommending that will be closed for the consideration of the Base Closing Commission.

Mr. President, this will make it very difficult, if not impossible, for the remaining nominees to the Base Closing Commission to be confirmed by the Senate.

Mr. President, I view failure to move forward with the base closing process as an unconscionable act that will deprive the young men and women in the military today of their ability to defend this Nation's vital national security interests. We cannot spend money on bases and infrastructure which are no longer needed in light of the reduction of some 40 percent in the defense budget.

We have, in the words of former Chairman of the Joint Chiefs of Staff, Colin Powell, reduced our defense spending somewhere around 40 to 45 percent since 1985. At the same time, we have reduced our base infrastructure by some 10 to 15 percent.

We have gone through two painful rounds of base closings and now the third one, hopefully the last, will be facing us. If we do not move forward with this base closing process, we will not close bases in this country. We have proven that to anyone's satisfaction, which is why we went to the base closing process to start with.

Mr. President, there are people on both sides of the aisle and both ends of Pennsylvania Avenue who do not want to see this process move forward.

I believe that there is one egregious incident, for example, of a nominee, Gen. J.B. Davis, where incorrect information was spread around Hill offices which tied him to an organization that had considerable financial interests at many installations. I do not know who originated the memorandum setting out this flawed data, but it was further disseminated by consultants and others who somehow failed to check the facts of this matter.

But the primary fact is, Mr. President, if we do not move forward with the base closing process, we have forgotten several things. The cold war is over. The defense budget is small. We have excess infrastructure that needs to be closed. The BRAC will go on regardless of Senate action, but will suffer in quality if the names are not brought to a vote immediately. I believe my constituents and our national security interests deserve the best possible Commission we can provide. I hope that all my colleagues will agree with that.

Mr. President, if we do not approve the nominees, then former Senator Alan Dixon, who is the Chairman of the Commission, by law must proceed with the process. That will leave the review of the entire base closing proposals in the hands of one individual. He will have only one choice and that will be to rubberstamp whatever the Defense Department has recommended.

I am convinced that that is not what the Congress had in mind when we set up the BRAC process. And I am convinced that the American people will thereby be shortchanged and bases may be closed that do not need to be closed and bases will be kept open that do not need to be kept open.

Mr. President, I think that it is clear that the fact that one of the names was removed almost without cause—or at least for some period of time there was no information—from the nominating list by the White House contributed to this problem significantly. But I think there are ways that we could have worked it out, maybe, by withholding one name nominated by the other party as well as one nominated by the Republicans, and the other names sent forward, we could have worked effectively in that fashion.

I am convinced that if we do not move forward today on these nominations, it places the entire concept of base closing in significant jeopardy.

Mr. President I hope that the leadership will reconsider their decision on this issue and move forward today with the nominees for the Base Closing Commission for the sake of national security and for the sake of young men and women that are in our military today.

Mr. President, I yield to the Senator from North Dakota what remaining time I have.

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

WELFARE REFORM

Mr. DORGAN. Mr. President, I do not intend to use all the time.

I just wanted to observe that the Senator was wondering whether we felt the election meant anything about welfare reform. Well, there will not be that kind of debate, because we will not have that kind of debate. Most of us feel we should reform the welfare system.

My point was not the welfare system. My point was that I do not believe the last election was a message from the American people that hunger among our children is not a national priority, nor would I expect the Senator from Arizona would interpret the election that way, either.

Mr. MCCAIN. Mr. President, I appreciate the remarks of my friend from North Dakota. I wish that he had taken some measures during the 1986–94 period when he was in the majority to bring forward meaningful welfare reform of the welfare system. And since he did not, this side of the aisle will, both from the other body as well as from this one.

I thank the Chair and I yield back the remainder of my time.

RAY NATTER

Mr. DOMENICI. Mr. President, since 1989, Ray Natter has been the Republican general counsel on the Senate Banking Committee. Ray came to the Senate in 1987 after mastering the complicated area of banking law as special counsel to the House Banking Committee and senior counsel at the Federal Reserve. Prior to coming to the Hill, Ray also spent 10 years as a legislative attorney at the Congressional Research Service. Without a doubt, Ray knows banking law and the legislative process.

Ray worked on several important issues in the last Congress, including interstate banking, fair trade in financial services and community development banking. In previous years, he had a significant impact on various important pieces of legislation, including the drafting of the Resolution Trust Corporation Completion Act, which helped end the savings and loan crisis.

When Ray worked for Chairman Garn he not only wrote significant portions of FIRREA and FDICIA, he also worked on the important issue of lender liability, which was particularly critical to bankers in my State.

Regardless of how busy he was or how many major banking bills Ray was working on, he always had time for the problems that I needed help with. Sometimes New Mexicans had ideas for legislation that I would ask Ray to review. Sometimes I would have a constituent who felt the RTC needed a little congressional oversight. Ray always gave me good counsel and advised me of all the pertinent laws.

When I was new on the Banking Committee, Ray helped me and my staff navigate the complicated world of financial institution regulation. He was always knowledgeable, accurate and willing to give his time to ensure that we became as well-informed as he was on these difficult issues.

I am not going to serve on the Banking Committee this Congress. I would have preferred to stay on the Banking Committee but too many others wanted an opportunity to participate under Chairman D'AMATO's leadership.

I want to thank Ray for his 8 years of service to the Senate Banking Committee, three chairman, and through passage of numerous public laws. Ray will be joining the staff of the general counsel of the Comptroller of the Currency. The Senate will miss Ray's expertise and his willingness to help members of the Banking Committee and the Senate. I have no doubt that the Comptroller's Office will recognize immediately that they have landed one of the best banking lawyers in Washington.

THE 1995 BIRD HUNTING SEASON

Mr. WELLSTONE. Mr. President, on the Senate floor today, one of my colleagues challenged my concern shared by thousands of Minnesotans that S. 219, a bill that would create a moratorium on new regulations, would have the effect of limiting or eliminating the 1995 migratory bird hunting season. I take strong exception to my colleague's comments and will continue to

fight to protect this cherished annual Minnesota event.

The divergence in our two views apparently comes down to this: The junior Senator from Texas apparently believes that the U.S. Fish and Wildlife Service's annual rulemaking process required by current law to open the hunt fits under some exclusion in S. 219 for routine administrative matters. I see no such exclusion.

Presumably, the language in S. 219 that my colleague thinks exempts the annual migratory bird hunting rulemaking from the strictures of the moratorium is found in the section which excludes ''any agency action that the head of the agency certifies is limited to repealing, narrowing, or streamlining a rule, regulation, or administrative process, * * * or otherwise reducing regulatory burdens * * *.'' Clearly, the duck hunting rulemaking does not ''repeal[], narrow[], or streamlin[e] * * * [an] administrative process.'' In my view, reading this language to exempt the duck hunting rulemaking is forced, at best.

I might point out that my colleague is from a southern State, where the normal duck hunting season opens later than it does in Minnesota. If the Fish and Wildlife Service's estimated best-case scenario proves correct, S. 219 would serve to delay the necessary rulemaking, and thus the opening of the season in Minnesota, by no less than 30 days. Since Minnesotans do the majority of their hunting at the local shoot early in the season—beginning around the beginning of October—before the local ducks fly south, such a delay would effectively cancel this part of the season. On the other hand, in Texas the regular duck season opens in mid-to-late November. Therefore, the Texas season may not be as affected by the delay in the rulemaking process.

If S. 219 becomes law without being changed to clearly exempt the 1995 duck hunting rulemaking from the moratorium, here is a possible—perhaps even likely—scenario: The Fish and Wildlife Service proceeds, as it has been, with rulemaking action to open the 1995 season on time. Somebody opposed to duck hunting sues to stop the hunt—that's right, the moratorium bill also allows lawsuits for people adversely affected by an agency violation of the moratorium. The whole thing winds up in court.

Yesterday, I introduced a bill to protect the 1995 hunting season from S. 219's moratorium provision. If the sponsors of S. 219 do not mean to threaten the 1995 duck hunt, then why don't they come on board my bill? I say S. 219 is perfectly clear—it would negatively impact the 1995 season in Minnesota.

So I challenge the sponsors of S. 219 to ask the Governmental Affairs Committee to adopt explicit language exempting the 1995 duck hunting season rulemaking from the moratorium. The language of my bill would do that nicely. If they would just fix the problem they created in the moratorium bill, then this whole issue would go away. If it is not the intent of the sponsors of S. 219 to impact the 1995 duck hunting season, then surely they should have no objection to my request.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES!

Mr. HELMS. Mr. President, for nearly 3 years I have reported to the Senate the exact total of the Federal debt as of the close of business the previous day.

This debt has been run up by the liberal big-spenders in Congress.

Mr. President, as of the close of business yesterday, Wednesday, February 22, the Federal debt stood at exactly $4,835,998,510,879.83, meaning that on a per capita basis, every man, woman, and child in America owes $18,357.53 as his or her share of the Federal debt.

Mr. President, a little over 2 years ago—January 5, 1993—the debt stood at $4,167,872,986,583.67—$15,986.56 for every American. During the 103d Congress the Federal debt increased by more than $6 billion.

The point is that so many politicians talk a good game at home about bringing the Federal debt under control, but support bloated spending bills when they get back to Washington.

TRIBUTE TO FRED DALLIMORE

Mr. REID. Mr. President, it gives me great pleasure to pay tribute, today, to a native son of Nevada, Fred Dallimore. Fred is completing his 26th year, as a baseball coach, at the University of Nevada, Las Vegas. He has served as the head coach for the last 22 years. His career is a distinguished one. Under his guidance, UNLV has made 6 NCAA appearances and has had 16 winning seasons. The 728 career victories he has attained ranks him 36th among the NCAA all-time winningest division I coaches. More than 80 young men, coached by Fred, have advanced to professional baseball. Several have made it to the major leagues including the San Francisco Giants, Matt Williams, a Nevadan from Carson City.

Fred's success at UNLV is the result of dedication, loyalty, and a lot of hard work. Over the years it was not unusual to see Fred out on Roger Barnson Field mowing the grass, dragging and watering the field, and performing every duty necessary to prepare the field for practice and games. The brand new Earl E. Wilson Baseball Stadium at Barnson Field is a state-of-the-art facility made possible by a gift from the Wilson estate. It is also the culmination of a dream come true for Fred.

Fred comes from a long line of native Nevadans. He was born in Reno, NV on October 21, 1944. He attended Reno High School where he was an all around athlete lettering in football and baseball. An All State pitcher, in his senior year, he led Reno to the State AAA baseball championship. During his 4 years at the University of Nevada, Reno he earned All West Coast and All Far West honors as a left handed pitcher. His 11–1 record his senior year earned him All American honors as chosen by the American Association of Collegiate Baseball Coaches, Player of the Year, as selected by the San Francisco Examiner and the Sierra Nevada Sportswriters and Broadcaster Athlete of the Year. The University of Nevada, Reno honored him in 1982 by inducting him into the UNR Athletic Hall of Fame. In 1994 UNLV honored him by inducting his 1980 baseball team into the UNLV Athletic Hall of Fame.

Fred and his wife Alice are the proud parents of two children, Jamie and Brian.

Fred is a husband, father, teacher, and coach. I am proud to have him as a friend.

COMMENDING THE CENTENNIAL OF THE CHIROPRACTIC PROFESSION

Mr. BRYAN. Mr. President, I rise today to recognize the chiropractic profession which was founded on September 18, 1895, and is celebrating 100 years of providing chiropractic services to Americans across the country.

The chiropractic profession was founded in Davenport, IA, when the first chiropractic adjustment was performed in an office building on a janitor named Harvey Lillard. One hundred years later, the chiropractic profession is now recognized by Congress which included chiropractic care under Medicare and authorized the commissioning of chiropractors as officers in the military.

Today, the chiropractic profession is practiced by doctors throughout the world, including 50,000 chiropractic physicians throughout the United States. As the number of chiropractors continues to grow, so do the standards in chiropractic education, research, and practice. This has led to broadening acceptance of the benefits of chiropractic health care by the public and the health care community.

According to health care experts, as many as 80 percent of Americans will suffer back pain at some point in their lives. Low back problems are the most common health complaints experienced by working Americans today. For this reason, every year millions of Americans choose chiropractic health care for the restoration and maintenance of their health. For many who suffer from pain, chiropractic care is a natural method of alleviation that does not require the use of drugs or surgery. Chiropractors around the country have made and continue to make a significant contribution to the health and welfare of many people whose lives would not be the same without their services.

On March 18, members of the chiropractic profession will gather in Las

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION.

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

The legislative clerk read as follows:

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

The Senate resumed consideration of the joint resolution.

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

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

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

Mr. WELLSTONE. I thank the Chair.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

amendment will work, we should leave the Constitution alone.

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

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

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

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

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

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

So I say that after the rhetoric for and against this amendment is over, let Senators get to work to show Americans we have the courage this amendment presumes that we lack. While it is true that the President's recently submitted budget does little to reduce the deficit, the stomach for the tough choices does exist in this body. If the appeal of a balanced budget amendment is simply the legal or political cover it provides for the tough choice, a statutory change would provide the same cover. If the presumption behind the amendment is that the political will to balance the budget does not exist, then make no mistake, those who lack that political will can find a way to circumvent this amendment.

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

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

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

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

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

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

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

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

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

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

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

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

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

course, only further jeopardize the program.

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

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

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

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

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

As I say, I believe those times are few and far between. But the Constitution is too blunt an instrument to distinguish between good times and bad. The American people hired us to do that job, not to cede it to a legal document that cannot assess the evolving needs of our economy.

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

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

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

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

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

The PRESIDING OFFICER. Is there objection?

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

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

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

Mr. WELLSTONE. I do.

UNANIMOUS-CONSENT AGREEMENTS

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

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

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

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

MOTION TO REFER

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

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

Mr. President, let me for my colleagues——

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

The legislative clerk read as follows:

> The Senator from Minnesota [Mr. WELLSTONE] moves to refer House Joint Resolution 1 to the Budget Committee with instructions to report back forthwith House Joint Resolution 1 in status quo and at the earliest date possible, to issue a report, the text of which shall be as follows:
>
> ''It is the sense of the Committee that in enacting the policy changes necessary to achieve the more than $1 trillion in deficit reduction necessary to achieve a balanced budget, Congress should take no action which would increase the number of hungry or homeless children.''

Mr. WELLSTONE. I thank the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

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

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

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

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

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

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

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

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

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

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

Children are among the homeless in this country and indeed families with children are a substantial segment of the homeless population. The U.S. Council of Mayors estimates that, in 1994, 26 percent of the homeless were children, based upon requests from emergency shelters. That is a pretty large percentage of the homeless population. And, in 1988, the Institute of Medicine estimated that 100,000 children are homeless each day.

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

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

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

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

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

I hope my colleagues are not bored by these statistics. These are real people. These are children in the United States of America. These children, all of these children, are our children.

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

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

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

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

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

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

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

''House Panels Vote Social Funding Cuts.''

''Republicans Trim Nutrition, Housing.''

Washington Post, front page story:

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

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

Let me repeat:

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

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

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

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

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

The article reads:

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

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

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

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

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

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

Including the Women, Infants, and Children Program.

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

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

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

The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

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

I wish that this was not real. But the evidence is crystal clear. All you have to do is look at the state of children in America today. They are the most vulnerable citizens, the most poor. I am just saying to my colleague, can we not go on record that we are not going to pass any legislation or make any cuts that will increase hunger among children?

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

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

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

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

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

So I understand what the Children's Defense Fund understands, that on present legislative course, this is where we are heading: By year 2002, 7.5 million children lose federally subsidized lunches, 6.6 million children lose their health care through Medicaid, 3 million children lose food stamps, and 2 million young children and mothers lose nutritional assistance through the WIC program. This is a very destructive way to ensure that our children are not burdened by debt.

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

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

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

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

Mr. WELLSTONE. I thank the Chair.

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

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

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

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

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

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

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

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

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

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

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

Mr. HATCH. Yes.

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

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

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

Mr. WELLSTONE. Will the Senator yield?

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

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

Mr. HATCH. I do.

Mr. WELLSTONE. That is all I am asking.

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

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

Mr. WELLSTONE. But is it not interesting that we do not know what we do not want to know. Why do we not know?

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

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

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

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

(Mr. KEMPTHORNE assumed the chair.)

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

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

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

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

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

But I feel very deeply that those moneys are not going to be there if we keep running this country into bankruptcy. And if we think we have homeless people now, wait until you see what happens as that interest keeps going to the point where it consumes all of our personal income taxes. It is now consuming half of the personal income taxes paid in America today. We are going up, as this balanced budget amendment debt tracker shows, as this debate continues. We are already up to $20 billion, almost $21 billion, in the 25 days that we have debated this amendment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I reserve the balance of my time.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

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

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

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

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

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

Now, Mr. President, I do not have such a fancy chart but the facts remain. Every 5 seconds a student drops out of school; every 30 seconds, a baby is born into poverty; every 2 minutes a baby is born at low birthweight; every 2 minutes a baby is born to a mother who had no prenatal care; every 4 minutes a child is arrested for an alcohol-related crime; every 5 minutes a child is arrested for a violent crime; every 7 minutes a child is arrested for a drug crime; every 2 hours a child is murdered; every 4 hours a child commits suicide.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I now say prove me wrong. Prove now this afternoon that this is just a scare tactic. I want to be wrong. Prove this afternoon that this is just some political strategy. Let us go on record, Democrats and Republicans alike, that we are serious about deficit reduction, we are serious about balancing the budget, because I think we all are. And what we are going to do is go on record this afternoon, not with an amendment to this constitutional amendment—that is not what this is. This is just simply a motion to go on record that when we make these cuts, we are not going to do anything to increase hunger or homelessness among children. I do not understand why I cannot get 100 votes for it.

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

The PRESIDING OFFICER. Who yields time?

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

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

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

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

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

The PRESIDING OFFICER. Is there a sufficient second?

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

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

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

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

The American people want and need us to do this. Our large national debts and the yearly deficits that help it grow hurt real people, average working people all over the country—everybody. Continuing down the path we are on will only make matters worse for all of us and all of our children and grandchildren.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

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

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

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

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

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

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

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

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

MOTION TO REFER

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

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

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

The PRESIDING OFFICER. The Senator from Minnesota.

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

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

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

What this amendment says is we go on record we are not going to take any action that will result in reductions in assistance to students who want an opportunity to attend college. I do not think that is too much to ask.

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

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

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

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

I do not think that is too much to ask.

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

Then he looked at a really crowded forum. He looked at everybody, and he hesitated, and he said, ''These are not the best years of my life. I am working three minimum-wage jobs, 40 hours a week, and trying to go to school. These don't feel like the best years of my life.'' This whole question of how we make higher education affordable is key to what our Nation is all about, which is a nation of opportunity for every person from every background.

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

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

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

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

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

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

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

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

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

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

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

Denise, from a suburb of Minneapolis, writes:

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

That is pretty good. That is out of 4.0.

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

That is what Denise writes.

Sandra, from St. Louis Park, another suburb:

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

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

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

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

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

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

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

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

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

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

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

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

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

Pell grants would be slashed by one-third, from a maximum of $2,230 to $1,560. Alternatively, if we did not do that, we could just slash the number of students receiving Pell grants. So some 1.1 million students would not receive Federal aid at all to attend college.

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

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

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

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

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

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

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

I think the Senator from Wyoming wants to respond.

Let me just reserve the remainder of my time.

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

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

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

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

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

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

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

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

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

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

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

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

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

Also, I do not find the argument compelling that we should simply give up on a balanced budget amendment and continue to add to that burden. And we will always give up, because we will come to this floor and vote for everything our constituents ask us to bring home. We are like pack horses. They just load us with requests for funding, and we come out here and we load the money home.

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

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

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

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

On, no, we could not do that.

What are we going to do when two people are paying in and one person is taking out of the Social Security system? How long do you think people are going to stand still for that?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The choices are not between our going on record that we will not do anything that will increase hunger or homelessness among children, or going on record to do anything that would cut programs that enable people to be able to go on and afford higher education, versus we have to cut benefits for the elderly across the board.

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. Sixteen minutes.

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

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

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

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

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

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

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

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

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

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

Mr. WELLSTONE. That will be fine.

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

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

Mr. BAUCUS. I thank the Chair.

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

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

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

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

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

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

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

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

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

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

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

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

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

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

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

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. WELLSTONE. I would be pleased to.

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

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

Mr. WELLSTONE. I have about 15 seconds left.

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

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

The PRESIDING OFFICER. Time is up.

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from South Carolina.

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

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

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

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

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

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

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

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

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

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

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

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

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

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

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

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

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

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

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

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 95 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Nondefense discretionary spending cuts	1996	1997
Space station	2.1	2.1
Eliminate CDBG	2.0	2.0
Eliminate low-income home energy assistance	1.4	1.5
Eliminate arts funding	1.0	1.0
Eliminate funding for campus based aid	1.4	1.4
Eliminate funding for impact aid	1.0	1.0
Reduce law enforcement funding to control drugs	1.5	1.8
Eliminate Federal wastewater grants	0.8	1.6
Eliminate SBA loans	0.21	0.282
Reduce Federal aid for mass transit	0.5	0.1
Eliminate EDA	0.02	0.1
Reduce Federal rent subsidies	0.1	0.2
Reduce overhead for university research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Dept. funding and end misc. activities	0.1	0.2
End P.L. 480 title I and III sales	0.4	0.6
Eliminate overseas broadcasting	0.458	0.570
Eliminate the Bureau of Mines	0.1	0.2
Eliminate expansion of rural housing assistance	0.1	0.2
Eliminate USTTA	0.012	0.16
Eliminate ATP	0.1	0.2
Eliminate airport grant in aids	0.3	1.0
Eliminate Federal highway demonstration projects	0.1	0.3
Eliminate Amtrak subsidies	0.4	0.4
Eliminate RDA loan guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate untargeted funds for math and science	0.1	0.2
Cut Federal salaries by 4 percent	4.0	4.0
Charge Federal employees commercial rates for parking	0.1	0.1
Reduce agricultural research extension activities	0.2	0.2
Cancel advanced solid rocket motor	0.3	0.4
Eliminate legal services	0.4	0.4
Reduce Federal travel by 30 percent	0.4	0.4
Reduce energy funding for Energy Technology Develop.	0.2	0.5
Reduce Superfund cleanup costs	0.2	0.4
Reduce REA subsidies	0.1	0.1
Eliminate postal subsidies for nonprofits	0.1	0.1
Reduce NIH funding	0.5	1.1
Eliminate Federal Crop Insurance Program	0.3	0.3
Reduce Justice State-local assistance grants	0.1	0.2
Reduce export-import direct loans	0.1	0.2
Eliminate library programs	0.1	0.1
Modify Service Contract Act	0.2	0.2
Eliminate HUD special purpose grants	0.2	0.3
Reduce housing programs	0.4	1.0
Eliminate Community Investment Program	0.1	0.4
Reduce Strategic Petroleum Program	0.1	0.1
Eliminate Senior Community Service Program	0.1	0.4
Reduce USDA spending for export marketing	0.02	0.02
Reduce maternal and child health grants	0.2	0.4
Close veterans hospitals	0.1	0.2
Reduce number of political employees	0.1	0.1
Reduce management costs for VA health care	0.2	0.4
Reduce PMA subsidy	0.0	1.2
Reduce below cost timber sales	0.0	0.1
Reduce the legislative branch 15 percent	0.3	0.3
Eliminate Small Business Development Centers	0.056	0.074
Eliminate minority assistance score, small business interstate and other technical assistance programs, women's business assistance, international trade assistance, empowerment zones	0.033	0.046
Eliminate new State Department construction projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and other international exchanges	0.119	0.207
Eliminate North-South Center	0.002	0.004
Eliminate U.S. contribution to WHO, OAS, and other international organizations including the United Nations	0.873	0.873
Eliminate participation in U.N. peacekeeping	0.533	0.533
Eliminate Byrne grant	0.112	0.306
Eliminate Community Policing Program	0.286	0.780
Moratorium on new Federal prison construction	0.208	0.140
Reduce coast guard 10 percent	0.208	0.260
Eliminate Manufacturing Extension Program	0.03	0.06
Eliminate coastal zone management	0.03	0.06
Eliminate national Marine sanctuaries	0.007	0.012
Eliminate climate and global change research	0.047	0.078
Eliminate national sea grant	0.032	0.054
Eliminate State weather modification grant	0.002	0.003
Cut weather service operations 10 percent	0.031	0.051
Eliminate regional climate centers	0.002	0.003
Eliminate Minority Business Development Agency	0.022	0.044
Eliminate Public Telecommunications Facilities Program grant	0.003	0.016
Eliminate children's educational television	0.0	0.002
Eliminate national information infrastructure grant	0.001	0.032
Cut Pell grants 20 percent	0.250	1.24
Eliminate education research	0.042	0.283
Cut Head Start 50 percent	0.840	1.8
Eliminate meals and services for the elderly	0.335	0.473
Eliminate title II social service block grant	2.7	2.8
Eliminate community services block grant	0.317	0.470
Eliminate rehabilitation services	1.85	2.30
Eliminate vocational education	0.176	1.2
Eliminate chapter 1 20 percent	0.173	1.16
Reduce special education 20 percent	0.072	0.480
Eliminate bilingual education	0.029	0.196
Eliminate JTPA	0.250	4.5
Eliminate child welfare services	0.240	0.289
Eliminate CDC Breast Cancer Program	0.048	0.089
Eliminate CDC AIDS Control Program	0.283	0.525
Eliminate Ryan White AIDS Program	0.228	0.468
Eliminate maternal and child health	0.246	0.506
Eliminate Family Planning Program	0.069	0.143
Eliminate CDC Immunization Program	0.168	0.345
Eliminate Tuberculosis Program	0.042	0.087
Eliminate agricultural research service	0.546	0.656
Reduce WIC 50 percent	1.579	1.735
Eliminate TEFAP:.		
Administrative	0.024	0.040
Commodities	0.025	0.025
Reduce cooperative State research service 20 percent	0.044	0.070
Reduce animal plant health inspection service 10 percent	0.036	0.044
Reduce food safety inspection service 10 percent	0.047	0.052
Total	36.942	58.407

Mr. HOLLINGS. I thank the distinguished Chair.

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

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

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

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

(Mr. KYL assumed the chair.)

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

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

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

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

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

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

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

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

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

I have just been informed that the proponents of the constitutional

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

Mr. BYRD. Would the Senator yield?

Mr. HOLLINGS. Mr. President, I yield.

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

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

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

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

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

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

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

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

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

1990 HOLLINGS MOTION TO REPORT THE SOCIAL SECURITY PRESERVATION ACT

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

Yeas: Mr. Sasser, Mr. Hollings, Mr. Johnston, Mr. Riegle, Mr. Exon, Mr. Lautenberg, Mr. Simon, Mr. Sanford, Mr. Wirth, Mr. Fowler, Mr. Conrad, Mr. Dodd, Mr. Robb, Mr. Domenici, Mr. Boschwitz, Mr. Symms, Mr. Grassley, Mr. Kasten, Mr. Nickles, and Mr. Bond.

Nays: Mr. Gramm.

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

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

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

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

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

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

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

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

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

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

The goal of the plan is to balance the unified budget without using the Social Security surplus by the year 2002. America would then be saving its Social Security surplus, helping to avoid a fiscal train wreck 25 years from now when the general fund must begin repaying the Social Security trust fund. Continuing to divert Social Security surplus to fund current spending instead of building up reserves for the future is bad fiscal policy and bad social policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ROBERT M. BALL,
Alexandria, VA, January 5, 1995.

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

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

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

The Entitlement Commission looked at many programs in addition to Social Security, and frequently in its presentations lumped everything together, but it also, correctly, made separate proposals and separate cost estimates for Social Security. There was a consensus that Social Security was adequately financed for a long time, but not for the full 75 years for which the estimates are traditionally made. What the Commission did not say, however, is equally important.

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

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

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

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

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

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

One way to produce balance, at least theoretically, would be to: (a) accept the Commission staff's estimate of the saving to Social Security of an expected Labor Department correction of the Consumer Price Index (CPI). (This alone reduces the long range deficit by a third); (b) credit Social Security with the proceeds of the 1993 tax increase on Social Security benefits, just as the earlier taxing provisions credited the proceeds to Social Security. (Adding this saving to the CPI correction cuts the deficit in half.) In the 1993 change, the proceeds went to the Hospital Insurance Trust Fund because the Budget rules would have required 60 votes in the Senate to increase income for Social Security; and, (c) schedule a contribution rate increase in 2020 of one percent of covered earnings each for employers and employees. (This change would eliminate the other half of the deficit.) Such a rate increase is not trivial, but is easily supportable—offsetting only about 9 percent of the growth in earnings projection between now and then.

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

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

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

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

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

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

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

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

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

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

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

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

* * * * *

ILLUSTRATIVE PLAN TO BRING SOCIAL SECURITY INTO LONG RANGE BALANCE [1]

[Figures shown are a percent of taxable payrolls]

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

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

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

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

Mr. HOLLINGS. This is dated January 5. He talked about the Kerrey-Danforth commission, the entitlement commission, and the entire letter will be printed but I refer to this sentence here.

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

Later on, I read again:

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

I read on further:

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

Then further on I read this sentence:

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

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

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

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

[From Business Week, Feb. 20, 1995]

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

(By Robert Kuttner)

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

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

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

PRODUCTIVITY

The key question is whether coming decades will resemble the fat years or the lean ones. Here perhaps is some good news. First, 1973–93 had unusual demographic trends unlikely to be repeated. Baby boomers and women flooded into the workforce, leaving less wage per worker. Baby boomers, male and female, are now more experienced and presumably more productive workers. Women workers are now being paid wages closer to their male counterparts. On both counts, the one-time depression in wages should be reversed.

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

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

MORONIC

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

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

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

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

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

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

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

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

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

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

(By Ernest Hollings)

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

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

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

LESSONS OF A CRACK-UP

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

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

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

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

Inevitably, other programs—including veterans' benefits, military pay, the Women, Infants and Children nutrition program—would also be sheltered from cuts. As the burden of $600 billion in cuts falls on a smaller and smaller share of the total budget, reductions of 20% and up would be required in unprotected areas such as law enforcement, education and environmental protection.

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

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

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

Bear in mind that both Gramm-Rudman-Hollings and the balanced-budget amendment are strictly process-oriented mechanisms. Process can always be defeated by 3ore process. The process of Gramm-Rudman-Hollings was defeated by the counter-process of the ''budget summits.''

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

AVOID THE GAMESMANSHIP

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

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

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

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

I have made the tough votes. Just yesterday I voted to table Senator ROCKEFELLER's amendment to exempt veteran's programs from deficit calculations. I helped coauthor the WIC Program, education programs, but I would likewise vote against amendments to exempt them from deficit calculations. Those programs do not have trust funds; we do under Social Security.

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

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

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

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

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

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

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

I yield the floor.

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

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

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

Mr. SANTORUM. Mr. President, I object.

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

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

Mr. FEINGOLD. Thank you, Mr. President.

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

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

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

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

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

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

Mr. BYRD. Yes.

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

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

Mr. SANTORUM. I am happy to do that.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The next chart is the most alarming. For in spite of all of our law enforcement efforts at the Sttate and national levels, press reports show that juvenile crime is increasing at a breathtaking rate. From 1984 to 1993, the juvenile arrest rate for murder has risen from 1,305 to 3,788. In other words, it almost tripled.

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

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

Mr. KENNEDY. Will the Senator yield?

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

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

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

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

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

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

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

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

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

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

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

Mr. BYRD. Mr. President I yield.

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

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

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

And Charles Fried, who was a distinguished Solicitor General during the Reagan period, when asked during the course of hearings, he said that ''total outlays shall not exceed total revenues.''

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

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

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

Mr. BYRD. Mr. President, I do.

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

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

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

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

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

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

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

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

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

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

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

Mr. BYRD. I thank the Senator from Massachusetts.

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

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

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

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

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

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

For example, look at our Federal Bureau of Prisons. In 1989, our Federal Prison System housed 54,000 inmates and had an operational budget of $1.2 billion. We made resources available to build additional prisons and have continued to provide increased funding for prison guards and support personnel to activate those prisons. The Federal Prison System's annual budget has doubled since 1989 to $2.6 billion. In 1995, our Federal Prison System will house over 102,000 inmates. In just six years we have doubled the number of criminals who have been put away under lock and key and taken off the streets so that they can no longer terrorize law-abiding citizens.

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

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

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

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

With respect to total law enforcement assistance to State and local governments, this is again the area of the largest increases in the President's fiscal year 1996 budget. For the Justice Department, the budget would increase such assistance by almost $1.6 billion or 66 percent. The budget contains $3.965 billion for programs such as, Byrne formula grants, community policing, juvenile justice programs, violence against women, and prison grants. Again, much of this assistance—$3.456 billion or 87 percent—would come through appropriations pursuant to the Violent Crime Reduction Trust Fund established in the 1994 crime bill.

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

IMPACT OF BALANCED BUDGET AMENDMENT ON LAW ENFORCEMENT PROGRAMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXEMPTING LAW ENFORCEMENT AND PREVENTION PROGRAMS

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

Without my amendment, the balanced budget measure likely would debilitate Federal law enforcement and violent crime reduction and prevention programs. It would largely nullify the crime bill.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AMENDMENT NO. 301

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

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

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

The amendment is as follows:

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

The PRESIDING OFFICER. The Senator from Utah.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I know the time is up.

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

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

Mr. HATCH. Certainly.

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

I thank the distinguished Senator for yielding.

Mr. HATCH. I thank my colleague.

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

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

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE THE MOTION TO REFER

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

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

The bill clerk called the roll.

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

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

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

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

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

[Rollcall Vote No. 77 Leg.]

YEAS—60

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

NAYS—35

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

NOT VOTING—5

Gramm	Heflin	McCain
Hatfield	Inhofe	

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

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

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

The motion to lay on the table was agreed to.

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

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

VOTE ON MOTION TO TABLE THE MOTION TO REFER

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

The assistant legislative clerk called the roll.

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

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

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

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

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

[Rollcall Vote No. 78 Leg.]

YEAS—60

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

NAYS—35

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

NOT VOTING—5

Gramm	Heflin	McCain
Hatfield	Inhofe	

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

VOTE ON MOTION TO TABLE AMENDMENT NO. 301

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

The bill clerk called the roll.

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

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

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

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

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

[Rollcall Vote No. 79 Leg.]

YEAS—68

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

NAYS—27

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

NOT VOTING—5

Gramm	Heflin	McCain
Hatfield	Inhofe	

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

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

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

The motion to lay on the table was agreed to.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

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

So, Mr. President, I ask unanimous consent that the Senator from California be recognized to call up her amendment, and that immediately thereafter her amendment be set aside and I be recognized to call up an amendment.

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

The Senator from California is recognized.

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

AMENDMENT NO. 274

(Purpose: To propose a substitute)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

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

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

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

The amendment is as follows:

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

''ARTICLE—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I yield the floor.

Mr. FEINGOLD addressed the Chair.

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

Mr. FEINGOLD. Thank you, Mr. President.

AMENDMENT NO. 291

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

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

The amendment is as follows:

On page 3, line 8, after ''principal.'' insert ''The receipts and outlays of the Tennessee Valley Authority shall not be counted as receipts or outlays for purposes of this article.''

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

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

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

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

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

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

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

So, Mr. President, our action to reject this amendment does not answer the question of whether TVA should have any of its subsidies cut when the Congress gets around to try to achieve a balanced budget amendment. What it does say, and all it says, is that the TVA should be on the table just like every other Federal program, including Social Security, which, at this point, is still on the table.

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

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. Is there a sufficient second?

At the moment, there is not a sufficient second.

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

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. Would the Senator withhold his request?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

Mr. FEINGOLD. I object.

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

The legislative clerk continued with the call of the roll.

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

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

UNANIMOUS-CONSENT AGREEMENTS

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

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

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

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

The Senator from North Dakota is recognized.

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

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

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

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

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

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

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

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

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

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

The PRESIDING OFFICER. The Senator from Kentucky.

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

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

He has gone on record as saying he will vote to table his own amendment, from which he now has backed up and had a neutral Senator, so-called neutral Senator, come in and move to table.

For an answer to why he would do such a thing, let us look at the amendments he proposes. Each amendment would add the following sentence to the end of section 7 which otherwise describes House Joint Resolution 1 as covering all receipts and all outlays of the United States except borrowings. Amendments 291 and 292 are identical and they say:

> The receipts and outlays of the Tennessee Valley Authority shall not be counted as receipts and outlays for the purpose of this article.

Amendments 293 and 294 are identical, and I quote:

> The receipts and outlays of all quasi-Federal agencies created under authority of Acts of Congress shall not be counted as receipts and outlays for the purposes of this article.

Each amendment would have the effect of creating an exemption to the general coverage language of House Joint Resolution 1. Nos. 291 and 292 would exempt all receipts and outlays of TVA; 293 and 294 would exempt all receipts and outlays of quasi-Federal agencies.

All of the Feingold amendments are broader than the scope of the legislative history contained in the Judiciary Committee's report.

Now, Mr. President, let me repeat that. We are talking about developing legislative history here. All of the Feingold amendments are broader—broader—than the scope of the legislative history contained in the Judiciary Committee's report and extend its exemption to funds for which no exemption justification has been provided. That is the fact.

Amendments numbered 291 and 292 would exempt all funds of TVA. TVA operates with two distinctly different kinds of funds. Let me repeat that. TVA operates with two distinctly different kinds of funds. It receives appropriations from Congress to cover its nonpower programs. These are like funds received by all other Federal agencies and there is no reason why they should be specifically exempted. The funds of TVA's electric power program are an entirely different matter and it was only these funds to which the committee's legislative history was directed. The legislative history of the committee was directed only at the electric power program.

You can hear all you want to hear and you can say all you want to say, but the committee legislative history is very, very narrow. Amendments Nos. 293 and 294 would expand the exemption to all funds. That is the Senator's amendment, now, of quasi-Federal agencies. First the term quasi-Federal agency has no meaning, absolutely no meaning. It is only a phrase, loosely used to refer to agencies which in some way or another may not fit the speaker's view of what is an ordinary Federal agency. Moreover, the term does not address the more important issue of how the agency is financed. Even an agency which might be regarded as quasi-Federal may have certain funds

which should not be exempted from the balanced budget amendment. As noted above, TVA itself is an example of two separate funds, one from the utility, the ratepayers, and the other one that is appropriated by the Congress.

Do any of the amendments have merit? Amendments Nos. 291 and 292 would have merit if their inserted sentence were modified to read as follows: The receipts and outlays of the electric power program of the Tennessee Valley Authority shall not be counted as receipts and outlays for the purpose of this article.

As so modified, they would expressly state the intent of the language contained in the Judiciary Committee's report.

The Feingold amendments as currently written could be defeated while still reaffirming the meaning of the legislative history in the committee report. The Feingold amendments can be defeated while still reaffirming the meaning of the legislative history in the committee report.

I do not know how many judges are going to be looking at the legislative history and see the Senator from Kentucky, Senator FORD, did not move and was not allowed to move to table these amendments. I hope I have that much authority that, boy, they will see whether Senator FORD moved to table or not. But, boy, that is great. You have a lot of influence, want to influence the court—legislative decisions in the future. It is right interesting procedure.

The Feingold amendments as currently written could be defeated while still reaffirming the meaning of the legislative history in the committee report.

Amendments Nos. 293 and 294 certainly should not be adopted. The term quasi-Federal agency has no clear meaning. I want to reinforce that. These amendments would make open-ended exemptions for an uncertain group of Federal agencies—an uncertain group—regardless of their budget impact on the taxpayers.

Amendments Nos. 291 and 292 also should not be adopted since they would exempt all TVA programs, not just the one program, the power program, for which an exemption makes sense. Indeed, the amendments appear to be a somewhat disingenuous attempt to get supporters of the balanced budget amendment to back an exemption for ordinary appropriations-funded programs. In contrast, the language of the Judiciary Committee makes it very, very clear—a clear distinction between those two entirely different kinds of programs.

Let us look at why the TVA power program should be exempted. The TVA power program is financially independent from the rest of Government. Just take that one sentence. The TVA power program is financially independent from the rest of Government. It survives only on the revenues it receives from sales of electric power. Those revenues supply the funds to pay its expenses. Those revenues are also the only security for power program borrowing. Take those two things and look at them very closely and think about them very closely. It survives only on revenue it receives, and the revenue it receives pays its expenses and is the only security for the funds it borrows.

Power bonds are, by law, neither obligations of nor guaranteed by the U.S. Government. Power bonds are, by law, neither obligations of nor guaranteed by the U.S. Government. Taxpayer funds are not used for the power program. Even capital and operating expenses for TVA's multipurpose dams are allocated to power and nonpower, and the power program pays its share.

TVA power program activity is not driven by Presidential or congressional policy decisions. It is driven only by the needs of the 8 million persons and businesses who rely on it as their sole source of electric power. Its annual receipts and its expenditures are governed only by what is necessary to meet their electric power needs, both today and in the future. Although the power program's annual budget is included in the President's and the congressional budgets, its inclusion is for information purposes only. It does not require congressional approval or congressional action. In other words, the TVA power program budget is a budget estimate. It is not a budget request.

Another way of looking at why the TVA power program should be exempt is to examine what could happen if it were not exempt. A low tax collection year or one in which entitlements or appropriations were large could result in TVA's being unable to borrow the funds necessary to build or maintain generating plants to ensure a continued supply of electric power to a large area of this country, in spite of the fact that taxpayers are not responsible for paying off these bonds.

Finally, as Congress seeks to reduce Federal mandates, should it add a new mandate for persons in one region of the country who happen to receive their electric power without a taxpayer subsidy from TVA? It makes as much sense for Congress to control Wisconsin Electric's annual budget as it does to control that of the TVA power program.

Let us look at the difference now between this proposal and Social Security. The level of Social Security receipts is determined by a Congress-approved tax rate. The level of Social Security outlays are a function of a Congress-approved benefits scheme. In contrast, TVA's power program budget is provided to Congress each year for informational purposes only. It does not require congressional approval or action.

So, in conclusion, I and other supporters of the TVA exemption are voting to table this amendment, not because it would reaffirm the report language, but because this amendment goes too far. It goes way beyond the scope of the Judiciary Committee statement about TVA. Some parts of TVA are like all other Federal agencies and should be included in the budget just as any other, and we do not object to that. However, as I have stated previously, the funds of TVA's electric power program are an entirely different matter, and it was only those funds to which the committee's statement was directed and that is the committee legislative language.

For these reasons, and these reasons alone, I am voting to table the amendment by my colleague from Wisconsin.

I yield the floor.

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

Mr. THOMPSON. Mr. President, I think at the outset it is appropriate to state that what we are dealing with here is a straw man. An attempt is being made to make it appear that a Government spending program is being exempted from the balanced budget amendment. Of course, everyone understands that—with the statute that we are dealing with and with the language that they are dealing with—that is not the case. Now we are arguing among ourselves as to who gets to beat up the straw man first and who gets to put the first wound on him and the straw man that we all know is going to be defeated. That is the process that we are involving ourselves here in this historic moment when we are trying to address the real issues concerning a balanced budget amendment. It is unfortunate but true.

Mr. President, as I understand it, the Senator from Wisconsin has now offered an amendment which he wants to have defeated. I am happy to lend my assistance. I believe we have now reached an illogical extension of this debate by some of those who oppose the balanced budget amendment. In an attempt to defeat the balanced budget amendment, amendments are now being offered that even their sponsors want defeated.

After failing a few days ago to exclude language from the committee report, the Senator from Wisconsin now proposes to include the language in the Constitution of the United States with yet another amendment. I find this strange even by Washington, DC standards. If as much effort had gone into balancing the budget over the last few years as has gone into this exercise, we would not need the balanced budget amendment.

In the lowest courts of record of this Nation, involving the most insignificant boundary line dispute or intersection fender bender, one who submits a pleading attests that it is made in good faith and that there is reason to believe that there is merit in the matter that is being asserted. Apparently, that rule does not apply when it comes to offering an amendment to the Constitution of the United States.

We are debating and will soon be voting on one of the most important matters to ever come before this Congress, and amendments such as these trivialize this process. While there is no logic to this maneuvering, the purpose is clear—to hamstring and defeat the last clear chance we have in this country to develop some fiscal responsibility in our governing process. The purpose of such amendments is first and last to defeat the balanced budget amendment. Such amendments are not designed to ensure that spending projects are covered by the balanced budget amendment. Rather they are designed to ensure that no spending program whatsoever is restrained by a balanced budget amendment.

As I understand it, what brought about this momentous issue was language in the Senate Judiciary Committee report which stated:

Among the federal programs that would not be covered by S.J. Res. 1 is the Electric Power Program of the Tennessee Valley Authority.

Of course, what has not been publicized very much is the following language; the next sentence in that report, as a matter of fact. It points out that since 1959 the financing of that program has been the sole responsibility of its own electric ratepayers, not the U.S. Treasury and the Nation's taxpayers. Consequently, the receipts and outlays of that program are not a part of the problem that Senate Joint Resolution 1 is directed to solving.

This language, of course, states the obvious. The financing of the TVA power program is done by the electric ratepayers. There is no outlay of Federal funds with regard to this program. If the TVA power program runs short, the TVA ratepayers must make up the difference. The TVA does not operate like Amtrak or the Postal Corporation where Federal taxpayers pay the difference between receipts and outlays. The Judiciary Committee report language does not make the Federal taxpayer responsible for the TVA power program. It simply restates what has been true since 1959 when the TVA power program became exclusively responsible for its own receipts and outlays.

Now as I understand it, the Feingold amendment tracks the committee report language to an extent. The Senator from Wisconsin is apparently under the impression that by offering his language and having it voted down, it will in some way negate this legislative history. Of course, it will not.

In the first place, the Senator's language covers receipts and outlays of all TVA activities, including its nonpower activities. These have always been on budget and are covered by the balanced budget amendment, as they should be. Therefore, the Senator's language is much broader then the committee report language. And voting down the Senator's language which includes TVA's nonpower activities will in no way affect the legislative history that pertains only to the power program.

However, even if the proposed amendment tracked the committee report language exactly, it would still be of no effect because, again, the report language simply states the fact that there are no Federal outlays with regard to the TVA power program. Thus it along with some other programs, is not covered by the constitutional amendment. If the Senator is under the impression that a decision by this body not to make such a clearly inappropriate matter a part of the Constitution of the United States of America in some way changes the facts contained in the language, then I submit that he is again sadly mistaken. By the same token, if someone proposed an amendment enshrining the law of gravity into the Constitution and it were voted down as inappropriate, objects would still fall to the floor when dropped.

Therefore, since the adoption of the Feingold amendment would have the effect of taking the TVA nonpower program off budget, and since the defeat of the Feingold amendment would have none of the significance its sponsor wants to attribute to it, I join the Senator from Wisconsin in urging the defeat of his own amendment.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, let me express my pleasure to the Senator from Kentucky and the Senator from Tennessee for supporting in effect my motion to table and the motion to table of the Senator from North Dakota. That is exactly what I had hoped they would indicate. I believe that the only reason we are having this discussion at this point is quite simply that somebody pulled a fast one here in the committee and now we are out on the floor actually discussing it.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. FEINGOLD. For a question.

Mr. FORD. Is the Senator aware that every amendment to the Constitution—this is not an accident—that TVA power was included; that the same statement has been in every committee report that the Judiciary Committee has issued on a balanced budget amendment in the last 10 years?

Mr. FEINGOLD. I would be happy to yield for the question.

Mr. FORD. That is the question. Was he aware of the fact?

Mr. FEINGOLD. I am aware of the fact, and I told the Senator from Kentucky that I just got here 2 years ago. And, yes, I confess I did not discover this language until this year. I did not find this little caper in there until now.

Mr. FORD. It is no caper.

Mr. FEINGOLD. Had I been here 10 years ago, maybe it would have taken me 3 or 4 years to find it. But there it is. I wish I had found it last year. But fortunately I have had an opportunity to join the Judiciary Committee now, and my staff had more of a chance to find these things. We found it. It is time to get rid of it.

Mr. President, there was an effort here to try to undo the real intent of the balanced budget amendment. There is an attempt, a classic attempt, to abrogate, to say you are for the balanced budget amendment, but say, of course, that it does not apply to my State, to my program. I think there is not a reasonable person who would not agree that this is part of the problem. It is always easy to support cuts if it does not affect your own home State.

However, this notion of actually putting the exemption into the Constitution, which my opponents on this are being very candid about now—they are saying that is exactly what you are trying to do—is something new. The other side is trying to exempt TVA. It is not just idle talk. The purpose of the committee language is to exempt it. That is why they are trying to make this distinction between my motion to table and committee language.

But it is not working because everyone knows what the intent is of the people who put it in there. And everybody knows what my intent is. It is laid on the record. In fact, Mr. President, today in the Washington Post, there is an editorial entitled ''Constitutional Pork.'' It is all about this problem, this committee language.

I ask unanimous consent that the editorial from the Washington Post, dated February 23, be printed in the RECORD.

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

[From the Washington Post, Feb. 23, 1995]

CONSTITUTIONAL PORK

Tucked away in the Senate committee report on the balanced budget amendment are three sentences about the Tennessee Valley Authority, the most important of which reads: ''Among the Federal programs that would not be covered by S.J. Res. 1 is the electric power program of the Tennessee Valley Authority.''

What that means is that assuming the courts follow legislative intent, the Tennessee Valley Authority—which provides power to the people of the south-central states—would have the distinction of being the one agency excluded from the impact of the balanced budget amendment. The rationale for this, offered by Sens. Fred Thompson (R–Tenn.) and Howell Heflin (D–Ala.), is that, as Mr. Thompson put it, ''the financing of the TVA power program has been the sole responsibility of its electric rate payers, not the U.S. Treasury and the nation's taxpayers.''

Not exactly, says Sen. Russell Feingold (D–Wis.), who is trying to eliminate the TVA protection. Mr. Feingold notes a 1994 Congressional Budget Office study which estimated that raising the rates paid by TVA users to cover various costs associated with land and water management in its system could cut federal outlays by as much as $70 million annually. ''TVA supporters know that TVA is on the short list of most deficit reduction advocates,'' Mr. Feingold declares, ''and that is why they want to provide it with special protection that no other program of any kind in the federal government is getting.''

Mr. Feingold surely has the better of this argument. If TVA is in no way either part of the deficit problem or potentially part of the solution, why do Sens. Heflin and Thompson need to insist on special language protecting the program? And if TVA is indeed a drain, then the two senators and their colleagues in the region should not be given free passes to tell their constituents that they voted for a balanced budget amendment and protected the TVA. If they really think the balanced budget amendment is such a good idea, they should be willing to vote for it without this provision, which Mr. Feingold refers to as ''constitutional pork.''

Mr. Feingold lost a vote last week on a motion to strip the language in the committee report protecting TVA, though he won significant Republican support. Now he plans to try to call the bluff of his opponents by proposing to add specific language to the amendment protecting the TVA. His hope is that most senators will be too embarrassed to do directly in the text of a constitutional amendment what they tried to do in slippery fashion in the committee report. If the Senate refused to include the TVA protection in the amendment, this would create a different ''legislative history'' and discourage courts forced to deal with the budget amendment in the future from giving TVA priority over other programs.

The entire episode, as Mr. Feingold notes, underscores the folly of trying to deal with budget issues through a constitutional amendment. A balanced budget amendment could move the most basic of legislative questions (such as the future of the TVA) out of the legislative process and into the judiciary, which is exactly where they don't belong. The Senate should surely give no special protections to the TVA. Just as surely, it should vote the balanced budget amendment down.

Mr. FEINGOLD. Mr. President, fortunately this editorial lays out exactly the intent, my intent, the intent of the Senator from North Dakota, and that is to undo, explicitly undo, what was done in the committee; to say that the Senate as a whole would table such language that would have the effect of exempting either all or part of the Tennessee Valley Authority.

Mr. President, the Senator from Kentucky indicated that I had put four amendments in for possible introduction as amendments, and that is correct. But I have chosen one amendment and that amendment is this one. It is the one that, by its rejection, overrides the language of the committee report. It would have the effect of overriding the committee report by tabling the very language from the committee report. That is the purpose of amendment No. 291.

It is not a disingenuous attempt. It is the only way I could think of to override the effect of this committee report which the members did not explicitly consider.

Everybody should understand there was not a point in the process of the consideration of the balanced budget amendment in the Judiciary Committee where we all said, ''OK, let's decide if the TVA should be exempt or not.'' The whole process was done and the committee report was written, and then it was thrown in there, presumably at the staff level. That is how it was done. And I guess that is the way it is done when it is business as usual, when you are trying to protect your own pork but at the same time you are saying you are for a balanced budget. It is a lot better to do it in a quiet staff room than it is to do it out on the floor of the Senate or even in front of the Judiciary Committee. That is what was done here.

I assure everyone who is looking at this what was done here was something people did not want us to know about.

My intent is not something any judge is ever going to have to wonder about. The Senator from Kentucky says they are going to have to be able to read it and limit it some way. But I laid my intent right on the record. The purpose of the motion to table is to override the committee language that seeks to exempt the TVA. Whether it seeks to exempt part of the TVA or all of the TVA or something in between, the intent of the motion to table, as explicitly stated by the two Senators who have moved to table, is to override the committee language. Now, I wonder how a court will have any trouble figuring that out. Clearly, they know the difference.

In fact, this is a very interesting proposition in terms of legislative history. What is being suggested here is that, even if the U.S. Senate as a body explicitly votes to table certain language, the courts are going to find the committee report to be more persuasive than the rollcall vote of the Members of the U.S. Senate. I doubt it. I would not bet the farm on that interpretation of legislative history. I think you will find you will come up wanting with that approach.

So let us be clear. My intent and the whole purpose of this is to not allow a committee report to find its way into constitutional interpretation or to exempt some or all of the Tennessee Valley Authority.

Let us get back to the real issue here. The real issue is: Why do I have to even be out here at all? Only because something was attempted which no one would try to do out here on the floor, to exempt one particular program from one particular area while everybody else has to compete fairly.

So I am very happy about the way the record stands now. And I am a lot happier than I was when I did not have these two Senators supporting me on the record to override the intent of the committee.

Mr. President, let me just say a few words about the other issue that has been raised about this notion that somehow the TVA has nothing to do with the Federal budget. That is what they are saying. This is a great deal, they say. We are making money on it, they say. It is a good thing for the Federal Government, which it may well be.

But the point is, there are an awful lot of people that think it is a loser or it is time to phase it out. It was a wonderful thing when Franklin Roosevelt brought this forth, and it really helped that area of the country during the Depression, but it is not open and shut at all that this program is a moneymaker for our country. In fact, an awful lot of people think it should be one of the top items for cuts. That is what the National Taxpayers Union has said. That is what the Congressional Budget Office has said. That is what a number of pieces of legislation already introduced this session by Members of both parties and both Houses have said.

Let me read briefly from the ''CBO Reducing the Deficit: Spending and Revenue Options,'' March 1994.

> Because many of TVA's stewardship activities are necessary to maintain its power system, their costs would more appropriately be borne by users of the power. . . Direct costs to the Federal Government could be reduced by about $70 million annually if the TVA were to increase power rates or fees to cover costs of all stewardship activities. . .

A very different view than this view has been offered out here that says it has nothing to do with Federal dollars.

Let me cite from the ''Department of Energy Federal Energy Subsidies: Direct and Indirect Interventions in Energy Markets,'' November 1992.

> When compared with interest rates paid by investor-owned utilities, the TVA is estimated to have benefited from a subsidy of $231 million in FY 1990.

A few pages later, the report says:

> Historically, TVA was granted subsidies in the form of low-interest loans, debt forgiveness, and lower payments in lieu of taxation.

In fiscal year 1988, TVA received a subsidy—a subsidy, Mr. President—of $661.9 million in the form of lower payments in lieu of taxes, and that $661.9 million ''* * * can be counted as revenue losses to all levels of government.''

This is real money. It is almost up to the point where, as the former Senator from Illinois, Senator Dirksen, said, we are talking about real money from the Federal Government transferred away from our ability to balance our budget.

The report also says, TVA

> . . . Sells a large portion of its debt to the Federal Financing Bank (FFB). . . . TVA's ability to access FFB acts as a subsidy in two ways. First, TVA does not incur any expenses to underwriters or marketing expense when it goes to the FFB. Second, it obtains financing at lower interest rates through the FFB.

So I will concede this to my friends on this issue, this is debatable. Yes, it is debatable whether or not the Federal Government has to pay out directly or indirectly to the TVA. But there is one thing that is clear and it is that at a very minimum it is debatable and that we cannot resolve it here today and that this is not the place to be resolving it.

Why are we resolving it today? Because certain Senators decided that they should not have to go through that same scrutiny that all the rest of us do, which is that later on, whether we pass the balanced budget amendment or not, we have to all get out here and fight and fight hard for our own programs and our own home States.

I see the Chair is from a dairy State. I am from a dairy State. Would it not be nice to have a constitutional exemption for the dairy program? But that is not the way this process should work, and we all know it. It is not fair. It is just not fair to exempt one program and let everyone else in this country have to fight like heck to protect the hard-working people in their home States, all of whom, I assure you, in every one of these 50 States, have arguments just as worthy.

So this attempt to enshrine this in the Constitution is one that is a bit of an embarrassment, it seems to me.

All I am trying to do here—and apparently we will prevail on this now—is to just get rid of it. A mistake was made by trying to do this in the Judiciary Committee. We all make mistakes, and it is understandable, certainly not the most horrible thing that was ever done around this place. But when you make a mistake, it is time to clean it up and correct it. Our motion to table cleans up the mistake and returns to a notion of fair play, whether the balanced budget amendment passes or not.

So, Mr. President, I guess I am going to have to leave it to the future. We have to see if the balanced budget amendment passes. We have to see if it gets ratified. But some day maybe somebody will take a look at this record, and I guess they are going to have to decide which side was playing games, which side was trying to pull a fast one, and which side was just trying to put everybody on the same playing field.

I am absolutely confident that when the courts look at this, when the Congress looks at this and, most importantly, when the American people look at this, they will all conclude that one side was trying to have their cake and eat it, too—to pose for the holy picture and say you are balancing a Federal budget but to still keep the pork in your own back yard. That is an outrageous example of trying to have your cake and eat it, too. All we are trying to do is clean it up.

I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

AMENDMENTS NOS. 259 AND 298, EN BLOC

Mr. GRAHAM. Mr. President, I would like to call up two amendments, Nos. 259 and 298.

The PRESIDING OFFICER. Are you calling them up en bloc?

Mr. GRAHAM. I am calling them up en bloc, and I am going to debate both of those amendments. Then I will ask for a rollcall vote on each of those amendments in that sequence.

The PRESIDING OFFICER. Is there objection?

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will report the amendments.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes amendments en bloc numbered 259 and 298.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 259

On page 2, line 8, strike ''held by the public''.

AMENDMENT NO. 298

On page 2, line 8, after ''increased,'' insert ''except for increases in the limit on the debt of the United States held by the public to reflect net redemptions from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund''.

Mr. GRAHAM. Parliamentary inquiry, Mr. President. Would it be appropriate at this time to ask for the yeas and nays on amendments numbered 259 and 298?

The PRESIDING OFFICER. They are pending. It would be appropriate.

Mr. GRAHAM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. There is not a sufficient second at this point. The Senator from Utah is recognized.

Mr. HATCH. Has the Senator called up his amendment?

Mr. GRAHAM. I have called up the amendments 259 and 298. I have asked they be voted on in sequence. I am now asking that that vote be by recorded vote.

Mr. HATCH. If I may, Mr. President, as I understand it, all amendments will be voted on after 2:15 on Tuesday.

The PRESIDING OFFICER. That is correct.

Mr. HATCH. I move to table both amendments, and I ask for the yeas and nays.

Mr. BUMPERS addressed the Chair.

Mr. GRAHAM. Mr. President, I asked for a rollcall on the yeas and nays on this, with the intention of then presenting a discussion on these amendments.

I ask, if the Senator is going to ask for a tabling motion, that he withhold until after we have had an opportunity to debate the two amendments.

Mr. HATCH. I leave the motion to table there and I ask unanimous consent that the Senator be given more time if he needs to debate the amendment.

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

Mr. HATCH. Are the yeas and nays ordered?

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BUMPERS. Mr. President, I do not understand what the Senator from Utah said. A motion to table normally shuts off all debate.

Mr. HATCH. I ask unanimous consent that we move to table both amendments, and that debate continue after the motion to table, after receiving the yeas and nays on the motion to table.

Mr. BUMPERS. Is there agreement for time on this amendment?

Mr. HATCH. How much time does the Senator want?

Mr. GRAHAM. Mr. President, I anticipate my presentation will take approximately 15 to 20 minutes, and I know the Senator from Nevada, Senator REID, wanted to ask some questions of my amendment.

Mr. BUMPERS. Finally, Mr. President, if I may ask the distinguished Senator from Utah how long are we planning to go tonight?

Mr. HATCH. Not much longer, as far as I am concerned. I think after these two amendments, I will be happy to see if we could start to wind down. I understand that there may be a Kennedy amendment that will be offered afterwards, and a Nunn amendment.

Mr. BUMPERS. Mr. President, I wanted to offer an amendment following the Senator from Florida with the idea that we could debate it for awhile, until we wanted to go out, and have it begin in the morning first thing.

Mr. HATCH. Mr. President, that will be fine. I understand that Senator KENNEDY has an amendment, and also Senator NUNN may have an amendment. Any way we can work it out, I am happy. I am amenable to anything the Senator from Arkansas and his colleagues would like to do.

Mr. BUMPERS. I have no objection. We will discuss this.

Mr. HATCH. Mr. President, I ask for the yeas and nays on the two motions to table the two amendments.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Parliamentary inquiry. Have motions to table—with the yeas and nays—been ordered on each of the amendments, all up to date?

The PRESIDING OFFICER. They have not been ordered on the Feinstein amendment.

Mr. HATCH. I ask for the yeas and nays on that amendment, as well.

Mr. President, I withhold that.

UNANIMOUS-CONSENT AGREEMENT

Mr. BUMPERS. Will the Senator from Florida yield for a moment for a unanimous consent agreement?

Mr. President, I ask unanimous consent that I be recognized to offer a motion for an amendment at the desk immediately following conclusion of the debate on the Graham amendment.

The PRESIDING OFFICER. Is there objection? There being no objection, it is so ordered.

Mr. GRAHAM. Mr. President, parliamentary inquiry. We have ordered the yeas and nays on these two amendments, on motions to table amendments numbered 259 and 298; am I correct?

The PRESIDING OFFICER. That is correct.

AMENDMENTS NO. 259 AND 298

Mr. GRAHAM. Mr. President, I am offering these two amendments, both of which relate to section 2 of the proposed constitutional amendment, which is one of the most important, and I suggest, least understood provisions in this constitutional amendment.

If I could, I would like to read the language of section 2. The very fact that it is the second section of this amendment, coming immediately after the section which states the basic principle that the Federal Government shall balance its revenues and expenditures, is indicative of the importance which the authors of the amendment attach to section 2. I will discuss that further in a moment.

Section 2 reads as follows:

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

Within those words, constituting one sentence of the balanced budget amendment, are a number of important policy considerations.

My amendments focus on one of those policy implications which constitute just four words in the section. Those are the words ''held by the public.'' The requirement of a three-fifths vote of the whole number of each House is applied to raising the debt ceiling as it relates to that debt held by the public.

I was curious as to what the rationale behind this provision of the section was, so I sought as one source of clarification the book which has been distributed to all Members of the Senate by the Congressional Leaders United For A Balanced Budget Amendment.

In that description, the following information is given relative to section 2, and particularly the language ''held by the public.'' It states that:

> Because borrowing and increases in any limits on cumulative borrowing must be enacted by law, section 2 makes the amendment effectively self-enforcing.

So this is a very important section because it makes the rest of the balanced budget amendment self-enforcing, self-enforcing by requiring a three-fifths vote to raise the limit set by law for debt held by the public.

The statement by the Congressional Leaders United for the Balanced Budget goes on to state that by lowering ''the blackmail threshold'' associated with passage of the regular debt limit bill from 50 percent plus 1 in either body to 40 percent plus 1, section 2 increases the motivation of the administration and the leadership, including the chairs of the relevant committees, to do whatever is necessary legislatively and cooperatively, even to the point of balancing the budget to avoid facing such a difficult debt vote.

So the purpose of this provision is to enforce the balanced budget amendment and, two, to create a blackmail threshold at 40 percent plus 1; that is, if 41 Senators refuse to go along with a proposal to raise the limit on debt held by the public, that would be such an enforcement figure that collectively we will do all that we can to avoid having to be placed into that position. That is the rationale for this amendment.

Mr. President, as we commence this process of possibly placing this language into the Constitution of the United States, let me provide, and I hope this is not excessively tedious, a little background regarding this statement of debt held by the public

The projection of the Congressional Budget Office is that the end of this fiscal year, which will be September 30, 1995, the gross Federal debt—all debt owed by the Federal Government—will be $4.942 trillion, a shade less than $5 trillion. That debt can be divided in a number of ways, but this amendment calls for it to be divided into two sectors.

One sector is debt held by the public, and these are some of the entities which constitute the public which holds the debt of the Federal Government: State and local governments happen to be the largest public holder of the Federal debt. They hold $641 billion. Foreign governments and private sources, $601 billion, and so forth throughout this analysis.

The second sector of the national debt is debt held by Government accounts. These are the accounts that are not part of the debt held by the public. These are primarily the trust funds of the Federal Government whose surpluses must be invested in Federal Treasury obligations.

The largest of those, of course, is Social Security, which has $488 billion of debt of the Federal Government. We are going to talk extensively about that Social Security indebtedness.

All the other Federal Government accounts, which include primarily those that are analogous to Social Security in that they are accounts designed to provide for the retirement of persons, for instance, Civil Service is $346 billion; military retirement, $105 billion; and then others of significance are Medicare, $150 billion, the Department of Transportation has $30 billion in its account, the unemployment compensation account has $40 billion. Cumulative of all these other accounts, excluding Social Security, is $837 billion, or a total of $1.325 trillion are debts of the Federal Government which are not held by the public, but rather by one of these Government accounts.

With this background, I would like to talk about some of the policy implications of restricting to a three-fifths vote only this portion of the national debt. Under this amendment, it will take a three-fifths vote of the whole number of the Members of both Houses of Congress to raise the debt held by the public. The debt held by Government accounts can be raised by the legislative majority which we currently utilize.

The last time we voted on increasing the national debt, which was in Public Law 103–66 on August 10, 1993, we voted—and this is the language in the statute, Mr. President—''to increase the public debt limit,'' not debt held by the public, but the public debt limit. And we increased it to $4.900 trillion. One fact that obviously creates is that before the end of this fiscal year, we are going to have to raise the debt limit because we are going to break the $4.900 trillion level prior to the end of this fiscal year.

As I turn to some of the policy implications of this section 2, I would like to state a couple of assumptions that I am going to make so that if anyone would like to engage in further discussion, they would do so with those assumptions in mind and might wish to discuss them further.

The first is primarily because we do not have projections through the year 2025 and beyond for these other Government accounts and, second, because although they are very significant, $837 billion, relative to the scale of the policy issues we are going to be dealing with, they will not substantially affect the policy considerations. To the degree they do affect the policy considerations, as I will explain, they make the concerns I am going to express even more serious. I am not focusing on this component, the Federal debt structure. My comments are focused on the Social Security borrowing.

And second, as the statement of the Congressional Leaders United for a Balanced Budget indicates, I am assuming that the purpose of this three-fifths vote is to make it very difficult to raise the amount of debt held by the public; that the purpose of this is to create a political hydraulics that is going to make it difficult to raise debt held by the public and make it relatively easier to raise debt held by Government accounts. That is clearly the purpose of the distinction that has been made in this amendment.

So let us turn to what is going to be the implication of adopting a balanced budget amendment with section 2 as it is currently written.

Where are we today? As this chart demonstrates, at the end of this fiscal year we will have a total debt of $4.942 trillion. Of that amount, $488 billion is in the red zone, which is the Social Security trust fund. Everything else, which is the debt held by the public, plus the debt held by Government accounts other than Social Security, is in the blue zone. That amount is $4.452 trillion.

The constitutional amendment calls for us reaching a critical date in the year 2002 when we are to come into balance. The projection is that between now and the year 2002, we will increase the Federal debt by approximately $1 trillion. So, that when we reach the year 2002, we will have a total national debt of $6 trillion. Of that amount, the Social Security trust fund surpluses will be $1.40 trillion in the year 2002. Social Security will represent that much of the indebtedness. Everything else, including the debt held by the public, plus the non-Social Security Government accounts will be $4.96 trillion.

If the purpose of this is to make it very difficult to raise the debt held by the public, the debt held by the public will assumedly, essentially, stay at the same $4.96 trillion level from the year 2002. We have gone out to year 2028. But since there is no restraint in this supermajority on borrowing from trust funds, and particularly from Social Security, which is the trust fund that is going to be, of course, the one rising dramatically, we are going to see the debt rise to $7.098 trillion by the year 2018. This will occur when the surplus in the Social Security fund reaches its apex. We will be adding to the national debt under this amendment by a majority vote, an additional $2 trillion. I do not think that is what the public believes they are getting with this amendment, that they are going to get an additional $1 trillion between now and 2002 and then $2 trillion between 2002 and 2018.

Mr. REID. Will the Senator yield?

Mr. GRAHAM. Yes.

Mr. REID. I have been listening to the statement of the Senator from Florida—and I have stated in the Chamber publicly on other occasions how much I appreciate the Senator's excellent work on an amendment that was offered regarding Social Security, but I have listened to the statement the Senator has made today, and it seems to me—and this is a question I ask the Senator from Florida—would not a reasonable person assume that if Congress passes a balanced budget amendment, the national debt would remain constant, at least not rise, because we would assume the budget would be in balance?

Mr. GRAHAM. Well, that is the difference between passing a cliche and passing an actual constitutional amendment. This constitutional amendment I think virtually assures that we are going to have a national debt of approximately $3 trillion over the next 20-plus years above the national debt that we have today.

Mr. REID. I ask the Senator further, would that be the difference between the amount of Social Security surplus and the normal debt, so-called normal debt?

Mr. GRAHAM. The Senator is absolutely correct. This is the chart that shows what that Social Security surplus is going to be in each year from 1995 to the year 2029, when the Social Security trust fund is exhausted and is at zero.

Mr. REID. I ask my friend a further question. Let us assume in 2018, when the Social Security trust fund reserves begin to diminish—and that is about the date I think the Senator has on the chart—what will be the Government's options for meeting the contractual obligations it has with the Social Security beneficiaries?

Mr. GRAHAM. The Senator asked a very salient question. I might say before answering, it is one of the reasons we should have adopted the amendment the Senator offered last week because it would have segregated Social Security and allowed us to focus on its problems, which are serious, without having it commingled with the rest of the Federal budget. But the amendment, unfortunately, was defeated so we are now locked into a situation in which we are going to continue to do what we are doing now, which is to use the Social Security surplus to mask the extent of our real deficit. We are going to be taking the surplus of Social Security, not investing it in stocks, bonds, or other securities as would a traditional pension plan, including pension plans of State and local governments; we are going to be investing it in the Federal Government to finance our national debt.

As this chart indicates, by the year 2018 our national debt will be $7.098 trillion and Social Security will hold $3 trillion. Three-eighths of our total national debt will be held by the Social Security system. The question is, what are we going to do when we get to the point that Social Security begins to draw down that surplus? What we are going to do is either have to, first, dramatically cut spending for Social Security benefits or other Federal programs in order to generate the cash to pay for the Social Security redemptions; second, dramatically increase taxes to pay for the Social Security redemptions; third, some combination; or, fourth, continue with borrowing, but now we will have to be borrowing from debt held by the public because there will not be a Social Security alternative to draw from.

Mr. REID. I ask my friend one further question. The Senator has stated on this floor on a previous occasion that the surpluses that will be developed in the Social Security trust fund during the next 20-plus years is on purpose. Is that not right?

Mr. GRAHAM. The building of the surpluses, as the Senator from Nevada correctly states, is not as an aberration. We are doing this because this more or less tracks the demographics of the U.S. population. During the period from now until about the year 2018 or 2019, when the number of people going into the Social Security system as a percentage of the total population is relatively low—I do not know what year the Senator was born in Searchlight, NV. Could he inform us of that?

Mr. REID. December 1939.

Mr. GRAHAM. I was born almost 3 years prior to the Senator from Nevada. We were both born during a period of national depression. There were not very many people being born in either Pennsuco, FL, or Searchlight, NV, in those years of the 1930's. So there are not a lot of Americans who have birth dates in the years in which we were born.

Conversely, I know the Senator has children who were born probably in the 1960's. I have four of those children. There were large numbers of people born in the period after World War II, in the 1940's, 1950's, and 1960's. Those folks are going to start retiring in about the year 2019, and so instead of having a surplus, we are going to start to spend down the Social Security system and do it dramatically. In 10 years, we will go from over $3 trillion of surplus to zero surplus in the Social Security system. And we are going to have the challenge—not us individually, but our successors here and the citizens of this country—to calculate how to meet that enormous obligation under this balanced budget amendment.

Mr. REID. I ask my friend an additional question. Why would an amendment to balance the budget be placed in the Constitution while allowing the limit on the public debt to rise to the portions illustrated in the Senator's previous chart? That I do not understand.

Mr. GRAHAM. And it runs exactly counter—the answer is I cannot answer the question. I hope maybe some of those who are the authors could explain why they have done this.

In the material that was distributed, it states, ''The purpose of this section is to motivate an avoidance of deficits.'' That is a direct quote from the materials distributed by Congressional Leadership United for a Balanced Budget.

The reality is that the opposite occurs. The national debt goes from $5 trillion today to $6 trillion. This is going to happen in almost any event. But this is what is not necessary, and that is this dramatic increase in the national debt from $6 trillion to $8 trillion that will occur roughly between the year 2002 and 2018, and which is virtually mandated by the structure of this balanced budget amendment.

Mr. REID. So, if I understand the Senator correctly, the Senator, having been Governor of one of the largest States in the Union, having handled billion-dollar budgets there, and having had the experience he has had here—including being a member of the Finance Committee—the Senator cannot explain to me why the balanced budget amendment is written the way it is?

Mr. GRAHAM. I cannot. And there is a way to solve this problem. This is not a conflict which is beyond our ability to resolve.

I suggest that the resolution is found in the amendment which is currently pending and that is the simple step of

eliminating the phrase ''held by the public'' from the constitutional amendment, so that the amendment will now read:

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

What that will require is that there will be a three-fifths vote required to increase the national debt, whether it comes from debt held by the public or debt held by the Social Security trust fund.

With that approach you get a dramatically different structure of our Nation's fiscal future. Going back to the assumptions that I started with, which is that the whole purpose of the three-fifths vote, as stated by its authors, is to create a blackmail threshold that will make it virtually impossible to raise the national debt, that would indicate we will move to the $6 trillion level between now and the year 2002 when the constitutional amendment becomes operative. Then there will be no increase in the national debt from the year 2002 into the indefinite future. We will plateau at $6 trillion.

The consequence is going to be that we will see the Social Security trust fund continuing to generate substantial surpluses between now and the year 2018, which will become a larger share of our total debt. But at the same time we will be buying down the debt held by the public. We will be substituting Social Security indebtedness for debt held by the public. We will be doing what I think the sponsors of this amendment want to do. We will be releasing capital back into the country for productive investment.

We will be making the Social Security system sound because we will not be adding an enormous amount of debt, we will be stabilizing our debt and placing us in a position after the year 2018 to do a graceful shift from Social Security back to debt held by the public and be able, by this borrowing from debt held by the public, to meet our Social Security obligations without the enormous tax or spending cuts that will be required if we do not adopt this amendment.

Mr. REID. I appreciate my friend yielding for the questions. He has been very lucid and straightforward in his answer.

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

Mr. GRAHAM. Yes.

Mr. CRAIG. Mr. President, I will make these questions constructive, as I hope they will be, because I helped craft this amendment over the last 5 to 6 years. We were faced with how do we deal with trust funds, because they are inside the budget, unique to Social Security. The law that created the Social Security system does not allow the trust funds to be invested outside Government. That is the law of the land today. Of course I do not think—certainly not this Senator, possibly the Senator from Florida—does not believe the trust funds of Social Security should be put at risk out in the private marketplace.

What happens if you invest in stocks and bonds and they bottom out? Who comes back in and picks the system back up? That is a legitimate concern. I think those who were here in the 1930's when the Social Security system was crafted had that in mind. That was their concern.

So here we were, faced with the situation of these revenues coming in as a result of the 1983 fix on Social Security, and having to deal with them. The Senator and I are on the Board of Trustees of the Social Security system. There are no others. It is the Congress of the United States that is pledged to keep this system solvent and secure for its recipients. But in come the revenues and we borrow them. We are doing it today and even under the Senator's amendment we will do it tomorrow.

As a result of that understanding, as we crafted this amendment it was our concern, knowing that, that we cut down on the other debt that is out there and accumulating, recognizing this was a debt owed—it was a note owed so that is a debt, certainly—back to the trust funds of the system. But at the same time, this Government is caught in the dilemma that they must use those moneys. Obviously that system cannot earn money if the money is not borrowed from it. So we just do not collect it and set it off to the side and create a nonearning environment. We borrow it and pay back the going rate on the Treasury note. That is a responsibility that we have. That is what this amendment has in mind and why it was worded the way it was worded.

I must say, while I find the argument of the Senator from Florida intriguing, we ran this through the system a good many times over the last 5 years to try to solve that problem, believing we have, and I am convinced we have. So I am curious. I mean it in all good faith, how do you deal with what the Senator is proposing? Obviously we are going to use those moneys inside Government and they will be needed, they will be owed at some time back to the trust fund.

I am the baby boomer in this debate right now, whereas our colleague from Searchlight was not. I am one of those people who was born in 1945 and I am in that group that is going to be in that peak. The Federal Government, by its commitment through the Social Security system—not Social Security, the Federal Government—is going to guarantee that because they are taking the notes out at this moment and they must pay them back. That is the way the system is structured under the law.

I find it confusing in this regard. Would we not have to change the law of Social Security that drives the system today to get to where we want to get, or to where the Senator wants to get with his amendment?

Mr. GRAHAM. No, absolutely not.

Mr. CRAIG. Please help me there, then.

Mr. GRAHAM. My amendment calls for the Social Security surpluses to continue to be invested in the Federal Government.

Mr. CRAIG. Yes.

Mr. GRAHAM. I would like to review a little of the history of how we got to where we are and why I think that history makes this chart the likely consequence of adopting the amendment in its current form. The difference is that my amendment will call for a stabilization of total Federal debt because it will require a three-fifths vote to raise total debt, not just the debt held by the public. And it will, therefore, force public debt to be displaced by the growing amount of Social Security.

When Social Security was adopted, it utilized a pay-as-you-go financing mechanism. We took in an amount of money each year sufficient to meet that year's obligation. We did not have a surplus. This was a nonissue.

In the late 1970's people began to recognize that we had these terrific demographic shifts that were going to be occurring over the next 30, 40 years because of the dramatically different birth rates in different periods of American history. So one of the key changes made in the 1983 reforms was to go to a surplus structure for Social Security, thus producing this curve.

There was an implicit assumption in this surplus Social Security and that was that we were going to be operating a balanced Federal budget for the rest of our expenditures. The way we would be securing this surplus money was we would be using it to reduce the amount of public indebtedness. This is the chart that the 1983 Social Security reform was predicated upon, a balance and a cap on the total national debt and a substitution of public debt for Social Security debt.

Then, beginning in the year 2018, without having added any debt in this period, we would be in a position to go back to the public and say: OK, now we have all these IOU's that the Social Security Administration is holding. We need to cash them in order to get the revenue to pay off the Social Security obligations to folks like our friend, the Senator from Idaho. And, we will do so without putting any additional strain on the Federal Government because we will not be increasing the amount of debt service. We will just be shifting it from the Social Security fund to debt held by non-Social Security entities.

Mr. CRAIG. Will the Senator yield at that point?

Mr. GRAHAM. Yes.

Mr. CRAIG. When you shift the debt from, in other words, that held by the Social Security trust fund to the public, where do you get the money to cause the shift because you have money outgoing to the recipient at that point? And we know that in this baby boomer scenario that becomes a very rapid demand level on the trust fund system.

Mr. GRAHAM. The way we intended to manage it, based on the 1983 structure, was to go to the general public with Federal borrowings.

Mr. CRAIG. In other words, borrowing the money.

Mr. GRAHAM. Yes, in order to replace the money that we had previously borrowed from the Social Security fund. What worries me is in the purpose of this amendment, by putting a cap on debt held by the public with a three-fifths vote, is to preclude that substitution. Then we are going to have a situation in which with no additional borrowing, combined with a drawdown of the Social Security surplus from almost $3 trillion to zero over a period of 10 years, the only way we can fill this gap is by taxation or dramatic spending cuts.

Mr. CRAIG. In the year 2020 to 2035 when that $3 trillion worth of liability, if you will, of those trust fund comes due. You are talking about either raising taxes by $3 trillion or borrowing and raising debt by $3 trillion dollar.

Mr. GRAHAM. No. I am saying I think the amendment is intended to preclude the borrowing option because it says you would have to have——

Mr. CRAIG. Except by a three-fifths?

Mr. GRAHAM. Yes. That corresponds to the debt ceiling argument which would allow borrowing under those circumstances.

My second amendment is going to make it easier to do that. But if the theory of the three-fifths vote is that essentially that is a statement that we are making that it should not be done—that is what the language of the congressional leadership stated—then that is in fact adhered to. When we have this drawdown of the Social Security surplus, no additional borrowing from the general public is permitted because it is capped at this level by the three-fifths margin. When we reach that point, and try to finance a $3 trillion indebtedness in a 10-year period with reliance on taxation or spending cuts or some combination, the consequence is going to be this train wreck, a wreck in the scale of which we have never quite seen before.

Mr. CRAIG. That $3 trillion indebtedness is going to be out there in any scenario. Will it not be easier for the Federal Government to be able to deal with it if it does not have extra hundreds of millions or trillions of dollars that it has borrowed from the public? In other words, if you will turn your chart that causes you problems upside down, it is the same chart as the one you are showing me. The reality is based on the law of Social Security. The Federal Government is going to borrow the reserves of the trust fund and it must pay them back starting dramatically in the year 2020 through the year 2035. Under either scenario, that is reality because it is not this amendment that is causing it. It is the law of the Social Security System that is doing it.

Mr. GRAHAM. I beg to disagree.

Mr. CRAIG. Then where is the money going at this point?

Mr. GRAHAM. Here is the structure of the balanced budget amendment. Section 1 says that we will have an integrated Federal budget in which Social Security and all trust funds will be commingled with the rest of the Federal Government. That is the definition of income and expenditure as provided in section 7. Does the Senator agree with that?

Mr. CRAIG. I am sorry?

Mr. GRAHAM. Section 1 as defined by section 7 will constitutionally require an integrated or a consolidated Federal budget; that is, all sources of income, all sources of expenditures will be amalgamated for purposes of determining whether we have a balanced budget or not.

Mr. CRAIG. All sources of expenditures and income. Is that correct?

Mr. GRAHAM. So we are constitutionally requiring a consolidated Federal budget. That is a correct premise. I believe that is what section 7 says. Then with the structure of the Social Security system that we have, each year from now until 2019, we will have a balanced budget by having our regular accounts out of balance to the extent that we have a Social Security surplus; that is, if this amendment were to be operative in the year 2002 when we have a Social Security surplus of approximately $110 billion, every other account in the Federal Government can be out of balance by $110 billion and the surplus from Social Security will bring the total into balance.

Mr. CRAIG. Because of the general fund, because the law of Social Security requires the Federal Government to borrow the money, and that usually is invested in the general fund account.

Mr. GRAHAM. But we have another choice; that is, what I think we ought to be doing is we ought to be balancing our general revenue accounts and using the surplus of Social Security not to mask our spending but rather using the surplus of Social Security as a real surplus including a real surplus that will be buying down an amount of public debt so that when we get to the point where we have run through the happy days of big Social Security surplus and face the very tough days of having to pay off all of that surplus, we will not have added $12 trillion to the national debt. If you really want to have a conservative balanced budget amendment, it ought to be an amendment that says we will put a three-fifths requirement on the law to increase the borrowing from whatever source, Social Security, other Federal trust funds, or the general public. That is an amendment that would be truly conservative. That would be an amendment which our grandchildren and the Senator from Idaho would very much appreciate. That would be an amendment that would give them the greatest assurance that their Social Security benefits are going to be real when they reach the age of eligibility.

All of what I have said relates to the first amendment that I have offered, which has the simple objective of striking the four words ''held by the public'' and requires the three-fifths vote to apply to all of Federal increases in the debt limit.

If we do not adopt that amendment——

Mr. LEVIN. Will the Senator yield before he goes to the second amendment for a couple of questions?

Mr. GRAHAM. Yes.

Mr. LEVIN. I have followed the presentation both here and back in my office. It is a very significant and important presentation. How much on the average would the annual deficit be permitted to be during that period of the peak without it appearing as though there were a deficit at all? In other words, I believe the Senator said it is a $2 trillion peak over about a 12-year period, something like that.

Mr. GRAHAM. Yes.

Mr. LEVIN. Does that mean basically, unless his amendment is adopted, that under the current wording of the balanced budget amendment that we could average a deficit of about $200 billion a year and mask it?

Mr. GRAHAM. In the year 2002, which is the year that the constitutional amendment kicks in, Social Security will have a surplus of $1.04 trillion; we will say $1 trillion. During the next 16 years, it grows to $3.02 trillion, or roughly $2 trillion. So $2 trillion divided by 16.

Mr. LEVIN. About $120 billion a year, perhaps.

Mr. GRAHAM. I do not have my calculator, but it would be significant.

Mr. LEVIN. So in terms of the annual average deficit, which will be masked in the absence of the amendment of the Senator from Florida, during that period there could be a $120 billion deficit per year on the average, which would not, in effect, violate the current wording of the constitutional amendment; is that correct?

Mr. GRAHAM. That is right. And this could take place with a majority vote. This does not require a supermajority of the Congress in order to achieve this unexpected result.

Mr. LEVIN. I think the Senator from Florida is pointing out something which is extraordinarily significant. I hope that those who support this amendment understand that, without the adoption either of the amendment of the Senator from Florida or the amendment of the Senator from California, this outcome will result.

My second question relates to the substitute of the Senator from California. The Senator from Florida mentioned that Senator REID of Nevada had offered an amendment the other day which was defeated, and that had it passed, I believe the Senator from Florida said, this problem would have been solved; is that correct?

Mr. GRAHAM. The answer is yes. Because the Reid amendment, now incorporated in the amendment of the Senator from California, would have not required a consolidated Federal budget but rather would have separated Social Security from it. It would have had to balance our budget in general accounts without being able to use Social Security surpluses as a mask and thus we would have avoided the train wreck which we are setting up for our grandchildren.

Mr. LEVIN. And, if the Senator would further yield for a question, if the substitute of the Senator from California is adopted, will that then resolve this issue?

Mr. GRAHAM. If the substitute of the Senator from California is adopted and if, as I understand it, it is the essence of the Reid amendment, then I would suggest that my amendments could be withdrawn.

Mr. LEVIN. Finally, if the Senator would yield for an additional question. The Senator has made reference to questions and answers from the Congressional Leaders United for a Balanced Budget. I have seen that same group referred to. I am wondering whether or not the Senator can tell us what the membership of that is and, perhaps, if he cannot, the Senator from Idaho can, because in documents which have been placed in the RECORD by the Senator from Idaho I have seen the reference to that group, but I do not know who is in it.

Mr. GRAHAM. I received this document from the Congressional Leaders United for a Balanced Budget. I do not believe it indicates who the members are.

Mr. LEVIN. The Senator from Idaho has put in the RECORD documents which I have also referred to and plan on referring to tomorrow. He put the document in on March 1.

Mr. President, I ask unanimous consent, since the Senator from Florida has the floor, whether or not I might ask the Senator from Idaho a question without the Senator from Florida losing his right to the floor.

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

Mr. LEVIN. I wonder if the Senator from Idaho could tell us who the individuals are that make up the Congressional Leaders United for a Balanced Budget, because a number of us keep referring to those documents that are in the CONGRESSIONAL RECORD that my friend put in the RECORD.

Mr. CRAIG. I appreciate the Senator's inquiry and he honors me by that inquiry. Congressional Leaders United for a Balanced Budget was originally formed by both Senators and Representatives in the early 1980's. I chaired it in the House and the former Senator from California, now Gov. Pete Wilson, chaired it here in the Senate. We brought our staffs together and through that, along with experts we brought in overtime to testify on this, accumulated a base of knowledge and understanding of the issue.

So the best and cleanest and appropriate answer is that it is an ad hoc group of both Senators today and House Members who work under Congressional Leaders United for a Balanced Budget for the purposes of promoting this legislation that we have before us.

Mr. LEVIN. If I could ask unanimous consent that I be allowed to proceed, would the Senator from Idaho be able or willing to provide for the record the membership of the group? The reason is that Congressman SCHAEFER has put into the CONGRESSIONAL RECORD the same questions and answers basically, and he is the prime sponsor of the constitutional amendment in the House of Representatives. It is basically the same questions and answers which he has put in as his. I think that is a pretty strong statement coming from the prime sponsor.

Would the Senator from Idaho be willing to put in the RECORD the membership of the group?

Mr. CRAIG. I would be happy to. There is nothing nefarious about it at all. Senators come together, as do House Members, for the purpose of discussion and they find organizational titles. I would be happy to do so.

Mr. LEVIN. May I quickly add, I did not mean to suggest anything the least bit untoward or nefarious at all. We have ad hoc commissions all the time. I know very well I will know the members and admire many of them, indeed all of them. I did not mean to suggest anything unusual or untoward.

But we are all making reference to a group and it seems to me we would like to know who the members of this group are, so we can get a feel whether they include both sponsors and opponents of the constitutional amendment as to who it is that are members of the group. I would appreciate that list for the record.

I thank the Senator from Florida. I want to commend him on pointing out some very, very significant material for all the reasons which he has identified. We will be masking a deficit unless we adopt either the Feinstein substitute or the amendment of the Senator from Florida.

(Ms. SNOWE assumed the chair.)

Mr. GRAHAM. Madam President, I thank my friend from Michigan for his comments. I would say, in all honesty, that the adoption of the amendment as offered by the Senator from Nevada and the Senator from California, of which I was proud to be a cosponsor, would actually be the superior way to deal with this issue because it would solve the problem of no longer requiring that Social Security be commingled with the rest of the Federal budget as well as effectively rendering denuding the potential danger contained in section 2.

So let me just summarize the first amendment. It is a very simple amendment. It strikes the phrase ''debt held by the public,'' would require that the three-fifths vote be applied to all increases in debt from whatever source, would have as its objective to avoid the addition of $2 trillion of debt between the year 2002 and 2018 and almost an assured fiscal crisis thereafter, and substitute in lieu thereof a cap on Federal debt after the year 2002, a substitution of the Social Security trust fund surpluses for debt held by the public during the period from 2002 to 2018, and then a reversal of that as the Social Security system has to redeem the IOU's that it holds from the Treasury in order to be able to meet its obligations.

That is amendment No. 1, which, in our sequencing, is Amendment No. 259.

My amendment No. 2, unfortunately, is a much wordier amendment. Let me read that amendment. It would take the language of section 2 which says, ''The limit on the debt of the United States held by the public shall not be increased,'' and it inserts this phrase, ''except for increases in the limit on the debt of the United States held by the public to reflect net redemptions from the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.''

In essence what we would be saying is that by a majority vote, not a three-fifths vote, the Federal Government would be able to borrow funds—and this would occur based on current projections after the year 2018—the Federal Government would be able to raise the limit of debt of the public by a majority rather than a three-fifths vote for the purpose of redeeming the IOU's the Social Security trust fund will have accumulated and substituting debt that would be held by the public.

It will, in my opinion, be necessary in order to maintain this alternative as a means of financing the enormous transition that will occur in Social Security after the year 2018, without punishing spending cuts, tax increases, or some combination of those.

Madam President, I hope that this body will not just take the position that no amendments are to be considered, that regardless of merit we will mindlessly mow down all proposed changes.

I am a supporter of the balanced budget amendment. I have voted for the balanced budget amendment in the past. I hope to vote for the balanced budget amendment in 1995. I want to vote for a responsible balanced budget amendment. I do not want to leave to our children and grandchildren an enormous debt based on our failure to exercise the discipline which is the purpose of the balanced budget amendment.

That is why I have been supporting it. I also do not want to leave to our children and grandchildren the train wreck which is going to occur if we have a provision that requires a three-fifths vote to raise money from the general public to substitute and be able

to redeem the enormous borrowing that we are going to be making from Social Security over the next 20-plus years.

I believe this is a dramatically more conservative approach than the one that is contained in the balanced budget amendment as currently submitted. It is the difference between having a ceiling of $6 trillion of national debt to one that would have national debt rising to the level of almost $8 trillion. If you are a conservative, if you are concerned about the kind of America that we will leave to the next generation, if you have been appalled at what we have done in the last 15 years where the debt went from less than $1 trillion to now almost $5 trillion in a period of 15 years, you ought to be equally appalled by the prospect of a debt growing from $5 trillion to $8 trillion in the next 20-plus years.

Madam President, we do not have to condemn ourselves to this future. We have an alternative. The alternative is either adopting the amendment offered by the Senator from Nevada and now reoffered by the Senator from California, or as a first fallback, adopting the amendment which I have offered that would require a three-fifths vote for any increase of the national debt, thus forcing a readjustment of Social Security debt, for public debt, in the next period and after the year 2018, allowing a readjustment to finance the Social Security obligation that we will have.

If we do not do either of those, at least we ought to not require a three-fifths vote to fund this enormous debt that we are going to be encouraging by consolidated Federal budget using the mask of Social Security to balloon the national debt by an unnecessary $2 trillion, and then leave it to our grandchildren through taxation or spending cuts to finance this Social Security obligation.

Madam President, I feel emotional about this in part because I am the father of four children who were born as baby boomers and will be in the first line of those affected by this amendment. I am the grandfather of four children, soon to be eight grandchildren as a result of births that are en route, and I do not want to have my children and my grandchildren turn to me 20 years from now and say ''Granddaddy, why did you do this to me when you did not have to do so?''

I believe we have the opportunity to pass a balanced budget amendment that will allow Members to say to our children and our grandchildren: We stopped this profligate Federal spending. We required Members to do as most other individuals, families, businesses, and governments in America have to do. That is, balance their books on a more or less yearly basis. And we did it in an intelligent way that did not require citizens to pay an enormous sacrifice in their generation because we were living off the mask of this Social Security surplus during the last years of our generation's life. That is what is at stake.

As I say, Madam President, I know there is a tremendous momentum to say, ''Let's not accept any amendments. That is perfection. This is what we must adopt.'' I urge that over the next few days—and this will be voted on Tuesday afternoon—that there will be some serious consideration of the implications of this issue.

I say to our Presiding Officer and to my colleagues that I am anxious to meet with any Member of this body, to meet with any group which is concerned about this issue, to discuss its implications, to try to collectively learn what it is we are doing and to determine what would be the most prompt path.

These are an important 4 days that we have between now and Tuesday. I hope we use those days wisely.

Thank you.

UNANIMOUS-CONSENT AGREEMENT

Mr. CRAIG. Madam President, I am about to propose a unanimous consent.

I will be more than happy to meet with the Senator from Florida and respond to those questions. I know he is sincere in his effort and I will make every effort to accommodate him.

I now ask unanimous consent that the votes occur in relation to the pending amendments numbered 259 and numbered 298 on Tuesday, February 28, in the stacked sequence to begin at 2:15 p.m.

Mr. GRAHAM. Reserving the right to object, and I will not do so, will the vote on the amendments occur after the vote on the amendment as offered by the Senator from California?

Mr. CRAIG. It is my understanding that that is the stacked sequence; is it not? I believe that is the correct answer, yes.

The PRESIDING OFFICER. No, it would come after the amendment of the Senator from Wisconsin.

Mr. GRAHAM. But would the amendment of the Senator from California occur prior to this amendment?

The PRESIDING OFFICER. Yes, it would.

Mr. GRAHAM. As I indicated, should the amendment by the Senator from California be adopted, I am prepared to withdraw my amendments, because they would have been solved in a larger and, I think, more effective manner.

If the amendment by the Senator from California is not adopted, I think it becomes urgent that one, and preferably the first of the two amendments that I am offering, be adopted.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. BUMPERS. Madam President, I ask unanimous consent that I be permitted to yield to the Senator from Rhode Island for not to exceed 3 minutes, following which the senior Senator from Virginia be recognized for not to exceed 3 minutes, following which the senior Senator from Massachusetts be recognized for 2 minutes for the purpose of laying down an amendment, so that the amendment would qualify for a vote on Tuesday, and that immediately following the laying down of the amendment by the senior Senator from Massachusetts, I be recognized again for the purpose of calling up my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. WARNER. Madam President, I ask my colleague if he might extend a little more latitude to the two Senators.

Mr. BUMPERS. Of course. I was told by the Senator from Rhode Island that he thought 3 minutes each would do it. I will be happy to yield for a longer period. What would the Senator suggest?

Mr. WARNER. Perhaps not to exceed a total of 12 minutes. The Senator from Rhode Island and I wish to address the commemorative to Iwo Jima.

Mr. BUMPERS. I modify my unanimous-consent request to yield 12 minutes to the two Senators equally divided.

Mr. KENNEDY. Reserving the right to object, I have a 15-second request. Could I ask the Senator be permitted——

Mr. BUMPERS. I amend the unanimous consent request to allow the Senator from Massachusetts to go first.

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

AMENDMENT NO. 267

(Purpose: To provide that the balanced budget constitutional amendment does not authorize the President to impound lawfully appropriated funds or impose taxes, duties, or fees)

Mr. KENNEDY. Madam President, I ask unanimous consent to call up my amendment No. 267, which was previously filed.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. JOHNSTON, proposes an amendment numbered 267.

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

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

The amendment is as follows:

On page 3, between lines 8 and 9, insert the following:

''SECTION 8. Nothing in this article shall authorize the President to impound funds appropriated by Congress by law, or to impose taxes, duties, or fees.

Mr. KENNEDY. Madam President, it is my understanding that the vote in relation to my amendment will occur in the sequence on Tuesday afternoon.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Madam President, my amendment would simply make it

clear that nothing in the proposed constitutional amendment would authorize the President to impound funds appropriated by Congress by law or to impose taxes, duties, or fees.

I ask unanimous consent that a discussion of this issue set forth in ''Minority Views'' contained in the report of the Committee on the Judiciary be printed in the RECORD.

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

B. THE AMENDMENT WOULD GIVE THE PRESIDENT BROAD POWERS TO IMPOUND APPROPRIATED FUNDS

That the balanced budget constitutional amendment would authorize the President to impound funds appropriated by Congress is clear from the text of the Constitution and the proposed amendment. Article II, section 3, obligates the President to ''take care that the Laws be faithfully executed,'' and article II, section 7, requires the President to take an oath to ''preserve, protect and defend the Constitution.''

Section 1 of the proposed constitutional amendment provides that ''[t]otal outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.'' The amendment thus would forbid outlays from exceeding revenues by more than the amount specifically authorized by a three-fifths supermajority of each House of Congress. In any fiscal year in which it is clear that in the absence of congressional action, ''total outlays'' will exceed ''total receipts'' by a greater-than-authorized amount, the President is bound by the Constitution and the oath of office it prescribes to prevent the unauthorized deficit.

The powers and obligations conferred upon the President by the Constitution and the proposed constitutional amendment would clearly be read by the courts to include the power to impound appropriated funds where the expenditure of those funds would cause total outlays to exceed total receipts by an amount greater than that authorized by the requisite congressional supermajorities.

This commonsense reading of the proposed constitutional amendment is shared by a broad range of highly regarded legal scholars. Assistant Attorney General Walter Dellinger, who as head of the Office of Legal Counsel at the Department of Justice is responsible for advising the President and the Attorney General regarding the scope and limits on presidential authority, testified before the Judiciary Committee that the proposed constitutional amendment would authorize the President to impound funds to insure that outlays do not exceed receipts. Similarly, Harvard University Law School Professor Charles Fried, who served as Solicitor General during the Reagan Administration, testified that in a year when actual revenues fell below projections and bigger-than-authorized deficit occurred, section 1 ''would offer a President ample warrant to impound appropriated funds.'' Others who share this view include former Attorney General Nicholas deB. Katzenbach, Stanford University Law School Professor Kathleen Sullivan, Yale University Law School Professor Burke Marshall, and Harvard University Law School Professor Laurence H. Tribe.

The fact that the proposed constitutional amendment would confer impoundment authority on the President is confirmed by the actions of the Judiciary Committee this year. Supporters of the amendment opposed and defeated an amendment offered by Senator Kennedy before the Judiciary Committee that would have added the following section to the proposed amendment:

''SECTION . Nothing in this article shall authorize the President to impound funds appropriated by Congress by law, or to impose taxes, duties or fees.''

If the supporters of the proposed constitutional amendment do not intend to give impoundment authority to the President, there is no legitimate explanation of their failure to include the text of the Kennedy amendment in the proposed article.

The impoundment power that would be conferred on the President by the proposed constitutional amendment is far broader than any proposed presidential line-item veto authority now under consideration by the Congress. The line-item veto proposals would allow a President to refrain from spending funds proposed to be spent by a particular item of appropriation in a particular appropriations bill presented to the President. As Assistant Attorney General Dellinger testified, the impoundment authority conferred upon the President by the proposed constitutional amendment would allow a President to order across-the-board cuts in all Federal programs, target specific programs for abolition, or target expenditures intended for particular States or regions for impoundment.

The Committee majority makes two arguments to support its assertion that the balanced budget constitutional amendment does not give the President impoundment authority. Both are wrong.

The first is the suggestion that ''up to the end of the fiscal year, the President has nothing to impound because Congress in the amendment has the power to ratify or to specify the amount of deficit spending that may occur in that fiscal year.'' In essence, the majority asserts that there will never be an unauthorized, and therefore unconstitutional, deficit, because Congress will always step in at the end of the year and ratify whatever deficit has occurred. If true, then the balanced budget is a complete sham, because it would impose no fiscal discipline whatsoever.

But if the majority is wrong in its prediction—that is, if a Congress failed to act before the end of a fiscal year to ratify a previously unauthorized deficit, all of the expenditures undertaken by the Federal government throughout the fiscal year would be unconstitutional and open to challenge in the state and Federal courts (see part I.A, supra). It is inconceivable that the President, sworn to preserve, protect and defend the Constitution, would be found to be powerless to prevent such a result.

Second, the majority argues that ''under section 6 of the amendment, Congress can specify exactly what type of enforcement mechanism it wants and the President, as Chief Executive, is duty bound to enforce that particular congressional scheme to the exclusion of impoundment.'' The fact that Congress is required by section 6 of the proposed amendment to enact enforcement legislation certainly does not suggest that the amendment itself would not grant the president authority to impound appropriated funds. Nothing in the proposed article stipulates that the enforcement legislation must be effective to prevent violations of the amendment. Indeed, there is every reason to believe that no enforcement legislation could prevent violations for occurring.

The President's obligation to faithfully execute the laws is independent of Congress's. That duty is not ''limited to the enforcement of acts of Congress * * * according to their express terms, * * * it include[s] the rights, duties and obligations growing out of the Constitution itself, * * * and all the protection implied by the nature of the government under the Constitution[.]'' *In re Neagle,* 135 U.S. 1, 64 (1890). If an unconstitutional deficit were occurring, Congress could not constitutionally stop the President from seeking to prevent it.

C. THE PROPOSED AMENDMENT MANY ALSO CONFER UPON THE PRESIDENT THE AUTHORITY TO IMPOSE TAXES, DUTIES AND FEES

As discussed above, when a greater-than-authorized deficit occurs, the balanced budget constitutional amendment would impose upon the President an obligation to stop it. While greater attention has been paid to the prospect that the amendment would grant the President authority to impound appropriated funds, the amendment would enable future Presidents to assert that they have the power unilaterally to raise taxes, duties or fees in order to generate additional revenue to avoid an unauthorized deficit. See Testimony of Assistant Attorney General Walter Dellinger, 1995 Judiciary Committee Hearings at 102.

This outcome would turn on its head the allocation of powers envisioned by the Framers. No longer would ''the legislative department alone ha[ve] access to the pockets of the people'' as Madison promised in The Federalist No. 48. Instead, intermixing of legislative and executive power in the President's hands would constitute the ''source of danger'' against which Madison warned.

Mr. KENNEDY. I thank my colleague.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

COMMEMORATING THE 50TH ANNIVERSARY OF THE BATTLE OF IWO JIMA

Mr. CHAFEE. Madam President, first I want to thank the distinguished senior Senator from Arkansas for letting us interrupt the sequence.

Last week, Madam President, following the inspiring remarks by that very senior Senator from Arkansas, there were several very eloquent and moving statements made on this floor regarding the battle for Iwo Jima and the 50th anniversary which we are commemorating currently.

Over the next several days, there will be additional statements dealing with that battle which many believe was the most ferocious of the Pacific war. The actual invasion commenced on February 19, 1945, with the battle lasting 35 days. On February 22, 50 years ago yesterday, D-day plus 3, marines from the 4th and 5th Divisions continued their relentless attack against entrenched enemy positions on Iwo Jima. It was very difficult going.

The first 2 bloody days on the island netted gains at a high price in marines killed and wounded—an indication of what was going to come in the succeeding 32 additional days of combat.

The job of taking Mount Suribachi, the 556-foot high extinct volcano at the southern end of Iwo Jima, fell to the 28th Marine Regiment commanded by Col. Harry E. Liversedge.

On the slopes of Mount Suribachi, the Japanese had constructed an exceedingly clever labyrinth of dug-in

gun positions for coast defense, artillery, mortars and machine gun emplacements. These defensive positions were accompanied by an elaborate cave and tunnel system.

From the volcano's rim—that is the top of Mount Suribachi—everything that went on at both sets of the invasion beaches and, indeed, on most of the island, could be observed. Mount Suribachi was a position that had to be taken by the marines.

The men of the 28th Marine Division were the ones that did it. Just 50 years ago today, February 23, 1945, Mount Suribachi was captured by those valiant marines, and so I think it is only fitting, Madam President, that we do take a few minutes to recall the heroism and the constancy and valor of those marines who seized that position.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I am particularly privileged to join my distinguished colleague from Rhode Island. He is too humble to mention he served on Guadalcanal as a rifleman.

During the Battle of Iwo Jima, he was back in the United States being trained as an officer and later was deployed back to the Pacific as a platoon commander in the Battle for Okinawa.

This Senator, I say humbly, had just joined the Navy at this point in time, and I was awaiting my first assignment. I remember so well the sailors—all of us—gathering around the radio—for that was the only communication we had—listening to the reports from Iwo Jima, and later we studied, of course, the films and read the detailed stories of this great battle.

History records that one-third of the casualties taken by the Marine Corps during the entire Pacific war occurred in this historic battle. But I want to mention to my colleague, in furtherance, of Senator CHAFEE's observation about the flag raising, that there were two flag raisings on Iwo Jima. The first flag raising spontaneously occurred about 10:20 in the morning when a first lieutenant with a 40-man patrol finally scaled the heights and lifted the first flag. Fortunately, that flag was observed by James Forrestal, aboard a ship offshore, Secretary of the Navy, a position which my distinguished colleague later occupied and I had the privilege of following him.

Secretary Forrestal is said to have observed to Gen. HOLLAND SMITH, the commanding officer of all the marines in that operation, ''the raising of the flag means a Marine Corps for another 500 years.''

Later in the day, it was determined by senior officers that the first small flag could not be observed throughout the island. A second marine detail, therefore, was set up scaling the same arduous terrain to raise a larger flag, simply to allow our flag to be observed by a greater number of the marines locked in fierce combat.

The second flag was raised by Sgt. Michael Strank, Cpl. Harlon Block, Pfc. Franklin Sousley, Pfc. Ira Hayes, Pharmacist's Mate Second Class John Bradley, and Pfc. Rene Gagnon. The more visible Stars and Stripes was the one that was captured by the famous photographer Rosenthal, and now used as a model for the famous Marine Corps War Memorial near Arlington Cemetery.

So I am privileged to join my distinguished colleague, but I would like to add another point. Recently, we saw a very serious controversy about the *Enola Gay,* the plane that dropped the atom bomb, being a part of the commemorative exhibit being planned by the Smithsonian Institution.

There was, unfortunately, research done and initial reports written, which, in my judgment, and in the judgment of many, particularly those who were privileged to serve in uniform in World War II, did not properly reflect the facts of that war.

Fortunately, cooler heads and wiser minds have taken that situation now and brought it more nearly into balance, primarily as a result of many veterans organizations, particularly the American Legion and the Air Force Association.

But I point out that this battle portrays the extraordinary losses incurred in the Pacific conflict, and I hope those researchers who wrote the initial reports questioning the mission of the *Enola Gay,* have followed the excellent coverage in remembrance of this battle and recognized the mistakes they perpetrated in their earlier assessments of the war and why this country was involved.

My research shows that this is the last battle of World War II when President Roosevelt was Commander in Chief from beginning to end. He died early in April during the course of the battle on Okinawa, which Senator CHAFEE was in, so this was President Roosevelt's last battle. I think it is most appropriate that we join today with others in making this remembrance.

After brief service as a sailor in World War II, I joined the Marines and served in Korea. I always feel that my Senate career is largely owing to my two opportunities to serve in the military. The military helped me greatly to get an education and start a career. I shall always be grateful. And I do not ever associate my career with the distinguished combat records of Senator CHAFEE, or many others in the Senate. I was simply a volunteer during World War II and again for Korea. I shall be forever grateful for the privilege of serving my country during those two periods of our history and being with those who distinguished themselves.

I thank my colleague and long time friend for joining me on the floor this evening.

Mr. CHAFEE. Thank you, Senator WARNER. In the succeeding days, I am sure that others will come forward with statements commemorating other events that took place 50 years ago in Iwo Jima as the battle progressed for those 35 plus days, and which, as I say, those who studied the wars in the Pacific—many of them, not all—say that was the most ferocious battle. I thank the senior Senator from Virginia and the Chair. Also, I would like to thank the senior Senator from Arkansas.

Mr. WARNER. I talked to retired Brigadier General Hittle who served as an Assistant Secretary of the Navy under Senator CHAFEE and myself, and who participated in the battle of Iwo Jima. On behalf of that distinguished individual and dearly beloved friend, I would like to include a short statement of his recollections of that battle and particularly the performance of one of his marines in that battle.

I ask unanimous consent that a statement by General Hittle be printed in the RECORD.

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

STATEMENT BY GENERAL HITTLE

I first met Elmer Montgomery when he reported to my G–4 Section of the 3rd Marine Division on Guam. He was the replacement for the Section's stenographer. He was older than most of the men in the Division and I noticed that when he had some spare time, he would lean his chair back against the side of the G–4 quanset hut, take a small white Bible out of his pocket, and deliberately zip it open, read, and find contentment. Elmer was not a loner. He liked his fellow Marines, but he would silently wince when hearing some of his fellow Marines use profanity.

In February 1945, we sailed for an island called Iwo Jima. A few days after the landings of the 4th and 5th divisions, the 3rd went ashore and was assigned to attack up the center of the island. A couple of days later, when the front line units had suffered heavy casualties, all Division Sections had to send several men up to the front.

It's no easy task to pick men, knowing that they will go into the ''meatgrinder.'' As I was finishing making the selections, Colonel Beyeo (later a Brigadier General USMC (ret)) popped into my dugout. He said that Sergeant Montgomery wanted to see me. I went out and saw Elmer standing a few feet away. I thought I would put his mind at ease and said ''You weren't among those picked.'' For the first time, he argued with me. He said ''I want to go up front, I have a lot of hunting experience in the mountains, and I want to look after these kids.'' He wouldn't take no for an answer. Then I relented. I told him that he was old enough (35 years) to know what he was doing, and only because he was insisting, he could go forward. That's the last time I saw Elmer. A few hours later he was second in command of an attacking platoon. All the company officers were casualties.

As the platoon attacked, it was pinned down by machine-gun fire in a saucer like depression, if any Marine stood up, he was mowed down by machine-gun fire. The Japanese mortars were beginning to zero in. Sensing the potential finality of the platoon's position, he yelled to his men ''When I stand up, move out of the depression.'' Elmer then stood up and began firing from the hip and rushed the machine-gun positions.

The platoon was saved, but Elmer's body was never found. In a few minutes, our artillery pounded that ground and the Japanese

positions. Elmer and his white leather-covered Bible became forever a part of the hallowed grounds of Iwo Jima.

Elmer was awarded post-humously the Navy Cross.

When I was Assistant Secretary of the Navy, I was instrumental in having a new destroyer named in honor of Sergeant Elmer Montgomery. I spoke at the keel laying, and twenty years later, I spoke at the decommissioning of this ship. And today, if anyone should ask me if I used my position as Assistant Secretary of the Navy to influence the naming of the Sergeant Elmer Montgomery, I can look him squarely in the eye, and in all truth, say ''I sure did.''

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

MOTION TO REFER

Mr. BUMPERS. Mr. President, I send a motion to refer to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] moves to refer House Joint Resolution 1 to the Budget Committee with instructions to report back forthwith House Joint Resolution 1 and issue a report, at the earliest possible date, which shall include the following:

''Section 1. Point of order against budget resolutions that fail to set forth a glide path to a balanced budget.—Section 301 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new subsection:

''(j) It shall not be in order to consider any concurrent resolution on the budget (or amendment, motion, or conference report thereon) that fails to set forth appropriate levels for all items described in subsection (a)(1) through (7) for all fiscal years through 2002.''

''Section 2. Prohibition on budget resolutions that fail to set forth a balanced budget.—Section 301 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new subsection:

''(k) Congressional Enforcement of a Balanced Budget.—

''(1) Beginning in 2001, it shall not be in order to consider any concurrent resolution on the budget (or amendment, motion, or conference report thereon) that sets forth a level of outlays for fiscal year 2002 or any subsequent fiscal year that exceeds the level of receipts for that fiscal year.

''(2) The receipts (including attributable interest) and outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund used to provide old age, survivors, and disabilities benefits shall not be counted as receipts or outlays for purposes of this subsection.''

''Section 3. Point of order against budget resolutions that fail to establish a glide path for a balanced budget by 2002 and set forth a balanced budget in 2002 and beyond.—

(a) Section 904 of the Congressional Budget Act of 1974 is amended by inserting ''301(j),'' after ''301(i),'' in both places it appears.

(b) Add the following new section immediately following Section 904 of the Congressional Budget Act of 1974:

''SEC. . Section 301(k) may be waived (A) in any fiscal year by an affirmative vote of three-fifths of the whole number of each House; (B) in any fiscal year in which a declaration of war is in effect; or (C) in any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.''

MOTION TO REFER, AS MODIFIED

Mr. BUMPERS. Madam President, I ask unanimous consent that I be permitted to modify the motion. I have discussed this with the Senator from Idaho. It is a motion that would require a 60-vote majority instead of a simple majority one place in the bill.

The PRESIDING OFFICER. The Senator has that right.

Without objection, the motion is so modified.

The motion, as modified, is as follows:

Motion to refer House Joint Resolution 1 to the Budget Committee with instructions to report back forthwith House Joint Resolution 1 and issue a report, at the earliest possible date, which shall include the following:

''Section 1. Point of order against budget resolutions that fail to set forth a glide path to a balanced budget.—Section 301 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new subsection:

''(j) It shall not be in order to consider any concurrent resolution on the budget (or amendment, motion, or conference report thereon) that fails to set forth appropriate levels for all items described in subsection (a)(1) through (7) for all fiscal years through 2002.''

''Section 2. Prohibition on budget resolution that fail to set forth a balanced budget.—Section 301 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new subsection:

''(k) Congressional Enforcement of a Balanced Budget.—

''(1) Beginning in 2001, it shall not be in order to consider any concurrent resolution on the budget (or amendment, motion, or conference report thereon) that sets forth a level of outlays for fiscal year 2002 or any subsequent fiscal year that exceeds the level of receipts for that fiscal year.

''(2) The receipts (including attributable interest) and outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund used to provide old age, survivors, and disabilities benefits shall not be counted as receipts or outlays for purposes of this subsection.''

''Section 3. Point of order against budget resolutions that fail to establish a glide path for a balanced budget by 2002 and set forth a balanced budget in 2002 and beyond.—

(a) Section 904 of the Congressional Budget Act of 1974 is amended by inserting ''301(j),'' after ''301(i),'' in both places it appears.

(b) Add the following new section immediately following Section 904 of the Congressional Budget Act of 1974:

''SEC. . Section 301(k) may be waived (A) in any fiscal year by an affirmative vote of three-fifths of the whole number of each House; (B) in any fiscal year in which a declaration of war is in effect; or (C) in any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

''SECTION 4.—Section 306 of the Congressional Budget Act of 1974 is amended as follows:

(1) Immediately following ''Sec. 306.'' insert the following:

''(a) Except for bills, resolutions, amendments, motions, or conference reports, which would amend the congressional budget process''.

(2) Add the following at the end of subparagraph (a):

''(b) No bill, resolution, amendment, motion, or conference report, which would amend the congressional budget process shall be considered by either House.''

Mr. BUMPERS. Madam President, I have more to say on this amendment than we have time for tonight. Besides that, the Senator from Georgia, Senator NUNN, wants to be recognized a little late to offer an amendment, and I know the Senator from Idaho has been here a long time and he is tired.

Let me start off by making a few introductory comments about this whole process and not just about my amendment. This afternoon, as I reflected on the talking thoughts on the amendment, I thought, what on Earth is going on when we have an amendment before this body that was passed by the House of Representatives to amend the Constitution of the United States—we took it, and it is now House Joint Resolution 1, and we have probably voted close to 30 times. We voted about 70 times since we came in on January 3. We voted on amendments on this about 30 times and every single one of them, I believe, has been tabled. The distinguished floor manager on the Republican side of the aisle has moved to table every amendment and has prevailed almost on a straight party line vote on every amendment.

Madam President, I think party discipline, at times, is a wonderful thing. That is what this Nation is all about. We have two parties. I hope we can keep it that way. I am not for third parties. I hear some sophistry about how that would work wonders for the country. I think we have done reasonably well with two political parties and I believe in party unity and discipline—to a point.

But I would like to call the attention of my colleagues to how really bizarre this is. Here we are talking about the organic law of the Nation which has provided us with 205 years of unfettered freedom because of the brilliance of James Madison, John Jay, Alexander Hamilton, George Washington, and all of the other Founders who crafted that brilliant document. Can you imagine in Philadelphia in 1787 George Washington, presiding over the Constitutional Convention to craft that document, saying, James Madison and I have sat down and crafted this amendment and we will broach no changes; and somebody says, Mr. Chairman—or whatever his title was—I have an amendment that I think would improve that, and James Madison says, Mr. President, I move to table that. That is the end of that amendment. Alexander Hamilton, who believed in more central Government—and I did not particularly agree with him, but he was a brilliant man—says, Mr. President, I have an amendment to change three words here that I believe would improve article and amend article IV on unlawful searches

and seizures; and Madison says, I move to table that. Voted on and that is it.

Who here believes that the Constitution of the United States would be the document it is today if at the Constitutional Convention the Founding Fathers had carried on in such a manner? There are 100 Senators—two from each State of the Nation—and we have a right to offer amendments, but they are not even being entertained. They are just being summarily dismissed because they say, if we change this document, House Joint Resolution 1, this amendment to the Constitution, if we change one jot or tittle, the House will not take it back.

Deliberative body? Well, that is laughable. We are not deliberating. Some people here are trying to actually improve it. Others, like me, are trying to kill it. But everybody gets the same treatment —they get tabled, harassment, and out of here.

Going back to the Bill of Rights, the first 10 amendments to the Constitution were submitted in 1789, the same time the Constitution was ratified; and the first 10 amendments, which were the Bill of Rights, were adopted at the same time the Constitution was. Since that time, Madam President, there have been 11,000 proposals offered in the U.S. Congress to tinker with that document—11,000. We have had almost one a day since we came back here January 3, 1995. The last time I checked, 35 constitutional amendments had been proposed to the Constitution since January 3. That is the reason the other day—I think I mentioned this once before, but it is worth repeating. I went down to Wake Forest to speak at a convocation celebrating the 100th year of Wake Forest Law School. When they called me and said, ''What will your topic be?'' I said, ''I will call it 'Trivializing the Constitution.' '' That is what I spoke on, the trivializing the Constitution. There were 11,000 efforts to change a document that the most brilliant minds ever assembled under one roof put together, which has made this country what it is.

And so we come here with an amendment that is as unworkable as prohibition. You know, everybody in this country wanted to put a social policy in the Constitution. They said we want to stop people from drinking, so we put it in the Constitution. About 14 years later we took it out. Do you know why? Because we found we had made a miserable mistake. Regardless of how you feel about drinking, that was not the issue. The issue was that we were setting social policy in the Constitution, and all we got out of it was organized crime—Al Capone, the founder of rumrunning in this country.

Organized crime is still firmly in place in this country. We were tinkering with the Constitution, and a misguided amendment caused it. The figures on this thing are so staggering, people do not want to hear it. Senators do not want to hear it. People who watch C-SPAN do not want to hear it. They do not relate to it. Think about it—promising the American people they would balance the budget by 2002, but first we are going to spend $471 billion more in tax cuts and increase defense spending— If you took Social Security out of the equation, as the Republicans have suggested, approximately $2 trillion in spending would have to be cut to balance the budget by 2002. How many people in this body do you think, Madam President, believe we are going to cut $2 trillion in 7 years? The answer is in the question.

Unhappily for all of us, the constitutional amendment is popular. A vote against House Joint Resolution 1 will not be the first unpopular vote I ever cast. But, as Woodrow Wilson said in his inaugural address, the biggest question for every politician who is a public servant in the mode of a statesman, the biggest question he always has to ask himself, is what part of the public demand should be honored and what part should be rejected.

Politicians try to provide everything on the agenda for everybody. We have a $4.5 trillion debt to prove that. But statesmen have to ask themselves, does the proposal expand individual liberties? Does it provide for domestic or international tranquility? Does it educate our people? Does it provide for more health and general welfare? Or is it something to run for reelection on in 1996?

I do not intend to denigrate or debase my colleagues, but I daresay, Madam President, if this amendment were being voted on in secret and every Senator knew that not one soul would ever know how he or she voted, you might possibly muster 40 votes max.

But the reason the amendment is so popular is because the people of this country think that if you put language in the Constitution, something magical happens. What they do not understand is that there is a real possibility that nothing would happen. For example, Congress might be able to ignore the constitutional requirement if the courts were unwilling or unable to enforce it, as some proponents of the balanced budget amendment suggest.

On the other hand, Congress might blindly follow the provisions of this amendment in a manner that causes economic ruin. For example, say we are in the midst of a recession, headed for a depression. We need to unbalance the budget in order to spend money to create some jobs because the unemployment rate has skyrocketed, as occurred during the Depression when it was 25 percent. If you have 41 people in the Senate who say, ''I am not voting to unbalance the budget under any conditions'', you could be faced with is an apocalypse. And I am telling you, Madam President, that is not a farfetched idea. I have watched, on this floor since I have been in the Senate, people vote to spend money on everything they could find and then when it came time to raise the debt ceiling they said,

No! I am not going to vote to raise the debt ceiling. I just got through voting for $250 billion for a defense budget and for the space station and everything else I could find to spend money for, but I am not voting to raise the debt ceiling. I am going to go back and tell my people what a great fiscal conservative I am.

The people of this country, and indeed the Congress, in their infinite wisdom have seen fit to tinker with the Constitution very, very rarely. As Norman Ornstein said amending the Constitution should be ''the fix of last resort''. This is a perfect description, ''the fix of last resort.''

To my friends who pride themselves on being conservatives, which I do when it comes to fiscal matters, do you know what Robert Goldwin at the conservative American Enterprise Institute said? ''True conservatives do not muck with the Constitution.'' All you conservatives, let me repeat it. This great man at the American Enterprise Institute said, ''True conservatives do not muck with the Constitution.''

My motion would refer House Joint Resolution 1 to the Budget Committee with instructions that the Committee report language which includes the requirements of my proposed amendment. Now, Madam President, my proposed amendment is designed for those members who really do not want to muck with the Constitution. I invite my colleagues to look at these two charts which describes why my proposed amendment is designed to do what needs to be done legislatively and, in my opinion, has more force and effect than a constitutional amendment.

Can you believe that we are debating an amendment to balance the budget, and at the same time people are saying, ''let's go on a spending spree until the year 2002 and pray to God that people have forgotten what we said in 1995''. Let us not deal with the deficit until the year 2002.

I say let us start right now. My proposed amendment, if enacted into law, would require that we will have a balanced budget by the year 2002. The constitutional amendment calls for a balanced budget, but contains no enforcement mechanism that would actually require a balanced budget. If that is not a dramatic difference, I do not understand the mother tongue, English. My amendment requires a balanced budget; the constitutional amendment calls for one. It does not demand it at all.

My proposed amendment says you can waive the balanced budget requirement by a three-fifths vote. So does the constitutional amendment. My proposed amendment says you waive it if there is a declaration of war. The constitutional amendment says the same thing. My proposed amendment says if we are in a military conflict, a majority of each house can waive the requirement. The constitutional amendment includes the same provision.

My proposed amendment would require that each annual Budget Resolution passed by Congress between now and 2002 contain a glide path showing how we will get to a balanced budget by 2002. Everybody says we cannot balance the budget overnight. Everybody knows we cannot do it overnight.

My proposed amendment is enforceable because a budget resolution could not be passed if it did not balance the budget in 2002. If a budget resolution is not passed, Congress is prohibited from enacting appropriations and tax bills. The constitutional amendment, on the other hand, may or may not be enforceable. Nobody knows for sure.

The most beautiful thing about my proposed amendment is it is more enforceable than the constitutional amendment and it does not touch the Constitution.

My proposed amendment also protects Social Security. The constitutional amendment raids the Social Security system to the tune of $681 billion between now and the year 2002.

My proposed amendment says, ''Action now.'' Do you know what the constitutional amendment that we are debating here says? ''No requirement for action until the year 2002, at the earliest.''

That is right, America; 7 years before we even start on this whole thing and no requirement to do otherwise.

Madam President, I have some more things I want to say, but everybody wants to get out of here. My distinguished friend from Georgia has an amendment he wants to lay down and discuss for a moment.

So I ask unanimous consent that I be permitted to yield to the Senator from Georgia for that purpose, that my motion be temporarily laid aside, and that it become the pending business when we return to House Joint Resolution 1 tomorrow morning.

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

The Senator from Georgia.

Mr. NUNN. Madam President, I thank my friend from Arkansas. I appreciate his yielding at this point. I do have two amendments. I would like to call up both amendments for the purpose of making sure they are eligible to be voted on, and then I will talk about one amendment tonight relating to judicial review.

AMENDMENT NO. 299

(Purpose: To permit waiver of the amendment during an economic emergency)

Mr. NUNN. Madam President, I would like to call up an amendment relating to economic emergency, which is amendment No. 299, and ask it be sequenced.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Georgia [Mr. NUNN] proposes an amendment numbered 299.

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

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

The amendment is as follows:

On page 2, strike lines 18 through 25 and insert the following:

''SEC. 5. The provisions of this article shall not apply to any fiscal year—

''(1) if at any time during that fiscal year the United States is in a state of war declared by the Congress pursuant to section 8 of article I of this Constitution; or

''(2) if, with respect to that fiscal year, the Senate and the House of Representatives agree to a concurrent resolution stating, in substance, that a national economic emergency requires the suspension of the application of this article for that fiscal year.

In exercising its power under paragraph (2) of this section, the Senate and House of Representatives shall take into consideration the extent and rate of industrial activity, unemployment, and inflation, and such other factors as they deem appropriate.''

AMENDMENT NO. 300

(Purpose: To limit judicial review)

Mr. NUNN. Madam President, I ask unanimous consent that amendment be set aside and that I call up amendment No. 300 at this point in time. I ask it be sequenced.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Georgia [Mr. NUNN] proposes an amendment numbered 300.

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

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

The amendment is as follows:

On page 3, line 3, after the period insert ''The power of any court to order relief pursuant to any case or controversy arising under this article shall not extend to ordering any remedies other than a declaratory judgment or such remedies as are specifically authorized in implementing legislation pursuant to this section.''.

Mr. NUNN. Madam President, the amendment that is amendment No. 300 relates to judicial review under the balanced budget amendment that is now pending before the Senate. I intend to offer this amendment and have it voted on on Tuesday, and I am very hopeful this body will agree to the amendment.

My amendment would provide that the power of any court to order relief under the balanced budget amendment could not extend to any relief other than a declaratory judgment or such remedies as may be specifically authorized in legislation implementing the balanced budget amendment.

Madam President, this amendment is identical to the Danforth amendment that was agreed to last year as a part of the balanced budget amendment which was voted on last year but not passed. I voted for that amendment but I did so after the Danforth amendment was incorporated in that amendment because I felt, and continue to feel, that this is absolutely essential if we are going to pass a constitutional amendment, if it is going to be ratified by the States, and if it is going to be able to function properly under our system of Government.

In my judgment, adoption of a balanced budget amendment without a limitation of judicial review would radically alter the balance of powers among the three branches of Government that is fundamental to our democracy. As former Deputy Attorney General Nicholas Katzenbach has noted:

[T]o open up even the possibility that judges appointed for life might end up making the most fundamental of all political decision[s] is not only an unprecedented shift of constitutional roles and responsibilities but one that should be totally unacceptable in a democratic society.

Former Solicitor and Federal Judge Robert Bork has expressed his grave concern that the balanced budget amendment:

* * * would likely [result in] hundreds, if not thousands of lawsuits around the country, many of them on inconsistent theories and providing inconsistent results.

Under the Constitution, the taxing and spending powers are vested in the two policymaking branches of Government, the legislative and executive branches. These branches are elected by the people. The powers to tax, borrow, and pay debts are expressly vested in the Congress under article I, section 7, 8, and 9, under the 16th amendment. The power to appropriate funds is expressly vested in the Congress under article I, section 9. The power to implement and execute the laws made under the powers of Congress is vested in the President, under article II, section 1.

The Founders of this Nation fought a revolution in opposition to taxation without representation. They would have found it inconceivable that the power to tax might be vested in the unelected, lifetime tenured members of the judicial branch of government.

As a general matter, the judiciary has treated questions involving the power to tax and spend as political questions that should not be addressed by the judicial branch. Our constituents view the balanced budget amendment as a means to address taxation and spending decisions over which they feel less and less control. They would be sorely disappointed if not outraged if the result of the amendment is to transfer the power to tax and spend from elected officials to unelected life tenured judges.

Madam President, I have no doubt that a majority, a large majority of the people I represent in the State of Georgia, are in favor of a balanced budget. Many of those people, if not most, would favor the sort of last resort effort to balance that budget by constitutional amendment, if that is the only way to do it, and that is what we are debating now. I do not believe, however, very many constituents in the State of Georgia would want the Federal courts to make these crucial decisions. I do not believe they would want any risk of that attendant to a

constitutional amendment that we are voting on in the next few days.

One of the arguments that has been offered against the judicial review limitation—and of course we voted on a very similar amendment to my amendment, sponsored by the Senator from Louisiana, Senator JOHNSTON, last week. It was defeated by 47 votes for it, 51 votes against it. And one of the arguments that was offered against that Johnston amendment which I voted for, and was very disappointed when it did not pass, is that it is unnecessary because the Supreme Court has tended to treat taxation and spending issues as political questions not appropriate for judicial review.

I do not agree with this argument against the Johnston amendment and against the Danforth amendment. There have been unfortunate encroachments on the political question doctrine which demonstrate the potential and the high risk for an activist judiciary to assert the power to tax.

In testimony on the balanced budget amendment, Assistant Attorney General Walter Dellinger has cited the case of *Missouri* v. *Jenkins*, 495 U.S. 33. That was a 1990 case in which the Supreme Court considered a decision by a district court to order specific taxes in order to implement the lower court's desegregation plans. Although the Supreme Court in that case did not approve the district court's imposition of specific taxes, the Supreme Court approved a decision by the court of appeals mandating taxation so long as the specific details were left to the State.

In other words, to those who say this is not a danger, I say look at the Missouri case, where the court, upheld by the Supreme Court, made it clear that the lower court's decision could hold, mandating taxation by the State.

If that precedent holds and somebody comes in under this constitutional amendment and makes a case that has standing, they would very likely find some Federal judge who would be willing to take this case, the Missouri case, and act on it and perhaps even order taxation under that theory.

If the Supreme Court can permit Federal courts to order the imposition of taxes to address nonbudgetary issues—that is what the Missouri case was—in my view, it is quite likely the court would consider it appropriate to order taxation to meet the specific constitutional objective of a balanced budget. It seems to me it is more likely that they would order it in that case than it even was in the Missouri case.

Madam President, an alternative argument against this amendment is, because there have been relatively few cases in which the Supreme Court has stretched the political question doctrine, we can rely on legislative history of this balanced budget amendment to discourage the court from asserting new powers over the budget.

Again, I do not agree. Legislative history has not been particularly helpful. In fact, it may even be considered harmful. The discussion in the committee report, for instance, on page 9, the committee report that brings out this amendment, expressly declines to state that the amendment precludes judicial review. Instead, the report states—this is the report before us by the Judiciary Committee:

> By remaining silent about judicial review in the amendment itself, its authors have refused to establish congressional sanctions for the Federal courts to involve themselves in fundamental macroeconomic and budgetary questions while not undermining their equally fundamental obligation to say what the law is.

Madam President, there is a vast difference between actually prohibiting judicial review as opposed to merely refusing to establish congressional sanction for judicial review. That is what this committee report does.

An activist court—we have many Federal judges that are still in activist category in a number of appeals courts—an activist court faced with a lawsuit based upon the balanced budget amendment, in my view, will have no trouble pointing out that Congress consciously decided not to prohibit judicial review. Legislative history of the balanced budget amendment underscores the potential for such a ruling. Last year, the Senate adopted the Danforth amendment expressly restricting judicial review. This year, the Senate rejected a similar amendment offered by Senator JOHNSTON. While the defeat of an amendment does not necessarily provide conclusive legislative intent of a desire to achieve the opposite result, it constitutes powerful evidence of intent when the issue is separation of powers and the Congress specifically rejects a proposal to frame a constitutional amendment in a manner that would protect the prerogatives of the legislative branch.

The legislative history in the House is even more of a problem. As Senator LEVIN noted, on February 15, Representative SCHAEFER, a lead sponsor of the House amendment, said—this is one of the lead sponsors on the House side, Representative SCHAEFER:

> A Member of Congress, or an appropriate administration official, probably would have standing to file suit challenging legislation that subverted the amendment.

He went on, the same Representative SCHAEFER, one of the prime authors of this amendment on the House side, quoting him again:

> The courts could invalidate an individual appropriation, or attack that. They could rule as to whether a given act of Congress, or action by the Executive, violated the requirements of this amendment.

In other words, Madam President, one of the prime authors of this amendment on the House side explicitly invites the court to get in the rulings on tax and spending decisions.

I find this very troubling. The statements by a lead sponsor in the House represents a wide open invitation for unelected life tenure members of the judicial branch to make fundamental policy decisions on budgetary matters. I have the highest respect for the judiciary. I do not believe, however, that making budget decisions is a role that would be sought or welcomed by the American people in terms of Federal judges carrying this out. In fact, I think a number of Federal judges, probably a majority them, would not welcome this kind of responsibility or this kind of jurisdiction. It is certainly not a role that our constituents would expect to be filled by unelected Federal officials. If we start having unelected officials making tax and budgetary decisions, we are basically going to be unraveling the Boston Tea Party in terms of the forefathers when they did not want taxation without representation.

Madam President, another argument in opposition to a limitation on judicial review is that cases will be dismissed because plaintiffs lack standing. As noted in the judiciary report, pages 9 and 10, the powers of the judiciary under article III of the Constitution traditionally have been limited by the constitutional doctrine that a lawsuit cannot be considered by the Federal courts unless a plaintiff can demonstrate that he or she has standing to bring litigation. Under current Supreme Court doctrine, the plaintiff must show that he or she suffered an injury, in fact that the injury is traceable to the alleged unlawful conduct, and that the relief sought would redress the injury. The Judiciary Committee report asserts that it would be vastly improbable that a litigant could meet these standards.

Again, I do not agree with that report. Assistant Attorney General Walter Dellinger provided the following examples of individuals who would have standing.

If a crime bill authorizes forfeitures, it thereby increases Federal revenue. A criminal defendant would have standing to challenge a forfeiture on the grounds that the bill was passed by voice vote rather than by a rollcall vote as required by the balanced budget amendment.

Another example from Assistant Attorney General Walter Dellinger is that if the President were to reduce Social Security benefits in order to address the balanced budget amendment, a Social Security recipient would have standing to challenge the President's decision.

It is not too difficult to contemplate other scenarios. If welfare benefits are cut by the President, a welfare recipient could challenge the authority of the President to do so. At least that is the risk. If the President declines to cut welfare benefits, a State could challenge the President's failure to do so. If a State terminates a highway improvement contract because the President cut Federal funds, it is likely that both the State and the contractor would have standing to challenge the President's actions.

In each of these cases, the litigant, whether an individual, a company or a State would have standing because the litigant could meet all three elements of the test of standing: The entity suffered an injury in fact, No. 1; the injury was clearly traceable to the action or inaction under the balanced budget amendment, No. 2; and, No. 3, the relief sought, which would be invalidating the action or mandating a tax or expenditure, would redress the injury.

As Senator JOHNSTON noted on February 15, the experience of the States with balanced budget amendments demonstrates the likelihood that the court will find standing to institute lawsuits under the balanced budget amendment as reflected in litigation that is taking place in Louisiana, Georgia, Wisconsin, and California. Some have suggested that, because the States did not experience a flood of litigation, there is nothing to worry about. Again, I do not agree.

As former Solicitor General and Harvard Law School Professor Charles Fried noted, and quoting him:

> The experience of State court adjudication under State constitutional provisions that require balanced budgets and impose debt limitation shows that courts can get intimately involved in the budget process and that they almost certainly will.

Madam President, it would only take one or two well-placed cases a year to create budgetary chaos during the years that it would take from the time the lawsuit was initiated to the time that it was resolved by the Supreme Court of the United States. It does not take but one case to put clouds over a whole issue, such as bond issues or Treasury notes.

I do not think we are thinking through what we are doing here in not putting an amendment in here that makes this judicial review clear and makes it clear where the limitations are.

Madam President, some have contended that a constitutional provision governing judicial review is not necessary because Congress can restrict judicial review by statute in the future. Again, I dissent. I do not agree.

In the first place, there is no guarantee that such limitations would be placed in the implementing legislation. If we believe judicial review should be restricted under this constitutional amendment, we need to say that and we need to say it now before we pass it and before the States vote on it.

Second, although the courts have sustained certain statutory limitations on judicial review of statutory and common law rights, there is no case in which the Supreme Court has held that Congress could cut off all avenues of judicial review of a constitutional issue.

If there is, I want someone to show it to me. Where is the case by the Supreme Court that says Congress can cut off the right of the Supreme Court to issue a ruling on the Constitution of the United States? I have not seen that ruling.

As noted in the highly respected analysis of the Constitution prepared by the Congressional Research Service:

> [T]hat the Congress may through the exercise of its powers vitiate and overturn constitutional decisions and restrain the right of constitutional rights is an assertion often made but not sustained by any decision of the court.

Let me read that again. The Congressional Research Service says:

> [T]hat Congress may through the exercise of its power vitiate and overturn constitutional decisions and restrain the exercise of constitutional rights is an assertion often made but not sustained by any decision of the court.

Madam President, the only way to ensure the validity of legislation restricting jurisdiction on a constitutional matter is to expressly restrict judicial review in the text of the constitutional amendment. If we do not do that, we are inviting litigation, we are inviting judicial chaos, and we are inviting at least a risk of the fundamental overturning of the balance of powers and the separation of powers between our branches of Government.

I do not believe a conservative body wants to do that. I just cannot believe we want to do that, particularly since we passed the same amendment last year and we have rejected it this year, which is even more of an invitation for the courts to construe that we really are inviting judicial review. It is inconceivable to me that we are not going to get 50 votes to make this clear. It is really literally inconceivable.

Some have asked, ''How can we have a balanced budget amendment and how can it be enforced without judicial review?''

The first thing I would say on that, Madam President, is that we all take an oath to abide by the Constitution. That is part of the oath that we subscribe to when we come into this body. I do not believe that Members of this body will intentionally violate that oath, nor do I believe they will risk the wrath of their constituents by violating the Constitution.

We may have 60 Senators who decide it is not a year for a balanced budget under this amendment, but that is in keeping with the amendment. That is not in defiance of it. It is permitted under the amendment.

If Congress finds that such judicial review is desirable, it can tailor a statute to meet particular requirements.

I have heard people say, ''You don't need to propose it in this amendment because we can come back by statute and do this.'' It seems to me that that is simply not the case. I do not agree with that.

But I do believe that if we pass this amendment and then we decide that we want some judicial review—I probably will not want it—but if some people decide it, then there is no reason they cannot propose it, because this amendment permits the Congress to grant judicial review by statute if the Congress decides to do so.

So we can tailor a statute to meet requirements in the future. We will have all the flexibility we need to meet that.

Under my amendment, Congress can decide based on experience what remedies are best—whether judicial review should include only declaratory relief or whether it should include injunctions; whether it should be directed only at spending or whether it should include taxes. On the latter, I certainly will adamantly oppose any kind of judicial review that gives the courts the power to set spending or to set taxes. These are decisions Congress should make and it should be made based on experience.

The amendment in its present form, I believe, is defective because it fails to address these issues. It leaves the whole situation ambiguous.

In fact, as I have said, it leaves it worse than ambiguous because we are now debating essentially the same constitutional amendment we had last year. Last year, the Danforth amendment, which precluded this kind of judicial review without expressed statute, was passed. It was part of that amendment. This year, it has been expressly defeated on the floor of the U.S. Senate. And I would submit that any Federal judge would look at that that wants to get involved and they would say, ''There is our invitation that Congress clearly could have precluded it. They consciously precluded it last year, 1994, and they did not preclude it in 1959.'' And some of the authors of the amendment on the House side even invited this kind of judicial review.

Madam President, I know that many of my colleagues have grave reservations about this overall balanced budget amendment because of its impact on congressional spending powers. I understand these concerns, but, frankly, I think that we are down to the point where we have about 40 years of experience and without a constitutional amendment we have simply not come to grips with our fiscal problems.

It is my hope that I can vote for this constitutional amendment. But I will not be able to vote for it unless we make it clear that the judiciary of this country is not going to tax and spend and we are not going to change our form of Government back door by a constitutional amendment that is ambiguous on this question.

I understand the concerns that people have, many concerns about what will happen in various forms of spending under this constitutional amendment. Those concerns are legitimate. Many of those concerns, however, go to the question of whether we are going to ever have a balanced budget at all under any such kind of provision.

I also understand and have great identification with the view expressed by those who supported the Reid amendment on the Social Security exclusion. Some people have described that, in my view, certainly from my

perspective, erroneously as being an amendment that says we are not going to touch Social Security. Far from it. My view and my position on that is the Social Security system has to be dealt with. I do not think we have to do anything that hurts people on Social Security now, or those about to retire. But we cannot continue to borrow the money from the Social Security trust fund every year, put it in the operating fund, and then put a Treasury bill in the Social Security trust fund.

Not only are we doing that, this constitutional amendment, unless we deal with that—and we are not dealing with it now because the Reid amendment was defeated—this constitutional amendment basically invites, it invites raiding the trust fund. Because it defines debt as being debt held by the public. Trust fund debt, putting a Treasury bill in the trust fund, is not debt held by the public. And we have what probably is inadvertent—I hope it is inadvertent—we have an inadvertent provision here in this amendment that basically invites building up more surpluses in the trust fund because you can borrow those funds with impunity from the operating fund and it does not require 60 votes.

Now I think that is another flaw that needs to be dealt with. And I would think the authors of this amendment would want to deal with these flaws. But we are about to put something in the Constitution. I know the argument is that if we make any amendment here it has to go back to the House and that causes trouble; it would cost time.

Madam President, we are about to amend the Constitution of the United States. We are about to put a provision in here that may be here 50 years from now, 100 years from now, or 200 years from now. I cannot conceive of passing something that we believe or a majority believe is flawed in an effort to get something through in a rapid fashion.

I hope that we will deal with Social Security also, because, if we do not, Madam President, in spite of the fact that the 2002 date may be met—and I hope it is under this, if it is passed and ratified by the States; that is we, by the definition of this amendment, may have a balanced budget in 2002—and that would be an improvement, certainly an improvement over the present situation—it really will not be a balance because we will be borrowing about $100 billion that year from the Social Security trust fund and that will count as a balance. We will put a Treasury bill in the Social Security trust fund and then we will say that we have met the balance.

And yet, by the year 2013 or 2014, in that neighborhood, the general operating fund will owe the Social Security trust fund about $3 trillion. We will do that. We will have that kind of debt to the Social Security trust fund even if we meet the mandate in this balanced budget amendment by 2002. And even if we have a balanced budget amendment in 2002, 2003, or 2004, if we meet it every year, we are still going to be rolling up debt. We are still going to have an operating budget that is out of balance because we are operating by borrowing from the Social Security trust fund.

Not only the principal; we are borrowing the interest. What happens when the baby boomers retire? We will wake up in this country and we will find we owe $3 trillion. We no longer will have three workers for every retiree. We will be moving 2½ down to 2.

At some point in the 2020's what we will have to do in order to have a Social Security fund be able to meet its payments, we will have to begin paying back that $3 trillion. Guess what happens then? We will be able to say for a few more years the Social Security trust fund can meet its obligations, but the general fund is going to have to borrow money, or we will have to tax people much, much greater than we are taxing now. In fact, the tax rates could become almost unbearable and almost unworkable in that situation.

Now, I have to say that if we deal with this Social Security question like the REID amendment or some other amendment, and I hope we will, in my opinion, in all honesty, it will take more than 7 years to get the budget balanced. We should not keep the 7-year provision in this bill because we will have to find another $110 or $120 billion in the year 2002. It will probably take more like 10 years.

But I cannot think of anything more disillusioning to the American people than to go through the whole constitutional action here, pass it in the Senate, pass it in the House, pass it in three-fourths of the States, get down do 2002, 2003, 2004 and discover we have been borrowing money from the Social Security every year and that we still do not really have a balanced operational budget.

Only in the macro sense will we have the economic effect, but we will be rolling up debt after debt after debt. We will owe $3 trillion by the time many of our children will be getting to the point they retire. That is going to be very, very disturbing.

It is my hope that we will deal with both of these matters. On the Social Security I know there are a lot of people who feel that way. If we do not deal with it here, it will come up over and over and over again this year. We will be caught in a catch-22. We will be caught in a catch-22.

I may not vote against this amendment because of Social Security, although I may. I have not decided that. I certainly know that I am not going to be able to support this unless we deal with the judicial part of this judicial review.

Assuming we pass this, we are going to be dealing with it, they will continue big efforts on the floor of the House and the Senate to get Social Security out of here—not because Social Security itself does not have to be addressed. It does. We will have to address it separately. We should be addressing the Social Security system not as a way of building up surpluses that mask the true size of the Federal deficit. We ought to be dealing with it to preserve the integrity of that fund over a long period of time, and to make sure that our elderly people are fully protected. I am afraid that is not the way we will go.

Madam President, one final thought. The way this amendment is worded now where it is only debt held by the public that counts in terms of debt, what we have is a major enticement for a loophole in this amendment. The loophole is, if we create more surplus in the trust funds, the Social Security trust fund, the airport trust fund, the highway trust fund, where our gas taxes go, the more surpluses we build up in there, the less we are going to have to do on deficits because those surpluses can be borrowed under the provisions of this amendment with impunity.

They will not count as deficit. They will not count as debt. I think that is a major mistake. I think it is a real flaw in this amendment. I think it will come back to haunt us. If this passes and is ratified we will have people—year after year, and at some point it will probably pass—come to the point where they say we are not going to continue to use these Social Security surpluses. We will stop that.

It may happen on the budget resolution. At some point, the people of this country will find out and we will pass that kind of recusal. It may be on a budget resolution, and then we will be in the dilemma. We will have 7 years to get the budget balanced under this constitutional amendment.

We are not going to be able to change that by statute. We will not be able to meet the requirements, because at some point we are going to come to our senses and quit borrowing that Social Security trust fund each and every year. Then we will be in a situation, I predict, where we will not be able to meet the requirements of the balanced budget amendment by 2002, setting off a whole other round of disillusioned people out there, wondering if we will ever be able to deal with our fiscal problems responsibly.

Madam President, I point these flaws out because I am one who hopes to be able to support this constitutional amendment as a last resort. I think having a constitutional amendment to deal with fiscal matters and budgetary questions is really a tragedy. I think it is an indictment of our entire political process that we are at this point. But we are at this point.

I am one of those who would, if we have the right provisions in this amendment, I will vote for it. If we do not, it will be very difficult, but I will have to cast my vote no. The judicial part to me is enormously important, as I have said over and over again in this presentation, and I have said it privately to my colleagues, and I have said it in many different forums. The

last thing we need added to our budgetary difficulties in this country is to have Federal judges setting tax and spending policy.

Madam President, I understand both of my amendments are now in order and are sequenced, and I will be entitled to have votes.

The PRESIDING OFFICER. The Senator is correct.

Mr. HATCH. Madam President, I have listened carefully to the comments of my colleague. I have to say that I am disappointed he feels the way he does because I believe that the amendment that he offers does not accomplish what he wants to accomplish anyway.

Declaratory relief can be just as intrusive as an injunction. When a court declares a statute unconstitutional, it has the same effect as enjoining the Constitution. Exactly the same thing.

My dear friend and colleague, who I have a great deal of admiration for and who I respect very much, seems to agree that the standing doctrine would give the courts the ability to interfere with the budgetary process, but because it is a possibility that the courts might interfere, certainly not a probability under anybody's viewpoint, that he would like to see that changed. Well, that may be. Others would like to not see it changed.

The Senator cited Missouri versus Jenkins. I have to say Missouri versus Jenkins is a 14th amendment case. The 14th amendment only applies to States. Frankly, it does not apply to the Federal Government. We have never had a ruling from the Supreme Court that applies to budgetary policy or macroeconomic policy in that sense, where the courts will tell a Federal Government to tax and spend.

The courts have maintained an aloofness from that. It is not a question in the mind of most who look at it. Missouri versus Jenkins is an example, but that case only applies to the States. As I say, it is a 14th amendment school desegregation case. The court in Jenkins noted that its result does not duplicate coequal branches or implicate coequal branches of government. There is no way that that case applies.

In fact, even that case is under severe questioning by almost everybody in law today as having gone too far, even though it was a desegregation case, which is considerably different from what we are talking about here.

I am confident, and I have no doubt at all, that we can deal with the judicial activism problem through implementing legislation. Here are some examples, the Norris-La Guardia Act, it is in effect today where Congress prohibited courts from enjoining labor disputes. We abide by it to this day because the courts were enjoining labor disputes. In contract and a whole variety of other areas, the courts were interfering. But the Congress decided to limit the jurisdiction of the courts and to this day we have abided by that limitation. The Anti-Injunction Act, prohibiting courts from enjoining collection of taxes.

We will, in the Judiciary Committee, make it a top priority, and certainly it will be a top priority of mine, to draft implementing legislation to deal with this matter. I hope my colleague will not get himself in such a position that he cannot vote for this when it is the best he is ever going to see under those circumstances.

Mr. President, the balanced budget amendment is a fine-tuned law. It manages to strike the delicate balance between reviewability by the courts and limitations on the court's ability to interfere with congressional authority. But the proposed amendment could destroy that balance and endanger the ability of the balanced budget amendment to effectuate real change in the way Congress does business.

The Nunn amendment, which is virtually identical to Senator DANFORTH's amendment of last year to the balanced budget amendment, would limit judicial remedies to declaratory judgments or such remedies that Congress specifies in implementing legislation.

If the purpose of the Nunn amendment is to prevent judicial activism, to prohibit the courts from ordering the raising of taxes, the cutting of spending programs, or the slashing of the Federal budget, as a vehicle it does not accomplish its aim. Simply put, in many circumstances a declaratory judgment can be as intrusive as an injunction. Consider a hypothetical situation where a Federal spending program is unconstitutional. Whether a court restrains the implementation of the program by injunction or declares that program unconstitutional, the effect is the same: The agency will not enforce the program.

The intrusive nature of declaratory relief was at least implicitly recognized by Justice Felix Frankfurter in *Colegrove* v. *Green*, 328 U.S. 549 (1946). In writing for the majority, Justice Frankfurter opined that a declatory judgment is a statutory equitable remedy that should only be granted when standards for granting an injunction are met.

Moreover, I fear that expressly permitting declaratory relief in House Joint Resolution 1 may be construed by some activist court as a constitutional invitation to interfere in the budgetary process—the very situation that Senator NUNN seeks to avoid.

Finally, I believe this amendment is unnecessary. The long existing and well-recognized precepts of standing, justiciability, separation of powers, as well as the political question doctrine, refrain courts from interfering with the budgetary process. Furthermore, as a further safeguard against judicial activism, pursuant to both article III of the Constitution and section 6 of House Joint Resolution 1, Congress may limit the jurisdiction of courts and the remedies that courts may provide. The Judiciary Committee will study this and draft implementing legislation to prevent undue judicial activism. The proper place to do this is in implementing legislation and not in the body of a constitutional amendment. No constitutional provision presently contains a jurisdictional limitation on courts.

Let me explain at greater length why I think the Nunn amendment is unnecessary:

JUDICIAL ENFORCEMENT

First let me state that I wholeheartedly agree with former Attorney General William P. Barr, who stated that if House Joint Resolution 1 is ratified there is:

> * * * little risk that the amendment will become the basis for judicial micromanagement or superintendence of the Federal budget process. Furthermore, to the extent such judicial intrusion does arise, the amendment itself equips Congress to correct the problem by statute. On balance, moreover, whatever remote risk there may be that courts will play an overly intrusive role in enforcing the amendment, that risk is, in my opinion, vastly outweighed by the benefits of such an amendment.

CONGRESS' POWER TO RESTRAIN THE COURTS

In order to resist the ambition of the courts, the Framers gave to Congress in article III of the Constitution the authority to limit the jurisdiction of the courts and the type of remedies the courts may render. If Congress truly fears certain courts may decide to ignore law and precedent, Congress—if it finds it necessary—may, through implementing legislation, forbid courts the use of their injunctive powers altogether. Or Congress could create an exclusive cause of action or tribunal with carefully limited powers, satisfactory to Congress, to deal with balanced budget complaints.

But Congress should not, as the distinguished Senator from Georgia proposes, limit judicial review to declaratory judgments. I believe that House Joint Resolution 1 strikes the right balance in terms of judicial review. By remaining silent about judicial review in the amendment itself, its authors have refused to establish congressional sanction for the Federal courts to involve themselves in fundamental macroeconomic and budgetary questions. At the same time, this balanced budget amendment does not undermine the court's equally fundamental obligation, as first stated in *Marbury* v. *Madison*, 1 Cranch 137, 177 (1803), to ''say what the law is.'' After all, while I am confident that courts will not be able to interfere with our budgetary prerogatives, I am frank enough to say I cannot predict every conceivable lawsuit which might arise under this amendment, and which does not implicate these budgetary prerogatives. A litigant, in such narrow circumstances, if he or she can demonstrate standing, ought to be able to have their case heard.

It is simply wrong to assume that Congress would just sit by in the unlikely event that a court would commit some overreaching act. Believe me, Congress knows how to defend itself.

Congress knows how to restrict the jurisdiction of courts or limit the scope of judicial remedies. But I do not think this necessary. Lower courts follow precedent, and the precepts of standing, separation of powers, and the political question doctrine effectively limit the ability of courts to interfere in the budgetary process.

Nevertheless, if necessary, a shield against judicial interference is section 6 of House Joint Resolution 1 itself. Under this section, Congress may adopt statutory remedies and mechanisms for any purported budgetary shortfall, such as sequestration, rescission, or the establishment of a contingency fund. Pursuant to section 6, it is clear that Congress, if it finds it necessary, could limit the type of remedies a court may grant or limit courts' jurisdiction in some other manner to proscribe judicial overreaching. This is not at all a new device; Congress has adopted such limitations in other circumstances pursuant to its article III authority.

In fact, Congress may also limit judicial review to particular special tribunals with limited authority to grant relief. Such a tribunal was set up as recently as the Reagan administration, which needed a special claims tribunal to settle claims on Iranian assets.

Beyond which, in the virtually impossible scenario where these safeguards fail, Congress can take whatever action it must to moot any case in which a risk of judicial overreaching becomes real.

STANDING, SEPARATION OF POWERS, AND POLITICAL QUESTIONS

There exists three basic constraints which prevent the courts from interfering in the budgetary process. First, limitations on Federal courts contained in article III of the Constitution, primarily the doctrine of ''standing.'' Second, the deference courts owe to Congress under both the political question doctrine and section 6 of the amendment itself, which confers enforcement authority in Congress. Third, the limits on judicial remedies which can be imposed on a coordinate branch of government—in this case, of course, the legislative branch. These are limitations on remedies that are self-imposed by courts and that, in appropriate circumstances, may be imposed on the courts by Congress. These limitations, such as the doctrine of separation of powers, prohibit courts from raising taxes, a power exclusively delegated to Congress by the Constitution and not altered by the balanced budget amendment.

Consequently, contrary to the contention of opponents of the balanced budget amendment, separation of power concerns further the purpose of the amendment in that it assures that the burden to balance the budget falls squarely on the shoulders of Congress—which is consistent with the intent of the Framers of the Constitution that all budgetary matters be placed in the hands of Congress.

STANDING

Concerning the doctrine of ''standing,'' it is beyond dispute that to succeed in any lawsuit, a litigant must first demonstrate standing to sue. To demonstrate article III standing, a litigant at a minimum must meet three requirements that were enunciated by the Supreme Court in *Lujan* v. *Defenders of Wildlife*, 112 S.Ct. 2130 (19920: First, Injury in fact—that the litigant suffered some concrete and particularized injury; second, traceability—that the concrete injury was both caused by and is traceable to the unlawful conduct; and third, redressibility—that the relief sought will redress the alleged injury. It is a large hurdle for a litigant to demonstrate the ''injury in fact'' requirement; that is, something more concrete than a ''generalized grievance'' and burden shared by all citizens and taxpayers.

Even in the vastly improbable case where an ''injury in fact'' was established, a litigant would find it nearly impossible to establish the ''traceability'' and ''redressibility'' requirements of the article III standing test. After all, there will be hundreds and hundreds of Federal spending programs even after Federal spending is brought under control. Furthermore, because the Congress would have numerous options to achieve balanced budget compliance, there would be no legitimate basis for a court to nullify or modify a specific spending measure objected to by the litigant.

As to the ''redressibility'' prong, this requirement would be difficult to meet simply because courts are wary of becoming involved in the budget process—which is legislative in nature—and separation of power concerns will prevent courts from specifying adjustments to any Federal program or expenditures. Thus, for this reason, *Missouri* v. *Jenkins*, 495 U.S. 33 (1990), where the Supreme Court upheld a district court's power to order a local school district to levy taxes to support a desegregation plan, is inapposite. Plainly put, the Jenkins case is not applicable to the balanced budget amendment because section 1 of the 14th amendment—from which the judiciary derives its power to rule against the States in equal protection claims—does not apply to the Federal Government and because the separation of powers doctrine prevents judicial encroachments on Congress' bailiwick. Courts simply will not have the authority to order Congress to raise taxes.

POLITICAL QUESTION

The well-established political question and justifiability doctrines will mandate that courts give the greatest deference to congressional budgetary measures, particularly since section 6 of House Joint Resolution 1 explicitly confers on Congress the responsibility of enforcing the amendment, and the amendment allows Congress to ''rely on estimates of outlays and receipts.'' Under these circumstances, it is extremely unlikely that a court would substitute its judgment for that of Congress.

Moreover, despite the argument of some opponents of the balanced budget amendment, the ''taxpayer'' standing case, *Flast* v. *Cohen*, 392 U.S. 83 (1968), is not applicable to enforcement of the balanced budget amendment. The Flast case has been limited by the Supreme Court to establishment clause cases. Also, Flast is, by its own terms, limited to cases challenging taxes created for an illicit purpose.

I also believe that there would be no so-called congressional standing for Members of Congress to commence actions under the balanced budget amendment. Because Members of Congress would not be able to demonstrate that they were ''harmed in fact'' by any dilution or nullification of their vote—and because under the doctrine of ''equitable discretion,'' Members would not be able to show that substantial relief could not otherwise be obtained from fellow legislators through the enactment, repeal, or amendment of a statute—it is hardly likely that Members of Congress would have standing to challenge actions under the balanced budget amendment.

Mr. President, I believe it is clear that the enforcement concerns about the balanced budget amendment do not amount to a hill of beans. The fear of the demon of judicial interference is exorcised by the reality of over a century of constitutional doctrines that prevent unelected courts from interfering with the power of the democratic branch of Government and that bestow Congress with the means to protect its prerogatives.

Madam President, I will over the weekend try to answer every question that he has raised because I know that he is raising sincere questions. We have answered some of them, but we will answer all of them.

I hope he will keep his options open, because this is no small matter. We have worked on this ever since I have been in the Senate. It has been Democrats and Republicans. We have no way of pleasing everybody in this body or that body. It has taken a consensus. It has taken the work of literally hundreds of us to get to this point.

I wish I could accommodate every Senator who wants to change something here, but I cannot. Anybody who says that Social Security debt is not public debt I do not think understands the budget. The fact of the matter is we owe that as the Federal Government, and we owe it to the public from whom it is borrowed. And that is every senior citizen in this country that will exist at the time those notes come due.

But be that as it may, we have done the best we can. I believe the amendment will be voted up next Tuesday, but if it is voted down, so be it. I have lived with it as long as anybody. I have done everything I possibly can to satisfy everybody. So has Senator SIMON and others who have worked on this,

and there is just no way we can do that.

Frankly, it is a choice between doing nothing, again, or doing what we can do. That is what it comes down to. I think when the votes are cast next Tuesday, we are going to do what we can do because everybody here knows we have to take drastic action. We can no longer afford to let this thing go; we just no longer can afford to do it.

I have a lot of respect for my colleague from Georgia, and I would like to accommodate him in every way. I wish I could. I always try to do that with him because he is one of the great Senators here, and I am not just saying that. I know that and I feel that, and he is my friend. But I just plain do not believe that a constitutional case can be made that will allow the courts to interfere in the budgetary process of the Congress without the Congress slapping the living daylights out of the courts.

I suppose anything is possible, but with the amendment that he has, declaratory judgment relief may put us in a bigger bind than not having it there at all. That is why I did not like that last year, to be honest with you. It would be a lot better for us to work on restricting the jurisdiction of the court, which we can do, as we did in the Norris-LaGuardia Act, and a number of other cases, and do it in a straight-up, intentionally good way. It would pass overwhelmingly if not unanimously in both bodies. We can do that and do it right without scuttling the one chance in history to get spending under control and to get our priorities under control, part of which the distinguished Senator from Georgia and I would fight our guts out for, and that is the national security interests of this country.

The only way we are ever going to get to that point where we really start being concerned in the Federal Government about the real priorities of government, especially the Federal Government, is to have this consensus, have it written into the Constitution whereby we have a rule that requires us to do something. This is our chance.

If I could make it perfect, I would do that. There are ways that I would write this differently if I were the sole arbiter or dictator in this body. I am sure that is true with just about everybody in this body. But we come to a point sometimes in this life where we have to do the best we can.

Frankly, if the distinguished Senator insists on having these amendments added to it, we lose votes otherwise. And we lose anyway if his vote is the deciding vote in this matter, and it very well may be—I suspect it is—or at least comes close to being. I am not going to give up no matter who votes against this.

To make a long story short, I wish I could accommodate him. So do a lot of others. I would always accommodate my friend from Georgia, if I could. But we always have 535 people we have to accommodate around here if we do that.

Look, I believe we have done the best job we can to bring an amendment to the floor of both Houses. This amendment has passed before. I believe my colleague has voted for it before. The last one did have this declaratory judgment in, and I did not like that and neither did a lot of others, but we swallowed hard and took it at that time because the Senate had to pass it, and we did not pass it, by the way. We lost by four votes. It did not work. We did get Senator Danforth. But the fact of the matter is, it did not pass.

Mr. NUNN. Will the Senator yield?

Mr. HATCH. I will be glad to.

Mr. NUNN. I thank my friend from Utah. I know how hard he has worked on this. I do know, having managed bills on the floor, that you cannot accommodate everyone. I understand that. You have to count the votes and make those judgments. I respect that.

As my friend knows, I have immense respect for him and his leadership in this matter and on every other matter. The reason I put in the Danforth amendment, as you know, the Johnston amendment had nothing in it about declaratory judgment, and that was voted down. The Danforth amendment had been accepted. I would just as soon have left out the declaratory judgment part. That was put in because that amendment was accepted by the Senator from Utah and the Senate last year.

I have another amendment here that basically says:

> The judicial power of the United States shall not extend to any case or controversy arising under this article except as may be specifically authorized by legislation adopted pursuant to this section.

I am perfectly willing to modify my amendment and substitute this, which leaves out any reference to declaratory judgment. I can do that now, or if you want to look it over.

Mr. HATCH. I have to say that is preferable. But I also have to say, I think that my friend knows how I feel about him; I do not have a person I look up to more than my friend from Georgia in this whole body. But I am worried if my friend insists that either language has to go in here—I would like to accommodate him—but if he insists on it, I think this battle may well be over, because even if we could pass it here, I am not sure we can over there.

They have done a good job. It comes down to doing the best we can. I have to say, I can make this amendment more perfect. I can give you a variety of ways of doing that, but I cannot get a consensus to go with me. It has been a hard thing for me, too.

Look, I spent my lifetime, as the distinguished Senator has, in the law. I hold the ABA rating for Martindale-Hubbell, and I really feel deeply about the law. I feel deeply that we could write other things in here that might make it more perfect—no doubt about it—but I cannot get a consensus. I hope my friend will consider that because we worked our guts out to get this here. This is the last chance I think we may ever have to pass it.

I have to say that that amendment, even if that were accepted, would do very little more than what we can do by doing good implementing legislation afterwards. And I promise my friend that I will write that with him to his satisfaction and help get it through both Houses of Congress, and I think we can do it before the summer is up.

But let me tell you, I think it will work just as well as any other change where we have limited jurisdiction of the courts. I will work together with him to do that. I do not think my friend has any doubt that Congress is going to zealously guard its rights. If any court—if any court—tries to infringe on our budgetary process, we are going to slap that court down so fast their heads are going to be spinning.

Mr. NUNN. I say to my friend from Utah, I have two problems with that argument. If Congress is going to zealously guard this right, this is the time to do it when we are amending the Constitution, because once you have put it in the Constitution, you have elevated the whole matter to the judges and the judges then decide their responsibility and their duties under the Constitution. And there is no case that indicates that the Supreme Court is willing for Congress to make the final decision about which jurisdiction the courts have in interpreting the Constitution of the United States.

Mr. HATCH. There are a lot of cases—I will try to look them up for the Senator—where the court has deferred completely to Congress, and in every budgetary case of congressional budgetmaking, the courts have stayed out of them.

Mr. NUNN. I say to my friend, I think he is absolutely sincere in that, and I hope his legal arguments will prevail both in this body and in the courts if this amendment becomes law.

I also will say, those who passed the 14th amendment to the Constitution that resulted in an interpretation in the Jenkins versus Missouri case, I suspect those people would have been shocked to find that the Federal courts used the 14th amendment to require a State to raise taxes.

I doubt very seriously if any of the authors of the 14th amendment anticipated that later on the Federal courts were going to require a State to raise taxes. I think they would have been in pretty much the same position you are in now. They would have argued vigorously that it would never happen. But it did happen. I think it could happen in this manner. It may even be more likely here in dealing with budgetary matters and putting an explicit provision into the Constitution.

Mr. HATCH. If my friend will yield, I think that is not a great concern. I will

tell you why. First of all, Jenkins versus Missouri was a desegregation case where the court decided to enforce desegregation the way it did, and it used the 14th amendment, which only applies to the States. It cannot be used to apply to the Federal Government.

Mr. NUNN. This amendment can.

Mr. HATCH. Not really. In section 6, it says, ''Congress shall enforce and implement this article by appropriate legislation.'' In other words, we have constitutional impetus. If my friend would work with me to come up with implementing legislation that would restrict the courts—which it will—and which will pass overwhelmingly in both bodies, we have the total authority and direction under this amendment to do that. I cannot imagine any court in the land that would ignore that mandate in a constitutional amendment; I just cannot.

Mr. NUNN. My problem is, I say to my friend—and I know he is an eminent legal scholar, but there are other constitutional scholars, such as Nicholas Katzenbach, Robert Bork, Mr. Freed, Larry Tribe, and a number of others, who fundamentally disagree with that analysis.

Mr. HATCH. But they cannot disagree with the fact that, look, there is no provision in the Constitution today, and neither will this be a provision, that will limit judicial review. That is a premise I think we have to agree with.

Mr. NUNN. The 11th amendment to the Constitution is an explicit part of the Constitution, and it does limit judicial review. It says:

''The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.''

Mr. HATCH. We are talking about implementing legislation mandated by a constitutional amendment that allows us—in fact, mandates us—to come up with implementing legislation to enforce this article. That is different from that. I agree the courts can have judicial review—I do not think there is any question about that—on anything they want to take jurisdiction of, but they have to abide by section 6. ''The Congress shall enforce and implement this article by appropriate legislation.'' And they will abide by that. I do not think Judge Bork or Freed or Dellinger, any of them, would say that is not going to be abided by if you and I and we pass it through Congress, do legislation implementing this that says the courts do not have the power to do so.

Mr. NUNN. My problem is, that is a big ''if.'' If we cannot do it now because there are people who oppose it here, and if we cannot make this clear now when you and I both agree that we do not want the courts involved in this, what makes the Senator believe we can do it by statute?

Mr. HATCH. It would be easy to do by statute because I believe——

Mr. NUNN. Why, when one of the authors of the amendment on the House side says he wants judicial review? Evidently, there are people over on the House side that want judicial review. Otherwise, the Senator would not be in the box he is in, in terms of not being able to get this amendment accepted.

Mr. HATCH. He was a cosponsor of the amendment. He is not even an attorney. He is an intelligent person but not a constitutional scholar. I do not think that anybody doubts that his comment that he wants judicial review means a doggone thing.

Mr. NUNN. To get legislation passed, we do not have to get 50 percent of the constitutional scholars, we have to get 50 percent of the people voting.

Mr. HATCH. Right. I do not think the Senator from Georgia doubts for a minute that we can get 51 percent in each body to pass implementing legislation that would limit the jurisdiction of the courts in this matter.

Mr. NUNN. I would not have doubted it until we started debating this several days ago and, to my surprise, I saw the Johnston amendment defeated. I would not have doubted it until then. I cannot conceive a U.S. Senate—now a conservative majority—leaving in an ambiguity about whether the Federal courts are going to be given the license or invitation to take over taxing and spending decisions under a constitutional amendment. I could not conceive that until 2 weeks ago.

Mr. HATCH. Remember that I as the manager of the bill led the fight to defeat that amendment. I will lead the fight to make sure the implementing legislation does what the Senator from Georgia wants it to do.

There is no way that this amendment solves every problem with regard to budgeting or with regard to balancing the budget that can possibly come up. There is no way you can do that without writing a 300-page statute. And even then you cannot do it.

So what I am saying is that I hope my colleague will at least let me work on answering his questions over the weekend. I hope he will look at the answer and keep his powder dry on this and look at the fact that we have done our single best—our collective best, really—to come up with an amendment that is the only one we can come up with. It will work. We can implement it.

The implementing language can be the way the Senator would like it to be, I have no doubt in my mind. I do not think the distinguished Senator from Georgia has much doubt that we can pass the implementing legislation on this. I have even gotten the acquiescence of the Speaker of the House that he will work hard to get it passed. I do not have any doubt at all that we will do that.

The Johnston amendment—even if it were accepted—would still have to have implementing legislation one way or the other. We can do what the Senator wants done, and I have no doubt that we can—and I do not think anybody doubts that, including the Senator from Georgia especially, if we all come together—and still make that giant step to try to get spending under control.

Mr. NUNN. I say to my friend that there is a vast difference in having to pass implementing legislation in order to block a court from exercising jurisdiction and having to pass implementing legislation if they are going to have jurisdiction.

If we pass this amendment, the implementing legislation would be required, but in the absence thereof, the courts would have no jurisdiction. If we do not pass this amendment, it is my great fear that the courts will have jurisdiction unless we pass implementing legislation; and even if we do, the courts can say that implementing legislation exceeds the powers of Congress to limit their constitutional review because they have jurisdiction over the Constitution. When we put this in there, it is an invitation to assert that jurisdiction. Maybe they would not do it. Maybe it would not happen next year or the year after or in 5 years. But we have a risk that at some time this amendment—without clarity on the judicial review provision—could change the balance of powers in this country and basically eliminate a whole part of the separation of powers. I do not think the people of this country really want that.

Mr. HATCH. That is true in every provision in the Constitution. The courts have the right of judicial review if they want to exercise it. If we take that position, we would have to exclude them from everything in the Constitution that we do not want them to be involved in. The fact is that the courts have been scrupulous, for the most part—other than in Jenkins—in these areas. Jenkins does not apply because it is a 14th amendment case. But even then it is held in disrepute by most scholars because it went too far. Still it was not on point, nor can it be used on point.

If we are going to have runaway courts, it will not make any difference what we write into this amendment. The fact is that we have to have some faith in the courts that they are going to live within the constraints that the Constitution allows for. In this particular case we have article III, which allows us to restrain or restrict the jurisdiction of the courts, which I propose we can do in implementing legislation. And we have section 6 here of the amendment, which tells us we have to implement this and enforce this legislation.

So all I am saying is that I am not sure we are arguing differently. I am concerned, just like my friend from Georgia is. But I think we can resolve

it by working together to get it resolved without scuttling the whole effort that has now taken almost 4 solid weeks on the floor.

Mr. NUNN. I say to my friend that I thank him for listening, and I thank him for his concern and leadership. I assure him that until the final vote, I will continue to listen to him and try to work with him. It is my hope, though, that there would be some revisiting going on between the people who are saying they could not accept this amendment and the Senator from Utah, because the people I talked to on the House side, including Republican and Democratic leadership—not all of them, but a number—who are leading the way on this amendment, indicate to me this kind of provision would be acceptable and even welcomed by them.

Mr. HATCH. Some feel that way, and others do not. That is one of the problems I have.

Mr. NUNN. There is a group of those who want the judiciary to basically get involved in these decisions.

Mr. HATCH. Those who want to defeat the amendment—there are still some of those, and we have found in the process that there are some of those who even voted for it in the past but who now would like to see it defeated.

Mr. NUNN. I am not one of those.

Mr. HATCH. I am not suggesting that.

Mr. NUNN. I would like to say that.

Mr. HATCH. I hope it is not true. I am counting the Senator is not.

The fact is that is the kind of problem we have been faced with. All I can say is I am trying to do the best I can as one inferior mortal, to try to bring this thing to fruition and try to do the best I can to get us to a point where we really have the chance to do something about our national debt. To me this is our only chance, and I do not think I am standing here alone on that. Even the Senator from Georgia has acknowledged that we need something like this to do it. It is just he wishes he could write this into it.

Mr. NUNN. I wish we did not need it, but we do, I am afraid.

Mr. HATCH. I thank my friend from Georgia, and we will try to bring more light to this subject as the week goes on.

Mr. MOYNIHAN. Madam President, in my remarks yesterday I continued the examination of our experience since the advent of contemporary economics in moderating the business cycle and substantially resolving the crisess of capitalism which in the century before World War II was widely seen as implacable and unresolvable. The business cycle of the industrial age with its extraordinary alterations of boom and bust was a new experience for mankind. Many concluded it was an unacceptable experience—that capitalism had to go; that private ownership had to go. Then a learning process took place and the problem has moderated to the point when it can be said within reason to have been resolved.

The swings that we experienced would be near-to-unbelievable today; certainly unacceptable.

In 1906, output increased by 11.6 percent, to be followed 2 years later by a decline of 8.2 percent in 1908, and an increase of 16.6 percent in 1909.

In 1918, output increased by 12.3 percent to be followed by 3 years of negative growth including a drop in output of 8.7 percent in 1921.

Then came the Great Depression. After increasing by 6.7 percent in 1929, output fell by 9.9 percent in 1930, another 7.7 percent in 1931, and then a further decline of an incredible 14.8 percent in 1932.

After World War II all this changed, following a brief adjustment period, as we converted from a war-time to peacetime economy. Since then the largest reduction in output was 2.2 percent in 1982.

In my earlier remarks I attributed the steady growth in the post World War II period to ''a great achievement in social learning'' which we would put in jeopardy if we adopted the balanced budget amendment.

We have learned to moderate the business cycle using the budget as a counter-cyclical tool. We used this knowledge in both Republicans and Democratic administrations. For example, George P. Shultz—one of the most admired public men of his generation—while OMB director in the Nixon administration put in place expansionary budget policies that stimulated the economy following the 1970–71 recession.

In my remarks on February 10 and February 13, and again yesterday, I indicated that several economists, including staff working for Charles Shultze, chairman of the Council of Economic Advisers in the Carter administration, have concluded that if we try to balance the budget in the middle of a recession that the unemployment rate could exceed 10 percent—a level that was reached only momentarily, during the 1981–82 recession, in all of the post-World II era.

In today's Wall Street Journal, Al Hunt reports on a Treasury Department study which confirms this analysis for the 1990–92 recession—a mild recession in which the unemployment rate rose from 5.1 percent in June 1990 to 7.7 percent in June 1992. Analysts at the Treasury Department estimate that

> * * * if a balanced budget amendment had been in effect—and the cyclical increase in the deficit had been offset by spending cuts and tax increases—the unemployment rate would have peaked somewhere in the range of 8.3 to 9.4 percent.
>
> The implication of this analysis is that employment would have been about 1.5 million lower in mid–1992 * * * if a balanced budget amendment had been in effect.

Clearly, if the recession had been deeper—in the 1979–82 period the unemployment rate increased from 5.6 to 10.8 percent—or if the unemployment rate at the beginning of the recession had been higher—the unemployment rate last month was 5.7 percent—then the unemployment rate would have increased to more than 10 percent if a balanced budget amendment had been in effect.

The Treasury Department study also analyzed the effects of the balanced budget amendment on the unemployment rate of each State. Even in the mild recession of 1990–1992, the unemployment rate could reach double digits in the following States, many of which are large industrial States:

Alaska, 10.6 percent;
California, 12.1 percent;
Florida, 10.4 percent;
Massachusetts, 10.9 percent;
Michigan, 10.0 percent;
New Jersey, 11.8 percent;
My own state of New York, 11.4 percent;
Rhode Island, 10.6 percent;
West Virginia, 13.5 percent.

Madam President, I ask unanimous consent that the text of the Treasury Department study entitled ''The Balanced Budget Amendment and the Economy'' be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1)

Mr. MOYNIHAN. Madam President, and what is our reaction to the potential economic impact of the balanced budget amendment? According to Louis Uchitelle of the New York Times,

> Such estimates of the potential impact are not emphasized very much, however, in the debate over the balanced budget amendment. So far, the battle has focused on its value as a tool to shrink government or to discipline spending. But if the amendment is enacted, the side effect would be huge: a system that has softened recessions since the 1930's would be dismantled.

Let me repeat part of this observation: ''if the amendment is enacted, the side effect would be huge: a system that has softened recessions since the 1930's would be dismantled.''

To put it simply, if ratified, the balanced budget amendment would substitute budget policies that magnify the business cycle for policies that have dampened cycles in the post World War II period. In the pre-World War II period the Federal budget, except for war years, was about 2–3 percent of the GDP and had very little influence on macro-economic activity. After World War II, the Federal budget exceeds 10 percent of GDP and becomes an important instrument for stablizing the economy.

The transformation is clearly discernible from this chart. After World War II, automatic stabilizers—which go into effect long before the National Bureau of of Economic Research has made a determination that we are in or have had a recession—and discretionary fiscal policy hugely moderate the business cycle.

Up until now the Federal budget in the post-World War II period has cushioned the effects of a recession. In this chart we have seen the result—only a few tiny declines. But now, if we tried to balance the budget in a recession, we would amplify the shocks and return the economy to the panics and depressions of the pre-World War II period shown on the chart.

What happens if we undo all that we have learned over the past 60 years? Joseph Stiglitz, a member of the President's Council of Economic Advisers, observes, in his comments to New York Times reporter Louis Uchitelle, that ''The Government would become, almost inevitably, a destabilizer of the economy rather than a stabilizer.''

The Treasury study, referred to earlier in my remarks, concludes with a theme that I have emphasized over the past few weeks on the floor of the Senate, as I have reviewed the history of fiscal policy over the past 40 years.

On February 8 I stated:

* * * I make the point that there is nothing inherent in American democracy that suggests we amend our basic and abiding law to deal with the fugitive tendencies of a given moment. I rise today to provide documentation as to how a series of one-time events of the 1980's led to our present fiscal disorders, even as events in the 1990's point to a way out of them.

Similarly the Treasury study concludes:

Large deficits in the recent past have led many to believe that a balanced budget amendment to the Constitution is the only way to ensure fiscal discipline. The large deficits of the 1930's and early 1990's, however, are an exception to the general pattern since World War II * * *.

The relatively small deficits prior to the 1980's and the experience of the past two years shows that fiscal discipline does not require such drastic action as amending the Constitution and the severe economic consequences that would result.

The choices before us are best summed up by William Hoagland, the respected Republican staff director of the Senate Budget Committee. In the New York Times article by Mr. Uchitelle Mr. Hoagland is quoted as follows:

There are risks associated with a balanced budget and I don't think anyone should deny them * * * Nevertheless, the debate on the floor has been dominated by what we must do to get the budget in balance, not what the risks of a balanced budget might be.

Before we adopt this balanced budget amendment let's make sure we understand the risks. As I study the pre and post-World War II patterns of economic cycles, that are clearly evident on this chart, I conclude that the risks are too great.

EXHIBIT 1

THE BALANCED BUDGET AMENDMENT AND THE ECONOMY: HOW A BALANCED BUDGET AMENDMENT WOULD HAVE WORSENED THE RECESSION OF 1990–1992

INTRODUCTION

So far the debate over a balanced budget amendment has been primarily a political debate. Proponents of ''cutting'' have squared off against proponents of ''spending.'' The one thing that has been oddly lacking is a straightforward discussion of how a balanced budget amendment might affect the economy. Thus, this paper examines the possible consequences of a balanced budget amendment on jobs, on incomes, and on the long-term standards of living of the American people.

Simply put, a balanced budget amendment could cause significant harm to the economy. The balanced budget amendment currently being considered by Congress would require the federal budget to be balanced by a date certain. This requirement could harm the American economy and American workers in two basic ways. First, the economy may have trouble handling the elimination of the deficit too fast—by cutting spending and raising taxes by about $1.2 trillion between now and 2002 ($1.6 trillion if tax cuts proposed in the Contract With America are adopted). Perhaps more importantly, requiring a balanced budget in every year, regardless of the economic situation, would hamper the ability of the federal government to lessen the impact of recessions.

DANGER TO THE ECONOMY

A balanced budget amendment would make economic recessions more severe than they otherwise would be. Currently the federal budget helps to lessen the impact of recessions through ''automatic stabilizers.'' These automatic stabilizers allow spending to increase and revenue to fall during times of economic hardship. For example, spending on federal government programs like unemployment compensation and food stamps automatically increase as the economy goes into recession because more people become eligible for the programs. In addition, as people earn less money as a result of a recession, they pay less in taxes. While these changes in spending and taxes increase the deficit, they serve to reduce the damage done by recessions to the American economy and American families.

A balanced budget amendment would force the government to raise taxes and cut spending in recessions—at just the moment that raising taxes and cutting spending will do the most harm to the economy and aggravate the recession.

How do automatic stabilizers work? On average, every one dollar drop in production and incomes as the economy enters a recession generates a twenty-seven cent increase in the deficit, as tax revenues fall and spending on programs rises.

Thus, a one dollar fall in incomes and spending becomes a fall of only 73 cents to the economy as a whole. Shocks to total demand and spending would therefore be more than one-third larger if the federal budget were forced to be in year-by-year balance as the economy goes through business cycles.

The principal benefit of the automatic stabilizers is that they are automatic and take effect immediately. We lack the advance notice of a recession for either Congress or the Federal Reserve to react effectively. For example, as of early 1991, the Federal Reserve concluded that it had adopted appropriate anti-recessionary policies and expected a recovery by mid-1992. It did not anticipate the further rise in unemployment.

Thus, while the Federal Reserve bears an important part of the responsibility for managing the business cycle, its ability to ''fine tune'' the economy is limited. Given the lags with which its policies affect the economy, the Federal Reserve would have difficulty compensating for the elimination of automatic stabilizers during recessions and the shock to the economy of reducing the deficit too fast. Even with the most effective Federal Reserve policy, a balanced budget amendment would amplify recessions and harm the economy.

THE RECESSION OF 1992

To illustrate how the business cycle would change under an amendment, consider the recession of 1990–1992. During this recession, the unemployment rate rose from 5.1 percent in June of 1990 to 7.7 percent in June of 1992. The automatic stabilizers in the federal budget injected roughly $87 billion into the economy in 1992 relative to 1990. This cyclical increase in the deficit helped to mitigate the impact of the recession, making the unemployment rate between 0.7 and 1.7 percentage points lower in June of 1992 than it otherwise would have been. Thus, if a balanced budget amendment had been in effect—and the cyclical increase in the deficit had been offset by spending cuts and tax increases—the unemployment rate would have peaked somewhere in the range of 8.3 to 9.4 percent.

The implication of this analysis is that employment would have been about 1.5 million lower in mid-1992—as shown in Chart A—if a balanced budget amendment had been in effect.

CONCLUSION

Large deficits in the recent past have led many to believe that a balanced budget amendment to the Constitution is the only way to ensure fiscal discipline. The large deficits of the 1980s and early 1990s, however, are an exception to the general pattern since World War II.

Further, while the deficit as a share of the Gross Domestic Product (GDP) did rise to high levels during the 1980s, this ratio is now on a downward trend. The deficit as a share of GDP, which was 4.9 percent in 1992, is currently projected to steadily decline to 1.6 percent of GDP in 2005. The Administration and Congress have achieved this through difficult decisions to reduce spending and to increase revenues (see chart B).

For example, before this Administration took office, the deficit was projected to be $400 billion in 1998—current projections show that this has been cut by more than half, to $194 billion. In fact, the federal budget is currently in primary surplus—revenues exceed the federal government's spending on all federal programs combined. The deficit is due solely to the cost of paying interest on the debt accumulated largely during the high deficits of the 1980s—not because we are overspending today (see Chart C).

The relatively small deficits prior to the 1980s and the experience of the past two years shows that fiscal discipline does not require such drastic action as amending the Constitution and the severe economic consequences that would result.

THE IMPACT ON ALABAMA JOBS IF A BALANCED BUDGET AMENDMENT HAD BEEN IN PLACE DURING THE RECESSION OF 1990–1992

The Balanced Budget Amendment and Alabama:

During the recession of 1990–1992, the unemployment rate in Alabama rose from 6.7 percent to a peak of 7.5 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Alabama would have peaked at a higher level: between 7.7 and 8.1 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 3,300 to 10,000 in Alabama in the recession of 1990–1992.

THE IMPACT ON ALASKA JOBS

The Balanced Budget Amendment and Alaska:

During the recession of 1990–1992, the unemployment rate in Alaska rose from 6.9 percent to a peak of 9.1 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Alaska

would have peaked at a higher level: between 9.6 and 10.6 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,300 to 4,000 in Alaska in the recession of 1990–1992.

THE IMPACT ON ARIZONA JOBS

The Balanced Budget Amendment and Arizona:

During the recession of 1990–1992, the unemployment rate in Arizona rose from 5.5 percent to a peak of 7.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Arizona would have peaked at a higher level: between 8.2 and 9.2 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 8,500 to 25,500 in Arizona in the recession of 1990–1992.

THE IMPACT ON ARKANSAS JOBS

The Balanced Budget Amendment and Arkansas:

During the recession of 1990–1992 the unemployment rate in Arkansas rose from 6.8 percent to a peak of 7.3 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Arkansas would have peaked at a higher level: between 7.5 and 7.8 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,600 to 4,800 in Arkansas in the recession of 1990–1992.

THE IMPACT ON CALIFORNIA JOBS

The Balanced Budget Amendment and California:

During the recession of 1990–1992, the unemployment rate in California rose from 5.3 percent to a peak of 9.3 percent.

Had the balanced budget amendment been in effect, the unemployment rate in California would have peaked at a higher level: between 10.2 and 12.1 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 129,400 to 388,100 in California in the recession of 1990–1992.

THE IMPACT ON COLORADO JOBS

The Balanced Budget Amendment and Colorado:

During the recession of 1990–1992, the unemployment rate in Colorado rose from 5.0 percent to a peak of 6.2 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Colorado would have peaked at a higher level: between 6.5 and 7.0 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 4,700 to 14,200 in Colorado in the recession of 1990–1992.

THE IMPACT ON CONNECTICUT JOBS

The Balanced Budget Amendment and Connecticut:

During the recession of 1990–1992, the unemployment rate in Connecticut rose from 5.0 percent to a peak of 7.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Connecticut would have peaked at a higher level: between 8.3 and 9.6 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 10,500 to 31,400 in Connecticut in the recession of 1990–1992.

THE IMPACT ON DELAWARE JOBS

The Balanced Budget Amendment and Delaware:

During the recession of 1990–1992, the unemployment rate in Delaware rose from 4.2 percent to a peak of 5.6 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Delaware would have peaked at a higher level: between 5.9 and 6.6 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,100 to 3,300 in Delaware in the recession of 1990–1992.

THE IMPACT ON FLORIDA JOBS

The Balanced Budget Amendment and Florida:

During the recession of 1990–1992, the unemployment rate in Florida rose from 5.7 percent to a peak of 8.5 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Florida would have peaked at a higher level: between 9.1 and 10.4 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 38,800 to 116,500 in Florida in the recession of 1990–1992.

THE IMPACT ON GEORGIA JOBS

The Balanced Budget Amendment and Georgia:

During the recession of 1990–1992, the unemployment rate in Georgia rose from 5.4 percent to a peak of 7.0 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Georgia would have peaked at a higher level: between 7.4 and 8.1 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 11,500 to 34,400 in Georgia in the recession of 1990–1992.

THE IMPACT ON HAWAII JOBS

The Balanced Budget Amendment and Hawaii:

During the recession of 1990–1992, the unemployment rate in Hawaii rose from 2.7 percent to a peak of 4.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Hawaii would have peaked at a higher level: between 5.2 and 6.1 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 2,500 to 7,600 in Hawaii in the recession of 1990–1992.

THE IMPACT ON IDAHO JOBS

The Balanced Budget Amendment and Idaho:

During the recession of 1990–1992, the unemployment rate in Idaho remained stable at 6.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Idaho would have peaked at a higher level: between 6.6 and 6.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 700 to 2,200 in Idaho in the recession of 1990–1992.

THE IMPACT ON ILLINOIS JOBS

The Balanced Budget Amendment and Illinois:

During the recession of 1990–1992, the unemployment rate in Illinois rose from 6.5 percent to a peak of 8.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Illinois would have peaked at a higher level: between 8.8 and 9.7 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 24,200 to 72,200 in Illinois in the recession of 1990–1992.

THE IMPACT ON INDIANA JOBS

The Balanced Budget Amendment and Indiana:

During the recession of 1990–1992, the unemployment rate in Indiana rose from 5.1 percent to a peak of 6.8 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Indiana would have peaked at a higher level: between 7.2 and 8.0 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 10,300 to 31,000 in Indiana in the recession of 1990–1992.

THE IMPACT ON IOWA JOBS

The Balanced Budget Amendment and Iowa:

During the recession of 1990–1992, the unemployment rate in Iowa rose from 4.2 percent to a peak of 4.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Iowa would have peaked at a higher level: between 4.9 and 5.2 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 200 to 600 in Iowa in the recession of 1990–1992.

THE IMPACT ON KANSAS JOBS

The Balanced Budget Amendment and Kansas:

During the recession of 1990–1992, the unemployment rate in Kansas fell—from 4.5 percent to 3.9 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Kansas at the time of highest nationwide unemployment would have been between 4.1 and 4.4 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,900 to 5,600 in Kansas in the recession of 1990–1992.

THE IMPACT ON KENTUCKY JOBS

The Balanced Budget Amendment and Kentucky:

During the recession of 1990–1992, the unemployment rate in Kentucky rose from 5.7 percent to a peak of 7.0 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Kentucky would have peaked at a higher level: between 7.3 and 7.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 4,900 to 14,700 in Kentucky in the recession of 1990–1992.

THE IMPACT ON LOUISIANA JOBS

The Balanced Budget Amendment and Louisiana:

During the recession of 1990–1992, the unemployment rate in Louisiana rose from 6.2 percent to a peak of 7.3 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Louisiana would have peaked at a higher level: between 7.6 and 8.2 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 5,400 to 16,200 in Louisiana in the recession of 1990–1992.

THE IMPACT ON MAINE JOBS

The Balanced Budget Amendment and Maine:

During the recession of 1990–1992, the unemployment rate in Maine rose from 5.0 percent to a peak of 6.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Maine would have peaked at a higher level: between 7.1 and 7.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 2,400 to 7,100 in Maine in the recession of 1990–1992.

THE IMPACT ON MARYLAND JOBS

The Balanced Budget Amendment and Maryland:

During the recession of 1990–1992, the unemployment rate in Maryland rose from 4.7 percent to a peak of 6.6 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Maryland would have peaked at a higher level: between 7.0 and 9.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 11,000 to 32,900 in Maryland in the recession of 1990–1992.

THE IMPACT ON MASSACHUSETTS JOBS

The Balanced Budget Amendment and Massachusetts:

During the recession of 1990–1992, the unemployment rate in Massachusetts rose from 6.2 percent to a peak of 9.0 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Massachusetts would have peaked at a higher level: between 9.6 and 10.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 18,700 to 56,100 in Massachusetts in the recession of 1990–1992.

THE IMPACT ON MICHIGAN JOBS

The Balanced Budget Amendment and Michigan:

During the recession of 1990–1992, the unemployment rate in Michigan rose from 7.3 percent to a peak of 8.9 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Michigan would have peaked at a higher level: between 9.3 and 10.0 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 15,500 to 46,600 in Michigan in the recession of 1990–1992.

THE IMPACT ON MINNESOTA JOBS

The Balanced Budget Amendment and Minnesota:

During the recession of 1990–1992, the unemployment rate in Minnesota rose from 4.9 percent to a peak of 5.2 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Minnesota would have peaked at a higher level: between 5.4 and 5.7 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 3,400 to 10,200 in Minnesota in the recession of 1990–1992.

THE IMPACT ON MISSISSIPPI JOBS

The Balanced Budget Amendment and Mississippi:

During the recession of 1990–1992, the unemployment rate in Mississippi rose from 7.3 percent to a peak of 8.6 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Mississippi would have peaked at a higher level: between 8.9 and 9.5 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 3,300 to 9,800 in Mississippi in the recession of 1990–1992.

THE IMPACT ON MISSOURI JOBS

The Balanced Budget Amendment and Missouri:

During the recession of 1990–1992, the unemployment rate in Missouri was steady at 5.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Missouri would have peaked at a higher level: between 5.9 and 6.2 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 3,800 to 11,300 in Missouri in the recession of 1990–1992.

THE IMPACT ON MONTANA JOBS

The Balanced Budget Amendment and Montana:

During the recession of 1990–1992, the unemployment rate in Montana rose from 5.6 percent to a peak of 6.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Montana would have peaked at a higher level: between 7.0 and 7.5 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,000 to 3,000 in Montana in the recession of 1990–1992.

THE IMPACT ON NEBRASKA JOBS

The Balanced Budget Amendment and Nebraska:

During the recession of 1990–1992, the unemployment rate in Nebraska rose from 2.1 percent to a peak of 3.1 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Nebraska would have peaked at a higher level: between 3.3 and 3.8 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,900 to 5,600 in Nebraska in the recession of 1990–1992.

THE IMPACT ON NEVADA JOBS

The Balanced Budget Amendment and Nevada:

During the recession of 1990–1992, the unemployment rate in Nevada rose from 4.8 percent to a peak of 6.6 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Nevada would have peaked at a higher level: between 7.0 and 7.8 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 2,800 to 8,300 in Nevada in the recession of 1990–1992.

THE IMPACT ON NEW HAMPSHIRE JOBS

The Balanced Budget Amendment and New Hampshire:

During the recession of 1990–1992, the unemployment rate in New Hampshire rose from 5.7 percent to a peak of 7.6 percent.

Had the balanced budget amendment been in effect, the unemployment rate in New Hampshire would have peaked at a higher level: between 8.0 and 8.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 2,500 to 7,400 in New Hampshire in the recession of 1990–1992.

THE IMPACT ON NEW JERSEY JOBS

The Balanced Budget Amendment and New Jersey:

During the recession of 1990–1992, the unemployment rate in New Jersey rose from 4.9 percent to a peak of 9.0 percent.

Had the balanced budget amendment been in effect, the unemployment rate in New Jersey would have peaked at a higher level: between 9.9 and 11.8 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 34,400 to 103,100 in New Jersey in the recession of 1990–1992.

THE IMPACT ON NEW MEXICO JOBS

The Balanced Budget Amendment and New Mexico:

During the recession of 1990–1992, the unemployment rate in New Mexico rose from 6.2 percent to a peak of 6.9 percent.

Had the balanced budget amendment been in effect, the unemployment rate in New Mexico would have peaked at a higher level: between 7.1 and 7.4 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,100 to 3,300 in New Mexico in the recession of 1990–1992.

THE IMPACT ON NEW YORK JOBS

The Balanced Budget Amendment and New York:

During the recession of 1990–1992, the unemployment rate in New York rose from 5.3 percent to a peak of 8.9 percent.

Had the balanced budget amendment been in effect, the unemployment rate in New York would have peaked at a higher level: between 9.7 and 11.4 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 65,900 to 197,600 in New York in the recession of 1990–1992.

THE IMPACT ON NORTH CAROLINA JOBS

The Balanced Budget Amendment and North Carolina:

During the recession of 1990–1992, the unemployment rate in North Carolina rose from 4.4 percent to a peak of 6.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in North Carolina would have peaked at a higher level: between 6.9 and 7.8 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 15,400 to 46,200 in North Carolina in the recession of 1990–1992.

THE IMPACT ON NORTH DAKOTA JOBS

The Balanced Budget Amendment and North Dakota:

During the recession of 1990–1992, the unemployment rate in North Dakota rose from 3.9 percent to a peak of 4.8 percent.

Had the balanced budget amendment been in effect, the unemployment rate in North Dakota would have peaked at a higher level: between 5.0 and 5.4 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 600 to 1,900 in North Dakota in the recession of 1990–1992.

THE IMPACT ON OHIO JOBS

The Balanced Budget Amendment and Ohio:

During the recession of 1990–1992, the unemployment rate in Ohio rose from 5.4 percent to a peak of 7.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Ohio would have peaked at a higher level: between 8.2 and 9.3 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 26,800 to 80,300 in Ohio in the recession of 1990–1992.

THE IMPACT ON OKLAHOMA JOBS

The Balanced Budget Amendment and Oklahoma:

During the recession of 1990–1992, the unemployment rate in Oklahoma was steady at 5.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Oklahoma would have peaked at a higher level: between 5.7 and 6.0 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 2,100 to 6,400 in Oklahoma in the recession of 1990–1992.

THE IMPACT ON OREGON JOBS

The Balanced Budget Amendment and Oregon:

During the recession of 1990–1992, the unemployment rate in Oregon rose from 5.6 percent to a peak of 7.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Oregon would have peaked at a higher level: between 7.8 and 8.6 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 5,900 to 17,700 in Oregon in the recession of 1990–1992.

THE IMPACT ON PENNSYLVANIA JOBS

The Balanced Budget Amendment and Pennsylvania:

During the recession of 1990–1992, the unemployment rate in Pennsylvania rose from 5.0 percent to a peak of 7.7 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Pennsylvania would have peaked at a higher level: between 8.3 and 9.6 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 33,700 to 101,200 in Pennsylvania in the recession of 1990–1992.

THE IMPACT ON RHODE ISLAND JOBS

The Balanced Budget Amendment and Rhode Island:

During the recession of 1990–1992, the unemployment rate in Rhode Island rose from 7.0 percent to a peak of 9.1 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Rhode Island would have peaked at a higher level: between 9.6 and 10.6 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 2,300 to 6,900 in Rhode Island in the recession of 1990–1992.

THE IMPACT ON SOUTH CAROLINA JOBS

The Balanced Budget Amendment and South Carolina:

During the recession of 1990–1992, the unemployment rate in South Carolina rose from 4.7 percent to a peak of 6.1 percent.

Had the balanced budget amendment been in effect, the unemployment rate in South Carolina would have peaked at a higher level: between 6.4 and 7.1 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 5,400 to 16,300 in South Carolina in the recession of 1990–1992.

THE IMPACT ON SOUTH DAKOTA JOBS

The Balanced Budget Amendment and South Dakota:

During the recession of 1990–1992, the unemployment rate in South Dakota *fell*—from 3.8 percent to 3.1 percent.

Had the balanced budget amendment been in effect, the unemployment rate in South Dakota would have been higher in June 1992: between 3.3 and 3.6 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 500 to 1,500 in South Dakota in the recession of 1990–1992.

THE IMPACT ON TENNESSEE JOBS

The Balanced Budget Amendment and Tennessee:

During the recession of 1990–1992. the unemployment rate in Tennessee rose from 5.1 percent to a peak of 6.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Tennessee would have peaked at a higher level: between 6.7 and 7.3 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 6,900 to 20,600 in Tennessee in the recession of 1990–1992.

THE IMPACT ON TEXAS JOBS

The Balanced Budget Amendment and Texas:

During the recession of 1990–1992, the unemployment rate in Texas rose from 6.2 percent to a peak of 7.8 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Texas would have peaked at a higher level: between 8.2 and 8.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 30,700 to 92,200 in Texas in the recession of 1990–1992.

THE IMPACT ON UTAH JOBS

The Balanced Budget Amendment and Utah:

During the recession of 1990–1992, the unemployment rate in Utah rose from 4.3 percent to a peak of 5.0 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Utah would have peaked at a higher level: between 5.2 and 5.5 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,300 to 3,900 in Utah in the recession of 1990–1992.

THE IMPACT ON VERMONT JOBS

The Balanced Budget Amendment and Vermont:

During the recession of 1990–1992, the unemployment rate in Vermont rose from 5.0 percent to a peak of 6.9 percent.

Had the balanced budget amendment been effect, the unemployment rate in Vermont would have peaked at a higher level: between 7.3 and 8.2 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 1,300 to 3,800 in Vermont in the recession of 1990–1992.

THE IMPACT ON VIRGINIA JOBS

The Balanced Budget Amendment and Virginia:

During the recession of 1990–1992, the unemployment rate in Virginia rose from 4.3 percent to a peak of 6.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Virginia would have peaked at a higher level between 6.9 and 7.9 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 15,400 to 46,200 in Virginia in the recession of 1990–1992.

THE IMPACT ON WASHINGTON JOBS

The Balanced Budget Amendment and Washington:

During the recession of 1990–1992, the unemployment rate in Washington rose from 4.7 percent to a peak of 7.4 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Washington would have peaked at a higher level between 8.0 and 9.3 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 15,200 to 45,700 in Washington in the recession of 1990–1992.

THE IMPACT ON WEST VIRGINIA JOBS

The Balanced Budget Amendment and West Virginia:

During the recession of 1990–1992, the unemployment rate in West Virginia rose from 8.1 percent to a peak of 11.3 percent.

Had the balanced budget amendment been in effect, the unemployment rate in West Virginia would have peaked at a higher level between 12.0 and 13.5 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 5,000 to 15,000 in West Virginia in the recession of 1990–1992.

THE IMPACT ON WISCONSIN JOBS

The Balanced Budget Amendment and Wisconsin:

During the recession of 1990–1992, the unemployment rate in Wisconsin rose from 4.3 percent to a peak of 5.2 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Wisconsin would have peaked at a higher level between 5.4 and 5.8 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 5,300 to 15,800 in Wisconsin in the recession of 1990–1992.

THE IMPACT OF WYOMING JOBS IF A BALANCED BUDGET AMENDMENT HAD BEEN IN PLACE DURING THE RECESSION OF 1990–1992

The Balanced Budget Amendment and Wyoming:

During the recession of 1990–1992, the unemployment rate in Wyoming rose from 5.4 percent to a peak of 5.8 percent.

Had the balanced budget amendment been in effect, the unemployment rate in Wyoming would have peaked at higher level between 6.0 and 6.3 percent.

Thus the balanced budget amendment would have led to an additional rise in unemployment of 300 to 1,000 in Wyoming in the recession of 1990–1992.

The Balanced Budget Amendment and the United States:

During the recession of 1990–1992, the unemployment rate in the United States rose from 5.1 percent to a peak of 7.7 percent in June of 1992.

Had the balanced budget amendment been in effect, the unemployment rate would have peaked at a higher level: in the range of 8.3 to 9.4 percent.

Thus the balanced budget amendment would have led to a rise in nationwide unemployment of 750,000 to 2.2 million in the recession of 1990–1992.

Why Does a Balanced Budget Amendment Raise Unemployment?

Under current law, spending on federal government programs like unemployment compensation and food stamps automatically increases as the economy goes into recession. In addition, as people earn less money as a result of a recession they pay lower taxes. These changes in spending and taxes affect the federal deficit. The increases in the federal deficit during recessions are ''automatic stabilizers'' that reduce the damage done by recessions to the American economy and American workers.

A balanced budget amendment would force the government to raise taxes and cut spending in recessions—at just the moment that raising taxes and cutting spending will do most harm to the economy, and aggravate the recession.

SUMMARY OF METHODOLOGY.

From the cycle peak in June 1990 to the unemployment rate peak in June 1992, the unemployment rate rose by 2.6 percentage points.

Using a (low estimate of the) Okun's Law coefficient of 2, and an automatic stabilizer magnitude (estimated over 1953–1994) of 0.27, the associated cyclical swing in the deficit is some 1.4 percentage points of GDP.

In the absence of automatic stabilizers the Keynesian multiplier would be higher than we usually assume. Estimate the multiplier in the absence of automatic stabilizers at 1.7, as opposed to 1.2 in the presence of automatic stabilizers.

Thus the downward shock to exogenous demand of 1.4 percent of GDP administered by the tax increases and spending cuts necessary to offset the cyclical component of the deficit would have depressed GDP by some 2.4 percent.

Using an Okun's law coefficient of 2, the central scenario estimate of the extra rise in unemployment in the absence of automatic stabilizers is 1.2 percentage points.

Obtain a favorable scenario by assuming that Federal Reserve action manages to offset half of the increase in the size of the recession.

Obtain an unfavorable scenario by assuming that the size of automatic stabilizers has trended upward in the post-WWII period, and using a higher Okun's law coefficient of 2.5.

Distribute the rise in the unemployment rate across states proportionately to their 1990–1992 recession-driven increase in unemployment.

EXPLANATION OF VOTE ON AMENDMENT NO. 306

Mr. McCAIN. Madam President, I wanted to take a moment to explain my position for the record on the vote

on the Rockefeller amendment. I voted to table Senator JOHN ROCKEFELLER's amendment on the balanced budget amendment. Senators on the other side of the aisle would have you believe that this Congress is ready and willing to break a sacred obligation to care for our veterans and their survivors. Binding future Congresses in how we manage veterans' programs is counterproductive micromanagement which could very well harm the best interests of veterans and has no place in a constitutional amendment. No one should interpret my vote as waning in my personal commitment to veterans and their families. I have always worked hard to properly fund veterans' programs and I will personally do everything I can to ensure veterans benefits are fully funded in the future. The truth of the matter is that this country has a moral obligation to those who have paid dearly through their pain and suffering in defense of the freedoms that all Americans enjoy today and we must not and will not abdicate our responsibilities.

PROTECTING FEDERAL LAW ENFORCEMENT DOLLARS—AMENDMENT NO. 301

Mrs. MURRAY. Madam President, I rise in support of Senator BYRD's amendment to protect Federal outlays for law enforcement, and the reduction and prevention of crime.

I am proud of the Violent Crime Control and Law Enforcement Act we passed last year. It is a comprehensive approach to solving our Nation's crime problem. It includes: funds for 100,000 new police officers across the Nation; a ban on the manufacture, sale, and future possession of 19 semiautomatic assault weapons; and increased penalties for Federal violent crimes and sex crimes.

However, passing tougher laws and putting more police on our streets will not stop the violence that is ravaging our Nation. These measures, while effective, are only part of the larger solution. We also must focus on preventive measures if we hope to find permanent solutions to the epidemic of violence.

Last year's crime bill does just that. The legislation includes: the Violence Against Women Act, which authorizes funding for rape education and community prevention programs, battered women's shelters, and a national family violence hotline.

The crime bill also authorizes local grants for education, after-school safe haven programs, and other initiatives aimed at reducing gang membership among young people. The bill provides for grants to localities for crime prevention measures, including: police partnerships for children, supervised child visitation centers, and partnerships between senior citizens and police.

In addition, the legislation provides grants to law enforcement to create partnerships with child and family support agencies to fight crimes committed against children.

Madam President, I believe in the value and necessity of these vital programs. As a woman, a mother, and a former teacher I want to make sure we let our children know we care about them, they can trust us to do the right thing, and we will not turn our backs on them.

Although I am pleased that Republican proposals to redirect these important prevention dollars do not target the Violence Against Women Act, I am disturbed about the implications for programs aimed at our Nation's youth.

Our children are afraid, and sadly, they have every reason to be. Every day, 5,703 teenagers are victims of violent crimes. Every 2 hours, a child is murdered. Every 5 seconds of the schoolday, a student drops out of public school.

We, as adults, have a responsibility to care for our children, to teach them to value themselves and their communities, and not to give up on them. It is time for us as adults to address the issue of violence honestly. Violence is a symptom of deeper problems. Lets not restrict our attention to punishing criminals and building more prisons, while ignoring the causes of violence among our children.

I have talked with young people throughout the State of Washington. My overwhelming conclusion is that a lot of the youth on our streets have been victims themselves—victims of abusive adults, victims of our overburdened school system, and victims of a juvenile justice system that cannot respond to their real needs. These disaffected kids invariably have kids of their own, and the cycle of violence begins again. Prevention and education are the keys to breaking this dangerous pattern of violence.

Madam President, the dollars allocated to fund the Violent Crime Control and Law Enforcement Act of 1994 are extremely important. I applaud Senator BYRD's effort to safeguard these crime fighting dollars.

UNANIMOUS-CONSENT AGREEMENTS

Mr. HATCH. I ask unanimous consent that the vote occur in relation to the pending amendment numbered 267 and the Bumpers motion and amendments numbered 299 and 300 on Tuesday, February 28, in the stacked sequence to begin at 2:15 p.m.

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

Mr. HATCH. I ask unanimous consent that at 11:30 a.m. on Tuesday, February 28, Senator HATCH be recognized to control the next 30 minutes for debate only.

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

Mr. HATCH. I ask unanimous consent that at 12 noon the next 30 minutes be under the control of Senator BYRD for debate only.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. HATCH. I further ask that following the conclusion of the stacked votes on Tuesday, February 28, Senator BYRD be recognized for up to 15 minutes for debate only, to be followed by 15 minutes under the control of Senator HATCH for debate only, to be followed by 15 minutes under the control of Senator DASCHLE for debate only, with the last 15 minutes under the control of Senator DOLE to close the debate prior to the final vote on House Joint Resolution 1.

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

EXECUTIVE CALENDAR

Mr. HATCH. As if in executive session, I ask unanimous consent that the Senate immediately proceed to the consideration of the following nominations on the Executive Calendar en bloc: Calendar Nos. 8, 9, 10, and 11, and all nominations placed on the Secretary's desk; further, that the nominations be confirmed en bloc, the motion to reconsider be laid upon the table en bloc; that any statements relating to the nominations appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action.

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

The nominations considered and confirmed en bloc are as follows:

AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Dale W. Thompson, Jr., 000–00–0000, U.S. Air Force

ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Jerry R. Rutherford, 000–00–0000, U.S. Army

NAVY

The following-named officer for appointment to the grade of Vice Admiral while assigned to be position of importance and responsibility under Title 10, United States Code, Section 601:

To be vice admiral

Rear Adm. John A. Lockard, 000–00–0000, U.S. Navy

DEPARTMENT OF DEFENSE

Eleanor Hill, of Virginia, to be Inspector General, Department of Defense, vice Susan J. Crawford.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, NAVY

Air Force nominations beginning Alan L. Christensen, and ending Gardner G. Bassett, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1995.

Air Force nominations beginning Barrett W. Bader, and ending Joseph N. Zemis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 6, 1995.

Air Force nominations beginning Jonathan E. Adams, and ending Sharon G. Freier,

which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1995.

Air Force nominations beginning Timothy L. Anderson, and ending Raymond E. Ratajik, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1995.

Army nominations beginning Rodger T. Hosig, and ending Sara M. Lowe, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1995.

Army nomination of Frederick B. Brown, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1995.

Army nominations beginning Ronnie Abner, and ending Vincent A. Zike, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1995.

Navy nominations beginning James P. Screen III, and ending Jason R.J. Testa, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1995.

MESSAGES FROM THE HOUSE

At 11:53 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 830. An act to amend chapter 35 of title 44, United States Code, to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes.

H.R. 889. An act making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes.

The message also announced that pursuant to the provisions of 22 U.S.C. 1928a, the Speaker appoints to the U.S. Group of the North Atlantic Assembly the following members on the part of the House: Mr. ROSE, Mr. HAMILTON, Mr. COLEMAN, and Mr. RUSH.

The message further announced that pursuant to the provisions of section 3 of Public Law 94–304, as amended by section 1 of Public Law 99–7, the Speaker appoints to the Commission on Security and Cooperation in Europe the following members on the part of the House: Mr. PORTER, Mr. WOLF, Mr. FUNDERBURK, Mr. SALMON, Mr. HOYER, Mr. MARKEY, Mr. RICHARDSON, and Mr. CARDIN.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 889. An act making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 830. An act to amend chapter 35 of title 44, United States Code, to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

Lacy H. Thornburg, of North Carolina, to be U.S. District Judge for the District of North Carolina.

Sidney H. Stein, of New York, to be U.S. District Judge for the Southern District of New York.

Thadd Heartfield, of Texas, to be U.S. District Judge for the Eastern District of Texas.

David Folsom, of Texas, to be U.S. District Judge for the Eastern District of Texas.

Sandra L. Lynch, of Massachusetts, to be U.S. Circuit Judge for the First Circuit.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. HATCH (for himself, Mr. BIDEN, Mr. GRASSLEY, and Mr. HEFLIN):

S. 464. A bill to make the reporting deadlines for studies conducted in Federal court demonstration districts consistent with the deadlines for pilot districts, and for other purposes; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 465. A bill to amend the Solid Waste Disposal Act to provide congressional authorization for restrictions on receipt of out-of-State municipal solid waste and for State control over transportation of municipal solid waste, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BREAUX:

S. 466. A bill to amend title II of the Social Security Act to repeal the rule providing for termination of disabled adult child's benefits upon marriage; to the Committee on Finance.

By Mr. BOND:

S. 467. A bill for the relief of Benchmark Rail Group, Inc., and for other purposes; to the Committee on the Judiciary.

By Mr. GLENN (for himself and Mr. DEWINE):

S. 468. A bill to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in Ohio, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GREGG (for himself and Mr. COATS):

S. 469. A bill to eliminate the National Education Standards and Improvement Council and opportunity-to-learn standards; to the Committee on Labor and Human Resources.

By Mr. HOLLINGS (for himself and Mr. INOUYE):

S. 470. A bill to amend the Communications Act of 1934 to prohibit the distribution to the public of violent video programming during hours when children are reasonably likely to comprise a substantial portion of the audience; to the Committee on Commerce, Science, and Transportation.

By Mr. BIDEN (for himself, Mr. D'AMATO, Mr. HOLLINGS, Mr. ROTH, and Mr. STEVENS):

S. 471. A bill to provide for the payment to States of plot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States; to the Committee on Veterans Affairs.

By Mr. DODD (for himself and Mr. KENNEDY):

S. 472. A bill to consolidate and expand Federal child care services to promote self sufficiency and support working families, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BOND (for himself, Mr. SIMON, Mr. ASHCROFT, and Ms. MOSELEY-BRAUN):

S.J. Res. 27. A joint resolution to grant the consent of the Congress to certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. BIDEN, Mr. GRASSLEY, and Mr. HEFLIN):

S. 464. A bill to make the reporting deadlines for studies conducted in Federal court demonstration districts consistent with the deadlines for pilot districts, and for other purposes; to the Committee on the Judiciary.

THE CIVIL JUSTICE REFORM ACT AMENDMENT ACT OF 1995

Mr. HATCH. Mr. President, I am pleased to introduce legislation that would work a purely technical correction to extend the time period for a study currently being conducted in certain Federal courts.

The Civil Justice Reform Act of 1990 set up two programs to study various innovative programs in court management. One program involves so-called pilot courts, and the other involves what are referred to as demonstration districts. Those court programs were originally established for a 3-year period, with the studies to be conducted over a 4-year period and the resulting reports transmitted to Congress by December 31, 1995. The Rand Corp. has been carrying out the study of the pilot courts, while the Federal Judicial Center is conducting the study of the demonstration districts.

Last year, the pilot court programs were extended for an additional year, and the Rand Corp. received a 1-year extension for its study of those courts. That extension was included in the Judicial Amendments Act of 1994.

Through an oversight, however, no extension was included for the demonstration districts.

The legislation I am introducing would grant precisely the same 1-year extension for the demonstration districts as was granted for the pilot courts. That will make the two programs and their studies consistent so that the final reports can be directly compared. That was precisely the intent behind the identical deadlines that were established when the two study programs were set up. This legislation will restore that end. Also, the extension of the deadline will improve the study, since more cases will be complete and included in the study. Improving the reliability and consistency of the resulting reports can only help us improve the efficiency of our courts.

Finally, this 1-year extension will entail no additional costs since the demonstration districts are planning to continue the programs under study in any event. The extension of the deadline will not affect the budget or personnel of any Federal entity.

I also note that this purely technical bill has bipartisan support: Senators BIDEN, GRASSLEY, and HEFLIN are original cosponsors.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF CIVIL JUSTICE EXPENSE AND DELAY REDUCTION DEMONSTRATION PROGRAMS.

Section 104 of the Civil Justice Reform Act of 1990 (28 U.S.C. 471 note) is amended—

(1) in subsection (a)(1) by striking ''4-year period'' and inserting ''5-year period''; and

(2) in subsection (d) by striking ''December 31, 1995,'' and inserting ''December 31, 1996,''.

By Mr. BAUCUS:

S. 465. A bill to amend the Solid Waste Disposal Act to provide congressional authorization for restrictions on receipt of out-of-State municipal solid waste and for State control over transportation of municipal solid waste, and for other purposes; to the Committee on Environment and Public Works.

THE INTERSTATE WASTE CONTROL ACT OF 1995

Mr. BAUCUS. Mr. President, I rise to introduce the State and Local Government Interstate Waste Control Act of 1995. This bill will give our cities and States the authority they need to restrict imports of trash coming from other States.

COMMERCE IN GARBAGE

Not many people think of garbage as a commodity like other products that flow in interstate commerce but it is.

Every year, the United States produces more than 200 million tons of municipal waste. Seven percent of this garbage—1 ton in 14—is sent to a landfill or incinerator in another State.

Nearly every State is a seller or buyer in the municipal waste market. Forty-seven States export some garbage, and 44 import some garbage.

When you think about it, trading garbage makes sense, especially for border towns. In Montana, for example, two towns have made arrangements to share landfills with western North Dakota towns. And some trash, from the Wyoming areas of Yellowstone Park, is disposed of in Montana.

These arrangements save money for the communities involved. And shared regional landfills can be a policy that makes sense.

DECIDE OUR OWN DESTINY

But it only makes sense when everyone involved agrees to it. Nobody should have barrels of garbage emptied over their heads. And it is a nasty fact that some people see big thinly populated States like Montana as potential trash cans.

The people of Montana, or any other State, should not be forced to take trash they do not want. The citizens of Miles City, for example, have been fighting to stop a proposed mega-landfill from taking out-of-State waste.

This idea would have brought entire coal trains full of garbage to dump on a small prairie town. These trains average 110 cars each. One hundred and ten open-roofed coal cars full of trash. Like prairie garbage schooners. It is an outrage.

Miles City, like all cities, should be able to decide whether it wants these trains. We should be able to control our own destiny. And we want the right to say ''no.''

If we see landfill sharing as appropriate for our needs, fine. But we ought to be able to reject these arrangements when we don't like them. As Deborah Hanson of the Custer Resource Alliance put it a couple of years ago, ''we want to guarantee that Montana will not become a dumping ground.''

It's that simple, Mr. President. No city or State should become a dumping ground simply because an exporting community does not have the will to take care of its own garbage.

Today, however, we do not have that power. Neither local communities, nor Governor Racicot, nor the legislature can reject unwanted garbage imports. The Supreme Court has repeatedly struck down State laws aimed at restricting out-of-State garbage, because these laws violate the Constitution's interstate commerce protections. And that must change.

THE INTERSTATE WASTE BILL

Mr. President, we have been working on this issue for 6 years. We have explored all options in an effort to find a workable solution.

We have held hearings and debated the issues. The Senate passed interstate waste bills in the 101st Congress, the 102d Congress, and again last Congress. It is time to put this issue behind us.

If we build on the progress we made last year, we can pass a bill that becomes law. I believe that this bill strikes the right compromise to do just that. It is largely the same bill that the Senate and the House came close to agreeing on last year. We came within a fingernail's width of agreement last year, and it is time to finish the job.

The bill resolves a problem that our States cannot solve without congressional action.

STRIKING A BALANCE

And it strikes a balance that will work for every community, in every State. It has four major points:

First, it allows every Governor to freeze future imports of garbage at the amount his or her State received in 1993.

Second, it bans any new imports of municipal waste unless the community receiving the garbage specifically wants it.

Third, it requires large exporting States to reduce their future exports. This will encourage recycling and other efforts to cut the amount of garbage we produce.

And fourth, to ensure that no State becomes a dumping ground for any other State, the bill authorizes a Governor to limit imports from any single State.

Thus, this bill empowers States and communities. It lets them decide whether they want more out-of-State garbage. If the community wants new imports, it can enter a host community agreement subject to the approval of the Governor. The decision is up to the people at home.

In summary, Mr. President, this bill will give States the power to restrict trash imports. It will require exporting States to reduce their exports. And it will do all this without disrupting beneficial existing arrangements or creating incentives for illegal disposal.

Finally, and most important, it will give people in rural towns some say in their own lives and communities. Some control over their destiny.

It will mean more decisions by ordinary middle-class people, and fewer decisions by big Government and big business. And that is what the people want.

Mr. President, I ask unanimous consent that the text of the bill along with a summary of the bill be printed in the RECORD.

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

S. 465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. SHORT TITLE.

This Act may be cited as the ''State and Local Government Interstate Waste Control Act of 1995''.

SEC. 102. INTERSTATE TRANSPORTATION 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. INTERSTATE TRANSPORTATION AND DISPOSAL OF MUNICIPAL SOLID WASTE.

''(a) RESTRICTION ON RECEIPT OF OUT-OF-STATE WASTE.—

''(1) IN GENERAL.—(A) Except as provided in subsections (c), (e), and (h), effective January 1, 1996, a landfill or incinerator in a State may not receive for disposal or incineration any out-of-State municipal solid waste unless the owner or operator of such landfill or incinerator obtains explicit authorization (as part of a host community agreement) from the affected local government to receive the waste.

''(B) An authorization granted after enactment of this section pursuant to subparagraph (A) shall—

''(i) be granted by formal action at a meeting;

''(ii) be recorded in writing in the official record of the meeting; and

''(iii) remain in effect according to its terms.

''(C) An authorization granted pursuant to subparagraph (A) may specify terms and conditions, including an amount of out-of-State waste that an owner or operator may receive and the duration of the authorization.

''(D) Promptly, but not later than 90 days after such an authorization is granted, the affected local government shall notify the Governor, contiguous local governments, and any contiguous Indian tribes of an authorization granted under this subsection.

''(2) INFORMATION.—Prior to seeking an authorization to receive out-of-State municipal solid waste pursuant to this subsection, the owner or operator of the facility seeking such authorization shall provide (and make readily available to the Governor, each contiguous local government and Indian tribe, and any other interested person for inspection and copying) the following information:

''(A) A brief description of the facility, including, with respect to both the facility and any planned expansion of the facility, the size, ultimate waste capacity, and the anticipated monthly and yearly quantities (expressed in terms of volume) of waste to be handled.

''(B) A map of the facility site indicating location in relation to the local road system and topography and hydrogeological features. The map shall indicate any buffer zones to be acquired by the owner or operator as well as all facility units.

''(C) A description of the then current environmental characteristics of the site, a description of ground water use in the area (including identification of private wells and public drinking water sources), and a discussion of alterations that may be necessitated by, or occur as a result of, the facility.

''(D) A description of environmental controls typically required to be used on the site (pursuant to permit requirements), including run on or run off management (or both), air pollution control devices, source separation procedures (if any), methane monitoring and control, landfill covers, liners or leachate collection systems, and monitoring programs. In addition, the description shall include a description of any waste residuals generated by the facility, including leachate or ash, and the planned management of the residuals.

''(E) A description of site access controls to be employed, and roadway improvements to be made, by the owner or operator, and an estimate of the timing and extent of increased local truck traffic.

''(F) A list of all required Federal, State, and local permits.

''(G) Estimates of the personnel requirements of the facility, including information regarding the probable skill and education levels required for jobs at the facility. To the extent practicable, the information shall distinguish between employment statistics for preoperational and postoperational levels.

''(H) Any information that is required by State or Federal law to be provided with respect to any violations of environmental laws (including regulations) by the owner, the operator, and any subsidiary of the owner or operator, the disposition of enforcement proceedings taken with respect to the violations, and corrective action and rehabilitation measures taken as a result of the proceedings.

''(I) Any information that is required by State or Federal law to be provided with respect to gifts and contributions made by the owner or operator.

''(J) Any information that is required by State or Federal law to be provided with respect to compliance by the owner or operator with the State solid waste management plan.

''(3) NOTIFICATION.—Prior to taking formal action with respect to granting authorization to receive out-of-State municipal solid waste pursuant to this subsection, an affected local government shall—

''(A) notify the Governor, contiguous local governments, and any contiguous Indian tribes;

''(B) publish notice of the action in a newspaper of general circulation at least 30 days before holding a hearing and again at least 15 days before holding the hearing, except where State law provides for an alternate form of public notification; and

''(C) provide an opportunity for public comment in accordance with State law, including at least 1 public hearing.

''(b) ANNUAL STATE REPORT.—

''(1) IN GENERAL.—Within 90 days after enactment of this section and on April 1 of each year thereafter the owner or operator of each landfill or incinerator receiving out-of-State municipal solid waste shall submit to the affected local government and to the Governor of the State in which the landfill or incinerator is located information specifying the amount and State of origin of out-of-State municipal solid waste received for disposal during the preceding calendar year. Within 120 days after enactment of this section and on July 1 of each year thereafter each such State shall publish and make available to the Administrator, the governor of the State of origin and the public a report containing information on the amount of out-of-State municipal solid waste received for disposal in the State during the preceding calendar year.

''(2) CONTENTS.—Each submission referred to in this subsection shall be such as would result in criminal penalties in case of false or misleading information. Such submission shall include the amount of waste received, the State of origin, the identity of the generator, the date of shipment, and the type, of out-of-State municipal solid waste.

''(3) LIST.—The Administrator shall publish a list of States that the Administrator has determined have exported out of State in any of the following calendar years an amount of municipal solid waste in excess of—

''(A) 3.5 million tons in 1996;

''(B) 3.0 million tons in 1997;

''(C) 3.0 million tons in 1998;

''(D) 2.5 million tons in 1999;

''(E) 2.5 million tons in 2000;

''(F) 1.5 million tons in 2001;

''(G) 1.0 million tons in 2002;

''(I) 1.0 million tons in 2003; and

''(J) 1.0 million tons in each calendar year after 2003.

The list for any calendar year shall be published by June 1 of the following calendar year.

''(4) SAVINGS PROVISION.—Nothing in this subsection shall be construed to preempt any State requirement that requires more frequent reporting of information.

''(c) FREEZE.—

''(1) ANNUAL AMOUNT.—(A) Beginning January 1, 1996, except as provided in paragraph (2) and unless it would result in a violation of, or be inconsistent with, a host community agreement or permit specifically authorizing the owner or operator of a landfill or incinerator to accept out-of-State municipal solid waste at such landfill or incinerator, and notwithstanding the absence of a request in writing by the affected local government, a Governor, in accordance with paragraph (3), may limit the quantity of out-of-State municipal solid waste received for disposal at each landfill or incinerator covered by the exceptions provided in subsection (e) that is subject to the jurisdiction of the Governor, to an annual amount equal to the quantity of out-of-State municipal solid waste received for disposal at such landfill or incinerator during calendar year 1993.

''(B) At the request of an affected local government that has not executed a host community agreement, the Governor may limit the amount of out-of-State municipal solid waste received annually for disposal at the landfill or incinerator concerned to the amount described in subparagraph (A). No such limit may conflict with provisions of a permit specifically authorizing the owner or operator to accept, at the facility, out-of-State municipal solid waste.

''(C) A limit or prohibition under this section shall be treated as conflicting and inconsistent with a permit or host community agreement if—

''(i) the permit or host community agreement establishes a higher limit; or

''(ii) the permit or host community agreement does not establish any limit.

''(2) LIMITATION ON GOVERNOR'S AUTHORITY.—A Governor may not exercise the authority granted under this subsection in a manner that would require any owner or operator of a landfill or incinerator covered by the exceptions provided in subsection (e) to reduce the amount of out-of-State municipal solid waste received from any State for disposal at such landfill or incinerator to an annual quantity less than the amount received from such State for disposal at such landfill or incinerator during calendar year 1993.

''(3) UNIFORMITY.—Any limitation imposed by a Governor under paragraph (1)(A)—

''(A) shall be applicable throughout the State;

''(B) shall not directly or indirectly discriminate against any particular landfill or incinerator within the State; and

''(C) shall not directly or indirectly discriminate against any shipments of out-of-State municipal solid waste on the basis of place of origin.

''(d) RATCHET.—

''(1) IN GENERAL.—Unless it would result in a violation of, or be inconsistent with, a host community agreement or permit specifically authorizing the owner or operator of a landfill or incinerator to accept out-of-State municipal solid waste at such landfill or incinerator, immediately upon the date of publication of the list required under subsection (b)(3), and notwithstanding the absence of a request in writing by the affected local government, a Governor, in accordance with paragraph (4), may prohibit the disposal of out-of-State municipal solid waste, at any landfill or incinerator covered by the exceptions in subsection (e) that is subject to the jurisdiction of the Governor, generated in any State that is determined by the Administrator under subsection (b)(3) as having exported, to landfills or incinerators not covered by host community agreements or permits, in any of the following calendar years

an amount of municipal solid waste in excess of the following:

''(A) 3.5 million tons in 1996.

''(B) 3.0 million tons in 1997.

''(C) 3.0 million tons in 1998.

''(D) 2.5 million tons in 1999.

''(E) 2.5 million tons in 2000.

''(F) 1.5 million tons in 2001.

''(G) 1.5 million tons in 2002.

''(H) 1.0 million tons in 2003.

''(I) 1.0 million tons in each calendar year after 2003.

''(2) ADDITIONAL EXPORT LIMITS.—

''(A) PROHIBITION.—No State may export to any one State more than the following amounts of municipal solid waste in any of the following calendar years:

''(i) 1.4 million tons, or 90 percent of the 1993 levels exported to the State, whichever is greater, in 1996;

''(ii) 1.3 million tons, or 90 percent of the 1996 levels exported to the State, whichever is greater, in 1997;

''(iii) 1.2 million tons, or 90 percent of the 1997 levels exported to a State, whichever is greater, in 1998;

''(iv) 1.1 million tons, or 90 percent of the 1998 levels exported to a State, whichever is greater, in 1999;

''(v) 1 million tons in 2000;

''(vi) 800,000 tons in 2001;

''(vii) 600,000 tons in 2002; or

''(ix) 600,000 tons in any year after 2002,

to landfills or incinerators not covered by host community agreements or permits authorizing receipt of out-of-State municipal solid waste.

''(B) ACTION BY GOVERNOR.—The Governor of an importing State may restrict levels of imports of municipal solid waste into that State to reflect the levels specified in subparagraph (A) if—

''(i) the Governor of the importing State has notified the Governor of the exporting State and the Administrator 12 months prior to enforcement of the importing State's intention to impose the requirements of this section;

''(ii) the Governor of the importing State has notified the Governor of the exporting State and the Administrator of the violation by the exporting State of this section at least 90 days prior to the enforcement of this section; and

''(iii) the restrictions imposed by the Governor of the importing State are uniform at all facilities within the State receiving municipal solid waste from the exporting State.

''(3) DURATION.—The authority provided by paragraph (1) or (2) or both shall apply for as long as a State exceeds the levels allowable under paragraph (1) or (2), as the case may be.

''(4) UNIFORMITY.—Any restriction imposed by a State under paragraph (1) or (2)—

''(A) shall be applicable throughout the State;

''(B) shall not directly or indirectly discriminate against any particular landfill or incinerator within the State; and

''(C) shall not directly or indirectly discriminate against any shipments of out-of-State municipal solid waste on the basis of State of origin, in the case of States in violation of paragraph (1) or (2).

''(e) AUTHORIZATION NOT REQUIRED FOR CERTAIN FACILITIES.—

''(1) IN GENERAL.—The prohibition on the disposal of out-of-State municipal solid waste in subsection (a) shall not apply to landfills and incinerators that—

''(A) were in operation on the date of enactment of this section and received during calendar year 1993 documented shipments of out-of-State municipal solid waste, or

''(B) before the date of enactment of this section, the owner or operator entered into a host community agreement or received a permit specifically authorizing the owner or operator to accept at the landfill or incinerator municipal solid waste generated outside the State in which it is or will be located.

''(2) AVAILABILITY OF DOCUMENTATION.—The owner or operator of a landfill or incinerator that is exempt under paragraph (1) of this subsection from the requirements of subsection (a) shall provide to the State and affected local government, and make available for inspection by the public in the affected local community, a copy of the host community agreement or permit referenced in paragraph (1). The owner or operator may omit from such copy or other documentation any proprietary information, but shall ensure that at least the following information is apparent: the volume of out-of-State municipal solid waste received, the place of origin of the waste, and the duration of any relevant contract.

''(3) DENIED OR REVOKED PERMITS.—A landfill or incinerator may not receive for disposal or incineration out-of-State municipal solid waste in the absence of a host community agreement if the operating permit or license for the landfill or incinerator (or renewal thereof) was denied or revoked by the appropriate State agency before the date of enactment of this section unless such permit or license (or renewal) has been reinstated as of such date of enactment.

''(4) WASTE WITHIN BI-STATE METROPOLITAN STATISTICAL AREAS.—The owner or operator of a landfill or incinerator in a State may receive out-of-State municipal solid waste without obtaining authorization under subsection (a) from the affected local government if the out-of-State waste is generated within, and the landfill or incinerator is located within, the same bi-State level A metropolitan statistical area (as defined by the Office of Management and Budget and as listed by the Office of Management and Budget as of the date of enactment of this section) that contains two contiguous major cities each of which is in a different State.

''(f) NEEDS DETERMINATION.—Any comprehensive solid waste management plan adopted by an affected local government pursuant to Federal or State law may take into account local and regional needs for solid waste disposal capacity. Any implementation of such plan through the State permitting process may take into account local and regional needs for solid waste disposal capacity only in a manner that is not inconsistent with the provisions of this section. Nothing in this subsection shall be construed to prohibit or preclude any State government or solid waste management district, as defined under State law, from requiring any affected local government to site, construct, expand, or require the installation of environmental equipment at, any solid waste facility.

''(g) IMPLEMENTATION AND ENFORCEMENT.—Any State may adopt such laws and regulations, not inconsistent with this section, as are necessary to implement and enforce this section, including provisions for penalties.

''(h) SAVINGS CLAUSE.—Nothing in this section shall be interpreted or construed to have any effect on State law relating to contracts or to authorize or result in the violation or failure to perform the terms of a written, legally binding contract entered into before enactment of this section during the life of the contract as determined under State law.

''(i) DEFINITIONS.—As used in this section:

''(1) AFFECTED LOCAL GOVERNMENT.—(A) For any landfill or incinerator, the term 'affected local government' means—

''(i) the public body authorized by State law to plan for the management of municipal solid waste, a majority of the members of which are elected officials, for the area in which the landfill or incinerator is located or proposed to be located; or

''(ii) if there is no such body created by State law—

''(I) the elected officials of the city, town, township, borough, county, or parish selected by the Governor and exercising primary responsibility over municipal solid waste management or the use of land in the jurisdiction in which the facility is located or is proposed to be located; or

''(II) if a Governor fails to make a selection under subclause (I), and publish a notice regarding the selection, within 90 days after the date of enactment of this section, the elected officials of the city, town, township, borough, county, parish, or other public body created pursuant to State law with primary jurisdiction over the land or the use of land on which the facility is located or is proposed to be located.

The Governor shall publish a notice regarding the selection described in clause (ii).

''(B) Notwithstanding subparagraph (A), for purposes of host community agreements entered into before the date of enactment of this section (or before the date of publication of notice, in the case of subparagraph (A)(ii)), the term shall mean either the public body described in clause (i) or the elected officials of the city, town, township, borough, county, or parish exercising primary responsibility for municipal solid waste management or the use of land on which the facility is located or proposed to be located.

''(C) Two or more Governors of adjoining States may use the authority provided in section 1005(b) to enter into an agreement under which contiguous units of local government located in each of the adjoining States may act jointly as the affected local government for purposes of providing authorization under subsection (a) for municipal solid waste generated in one of the jurisdictions described in subparagraph (A) and received for disposal or incineration in another.

''(2) HOST COMMUNITY AGREEMENT.—The term 'host community agreement' means a written, legally binding document or documents executed by duly authorized officials of the affected local government that specifically authorizes a landfill or incinerator to receive municipal solid waste generated out-of-State, but does not include any agreement to pay host community fees for receipt of waste unless additional express authorization to receive out-of-State municipal solid waste is also included.

''(3) MUNICIPAL SOLID WASTE.—The term 'municipal solid waste' means refuse (and refuse-derived fuel) generated by the general public, from a residential source, or from a commercial, institutional, or industrial source (or any combination thereof) to the extent such waste is essentially the same as waste normally generated by households or was collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services, and regardless of when generated, would be considered conditionally exempt small quantity generator waste under section 3001(d), such as paper, food, wood, yard wastes, plastics, leather, rubber, appliances, or other combustible or noncombustible materials such as metal or glass (or any combination thereof). The term 'municipal solid waste' does not include any of the following:

''(A) Any solid waste identified or listed as a hazardous waste under section 3001.

''(B) 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.

''(C) Recyclable materials that have been separated, at the source of the waste, from waste otherwise destined for disposal or that have been managed separately from waste destined for disposal.

''(D) Any solid waste that is—

''(i) generated by an industrial facility; and

''(ii) transported for the purpose of treatment, storage, or disposal to a facility that is owned or operated by the generator of the waste, or is located on property owned by the generator of the waste, or is located on property owned by a company with which the generator is affiliated.

''(E) Any solid waste generated incident to the provision of service in interstate, intrastate, foreign, or overseas air transportation.

''(F) Sewage sludge and residuals from any sewage treatment plant, including any sewage treatment plant required to be constructed in the State of Massachusetts pursuant to any court order issued against the Massachusetts Water Resources Authority.

''(G) Combustion ash generated by resource recovery facilities or municipal incinerators, or waste from manufacturing or processing (including pollution control) operations not essentially the same as waste normally generated by households.

''(H) Any medical waste that is segregated from or not mixed with municipal solid waste (as otherwise defined in this paragraph).

''(I) Any material or product returned from a dispenser or distributor to the manufacturer for credit, evaluation, or possible reuse.

''(4) OUT-OF-STATE MUNICIPAL SOLID WASTE.—The term 'out-of-State municipal solid waste' means, with respect to any State, municipal solid waste generated outside of the State. Unless the President determines it is not consistent with the North American Free Trade Agreement and the General Agreement on Tariffs and Trade, the term shall include municipal solid waste generated outside of the United States.

''(5) SPECIFICALLY AUTHORIZED; SPECIFICALLY AUTHORIZES.—The terms 'specifically authorized' and 'specifically authorizes' refer to an explicit authorization, contained in a host community agreement or permit, to import waste from outside the State. Such authorization may include a reference to a fixed radius surrounding the landfill or incinerator that includes an area outside the State or a reference to 'any place of origin', reference to specific places outside the State, or use of such phrases as 'regardless of origin' or 'outside the State'. The language for such authorization may vary as long as it clearly and affirmatively states the approval or consent of the affected local government or State for receipt of municipal solid waste from sources or locations outside the State.''.

SEC. 103. 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 4010 the following new item:

''Sec. 4011. Interstate transportation and disposal of municipal solid waste.''.

SUMMARY OF STATE AND LOCAL GOVERNMENT INTERSTATE WASTE CONTROL ACT OF 1995

The State and Local Government Interstate Waste Control Act of 1995 provides the following new legal authority to every State to restrict out-of-State municipal solid waste.

Restriction on receipt of Out-of-State MSW. Municipal solid waste imports are banned unless the affected local community, as defined by the Governor or State law, agrees to accept the waste.

MSW Import Freeze. A governor may unilaterally freeze out-of-State MSW at 1993 levels.

MSW Export State Rachet. A governor may unilaterally ban out-of-State MSW from any State exporting more than 3.5 million tons of MSW in 1996, 3.0 million tons in 1997 and 1998, 2.5 million tons of MSW in 1999 and 2000, 1.5 million tons in 2001 and 2002, and 1 million tons of MSW in 2003 and every year thereafter.

MSW Import State Rachet. A Governor may unilaterally restrict out-of-State MSW, imported from any one State in excess of the following levels: In 1996, more than 1.4 million tons or 90 percent of the 1993 levels of such waste exported to such State, whichever is greater; in 1997, 1.3 million tons or 90% of the 1996 levels of such waste exported to such State, whichever is greater; in 1998, 1.2 million tons of 90 percent of the 1997 levels of such waste exported to such State, whichever is greater; in 1999, 1.1 million tons, or 90% of the 1998 levels of such waste exported to such State, whichever is greater; in 2000, 1 million tons; in 2001, 800,000 tons; and in 2002 and each year thereafter, 600,000 tons.

International Imports. The bill also allows any Governor to exercise these authorities to ban or limit MSW imported from Canada (and other countries) if not inconsistent with GATT and NAFTA.

Protection of Host Community Agreements. The bill explicitly prohibits a Governor from limiting or prohibiting MSW imports to landfills or incinerators (including waste-to-energy facilities) that have a host community agreement (as defined in the bill). Such agreements must expressly authorize the receipt of out-of-State MSW.

Needs Determination. The bill allows a State plan to take into account local and regional needs for solid waste disposal capacity through State permitting provided that it is implemented in a manner that is not inconsistent with the provisions of the bill.

By Mr. BREAUX:

S. 466. A bill to amend title II of the Social Security Act to repeal the rule providing for termination of disabled adult child's benefits upon marriage; to the Committee on Finance.

THE SOCIAL SECURITY ACT AMENDMENT ACT OF 1995

• Mr. BREAUX. Mr. President, I reintroduce legislation that would resolve a long-standing inequity in the rules that govern eligibility under the Social Security Act's coverage of disabled individuals.

The so-called disabled adult child benefit under title II of the Social Security Act provides benefits to the disabled children of individuals who receive old age or disability insurance benefits. Eligible individuals receive a cash benefit and Medicare coverage. Very often the Medicare coverage that individuals receive is more important than the cash benefit, because the severely disabled recipients have nowhere else to go to get insurance that would cover their preexisting, often severe disabilities.

Under current law, individuals who receive the disabled adult child benefit automatically lose their benefits if they get married, regardless of their income. This penalty is archaic and should be removed from the law. When these provisions were originally enacted society had a different view of the disabled than it does today. The notion was that, upon marriage, disabled individuals would leave their dependence relationship with the Social Security program only to enter into a dependence relationship on a spouse. Today, we have come to realize that disabled people can be productive members of society in their own right. They can and should be free to marry, and raise families and engage in the pursuit of happiness like everyone else in this country. This automatic loss of benefits, especially of the all-important Medicare coverage—is a huge obstacle for disabled adult child recipients who want to do so.

Mr. President, the bill I am reintroducing today would repeal the provision which requires that these individuals lose their benefits when they marry.

Several years ago, a constituent of mine named Jimmy Rick drove his wheelchair all the way to Washington, DC, and Capitol Hill from his home in Amide, LA, in order to bring this matter to my attention. Mr. Rica has been paralyzed from the neck down since he was 3 years old and has had a series of incredibly painful and debilitating operations over the course of his 46 years. Every night of his life he must sleep in an iron lung. Somehow, he still managed to pilot his wheel chair the 1,100 miles from Aide, LA, to Capitol Hill to explain the effect that the marriage provision has had on his life.

Mr. Rick and his wife, Dona, had to wait 7 years before they could get married and adopt children. He was completely dependent on the Medicare coverage he had as a beneficiary and could not have gotten insurance anywhere else. Jimmy and Dona could not get married until she found a job with the U.S. Postal Service that carried the kind of health insurance coverage that Jimmy absolutely needed in order to survive. Since their marriage in May 1990 the Ricks have adopted two children, and they would like to adopt more. They are a happy, productive and stable family. The archaic marriage penalty in the Social Security law only served to delay this happy circumstance for 7 unnecessary years.

This Congress will be the third Congress in which I have introduced this legislation. In June 1992, the Senate Finance Committee approved a provision based on this legislation as part of a larger measure that would have liberalized the Social Security earnings limit. Unfortunately, the provision was stripped before the legislation passed due to conflict with the Budget Committee's interpretation of rules related to on-budget versus off-budget financing. Try to explain that to constituents whose day to day lives were drastically affected by an unreasonable provision of the law.

Mr. President, I hope that this legislation, which will strengthen the concept of the family and allow thousands of disabled persons to marry who cannot now do so, receives the favorable

attention of my colleagues and can finally be passed into law.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF RULE PROVIDING FOR TERMINATION OF DISABLED ADULT CHILD'S BENEFITS UPON MARRIAGE.

(a) IN GENERAL.—Section 202(d) of the Social Security Act (42 U.S.C. 402(d)) is amended—

(1) in paragraph (1)(D), by striking ''or marries,'';

(2) by striking paragraph (5); and

(3) in paragraph (6)—

(A) by inserting ''(other than by reason of death)'' after ''terminated'',

(B) by striking ''(provided no event specified in paragraph (1)(D) has occurred)'', and

(C) by striking ''the first month in which an event specified in paragraph (1)(D) occurs'' in subparagraph (C) and inserting ''the month in which the child's death occurs''.

(b) Conforming Amendments.—

(1) Section 202(d) of such Act (as amended by subsection (a)) is further amended by redesignating paragraphs (6), (7), (8), and (9) as paragraphs (5), (6), (7), and (8), respectively.

(2) Section 202(s)(2) of such Act (42 U.S.C. 402(s)(2)) is amended by striking ''So much of subsections (b)(3), (c)(4), (d)(5), (g)(3), and (h)(4) of this section as precedes the semicolon,'' and inserting ''Subsections (b)(3), (c)(4), (g)(3), and (h)(4) of this section''.

(3) Section 223(e) of such Act (42 U.S.C. 423(e)) is amended by striking ''(d)(6)(A)(ii), (d)(6)(B),'' and inserting ''(d)(5)(A)(ii), (d)(5)(B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to marriages occurring on or after May 1, 1995.●

By Mr. BOND:

S. 467. A bill for the relief of Benchmark Rail Group, Inc., and for other purposes; to the Committee on the Judiciary.

THE BENCHMARK RAIL GROUP RELIEF ACT OF 1995

● Mr. BOND. Mr. President, at the end of last session this body passed legislation to provide relief to the Benchmark Rail Group, Inc., a company in St. Louis, MO, that performed emergency work, at the request of the Southern California Regional Rail Authority, following the Northridge earthquake in California. Unfortunately, the House did not act on this legislation.

It was not until after several weeks into the emergency repair work on rail lines in the Los Angeles area that Benchmark learned of a provision in California State law that requires State agencies to only hire contractors licensed to do work in the State of California. This provision disqualified Benchmark from receiving payment owed—approximately $500,000.

FEMA, following the direction provided under section 406(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, contributed 90 percent to the net eligible cost of repair, restoration, reconstruction, and replacement of public facilities as a result of the earthquake. On August 23, 1994, funds were obligated by FEMA for various projects undertaken by the Metropolitan Transit Authority, including Southern California Regional Rail Authority and the work performed by the Benchmark Rail Group. Because of the provision of California State law, unfortunately the funds obligated cannot be awarded to Benchmark by the State of California or the Southern California Regional Rail Authority.

In a letter to Governor Wilson, FEMA stated that:

Benchmark Rail Group of St. Louis, MO, travelled halfway across the country at the invitation of the Southern California Regional Rail Authority to help people in dire need of assistance. this action was clearly an example of the concept of people-helping-people at work

According to the letter:

FEMA is precluded from directly paying Benchmark or otherwise effectuating or facilitating payment to Benchmark because of limitations imposed by both State and Federal law.

FEMA cannot pay Benchmark for two reasons. First, ''the Federal Government, in the performance of its duties and responsibilities, cannot ignore or abrogate State law. Since the failure to have a particular California license is the obstacle to payment by the State, FEMA is not legally in a position to do what the State of California, the Metropolitan Transit Authority and the Southern California Regional Rail Authority cannot do.'' Second, the Stafford Act prohibits FEMA from providing funds directly to Benchmark, since the company is not an eligible grantee. Section 406(a) of the Stafford Act and the applicable regulations authorizes reimbursement by FEMA only to the grantee of the Federal share of disaster assistance funds which must be a State or local government.

The State of California, like FEMA, recognized the problem and tried to resolve it last summer. Governor Wilson worked with the California State Legislature to amend California law to authorize payment to Benchmark. The effort got underway late in the legislative session and failed. Governor Wilson wrote to FEMA and stated:

We are hopeful that this problem can be resolved if FEMA obtains the administrative flexibility to make the Stafford Act payment directly to Benchmark.

The legislation that was introduced by the former senior Senator of Missouri, Senator Danforth, and passed this body last year, and which I am reintroducing today, would do just that. This legislation directs FEMA to reimburse Benchmark for all work which is eligible for reimbursement under the Stafford Act, including the 90-percent share that FEMA would ordinarily pay and the 10-percent share that the non-Federal entity would pay.

It is unfortunate that Benchmark Rail Group has gotten caught in the middle of State and Federal bureaucracy. Benchmark, who rushed to help others suffering from a natural disaster, now is suffering and cannot get help because of the inflexibility in both Federal and State law. I believe we have a responsibility to make certain that Benchmark is compensated for the work performed. I urge my colleagues to support this legislation.●

By Mr. GLENN (for himself and Mr. DEWINE):

S. 468. A bill to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in Ohio, and for other purposes; to the Committee on Energy and Natural Resources.

THE FEDERAL POWER ACT AMENDMENT ACT OF 1995

● Mr. GLENN. Mr. President, today with my colleague, Mr. DEWINE, I am introducing a bill to extend the time limitation on an already issued Federal Energy Regulatory Commission [FERC] license for the Summit pumped energy storage project in Norton, OH. Legislation authorizing the FERC to grant this extension has been introduced in the House by Congressman SAWYER.

Upon completion of environmental, engineering and other project review, the FERC issued a license to Summit Energy Storage, Inc., for the Summit pumped storage hydropower project. The 1,500 megawatt Summit project, to be located in Summit and Medina Counties, OH, will generate an estimated maximum 3,900 gigawatt-hours of electricity per year.

Section 13 of the Federal Power Act prescribes the time limits for commencement of construction of a hydropower project once FERC has issued a license. The licensee must begin construction not more than 2 years from the date the license is issued, unless FERC extends the initial 2-year deadline. FERC has extended the Summit project's construction commencement deadline for the one permissible 2-year period, setting the current deadline of April 11, 1995. The bills we introduce would grant FERC authority to extend the commencement of construction deadline for up to 6 additional years.

Mr. President, I urge the enactment of this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 468

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DEADLINE.

(A) IN GENERAL.—Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 9423, the Commission may, at the request of the licensee for the project, in accordance with the good faith, due diligence, and public interest requirements of that section and the Commission's procedures under that section,

extend the time period during which the licensee is required to commence the construction of the project, under the extension described in subsection (b), for not more than 3 consecutive 2-year periods.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the expiration of the extension of the period required for commencement of construction of the project described in subsection (a) that the Commission issued, prior to the date of enactment of this Act, under section 13 of the Federal Power Act (16 U.S.C. 806).●

By Mr. GREGG (for himself and Mr. COATS):

S. 469. A bill to eliminate the National Education Standards and Improvement Council and opportunity-to-learn standards; to the Committee on Labor and Human Resources.

EDUCATION LEGISLATION

● Mr. GREGG. Mr. President: I introduce legislation that begins to undo the damage caused by the passage of Goals 2000: Educate America Act during the last Congress. My legislation will not only eliminate the National Education Standards and Improvement Council but will also repeal opportunity to learn standards. Both of these, created under Goals 2000, specifically shift a significant amount of the control of curriculum and management of elementary and secondary schools from local communities and States to the Federal Government.

By repealing these two pieces of Goals 2000, we rid States and localities of the most offensive provisions of this legislation and move to restore local control of education. The first step is eliminating the National Education Standard and Improvement Council [NESIC], also referred to as the National School Board. This body is charged with certifying national content and performance standards and opportunity to learn standards. These standards basically address all areas affecting the way elementary and secondary schools are operated. We have already seen the failure of national standards with the creation of U.S. history standards. Let's stop this disaster before it goes any further.

The second step in the process of restoring local control is to eliminate opportunity to learn standards. Basically, these standards are a Federal methodology of how people teach, what they are taught and the atmosphere in which they are taught. Opportunity to learn standards deal with input; they address curriculum, instructional materials, teacher capabilities, and school facilities. Since when is the Federal Government involved in deciding how many pencils each classroom should have?

Proponents of opportunity to learn standards insist that the implementation of these standards is voluntary. However, if a State wants their fair share of the available funds, they must develop these standards, even if they have no intention of using them; this does not appear to be voluntary to me.

We must make it clear that energizing local communities, the parents, the teachers, the principals, and the school boards is the key to improving education. My legislation does just that.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIMINATION OF THE NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL AND OPPORTUNITY-TO-LEARN STANDARDS.

Title II of the Goals 2000: Educate America Act (20 U.S.C. 5821 et seq.) is amended—

(1) by repealing part B (20 U.S.C. 5841 et seq.); and

(2) by redesignating parts C and D (20 U.S.C. 5861 et seq. and 5871 et seq.) as parts B and C, respectively.

SEC. 2. TECHNICAL AND CONFORMING AMENDMENTS.

(a) GOALS 2000: EDUCATE AMERICA ACT.—

(1) The table of contents for the Goals 2000: Educate America Act is amended, in the items relating to title II—

(A) by striking the items relating to part B;

(B) by striking ''PART C'' and inserting ''PART B''; and

(C) by striking ''PART D'' and inserting ''PART C''.

(2) Section 2 of such Act (20 U.S.C. 5801) is amended—

(A) in paragraph (4)—

(i) in subparagraph (B), by inserting ''and'' after the semicolon;

(ii) by striking subparagraph (C); and

(iii) by redesignating subparagraph (D) as subparagraph (C); and

(B) in paragraph (6)—

(i) by striking subparagraph (C); and

(ii) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively.

(3) Section 3(a) of such Act (20 U.S.C. 5802) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (14) as paragraphs (7) through (13), respectively.

(4) Section 201(3) of such Act (20 U.S.C. 5821(3)) is amended by striking '', voluntary national student performance'' and all that follows through ''such Council'' and inserting ''and voluntary national student performance standards''.

(5) Section 202(j) of such Act (20 U.S.C. 5822(j)) is amended by striking '', student performance, or opportunity-to-learn'' and inserting ''or student performance''.

(6) Section 203 of such Act (20 U.S.C. 5823) is amended—

(A) in subsection (a)—

(i) by striking paragraphs (2) and (3);

(ii) by redesignating paragraphs (4) through (6) as paragraphs (2) through (4), respectively; and

(iii) by amending paragraph (2) (as redesignated by clause (ii)) to read as follows:

''(2) review voluntary national content standards and voluntary national student performance standards;''; and

(B) in subsection (b)(1)—

(i) in subparagraph (A), by inserting ''and'' after the semicolon;

(ii) in subparagraph (B), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (C).

(7) Section 204(a)(2) of such Act (20 U.S.C. 5824(a)(2)) is amended—

(A) by striking ''voluntary national opportunity-to-learn standards,''; and

(B) by striking ''described in section 213(f)''.

(8) Section 241 of such Act (20 U.S.C. 5871) is amended—

(A) in subsection (a), by striking ''(a) NATIONAL EDUCATION GOALS PANEL.—''; and

(B) by striking subsections (b) through (d).

(9) Section 304(a)(2) of such Act (20 U.S.C. 5884(a)(2)) is amended—

(A) in subparagraph (A), by adding ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (C).

(10) Section 306 of such Act (20 U.S.C. 5886) is amended—

(A) by striking subsection (d); and

(B) in subsection (o), by striking ''State opportunity-to-learn standards or strategies,''.

(11) Section 308(b)(2) of such Act (20 U.S.C. 5888(b)(2)) is amended—

(A) in the matter preceding clause (i) of subparagraph (A), by striking ''State opportunity-to-learn standards,''; and

(B) in subparagraph (A), by striking ''including—'' and all that follows through ''title II;'' and inserting ''including through consortia of States;''.

(12) Section 312(b) (20 U.S.C. 5892(b)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(13) Section 314(a)(6)(A) of such Act (20 U.S.C. 5894(a)(6)(A)) is amended by striking ''certified by the National Education Standards and Improvement Council and''.

(14) Section 315 of such Act (20 U.S.C. 5895) is amended—

(A) in subsection (b)—

(i) in paragraph (1)(C), by striking '', including the requirements for timetables for opportunity-to-learn standards,'';

(ii) by striking paragraph (2);

(iii) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(iv) in paragraph (1)(A), by striking ''paragraph (4) of this subsection'' and inserting ''paragraph (3)'';

(v) in paragraph (2) (as redesignated by clause (iii))—

(I) by striking subparagraph (A);

(II) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(III) in subparagraph (A) (as redesignated in subclause (II)) by striking '', voluntary natural student performance standards, and voluntary natural opportunity-to-learn standards developed under part B of title II of this Act'' and inserting ''and voluntary national student performance standards'';

(vi) in subparagraph (B) of paragraph (3) (as redesignated by clause (ii)), by striking ''paragraph (5),'' and inserting ''paragraph (4),''; and

(vii) in paragraph (4) (as redesignated by clause (ii)), by striking ''paragraph (4)'' each place it appears and inserting ''paragraph (3)'';

(B) in the matter preceding subparagraph (A) of subsection (c)(2)—

(i) by striking ''subsection (b)(4)'' and inserting ''subsection (b)(3)''; and

(ii) by striking ''and to provide a framework for the implementation of opportunity-to-learn standards or strategies''; and

(C) in subsection (f), by striking ''subsection (b)(4)'' each place it appears and inserting ''subsection (b)(3)''.

(15)(A) Section 316 of such Act (20 U.S.C. 5896) is repealed.

(B) The table of contents for such Act is amended by striking the item relating to section 316.

(16) Section 317 of such Act (20 U.S.C. 5897) is amended—

(A) in subsection (d)(4), by striking ''promote the standards and strategies described in section 306(d),''; and

(B) in subsection (e)—

(i) in paragraph (2), by inserting ''and'' after the semicolon;

(ii) by striking paragraph (3); and

(iii) by redesignating paragraph (4) as paragraph (3).

(17) Section 503 of such Act (20 U.S.C. 5933) is amended—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) in the matter preceding subparagraph (A), by striking ''28'' and inserting ''27'';

(II) by striking subparagraph (D); and

(III) by redesignating subparagraphs (E) through (G) as subparagraphs (D) through (F), respectively;

(ii) in paragraphs (2), (3), and (5), by striking ''subparagraphs (E), (F), and (G)'' each place it appears and inserting ''subparagraphs (D), (E), and (F)'';

(iii) in paragraph (2), by striking ''subparagraph (G)'' and inserting ''subparagraph (F)'';

(iv) in paragraph (4), by striking ''(C), and (D)'' and inserting ''and (C)''; and

(v) in the matter preceding subparagraph (A) of paragraph (5), by striking ''subparagraph (E), (F), or (G)'' and inserting ''subparagraph (D), (E), or (F)''; and

(B) in subsection (c)—

(i) in paragraph (1)(B), by striking ''subparagraph (E)'' and inserting ''subparagraph (D)''; and

(ii) in paragraph (2), by striking ''subparagraphs (E), (F), and (G)'' and inserting ''subparagraphs (D), (E), and (F)''.

(18) Section 504 of such Act (20 U.S.C. 5934) is amended—

(A) by striking subsection (f); and

(B) by redesignating subsection (g) as subsection (f).

(b) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(1) Section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311) is amended—

(A) in subsection (b)(8)(B), by striking ''(which may include opportunity-to-learn standards or strategies developed under the Goals 2000: Educate America Act)'';

(B) in subsection (f), by striking ''opportunity-to-learn standards or strategies,'';

(C) by striking subsection (g); and

(D) by redesignating subsection (h) as subsection (g).

(2) Section 1116 of such Act (20 U.S.C. 6317) is amended—

(A) in subsection (c)—

(i) in paragraph (2)(A)(i), by striking all beginning with '', which may'' through ''Act''; and

(ii) in paragraph (5)(B)(i)—

(I) in subclause (VI), by inserting ''and'' after the semicolon;

(II) in subclause (VII), by striking ''; and'' and inserting a period; and

(III) by striking subclause (VIII); and

(B) in subsection (d)—

(i) in paragraph (4)(B), by striking all beginning with '', and may'' through ''Act''; and

(ii) in paragraph (6)(B)(i)—

(I) by striking subclause (IV); and

(II) by redesignating subclauses (V) through (VIII) as subclauses (IV) through (VII), respectively.

(3) Section 1501(a)(2)(B) of such Act (20 U.S.C. 6491(a)(2)(B)) is amended—

(A) by striking clause (v); and

(B) by redesignating clauses (vi) through (x) as clauses (v) through (ix), respectively.

(4) Section 10101(b)(1)(A)(i) of such Act (20 U.S.C. 8001(b)(1)(A)(i)) is amended by striking ''and opportunity-to-learn standards or strategies for student learning''.

(5) Section 14701(b)(1)(B)(v) of such Act (20 U.S.C. 8941(b)(1)(B)(v)) is amended by striking ''the National Education Goals Panel,'' and all that follows through ''assessments)'' and inserting ''and the National Education Goals Panel''.

(c) GENERAL EDUCATION PROVISIONS ACT.—Section 428 of the General Education Provisions Act (20 U.S.C. 1228b), as amended by section 237 of the Improving America's Schools Act of 1994 (Public Law 103–382) is amended by striking ''the National Education Standards and Improvement Council,''.

(d) EDUCATION AMENDMENTS OF 1978.—Section 1121(b) of the Education Amendments of 1978 (25 U.S.C. 2001(b)), as amended by section 381 of the Improving America's Schools Act of 1994 (Public Law 103–382) is amended by striking ''213(a)'' and inserting ''203(a)(2)''.●

By Mr. HOLLINGS (for himself and Mr. INOUYE):

S. 470. A bill to amend the Communications Act of 1934 to prohibit the distribution to the public of violent video programming during hours when children are reasonably likely to comprise a substantial portion of the audience; to the Committee on Commerce, Science, and Transportation.

THE CHILDREN'S PROTECTION FROM TELEVISION VIOLENCE ACT

● Mr. HOLLINGS. Mr. President, today I am re-introducing legislation that will protect children from the harmful effects of gratuitous television violence. As the President said in his State of the Union Address, the entertainment industry has a ''* * * responsibility to assess the impact of [its] work and to understand the damage that comes from the incessant, repetitive mindless violence that permeates our media all the time.'' I do not believe the industry has done its best to honor that special responsibility.

My approach is the most reasonable and feasible way to deal with the reality that television has become the permanent babysitter and some-time parent. The television does not simply occupy a child's time; it has become one of the more powerful influences in a child's life. Yet it continues to be nothing but a vast wasteland.

We've heard all the commitments to reduce the level of violence on television. We've heard the commitments to improve the quality of children's programming. But what has been the result? More violence. The industry's primary focus continues to be the bottom line—not on the quality of the programming and its educational value.

The evidence is overwhelming. Arnold Goldstein, the Director of the Center for Research on Aggression at Syracuse University, has done extensive research in the area of violence and its impact on youth. His research conclusively finds a link between TV violence and real-world violence and adds support to congressional efforts to curb the amount of violence on television. The Commerce Committee's hearing record last Congress provides further evidence of the extent of violence in society. Each year, over 20,000 people are murdered in the United States—1 person is killed every 22 minutes. Violence is the second leading cause of death for Americans between the ages of 15 and 24. The Centers for Disease Control now considers violence to be a public health problem.

According to several studies, television violence increased in the 1980's both during prime time and during children's television hours. Evidence shows that children spend more time watching television than they spend in school. For example, children between the ages of 2 and 11 watch television an average of 28 hours per week. Furthermore, a University of Pennsylvania study documented that a record 32 violent acts per hour were shown during children's shows in 1992. The American Psychological Association [APA] estimates that a typical child will watch 8,000 murders and 100,000 acts of violence before finishing elementary school.

The Commerce Committee has been looking at the issue of television violence and its impact on youth. Last Congress, the Commerce Committee held a hearing on this issue and found that there is indeed a compelling governmental interest to protect children from the harmful effects of violence on television. To address this interest, my bill directs the Federal Communications Commission [FCC] to adopt rules to require the networks and cable industry to channel violent programming into times of the day when children are not likely to comprise a substantial part of the audience. This is consistent with Supreme Court decisions recognizing the compelling nature of the Government's interest in helping parents supervise their children and in independently protecting the well being of its youth.

I am sensitive to the constitutional concerns raised by this issue. However, I believe the safe harbor mandated by my bill is sound public policy and is the least restrictive means to protect children. The courts have found many deficiencies in past legislative efforts to curb indecent programming. In fact, the U.S. Court of Appeals for the District of Columbia ruled that the safe harbor timeframe for indecent broadcasts from 12 midnight to 6 a.m. was unconstitutional. The court said the timeframe mandated by Congress and adopted in the FCC's rules was overly broad and not based upon a sufficient record.

My bill avoids the deficiencies found in prior legislative efforts. In Action for Children's Television versus FCC (Act IV), the court said the FCC's effort to implement a safe harbor for indecent programming failed because its regulations attempted to protect every person—adults and children—from the

harmful effects of indecent programming. The FCC failed to balance properly the first amendment considerations necessary to restrict indecent broadcasts since the FCC's rules did not exclude adults from the persons to be protected from indecent broadcasts.

In his concurring opinion, Judge Edwards asserted that violent programming is more harmful to children than indecent broadcasts and that a more compelling case can be made for regulating violence—if the regulation is narrowly tailored. Judge Edwards stated that ''the strength of the Government's interest in shielding children from exposure to indecent programming is tied directly to the magnitude of the harms sought to be prevented. The apparent lack of specific evidence of harms from indecent programming stands in direct contrast, for example, to the evidence of harm caused by violent programming—a genre that, as yet, has gone virtually unregulated.''

My bill does not ban programs with violence, and it does not regulate the content of any program. Rather, it directs the FCC to adopt rules to require the networks and the cable industry to channel violent programming into time slots when children are not likely to comprise a substantial part of the audience.

The programming that children watch today is no longer produced by a few Hollywood studios and broadcast by three networks. We now have an established fourth network, several emerging networks, independent television stations, and cable television, all of which have multiple sources of programming. Therefore, we can no longer hold just the three networks responsible for what children watch. That is why my bill adopts a broad approach directed at all providers of video programming.

I am convinced this bill is the least restrictive means by which we can limit children's exposure to violent programming. I urge my colleagues to consider it carefully.

I ask unanimously consent that the text of the bill be printed in the RECORD.

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

S. 470

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 ''Children's Protection from Violent Programming Act of 1995''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Television influences children's perception of the values and behavior that are common and acceptable in society.

(2) Television station operators, cable television system operators, and video programmers should follow practices in connection with video programming that take into consideration that television broadcast and cable programming—

(A) has established a uniquely pervasive presence in the lives of all Americans; and

(B) is readily accessible to children.

(3) Violent video programming influences children, as does indecent programming.

(4) There is empirical evidence that children exposed to violent video programming at a young age have a higher tendency for violent and aggressive behavior later in life than those children not so exposed. Children exposed to violent video programming are prone to assume that acts of violence are acceptable behavior and therefore to imitate such behavior.

(5) There is a compelling governmental interest in limiting the negative influences of violent video programming on children.

(6) There is a compelling governmental interest in channeling programming with violent content to periods of the day when children are not likely to comprise a substantial portion of the television audience.

(7) Restricting the hours when violent video programming is shown is the least restrictive and most narrowly tailored means to achieve that compelling governmental interest.

(8) Warning labels about the violent content of video programming will not in themselves prevent children from watching violent video programming.

SEC. 3. UNLAWFUL DISTRIBUTION OF VIOLENT PROGRAMMING.

Title VII of the Communications Act of 1934 (47 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

''SEC. 714. UNLAWFUL DISTRIBUTION OF VIOLENT PROGRAMMING.

''(a) UNLAWFUL DISTRIBUTION.—It shall be unlawful for any person to—

''(1) distribute to the public any violent video programming during hours when children are reasonably likely to comprise a substantial portion of the audience; or

''(2) knowingly produce or provide material for such distribution.

''(b) RULEMAKING PROCEEDING.—The Commission shall conduct a rulemaking proceeding to implement the provisions of this section and shall promulgate final regulations pursuant to that proceeding not later than 9 months after the date of enactment of the Children's Protection From Violent Programming Act of 1995. As part of that proceeding, the Commission—

''(1) may exempt from the prohibition under subsection (a) programming (including news programs, documentaries, educational programs, and sporting events) whose distribution does not conflict with the objective of protecting children from the negative influences of violent video programming, as that objective is reflected in the findings in section 2 of the Children's Protection From Violent Programming Act of 1995;

''(2) shall exempt premium and pay-per-view cable programming; and

''(3) shall define the term 'hours when children are reasonable likely to comprise a substantial portion of the audience' and the term 'violent video programming'.

''(c) REPEAT VIOLATIONS.—If a person repeatedly violates this section or any regulation promulgated under this section, the Commission shall, after notice and opportunity for hearing, immediately repeal any license issued to that person under this Act.

''(d) CONSIDERATION OF VIOLATIONS IN LICENSE RENEWALS.—The Commission shall consider, among the elements in its review of an application for renewal of a license under this Act, whether the licensee has complied with this section and the regulations promulgated under this section.

''(e) DEFINITION.—As used in this section, the term 'distribute' means to send, transmit, retransmit, telecast, broadcast, or cablecast, including by wire, microwave, or satellite.''.

SEC. 4. EFFECTIVE DATE.

The prohibition contained in section 714 of the Communications Act of 1934 (as added by section 3 of this Act) and the regulations promulgated thereunder shall be effective on the date that is 1 year after the date of enactment of this Act.●

By Mr. BIDEN (for himself, Mr. D'AMATO, Mr. HOLLINGS, Mr. ROTH, and Mr. STEVENS):

S. 471. A bill to provide for the payment to States of plot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States; to the Committee on Veterans' Affairs.

THE VETERANS PLOT ALLOWANCE ACT OF 1995

● Mr. BIDEN. Mr. President, today, I am reintroducing legislation I first offered last year regarding the $150 veterans plot allowance to states. My bill would provide a payment for all veterans—not just some veterans—who are buried free of charge in a State veterans cemetery, if they are eligible for burial in a national veterans cemetery. I am pleased to be joined in this effort today by Senators D'AMATO, HOLLINGS, ROTH, and STEVENS.

The imperative for enacting this legislation is even greater today than it was when I introduced the same bill last May. Earlier this week, the Associated Press reported that our national cemeteries are fast running out of space. Of the 114 national cemeteries, 56—one short of half—are already full. And, space exists for just 230,000 more caskets and the cremated remains of just 50,000 more veterans. Compared that with the 27 million veterans living today who will be eligible for burial in a national cemetery.

For those familiar with veterans issues, these statistics will not come as a great shock. In fact, the rapidly dwindling space in national cemeteries is one of the main reasons that over a decade ago, Congress established the state cemetery grant program. In doing so, we hoped to encourage States to build State veterans cemeteries to ease the burden on the national cemetery system.

This Federal-State partnership has not only worked, it is a shining example of what the States and the Federal Government can do together. Since the creation of the program, over 25 States have built State veterans cemeteries—and there are now 42 such cemeteries throughout the United States. For States like Delaware, which do not have a national cemetery at all, the State cemetery program ensures that veterans will receive the dignified burial they deserve in a veterans-only cemetery, while being buried closer to home than if they were buried in a national cemetery.

Now, however, I fear that this partnership is at risk—precisely when we need it the most. The reason is because of an anomaly in the law. States are required to bury in a State-owned veterans cemetery those veterans who are eligible for burial in a national veterans cemetery—that is, all honorably

discharged veterans. To help meet the cost, the Federal Government promised to pay a $150 plot allowance to the State for each veteran who is buried free of charge. But—and here is the catch—this payment is not made for all honorably discharged veterans. Rather, a State is eligible for the plot allowance only for burying veterans who meet a set of more restrictive criteria. Specifically, the plot allowance is paid only for those veterans who: First, were receiving veterans disability compensation or a veterans pension; second, died in a VA hospital; third, were indigent, and the body was unclaimed; or fourth, were, or could have been, discharged from the military due to a disability.

In short, State-owned veterans cemeteries exist to help relieve the Federal Government of its responsibility to bury all veterans in national cemeteries. At the same time, States do not receive the $150 plot allowance for burying all national cemetery eligible veterans. It seems to me that this disparate treatment is in conflict with the very purpose for which State veterans cemeteries were established.

And, because of the limits on the payment of the plot allowance, I have heard anecdotal evidence in recent years that some States may soon stop burying veterans free of charge. They claim that they cannot afford to do so when the Federal Government does not pay the $150 plot allowance.

To further complicate matters, last year, Congress extended eligibility for burial in a national cemetery to National Guard members and reservists who have served at least 20 years. By their eligibility for burial in a national cemetery, they are also now eligible for burial in State veterans cemeteries. But, of course, few, if any, will meet the four-point criteria I mentioned a moment ago—and the States will not receive a $150 plot allowance for their burial.

So, Mr. President, as we are asking more of State veterans cemeteries—through expanded eligibility and through decreased space in national cemeteries—and as State veterans cemeteries become more vital to the national cemetery system, we need to ensure that States continue to participate in the program. To guarantee that—and to be fair to the States—my legislation would simply provide States the $150 plot allowance for burying without charge any veterans eligible for burial in a national veterans cemetery. No more restricted criteria. No more contradictory goals. Only one simple and fair rule: If a State buries a veteran in lieu of burial in a national cemetery, the State is paid the plot allowance.

If my legislation were enacted, the Congressional Budget Office has estimated that it would cost the Federal Government about $1 million annually. While my bill does not have offsetting reductions in other Federal spending to cover this cost, I am committed to finding such reductions before the measure is passed.

Mr. President, on this, the 50th anniversary of the Battle of Iwo Jima—at a time when we are honoring the brave men who fought there and the almost 7,000 who died there—it is well to remember that the Federal Government is duty-bound to give all of our veterans a decent and dignified burial. The legislation I am introducing today will help to ensure that we live up to that solemn commitment. I urge my colleagues to cosponsor this bill.●

By Mr. DODD (for himself and Mr. KENNEDY):

S. 472. A bill to consolidate and expand Federal child care services to promote self-sufficiency and support working families, and for other purposes; to the Committee on Labor and Human Resources.

THE CHILD CARE CONSOLIDATION AND INVESTMENT ACT OF 1995

Mr. DODD. Mr. President, I rise today to introduce the Child Care Consolidation and Investment Act. I am pleased to offer this legislation with my colleague, Senator KENNEDY.

The bill would consolidate major child care programs, including the child care and development block grant to create a seamless system of child care for working parents; expand access to affordable child care in order to promote work and self-sufficiency; ensure that parents will not be forced to leave their children in unsafe situations to comply with work requirements; and build on the child care and development block grant to encourage parental choice, provide for quality and ensure basic health and safety standards.

I attended a hearing of the Subcommittee on Children and Families last week which highlighted the need for this legislation. We heard from several witnesses about the desperate need for an increased investment in child care. We also heard about the unintended but terrible consequences of imposing work requirements or time limits for welfare without a corresponding investment in child care.

In addition, witnesses discussed the importance of emphasizing quality child care. It is not enough to simply warehouse our children. We must provide them with a safe, clean, stimulating environment. They deserve no less. That is why our bill would preserve and build on the quality component of the child care and development block grant.

The bill seeks to simplify and consolidate Federal child care programs in hopes of creating seamless support so that individuals have access to child care as they move from welfare to job training to work. But it recognizes that consolidation, as important as it is, is no substitute for devoting resources to meet the needs of our kids.

Finally, the bill would seek to put child care at its rightful place in the center of the welfare reform debate. It would require any State that imposes work requirements on welfare recipients to offer child care assistance for the recipients' children.

BARRIERS BETWEEN WELFARE AND WORK

I think we all share the same goal in reforming the welfare system—to encourage self-sufficiency and reward work. To get the job done, we must identify the barriers between individuals on welfare and work—and then do our best to eliminate those barriers.

Our bill recognizes that one of the most significant barriers to work is a lack of affordable, quality child care. But most of the welfare reform proposals coming from the other side of the aisle are woefully inadequate on this point.

Most of the plans would put welfare recipients to work. I wholeheartedly agree that work and job training requirements are critical if we ever hope to break the cycle of poverty. Placing work at the center of our welfare policy is the right approach.

But this raises an important question. Since two-thirds of families receiving aid to families with dependent children have at least one pre-school age child, what happens to the children while their parents are at work? Where do they go? Who will look out for them?

The major Republican proposal in the House completely ignores these questions. Instead of putting children at the center of the welfare reform debate—as they should be—some Republicans are treating them as nuisances to be swept under the rug.

At a time when we should be investing in child care to make work possible, the House bill would cut child care funding. The House bill would eliminate child care subsidies for 377,000 kids by the year 2000, and cut funding by 24 percent by that time. The House bill would also completely eliminate quality standards—even minimal health and safety requirements.

During a subcommittee mark-up in the other body last week, Representative JIM NUSSLE had the following to say about proposals to ensure child care as part of welfare reform:

> Pretty soon we'll have the department of the alarm clocks to wake them up in the morning and the department of bedtime stories to tuck them in at night. It's not the Government's responsibility.

That kind of flip, cavalier attitude toward our Nation's children is completely unacceptable. I would suggest the Government does have a responsibility to young children. It is not kids' fault that their parents are on welfare, and they shouldn't be punished for the mistakes or bad luck of adults.

I maintain that if we are going to put welfare parents to work, we have an obligation to do something for their kids. It's just that simple.

MAKING A BAD SITUATION WORSE

Demand for child care already outstrips the supply. There are now thousands of children on waiting lists in 37

States. You don't need to be an economist to understand what would happen if 2 to 3 million additional children need child care when their parents are put to work.

A bad situation will grow worse. Increased demand will drive up fees—pricing more working families out of the system. Former welfare recipients will find it difficult to remain in the job market if they have no one to care for their kids. The quality of child care will decline. We will find that we haven't reformed much of anything.

We must recognize that to build a welfare system that truly rewards work, we must have a national child care policy that makes work possible.

We have a wealth of hard evidence to prove this point:

A study by the Illinois Department of Public Aid found that 42 percent of AFDC recipients said that child care problems kept them from working full-time. Twenty percent said they had abandoned jobs and returned to welfare within the previous year—because of inadequate child care.

Child care expenses and simple economics often conspire to make welfare more attractive than work. The GAO found that the median family income of the working poor was $159 higher per month than those of AFDC recipients. But working poor families pay an average of $260 per month on child care—more than enough to wipe out the economic advantage they get from working.

If we want to replace welfare with work, it is obvious we must do something about child care. And if we want to do something about child care for the working poor, the child care development block grant is the place to start: 70 percent of the children served by the block grant have working parents and 67 percent of the children have family incomes at or below poverty.

The child care development block grant provides funds to States to help parents pay for care. It encourages States to increase the number of providers and make it easier for parents to find the care they need.

The new investments in child care have already paid off. In many States, the financial support available for low-income families has more than doubled.

QUALITY

The child care development block grant is also noteworthy because it provides the States with money to invest in quality, a provision that sets it apart from any other source of Federal child care funds.

A major study released this month clearly illustrated how critical this emphasis on quality is. The multiyear, multistate study, entitled ''Cost, Quality, and Child Outcomes in Child Care Centers,'' was conducted by a team of researchers at four universities. It found that only one in seven child care centers provides good quality child care.

For infants and toddlers, the situation is particularly bad. A staggering 40 percent of child care centers do not meet minimal standards for this group, meaning basic sanitary conditions are not met, there are safety problems or learning is not encouraged.

The poor quality of child care already puts our kids at risk. The situation will only grow worse if we try to shove millions more kids into the system with no thought to the quality of that system.

That's why our bill would build on the block grant's commitment to quality. The block grant's quality set-aside funds a variety of efforts, including renovations and repairs to help centers meet State licensing standards, the purchase of educational materials, support for low-income family home child care providers, and training and technical assistance for staff. These are critical efforts, and they should be continued.

Child care has been a strongly bipartisan issue in the Senate, and I hope colleagues from both sides of the aisle will join us in this effort to put children at the center of the welfare reform debate. Let's not leave our kids behind.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 472

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 ''Child Care Consolidation and Investment Act of 1995''.

SEC. 2. FINDINGS.

Congress finds that—

(1) fragmentation of the Federal Government's major child care assistance programs has left gaps for many parents moving from welfare to work;

(2) child care problems have prevented 34 percent of poor mothers between the ages 21 and 29 from working;

(3) ⅔ of all families receiving assistance under the Aid to Families with Dependent Children program have at least one preschool age child and need child care in order to work;

(4) there already exists an unmet need for child care assistance—37 States now have waiting lists that can run as high as 35,000 individuals;

(5) child care directly affects an individual's ability to stay in the work force;

(6) welfare reform that places work at its center will increase the demand for child care and require an additional investment of resources;

(7) child care consumes $260 per month or about 27 percent of income for average working poor families, leaving them with less income than families eligible for assistance under the Aid to Families with Dependent Children program;

(8) quality must be a central feature of the child care policy of the United States;

(9) only 1 in 7 day care centers offer good quality care;

(10) 40 percent of day care centers serving infants and toddlers do not meet basic sanitary conditions, have safety problems, and do not encourage learning; and

(11) only 9 percent of family and relative day care is considered good quality care.

SEC. 3. PURPOSE.

It is the purpose of this Act to—

(1) eliminate program fragmentation and create a seamless system of high quality child care that allows for continuity of care for children as parents move from welfare to job training to work;

(2) provide for parental choice among high quality child care programs; and

(3) increase the availability of high quality affordable child care in order to promote self sufficiency and support working families.

SEC. 4. AMENDMENTS TO CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

''SEC. 658B. APPROPRIATION.

''(a) IN GENERAL.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this subchapter, the Secretary of Health and Human Services shall pay, from funds in Treasury not otherwise appropriated, $2,302,000,000 for fiscal year 1996, $2,790,000,000 for fiscal year 1997, $3,040,000,000 for fiscal year 1998, $3,460,000,000 for fiscal year 1999, and $4,030,000,000 for fiscal year 2000.

''(b) ADJUSTMENTS.—If the amounts appropriated under subsection (a) are not sufficient to provide services to each child whose parent is required to undertake education, job training, job search, or employment as a condition of eligibility for benefits under part A of title IV of the Social Security Act, the Secretary shall pay, from funds in the Treasury not otherwise appropriated, such sums as may be necessary to ensure the implementation of section 658E(c)(3)(E) with respect to each such child.''.

(b) AWARDING OF GRANTS.—Section 658C of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858a) is amended by striking ''is authorized to'' and inserting ''shall''.

(c) SUPPLEMENTATION.—Section 658E(c)(2)(J) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)(J)) is amended by inserting ''in fiscal year 1995'' before the period.

(d) SET-ASIDES FOR QUALITY AND WORKING FAMILIES, AND CHILD CARE GUARANTEE.—Section 658E(c)(3) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3))—

(1) in subparagraph (C), by striking ''25 percent'' and inserting ''20 percent''; and

(2) by adding at the end thereof the following new subparagraphs:

''(D) ASSISTANCE FOR LOW-INCOME WORKING FAMILIES.—The State shall reserve not less than 50 percent of the amount provided to the State and available for providing services under this subchapter, to carry out child care activities to support low-income working families residing in the State.

''(E) CHILD CARE GUARANTEE.—The State plan shall provide assurances that the availability of child care under the grant will be coordinated in an appropriate manner (as determined by the Secretary) with the requirements of part A of title IV of the Social Security Act. Such coordination shall ensure that the parent of a dependent child is not required to undertake an education, job training, job search, or employment requirement unless child care assistance in an appropriate child care program is made available.''.

(e) MATCHING REQUIREMENT.—Section 658E(c) of the Child Care and Development

Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amended by adding at the end thereof the following new paragraph:

''(6) MATCHING REQUIREMENT.—With respect to amounts made available to a State in each fiscal year beginning with fiscal year 1996, that exceed the aggregate amounts received by the State for child care services in fiscal year 1995, the State plan shall provide that, with respect to the costs to be incurred by the State in carrying out the activities for which a grant under this subchapter is awarded, the State will make available (directly or through in-kind donations from public or private entities) non-Federal contributions in an amount equal to not less than $1 for every $4 of Federal funds provided under the grant.''.

(f) IMPROVING QUALITY.—

(1) INCREASE IN REQUIRED FUNDING.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended by striking ''not less than 20 percent'' and inserting ''50 percent''.

(2) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(1) by striking ''A State'' and inserting ''(a) IN GENERAL.—A State''; and

(B) by adding at the end thereof the following new subsection:

''(b) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—

''(1) IN GENERAL.—The Secretary shall establish a child care quality improvement incentive initiative to make funds available to States that demonstrate progress in the implementation of—

''(A) innovative teacher training programs such as the Department of Defense staff development and compensation program for child care personnel; or

''(B) enhanced child care quality standards and licensing and monitoring procedures.

''(2) FUNDING.—From the amounts made available for each fiscal year under subsection (a), the Secretary shall reserve not to exceed $50,000,000 in each such fiscal year to carry out this subsection.''.

(g) BEFORE- AND AFTER-SCHOOL SERVICES.—Section 658H(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f(a)) is amended by striking ''not less than 75 percent'' and inserting ''50 percent''.

(h) PAYMENTS.—Section 658J(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended by striking ''Subject to the availability of appropriation, a'' and inserting ''A''.

(i) ALLOTMENTS.—Section 658O(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m(b)) is amended by adding at the end thereof the following new paragraph:

''(5) ALLOTMENT.—

''(A) BASE ALLOTMENT.—Effective beginning with fiscal year 1996, the amount allotted to a State under this section shall include the base amount that the State received under this Act, and under the provisions repealed under section 5 of the Child Care Consolidation and Investment Act of 1995, in fiscal year 1995.

''(B) ADDITIONAL AMOUNTS.—Effective beginning with fiscal year 1996, any amounts appropriated under section 658B for a fiscal year and remaining after the requirement of subparagraph (A) is complied with, shall be allotted to States pursuant to the formula described in paragraph (1).''.

SEC. 5. PROGRAM REPEALS.

(a) AFDC JOBS AND TRANSITIONAL CHILD CARE.—

(1) REPEAL.—Paragraphs (1), (3), (4), (5), (6), and (7) of section 402(g) of the Social Security Act (42 U.S.C. 602(g)) are repealed.

(2) CONFORMING AMENDMENTS.—Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended—

(A) in section 402(a)(19) (42 U.S.C. 602(a)(19))—

(i) in subparagraph (B)(i)(I), by striking ''section 402(g)'' and inserting ''the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.)'';

(ii) in subparagraph (C)(iii)(II), by striking ''section 402(g)'' and inserting ''the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.)'';

(iii) in subparagraph (D), by striking ''section 402(g)'' and inserting ''the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.)''; and

(iv) in subparagraph (F)(iv), by striking ''section 402(g)'' and inserting ''section 402(g)(2) and the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.)'';

(B) in section 402(g)(2) (42 U.S.C. 602(g)(2)), by striking ''(in addition to guaranteeing child care under paragraph (1))''; and

(C) in section 403(*l*)(1)(A) (42 U.S.C. 603(*l*)(1)(A)), by striking ''(including expenditures for child care under section 402(g)(1)(A)(i), but only in the case of a State with respect to which section 1108 applies)''.

(b) AT-RISK CHILD CARE.—Sections 402(i) and 403(n) of the Social Security Act (42 U.S.C. 602(i), 603(n)) are repealed.

(c) STATE DEPENDENT CARE GRANTS.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871 et seq.) is repealed.

(d) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

(e) SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.—The Secretary of Health and Human Services shall, within 90 days after the date of the enactment of this Act, submit to the appropriate committees of the Congress, a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of subsections (a) and (c).

Mr. KENNEDY. Mr. President, I am pleased to join Senator DODD in introducing the Child Care Consolidation and Investment Act of 1995.

For far too many American families ''Home Alone'' is not just a movie, but a daily crisis. The struggle for decent child care is a fact of life that all working families understand—regardless of their income.

Today and everyday, millions of American families face impossible choices—cruel choices, between the jobs they need and the children they love—heart-wrenching choices between putting food on the table and finding safe and affordable child care for their young sons and daughters.

Nine million children live in single-parent working families. Twenty-seven million more children live in two-parent families where both parents work. The average cost of child care is nearly $5,000 a year—yet the take home pay from a minimum wage job is stuck at $8,500. This standard of living is not manageable. It is not fair and it is not acceptable.

We have heard a lot about turning welfare into work, but not nearly enough about who will care for the 10 million children on AFDC when their parents are in job training or at work. If we are serious about promoting work, if we mean it when we talk about strengthening families instead of punishing then, we must deal with the essential issue of child care.

We know that every day, millions of young children are left in unsupervised settings and in poor quality child care that jeopardize their health and safety—not because their parents do not care, but because they lack options, lack information, and lack cash.

Today, 21 million low-income children under 12 are eligible for services under the Federal child care programs. Yet only 6 percent of these children receive this essential support. Government cannot replace parents, but it can and should help them in their efforts to make ends meet and care for the children.

Quality child care creates opportunity and increases productivity—not just for one generation, but for two generations. Child care is not about giving parents a blank check. It is about giving them a fair chance. Leaving children out of welfare reform will make a mockery of any such reform. It will pass the real life tragedy of dependency on from this generation to the next. Families cannot afford that—and neither can the Nation.

The current child care and development block grant is a tribute to bipartisan cooperation and effective partnerships. For the families whose lives it has touched, it has made child care more affordable and resource and referral services more available. It has guaranteed higher quality. It strikes a good balance between flexibility and accountability.

Unfortunately, this sound structure does not guide all Federal child care spending, but it should. It is the strong foundation on which child care reform should be constructed.

We must create a system of support that allows families to move from welfare to job training to work without continually disrupting the care of their children. We must build a system with assistance based on need, not on welfare status. I support this approach to consolidation and our legislation moves us in that direction.

The Child Care Consolidation and Investment Act of 1995 combines the major child care efforts into a single funding stream, rather than maintaining separate programs for families on welfare, families recently off welfare, and families at-risk of falling onto welfare—each with its own rules, regulations, and eligibility standards. Families have enough stress in their lives without having to weave their way through this maze—all too often only to hear that there is no more help available.

But consolidation alone will never be enough. In the end, it will only mean well-organized deck chairs on a ship that is sinking. Consolidation can streamline bureaucracy and enhance efficiency, but it will not produce real

savings to meet the every-increasing need for quality child care.

To do more than end welfare, we must remove the existing barriers to self-sufficiency, not raise them higher. For many, that barrier is lack of child care. One in three poor women not in the labor force say child care is their greatest barrier to participation. One in five part-time workers say they would work longer hours if child care is available and affordable.

Two-thirds of AFDC families have at least one preschool child. They need child care assistance in order to enroll in job training, job search, or educational activities.

There have been loud calls for cutting benefits and ending welfare. But there has been a deafening silence on child care. It is time to break that silence and put together a realistic program—based not on rhetoric but on results.

The bill approved Act passed by the House Republicans will roll back the positive advances we have made. According to estimates from the Department of Health and Human Services, the proposal will cut child care funds by 20 percent—a $2.5 billion reduction over the next 5 years. In the year 2000, 400,000 fewer children will receive this essential assistance. That does not sound like progress and it isn't progress. More children ''Home Alone'' is never progress.

On top of all that, now they even want to slash nutrition aid for schools and for child care food programs. If taking food out of the mouths of hungry children is not Republican extremism, I do not know what is. Republicans like to boast about their new ideas, but these ideas are out to lunch.

In contrast, the Child Care Consolidation and Investment Act provides the resources needed to promote self-sufficiency and to support working families. It is a realistic pro-work and pro-family proposal. The Act will give AFDC families a helping hand and it will give working families a fighting chance for a better life. It will bring a long-needed cease-fire to the battle for limited slots between families trying to get off welfare and families trying to stay off welfare—a battle with no winners.

We must reject any policy that pulls the rug out from under families just as they are getting on their feet. Such approaches are callous and counterproductive. In Massachusetts, of mothers who left welfare for work and then returned to welfare, 35 percent said child care problems were the reason. Additional support at that critical time could have made all the difference.

Recent studies remind us of the mediocre to poor quality of child care that most children receive. Only one in seven child care centers offers quality care and only 9 percent of family day care homes are found to be of high quality. Children deserve more than custodial care. They need individual attention and a safe place to learn and grow.

As the Inspector General of the Department of Health and Human Services stated in a recent report:

> The Child Care and Development Block Grant has been the principal source of Federal support to strengthen the quality and enhance the supply of child care. The implementation of the Act has been instrumental in raising the standards of other child care programs.

This act will take the next step by applying the requirement of quality standards to all Federal efforts, and by continuing to set aside a percentage of all child care funds to enable States to strengthen the quality of their programs. The innovative approaches that States have taken under this act have benefited all children in child care—not just those receiving assistance.

Clearly, for all of us who care about working families and genuine welfare reform, facing up to the challenge of child care deserves much higher priority than it has had so far.

By Mr. BOND (for himself, Mr. SIMON, Mr. ASHCROFT, and Ms. MOSELEY-BRAUN):

S.J. Res. 27. Joint resolution to grant the consent of the Congress to certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois; to the Committee on the Judiciary.

THE BI-STATE COMPACT AMENDMENT ACT OF 1995

● Mr. BOND. Mr. President, I am pleased to introduce this joint resolution with my friend and colleague, Senator ASHCROFT; the distinguished senior Senator from the State of Illinois, Senator SIMON; and my colleague and junior Senator from the State of Illinois, Senator MOSELY-BRAUN.

The Bi-State Development Agency of the Missouri-Illinois Metropolitan District is an interstate compact agency. The purpose of this joint resolution is to seek congressional approval for legislation enacted by the States of Missouri and Illinois which grants additional powers to the agency.

Since the agency's passenger transportation systems operate through various local jurisdictions, the agency has had difficulty insuring that fare evasion and other conduct prohibited on agency facilities and conveyances, and the penalties therefore, are uniform. In addition, issues have arisen regarding the jurisdiction of various local peace officers to arrest for conduct occurring on the light rail system.

The legislatures of the States of Missouri and Illinois have enacted legislation to confer the additional powers necessary to resolve the uniformity issues which the Bi-State Development Agency faces. To move forward, these changes approved by the elected officials of Missouri and Illinois now need congressional approval. I urge my colleagues to support this joint resolution.●

ADDITIONAL COSPONSORS

S. 228

At the request of Mr. MCCONNELL, his name was added as a cosponsor of S. 228, a bill to amend certain provisions of title 5, United States Code, relating to the treatment of Members of Congress and Congressional employees for retirement purposes.

S. 233

At the request of Mr. MCCAIN, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 233, a bill to provide for the termination of reporting requirements of certain executive reports submitted to the Congress, and for other purposes.

S. 256

At the request of Mr. DOLE, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 351

At the request of Mr. HATCH, the names of the Senator from Louisiana [Mr. JOHNSTON] and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 351, a bill to amend the Internal Revenue Code of 1986 to make permanent the credit for increasing research activities.

S. 357

At the request of Mr. AKAKA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 357, a bill to amend the National Parks and Recreation Act of 1978 to establish the Friends of Kaloko-Honokohau, an advisory commission for the Kaloko-Honokohau National Historical Park, and for other purposes.

S. 413

At the request of Mr. DASCHLE, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 413, a bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act, and for other purposes.

S. 434

At the request of Mr. KOHL, the names of the Senator from Nebraska [Mr. EXON], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 434, a bill to amend the Internal Revenue Code of 1986 to increase the deductibility of business meal expenses for individuals who are subject to Federal limitations on hours of service.

SENATE JOINT RESOLUTION 18

At the request of Mr. HOLLINGS, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of Senate Joint Resolution 18, a joint resolution proposing an amendment to the Constitution relative to contributions and expenditures intended to affect elections for Federal, State, and local office.

AMENDMENT NO. 274

At the request of Mrs. FEINSTEIN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of amendment No. 274 proposed to House Joint Resolution 1, a joint resolution proposing a balanced budget amendment to the Constitution of the United States.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Monday, March 6, 1995, at 2 p.m., in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony regarding S. 333, the Department of Energy Risk Management Act of 1995.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Maureen Koetz at (202) 224–0765.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, February 23, 1995 at 9:30 a.m. in open session to receive testimony from the unified commanders on their military strategies, operational requirements, and the defense authorization request for fiscal year 1996, including the future years defense program.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, February 23, 1995 at 10 a.m. for a hearing on S. 4 and S. 14, line-item veto.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, February 23, at 10 a.m. for a markup on S. 219, Regulatory Transition Act of 1995, and S. 4 and S. 14, line-item veto.

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

COMMITTEE ON THE JUDICIARY

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, February 23, 1995, on the nominations of:

Sandra L. Lynch, of Massachusetts, to be U.S. Circuit Judge for the First Circuit;

Lacy H. Thornburg, of North Carolina, to be U.S. District Judge for the Western District of North Carolina;

Sidney H. Stein, of New York, to be U.S. District Judge for the Southern District of New York;

Thadd Heartfield, of Texas, to be U.S. District Judge for the Eastern District of Texas; and

David Folsom, of Texas, to be U.S. District Judge for the Eastern District of Texas.

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

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts and Humanities of the Committee on Labor and Human Resources be authorized to meet for a hearing on reauthorization of the National Foundation on the Arts and Humanities Act of 1965, during the session of the Senate on Thursday, February 23, 1995, at 9:30 a.m.

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

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be granted permission to meet Thursday, February 23, 1995, at 2 p.m. to conduct a hearing on the legislation to approve the National Highway System and the Department of Transportation's fiscal year 1996 budget request for the Federal-aid highway program.

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

ADDITIONAL STATEMENTS

LONG-TERM CARE FAMILY PROTECTION ACT OF 1995

• Mr. COHEN. Mr. President, last week I introduced legislation aimed at improving access to affordable long-term care services. This bill allows families with exorbitant health care bills to deduct long-term care costs as medical expenses, creates incentives for older Americans and their families to plan for future long-term care expenses, and removes tax barriers that stifle the private long-term care insurance market.

Henry David Thoreau once wrote that ''If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them.''

Each day Americans, quite unknowingly, heed Thoreau's advice as they work to safeguard their families, their homes, and their dreams from the precarious circumstances life may hand them from time to time. As he suggests, we work not only to build our castles, but strive to protect them once they are built.

Unfortunately, most of us have not adequately protected ourselves and our families from one of the most devastating financial risks that could face us in our entire lifetime—the need for long-term care services.

While approximately 38 million people lack basic health insurance, almost every American family is exposed to the catastrophic costs of long-term care. In fact, less than 3 percent of all Americans have insurance to cover long-term care. With average nursing home costs nearing $40,000 per year and home health care costing from $50 to $200 per day, long-term care expenses can quickly wipe out the lifetime savings of a disabled individual and his or her family.

Sadly, many families erroneously assume that their current insurance or Medicare will cover long-term care expenses. It is only when a loved-one becomes disabled that they discover coverage is limited to acute medical care and that long nursing home stays and extended home care services must be paid for out-of-pocket. In fact, a 1994 public opinion poll conducted for the Employee Benefit Research Institute found that 45 percent of all respondents believe that Medicare pays for long-term care, when in fact it does not.

And despite what many of us believe, the chance of needing long-term care is significant and increasing as life expectancies increase. In 1990 for example, people age 65 or older faced a 43-percent risk of entering a nursing home. About 1 in 5 of those seniors are estimated to be in a nursing home stay over 1 year, about 1 in 10 would be in a facility for 5 years or longer and many more would receive caregiving from friends, families, and home care workers.

As chairman of the Senate Special Committee on Aging, I know the obstacles many disabled older Americans and their families face paying for necessary long-term care. Despite heroic caregiving efforts by spouses, children, and friends, many disabled Americans do not receive the appropriate medical and social services they desperately need. Families are literally torn apart or pushed to the brink of financial disaster due to the overwhelming costs of long-term care.

This lack of protection pulls the rug out from under hard working families at a time when they are in their greatest need. Growing frail or learning to function with severe disabilities is a formidable task in itself. Yet this is only half the battle for an uninsured older American—since at the same time they must face huge financial burdens posed by long-term care.

The legislation levels the playing field between acute and long-term care services, and provides all Americans with incentives to purchase protection against the risk of catastrophic long-term care expenses. As healthy and as independent as we may want to stay,

the fountain of youth has yet to be discovered.

We are all vulnerable to diseases such as Alzheimer's Parkinson's, and osteoporosis that can leave us mentally or physically disabled. We must accept the risk of needing long-term care and consider it in our normal retirement planning.

This bill encourages personal responsibility and makes it easier for individuals to plan for their future long-term care needs. It provides important tax incentives for the purchase of long-term care insurance and places consumer protections on long-term care insurance policies so quality products will be affordable and accessible to more Americans.

It allows States to develop programs under which individuals can keep more of their assets and still qualify for Medicaid if they take steps to finance their own long-term care needs, allows individuals to make tax free withdrawals from their individual retirement accounts without penalty if they purchase private long-term care insurance, and provides for consumer education to help families decide how to best plan for their own particular circumstances.

Stimulating the private market through tax incentives and asset protection programs is a long-term investment in reducing Americans' reliance on Medicaid, and other Federal and State entitlements. Just as employer-sponsored health insurance got a boost after Congress exempted employers' payments for health insurance from corporate taxes, the long-term care market needs a major boost if we are seriously going to encourage individuals to provide for their own long-term care needs.

Last year Congress was involved in an exhausting debate over how to reform our entire health care system. To my great disappointment, that debate did not yield legislation that could be passed on a bipartisan basis. Instead we fought an all or nothing battle for health care reform that left the American public no better off than when we began.

Long-term care reform was one of the victims of this all or nothing strategy. Several bills contained provisions to establish a non-means-tested long-term care program that would have cost taxpayers over $48 billion. While the program would have certainly provided necessary long-term care services to many families, it was simply unrealistic to build a large publicly funded program at a time when we were trying to balance the budget. Furthermore, creating a non-means-tested program would have only strengthened the misconception that the Government will pay for long-term care and that there is little need to purchase protection.

As Abraham Lincoln once cautioned, ''We must not promise what we ought not, lest we be called on to perform what we cannot.''

The provisions included in the long-term care reform bill I am introducing today are not only reasonable, but enjoy strong bipartisan support. They were included in almost every health care bill introduced last year and are an important part of the Senior's Equity Act in the House Republican Contract With America.

A strong private long-term care market will not only give individuals greater financial security for their future, but will ease the financial burden on the Federal Government for years to come, as our population ages and more elderly persons require long-term care.

I strongly urge my colleagues to cosponsor this legislation which will improve the financial security of older Americans and their families both now and in the future. ●

RELEASE OF GAO HIGH RISK LIST REPORT

● Mr. GLENN. Mr. President, the General Accounting Office [GAO] has just released its second series of reports which identify the Federal program areas they consider most vulnerable to waste, fraud, abuse, and mismanagement—placing hundreds of billions of taxpayer dollars at risk.

GAO began its high-risk program in 1990, with much encouragement on my behalf as the then-chairman of the Committee on Governmental Affairs. Its purpose was to highlight problems that were costing the Government—meaning U.S. taxpayers—billions of dollars.

In 1992, GAO issued a series of reports that outlined the problems, root causes, and needed actions for each of the areas designated as high-risk. At that time, some agencies were beginning to address their high risks but progress was minimal and the task ahead was daunting.

Under my leadership, the Committee on Governmental Affairs strongly supported GAO's high-risk effort. We worked with them as well as agency heads to address problems resulting from a lack of accountability and weak management controls. We also labored hard to provide the necessary oversight and follow-up legislation, on a bipartisan basis, to finally begin addressing these major problems and start a concentrated and systemic approach to governmentwide management.

Efforts like strengthening and expanding the Inspectors General Act to detect and prevent fraud, waste, and abuse. Or the Chief Financial Officers [CFO] Act of 1990, which is forcing Federal agencies to establish formal financial management structures, including a chief financial officer, and that for the very first time in our Nation's history will produce audited financial statements for certain accounts and programs. Just last year, we also passed the Government Management Reform Act [GMRA] which, among other things, will require—beginning with fiscal year 1997—an audited financial statement on programs and operations for the Government as a whole.

Also, I was pleased to work with Senator ROTH, our new committee chairman with a long interest in these areas, to pass the 1993 Government Performance and Results Act [GPRA]. This legislation mandates that Federal agencies develop performance measurement systems so that we can begin to determine how these programs are working, whether they meet their objectives, and what return and value we are getting for our money.

Another important bipartisan effort is our committee's continuing work to reauthorize the Paperwork Reduction Act. As in the last Congress, our committee has reported out legislation to reauthorize and improve the act. We are now waiting action by the full Senate, which we are sure will duplicate last year's unanimous vote in favor of the legislation. Our bill strengthens the Act's paperwork clearance requirements. It also gives new focus to the Act's information resources management [IRM] provisions. The IRM reforms are critically important and will help agencies address the information technology risks highlighted in GAO's new report.

One other area here deserves attention, that is comprehensive procurement reform legislation, the Federal Acquisition Streamlining Act [FASA] of 1994, which was passed due to the efforts of myself and several other Members on both sides of the aisle. it significantly streamlines the procurement process, saving time and taxpayer dollars, through the revision and consolidation of acquisition states to bring a dose of common sense and reality into our acquisition process.

I do believe that as these laws become more fully implemented, as well as integrated, we will have come a long way toward finally getting control of the creature we call ''government.'' These measures will, unlike any previous laws we have passed, improve the performance of Federal programs and allow us to use financial and budgetary information to better chart the course of Government expenditures.

But, as this GAO series shows, we are not there yet. In fact, we have quite a ways to go.

That is not to say there is not any good news the taxpayers can be thankful for. On the contrary, there is.

For example, according to GAO, 5 out of the 18 previously designated high risk areas have made enough progress as a result of this concentrated effort to be taken off the list. The Bank Insurance Fund, for instance, went from being in the red, that is from having a negative fund balance to a $17.5 billion surplus since the last report. The dramatic turnaround was caused by the combination of an improving economy, legislative actions, and agency and industry reforms.

Congressional actions also played a key role in reducing the risks posed by the Resolution Trust Corporation

[RTC] and the Pension Benefit Guaranty Corporation [PBGC], thereby enabling those agencies to be removed from the high-risk program.

There is still a bit of more good news from which taxpayers can take some justifiable relief. According to GAO's report, 10 of the 13 areas that remain on its high-risk list have meaningful improvement initiatives underway. Because so many of these initiatives are in the earliest stages of implementation and will require continued commitment and resolve to see them through, it is premature to declare any victories. But there is some hope: The high-risk program experience clearly shows that focusing on high-risk problems prompts long-needed improvement actions.

And hope will be needed because, notwithstanding the improvements cited and areas removed, GAO'S high-risk list has grown. In its new series, GAO has categorized its 20 current high-risk areas into 6 broad categories that represent the Government's most critical problems.

These categories cover almost all of the Government's $1.25 trillion revenue collection efforts and hundreds of billions of dollars in expenditures. They represent areas where the Government is carelessly and needlessly losing billions of dollars and missing huge opportunities to achieve its objectives at less cost and with better service delivery.

Let us take a look at them.

First, accountability and cost-effective management is not provided for in Department of Defense [DOD] programs. DOD spending for 1995 is estimated at $270 billion, 18 percent of the total Federal budget and about half of all discretionary funds. Yet DOD cannot accurately account for how it spends its funds or for the $1 trillion in assets it has worldwide.

GAO cites four areas particularly vulnerable: financial management systems, practices, and procedures; contract management; the weapons systems acquisition process, and inventory management. Because these areas are so broad and the weaknesses so pervasive, DOD's entire budget can be considered at-risk. Some egregious examples of Defense problems include:

Vendors who have been paid $29 billion in disbursements that cannot be matched against purchase invoices to determine if these payments were proper.

A former Navy officer received $3 million in fraudulent payments for over 100 false invoice claims, and approximately $8 million in Army payroll payments were made to unauthorized persons, including 6 ghost soldiers and 76 deserters.

Contractors themselves—not DOD—detected and returned to the Pentagon $957 million in overpayments during fiscal year 1994 alone.

DOD, with $80 billion a year at stake, has not yet solved pervasive problems in its weapons systems acquisition process, including unreliable cost data, unrealistic schedule estimates, and unaffordable program plans.

DOD, even after disposing of $43 billion in unneeded inventory over the past 3 years, still holds unnecessary items valued at $36 billion, or 47 percent of its current inventory.

Second, revenue owed to the Government is not collected and accounted for.

The Internal Revenue Service [IRS] and the Customs Service [USCS] currently collect $1.25 trillion annually, but neither agency can say how much more is owed to the Government and ought to be collected. The inability to adequately estimate what is due the Government could be costing the Government billions of dollars.

A 1992 IRS estimate put unreported taxes—the so-called tax gap—at $127 billion; however, IRS admits that this estimate was not based on current, complete data. In addition, both IRS and Customs remain unable to accurately account for amounts that have been collected. GAO considers four revenue collection areas to be high-risk: IRS financial management; IRS tax receivables; IRS filing fraud, and Customs Service financial management. Examples of revenue collection problems include:

Over $90 billion of transactions were not posted to taxpayer accounts.

Delinquent taxes receivable nearly doubled from $87 billion to $156 billion between 1990 and 1994, while annual collections of delinquent taxes declined from $25.5 billion to $23.5 billion.

During the first 6 months of 1994, IRS identified nearly 35,000 fraudulent paper returns and 24,000 fraudulent electronic returns—increases of 151 percent and 51 percent, respectively, over the same period 1 year before. While IRS admits to losing tens of millions of dollars to detected fraud schemes, some estimates indicate undetected fraud could be costing the Government billions of dollars.

Serious problems remain in the seized asset program at the Customs Service, placing tons of illegal drugs and millions of dollars in cash and other property vulnerable to theft and misappropriation. In just one case, thieves broke into a Customs facility and stole 356 pounds of cocaine.

The Customs Service has not implemented the controls, systems, and processes to ensure that carriers, importers, and their agents comply with trade laws, or that important trade statistics are reliable.

Third, multibillion-dollar investments in information technology do not provide an adequate return.

The Government has spent more than $200 billion on information management systems during the last 12 years. Yet, successful automation projects are the exception rather than the rule. As a result, critical financial, program, and management information systems remain largely incompatible, costly to operate and maintain, and woefully inadequate in meeting current users' needs.

GAO has chosen four multibillion dollar information technology initiatives—there are evidently other projects with similar difficulties available to chose from—to add to its high-risk list because these particular ones have experienced past failures, involve complex technology, or are critical to agencies' missions. These projects do not just have financial implications. Rather, they impact the very health and safety of all Americans—the air traffic control system and the national weather system, for example.

The $36 billion air traffic control modernization project has been plagued by failures and critical components have had to be canceled, replaced, and/or restructured.

After spending $2.5 billion of its estimated $8 billion cost, IRS' tax system modernization [TSM] initiative still doesn't have the necessary business and technical foundation to achieve the systems' goals and objectives. To persuade IRS of the need to develop an overall plan for the modernization, Congress reduced IRS' fiscal year 1995 budget request by $339 million.

DOD is spending some $3 billion annually on its corporate information management [CIM] initiative even though it has yet to examine the business processes being automated for reengineering opportunities.

The National Weather Service modernization project has more than doubled in cost to $4 billion and its completion is estimated to be 4 years behind schedule.

Fourth, Medicare claims fraud and abuse is widespread.

Last year the Government spent over $440 million a day, or $162 billion, on Medicare. Only the costs for DOD, Social Security, and interest on the debt are higher. And it is estimated that Medicare spending will more than double by the year 2003 to more than $389 billion.

While no one, including GAO, has been able to quantify exactly how much of Medicare spending is attributable to fraud and abuse, health care experts have estimated that 10 percent of national health spending is lost to such practices. Even if the number were lower—say 8 or 6 percent—when applied to $162 billion, that amount is devastating. And it will become even more devastating as the program grows. The Health Care Financing Administration [HCFA] is aware that health care scams and abusive practices plague Medicare, but the exploitation continues. For example:

Medicare has been charged rates as high as $600 per hour for speech and occupational therapy, though therapists' salaries range from under $20 to $32 per hour.

One shell company, which existed solely for the purpose of billing—and bilking—Medicare, added about $135,000 in administrative costs to the cost of therapy services in 1 year.

Medicare has paid health maintenance organizations [HMO's] from 6 to 28 percent more than it would have spent had those same beneficiaries remained in the fee-for-service sector.

A national psychiatric hospital chain, charged with fraudulently increasing its reimbursements, in 1994 paid over $300 million in the largest settlement to the Federal Government for health care fraud.

Fifth, loan program losses are too high.

The Federal Government has become the Nation's largest source of credit. It obligated almost $23 billion in new direct loans and guaranteed $204 billion in new non-Federal lending last year. Now, whether you agree with the Government's role as a banker or not, you have to agree that the Government is not doing a good job of minimizing its losses on its loan and guarantees.

The Office of Management and Budget [OMB] has estimated that of the $241 billion owed the Government for direct loans and claims paid on defaulted guaranteed loans, $50 billion is delinquent and at risk of loss. GAO's high risk program concentrates on three lending programs:

Farm loan programs have become a continuous source of credit for many borrowers and have had a high rate of loan defaults, resulting in the loss of over $6 billion of taxpayers' money from 1991 through 1994. In addition, its outstanding loan portfolio still contains nearly $5 billion in delinquent debt.

Student financial aid programs have been successful in providing money for postsecondary education but have been costly, nearly $25 billion in losses in the guaranteed student loan program alone with $2.4 billion in losses just last year.

The Department of Housing and Urban Development [HUD], which ensures some $400 billion in housing loans, guarantees more than $400 billion in outstanding securities, and spends $25 billion a year on housing programs, is at risk because of fundamental management weaknesses.

Sixth. The management of Federal contracts at civilian agencies needs improvement.

Civilian agencies spend tens of billions of dollars per year on contracts, yet they often don't get what they pay for or they reimburse contractors for unallowable or unreasonable costs. According to GAO, at the heart of contracting problems, there is a lack of senior-level management attention. GAO has focused on three contracting areas:

The Department of Energy [DOE] spends about $15 billion annually through management and operating contracts but has failed to protect the Government's interests. DOE did not require its contractors to prepare auditble financial statements nor did it audit, every 5 years as is required, the net expenditures reports contractors did prepare.

The National Aeronautics and Space Administration [NASA] spends about $12 billion to $13 billion each year—90 percent of its funding—on contracts, but with poor oversight. In addition, NASA has traditionally assumed virtually all risks related to contract costs and results. This has led to frequent funding increases, schedule delays, and performance problems on many of NASA's large space projects.

Contract management problems in the multibillion-dollar Environmental Protection Agency [EPA] Superfund hazardous waste cleanup program have provided contractors too little incentive to control costs. A recent review of three contractors showed that all three billed the Government for entertainment, tickets for sporting events, or alcoholic beverage costs that were not allowable. But contractors are probably not too worried about what they bill. As of August 1994, there were 528 unfilled requests for audits of Superfund contractor costs.

These are just the highlights of GAO's new high-risk list. They show what we're up against if we are to achieve real and measurable progress in the battle against Government waste and mismanagement. While this series indicates that with a concerted and committed effort it is possible to correct and rectify program weaknesses—putting less taxpayer dollars at risk—it also reveals what happens when systems are deficient or administrators are less than vigilant, or both.

Only with a continuing and persistent effort can we in Congress, working with the administration and GAO, attack these problems, one by one, case by case. If we are ever to restore people's faith in Government—and its overall credibility—it has to be done, and done quickly. As I have in the past, I will pledge my best efforts with the eventual hope that, one day, there will be no high-risk list at all. I urge my colleagues to work together to accomplish this goal.●

THE CONGRESSIONAL PENSION EQUITY ACT

● Mr. MCCONNELL. Mr. President, I am pleased to become a cosponsor of S. 228, the Congressional Pension Equity Act. I commend Senator BRYAN for his leadership on this issue and I look forward to working with him to reform our pension system and bring it in line with all other Federal civilian pensions.

Like pensions in the private sector, the pension a member of Congress receives is based upon length of service and rate of pay. So, naturally a senior member, or staffer, earns a bigger pension than an individual with just a few years of service. But, under the current system members and staff receive substantially more generous pensions than other Federal employees. This bill will rectify that situation and bring parity between the legislative branch and the executive branch. Those who serve in Congress should be treated the same as other Federal employees.

For those who claim that people come to Congress and serve too long, this fix should end the careerism charge. Overly generous pensions will no longer entice people to stay in their congressional jobs. Congressional service will be no more desirable than other Federal service, and members and staff will not be deterred from rotating out of Congress.

This bill makes three important changes to congressional pensions. First, it places a cap on retirement benefits. Now, retired members can wind up receiving pensions that are bigger than the salaries they made while in Congress. The bill will ensure that pension benefits do not exceed the highest salary earned while in Congress. Second, it establishes a uniform rate of accrual for all Federal employees, so that congressional employees earn their pension benefits at the same rate as all other Federal employees. And, finally it adjusts the contribution rate for congressional employees to conform to the rate paid by all other employees. Currently, members and staff pay a slightly higher contribution for a much more generous benefit. This bill will require congressional and executive branch employees, including Members of Congress, to pay the same for the same benefit.

Congressional retirement benefits are not an entitlement. We are in the midst of streamlining and cutting back the scope of the Federal Government. We are trying to make the Federal Government more efficient and effective. That's what the American people want and what they deserve. Well, one place to begin is with congressional pensions. This bill represents that effort. I look forward to early consideration of this bill by the Government Affairs Committee and its swift passage by the Senate.●

TRIBUTE TO THE CONCERNED CITIZENS OF BAYONNE

● Mr. LAUTENBERG. Mr. President, I rise today to recognize and pay tribute to the Concerned Citizens of Bayonne [CCB] on the organization's 25th anniversary. I also want to call special attention to the contributions that Mr. Frank Perrucci has made to the organization and the community.

In 1970, Frank and Jean Perrucci, Vinnie Perrucci, Joseph Brache, Sal Covella, Penny Covella, Pete Capitano, John Baccarella, Jean McMahon, and Nicholas Mangelli met at Frank and Jean's home in Bayonne. It was here that they agreed unanimously to form the Concerned Citizens of Bayonne, so that citizens could participate in decisions which affect Bayonne, Hudson County, and New Jersey.

No time was wasted. They immediately became involved in the upgrading of the jury system, led the opposition to the taxation of Social Security

benefits, heightened community awareness on the evils of pornography, and called attention to the location of a toxic waste facility in Newark Bay.

The CCB continuously reaffirms its belief that a strong and vibrant community exists only where its citizens get involved and stay involved. They accomplish this by initiating community efforts to support projects such as building an indoor ice skating rink, keeping parks clean, and supporting programs like Toys for Tots and Pennies for Miss Liberty. They have participated in and led fundraising drives to assist the Bayonne Hospital, the high school football team, Italian earthquake victims, and the starving millions in Ethiopia.

Mr. Frank Perrucci, while carving out his own career as a leader with the Laborers' International Union of North America, always found time for others. He served as an aide to Congressmen Dominick Daniels and Joseph LeFante and is a former director of community development in Bayonne. Over the years, as captain of the Catholic War Veterans color guard, he has travelled extensively throughout New Jersey, participating in veterans events and parades.

Frank, himself a member of the merchant marine and a soldier during WWII, made sure that his organization always remembered to support American military troops during peacetime and war.

During Desert Storm, CCB members regularly corresponded with military personnel overseas, as well as conducted drives to send ''goodies'' and necessities to those supporting democracy so far from home.

Aside from being the proud husband of Jean, the father of four wonderful children and seven grandchildren, Frank Perrucci is quoted as saying that the proudest part of his life is serving others through the committed, loyal, and hard-working members of the Concerned Citizens of Bayonne.

Therefore, Mr. President, I take special pleasure in standing before you today to thank and congratulate Mr. Frank Perrucci and the members of the Concerned Citizens of Bayonne. They are a special group of people who know what it takes to make a strong community. They have unselfishly committed themselves time after time to keeping Bayonne one of the safest, cleanest, and proudest cities in the United States.●

BISHOP KENNETH POVISH

● Mr. ABRAHAM. Mr. President, I rise today to honor an exemplary individual, Bishop Kenneth Povish. This year Bishop Povish will celebrate his 45th year as a priest, his 25th year as a Bishop and his 20th year as bishop of the diocese of Lansing, MI.

I was lucky enough to grow up in Lansing and attend college in that community. Thus I came to know Bishop Povish as a man who has dedicated his life to serving his community's spiritual needs.

Bishop Povish was born in Alpena, MI. There he attended parochial grammar schools and public high school. After graduating from Detroit Sacred Heart Seminary in 1946, he went on to earn his master's degree in education from the Catholic University of America in 1950. In that same year Bishop Povish was ordained a priest in Saginaw, MI, and began his pastoral duties in Rogers City. In 1952 he became assistant at Saint Hyacinth Catholic Church in Bay City, MI.

Among his many accomplishments, Bishop Povish helped found Saint Paul's Seminary in Saginaw, MI. There he taught Latin, history, and religion and, from 1960 to 1966, served as dean of the college. He then went on to train over 400 lay catechists as diocesan director of the Confraternity of Christian Doctrine. In 1970 Pope Paul VI named him bishop and assigned him to Crookston, MN, until 1975.

Luckily for Lansing, Bishop Povish then was named to current position as bishop of that city. Since then he has enriched the spiritual life of his community in many ways. He established the Bishop's Council on Alcoholism and has written extensively on that subject. He has reached out to the less fortunate and shown his deep faith by teaching others the ways of Jesus Christ.

Mr. President, it is an honor to stand before my colleagues on behalf of the citizens of Michigan to congratulate Bishop Povish on his 45 years of selfless dedication to the Catholic Church and to the Lansing community. May God bless Bishop Povish and allow him to continue his service to those in need of faith, hope, and charity, especially in my hometown of Lansing, MI.●

HONORING ENGINEERS DURING NATIONAL ENGINEERS WEEK

● Mr. D'AMATO. Mr. President, I rise today to honor our Nation's engineers during National Engineers Week. Although we might not realize their presence, engineers have worked tirelessly to improve our world through science and technology.

Without engineers, there would be no transportation. Engineers design cars, trains, and buses, as well as devices that improve them. If not for engineers, we would have no structurally sound buildings, bridges, or highways. And their achievements do not end there.

Engineers create the technology that help doctors diagnose illnesses. Working with the medical profession, they have developed sensitive equipment used in medical research. Options are now available for so many people that would not otherwise be able to lead normal and productive lives.

Transportation, infrastructure, and medicine are just some of the areas influenced by the mastery of the engineer. Engineers' effect on the communications industry has catapulted us into a new age of technology. Magnetic tape recording, developed by an engineer, is used in audio cassettes, videotape, computer floppy disks, and credit card magnetic strips. We use these items everyday and never even think twice about it, thanks to engineers.

And who is responsible for the progress in the entertainment industry? We are seeing more of the morphing technique in movies and commercials. Animation has become so advanced because of these technological geniuses. This profession has brought us some of the most complex special effects that keep us spellbound during a movie.

For their efforts to improve the world we live in, the engineering profession should be applauded. For their work to improve our future, they should be admired.

That is why, during this National Engineers Week, I am taking the opportunity to thank engineers, in all fields, for their accomplishments.●

IN HONOR OF CHARLIE RODGERS

● Mr. McCONNELL. Mr. President, it is with great sadness that I rise today to honor an outstanding Kentuckian who recently passed away. Charlie Rodgers of Hopkins County, KY was an outstanding citizen as well as a leader in his profession and community.

Mr. Rodgers gave wholeheartedly to his community. Mr. Rodgers was the retired owner of Hales Furniture Store. During his lifetime he served as president of the Downtown Retail Merchants Association, president of the Rotary Club, chairman of the Salvation Army, and charter member of the Salvation Army Board of Directors. Mr. Rodgers was also the recipient of the Salvation Army's Other Award. He was a member of the Providence Rural Methodist Church and dedicated many hours to religious service.

Mr Rodgers was actively involved in both local and State level politics. He served as a leader in the development of the Republican Party in his county. Mr. Rodgers served on the State Board of Elections for two 4-year terms, and was as member of the State Republican Party for 20 years. Although he had always shown an interest in politics, he never sought election to public office until 1993 when he ran for the third district magistrate seat. He won this election upsetting a long time democratic stronghold.

While we all admire Mr. Rodgers' success in serving his community, church, and the Republican Party to the best of his ability, I believe that Charlie Rodgers was even more prosperous as an individual. All who encountered him knew that they were dealing with a true Kentucky gentlemen. He was looked upon as a very honest, kind, and compassionate man.

Charlie Rodgers, and his wife Peggy, are both long-time friends of mine. Mr.

President, I can say with great certainty that his commitment to integrity and honesty was unwavering and shone through in everything that he was involved in.

Mr. President, I ask my colleagues to join me in honoring Charlie Rodgers. Hopkins County will certainly miss his presence and sense of devotion. I am confident that Mr. Rodgers strength of character and breadth of accomplishment will remain a standard of excellence for generations to come.●

ORDER FOR STAR PRINT—S. 202 AND S. 207

Mr. HATCH. I ask unanimous consent that S. 202 and S. 207 be star printed to reflect the following changes which I now send to the desk.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

ORDERS FOR FRIDAY, FEBRUARY 24, 1995

Mr. HATCH. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. on Friday, February 24, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day; there then be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak for not to exceed 5 minutes each, with the following Senators to speak for up to the designated times: Senator DASCHLE, 20 minutes; Senator SIMPSON, 20 minutes; Senator LAUTENBERG, 10 minutes; Senator BURNS, 15 minutes.

I further ask unanimous consent that at the hour of 11 a.m. the Senate resume consideration of H.J. Res. 1, the balanced budget amendment, and the Bumpers motion be the pending question.

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

PROGRAM

Mr. HATCH. For the information of all of my colleagues, as previously announced, there will be no rollcall votes during Friday's situation. As a reminder, under the consent agreement, all amendments must be offered by 3 p.m. tomorrow.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. HATCH. Mr. President, if there is no further business to come before the Senate, and no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 7:54 p.m., recessed until Friday, February 24, 1995, at 9:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 23, 1995:

DEPARTMENT OF DEFENSE

ELEANOR HILL, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

DALE W. THOMPSON, JR., 000–00–0000

IN THE ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

JERRY R. RUTHERFORD, 000–00–0000

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

JOHN A. LOCKARD, 000–00–0000

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING ALAN L. CHRISTENSEN, AND ENDING GARDNER G. BASSETT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1995.

AIR FORCE NOMINATIONS BEGINNING BARRETT W. BADER, AND ENDING JOSEPH N. ZEMIS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 6, 1995.

AIR FORCE NOMINATIONS BEGINNING JONATHAN E. ADAMS, AND ENDING SHARON G. FREIER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1995.

AIR FORCE NOMINATIONS BEGINNING TIMOTHY L. ANDERSON, AND ENDING RAYMOND E. RATAJIK, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1995.

IN THE ARMY

ARMY NOMINATIONS BEGINNING RODGER T. HOSIG, AND ENDING SARA M. LOWE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1995.

ARMY NOMINATION OF FREDERICK B. BROWN, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1995.

ARMY NOMINATIONS BEGINNING RONNIE ABNER, AND ENDING VINCENT A. ZIKE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1995.

IN THE NAVY

NAVY NOMINATIONS BEGINNING JAMES P. SCREEN III, AND ENDING JASON R.J. TESTA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1995.