

Senate and working with the leadership on both sides of the aisle.

SECOND SESSION OF THE 105TH  
CONGRESS

Mr. DASCHLE. Mr. President, I welcome back the majority leader and again wish him a happy New Year and commend him for his leadership. During the past 3 months, when we have not been here, I have seen him on several public appearances and, as always, he has been articulate and very forthcoming with regard to the schedule and our plans for the coming weeks. I welcome the opportunity to work closely with him as we pursue our national agenda, and appreciate very much the cooperation he has already demonstrated in helping senators make plans both in terms of days, as well as weeks, ahead. I trust the past 3 months have been productive and enjoyable, Mr. President, and I expect it has provided us with rest and the perspective to fulfill our obligations now.

It is obvious we return under very difficult circumstances. Allegations have been made against the President and have been vehemently denied. The legal process continues, flawed as it may be. While the circumstances may be extraordinary, the work of this Government must go on. The American system is uniquely constructed to withstand the winds of controversy and crisis which howl throughout history, and this moment is no exception. Important matters are at hand, dealing with both foreign and domestic policy, and the American people have a right to insist that their leaders continue to give those matters their full attention.

Congress has a clear responsibility—a duty and an obligation—to go about our work on behalf of the American people. Despite allegations, investigations, and obvious distractions, our country would be ill-served if we were to allow interruption in the steady function of Government or the remarkable progress that we have made on matters of great importance to our Nation.

Democratic Senators begin this year with a true sense of accomplishment over what we have achieved and a sense of purpose directed toward the challenges ahead. We need to continue the economic momentum born of the 1993 budget plan, a momentum that will propel us in 1998 to the first balanced budget in over 30 years, and our first opportunity in our lifetime to reduce the accumulated debt.

South Dakotans, like all Americans, have made clear their expectations. Having just returned from home, my conversations with South Dakotans remain clear and well understood. South Dakotans have urged us to work together, to continue to demonstrate that democracy can be both responsive and effective in addressing the challenges that lie ahead. They say, build on the extraordinary budgetary and economic record of the last 5 years, pay

off the debt, solve the Social Security and Medicare problems we face. Remember that 42 million of us have no health insurance—find a way to solve that national embarrassment. Remember, above all, in this new age of information, that education, beginning virtually at birth, is one of the most important responsibilities of government at every level. There is so much to be done: Improve wages and child care, fix our political finance system that is broken and in great need of repair, be a leader to the world.

New and old democracies around the world look to us for leadership, and there is no one else. In Iraq and Bosnia, in Europe and Asia, America's leadership is needed now more than ever. That is the message given to me by South Dakotans back home over and over again. Their wisdom dictates our collective response.

Now is the time to go to work. As the majority leader has already indicated, we have very few days in this session of Congress. We must approach our work with urgency and with energy.

We must make the most of each one. Over the past few months, Democrats in the Senate and House, working with the administration, have built a legislative agenda that addresses many of the challenges our country must face. It will build on the themes that we hear tonight in the State of the Union Message. It represents the legislative embodiment of the priorities contained in the President's budget to be submitted next week.

So, again, I look forward to working closely with the majority leader. We will all certainly work with our Republican colleagues, because we believe this can be a most productive session. We begin today by extending a hand of partnership and a sincere hope for real success. I thank, again, the majority leader for offering me the opportunity to respond to his kind remarks.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

MEASURE PLACED ON  
CALENDAR—S. 1530

Mr. LOTT. Mr. President, I understand there are two bills due for a second reading. I ask that the title of the first bill be read.

The PRESIDING OFFICER. The clerk will read the bill.

The legislative clerk read as follows:

A bill (S. 1530) to resolve ongoing tobacco litigation, to reform the civil justice system responsible for adjudicating tort claims against companies that manufacture tobacco products, and establish a national tobacco policy for the United States that will decrease youth tobacco use and reduce the marketing of tobacco products to young Americans.

Mr. LOTT. Mr. President, I object to further consideration of this matter at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

MEASURE PLACED ON  
CALENDAR—H.R. 2709

Mr. LOTT. Mr. President, I ask unanimous consent that the second bill be read the second time.

The PRESIDING OFFICER. The clerk will read the bill.

The legislative clerk read as follows:

A bill (H.R. 2709) to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles, and to implement the obligations of the United States under the Chemical Weapons Convention.

Mr. LOTT. Mr. President, I object to further proceedings on this item at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. I understand we are in morning business and that I have 20 minutes under the order, is that correct?

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of the morning business, not to exceed the hour of 2 p.m., with Senators permitted to speak therein for up to 10 minutes.

Mr. LEAHY. Will the Senator yield for a unanimous consent request? I will be very brief.

Mr. GREGG. Yes, I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that I might be recognized for 10 minutes following the distinguished Senator from New Hampshire.

Mr. GREGG. Mr. President, reserving the right to object. I ask to modify that by allowing Senator HELMS to speak for a period of 3 minutes prior to my speaking.

Mr. LEAHY. I certainly have no objection to that, Mr. President. I see the distinguished Chairman on the floor. After the distinguished Senator from North Carolina and the distinguished Senator from New Hampshire, I ask unanimous consent to be recognized.

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

The Senator from North Carolina is recognized for 3 minutes.

MRS. ALICE WYNNE GATSIS  
SPEAKS ON THE 10TH AMENDMENT

Mr. HELMS. Mr. President, the North Carolina General Assembly embarked in 1997 on a significant course—that of inviting some of our State's best-known and best-qualified citizens

to address joint sessions of the legislature's house and senate. Dr. Billy Graham, for example, made a remarkable and unforgettable appearance during the year.

Meanwhile, the North Carolina General Assembly's Select Committee on Federal Education grants heard a splendid address by a prominent and learned North Carolina lady, Mrs. Alice Wynne Gatsis, of Rocky Mount, whose distinguished husband is a retired general of the U.S. Army, Andrew J. Gatsis.

General and Mrs. Gatsis are stout-hearted defenders of the U.S. Constitution. They are exceedingly knowledgeable about the perils confronting this Nation as a result of constant tampering with the intent and the meaning of the Constitution. In short, Alice Wynne Gatsis and her husband understand the miracle of America.

That, Mr. President, is why the North Carolina General Assembly's Select Committee on Federal Education Grants invited Mrs. Gatsis to address the committee on November 10 of last year.

Mr. President, I have in hand the text of Mrs. Gatsis' address and, being enormously impressed with her remarks, I have decided to share them with Senators and others who read the CONGRESSIONAL RECORD.

Therefore, Mr. President, I ask unanimous consent that the text of Mrs. Gatsis' address be printed in the RECORD.

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

ALICE WYNNE GATSI—NOVEMBER 10, 1997—  
SPEECH TO THE N.C. GENERAL ASSEMBLY—  
HOUSE OF REPRESENTATIVES—SELECT COMMITTEE ON FEDERAL EDUCATION GRANTS

NOTE: For purposes of definition, and the benefit of any egalitarians among us, I will be referring to man and men generically in the sense of man being the human race—it is not my intention to slight the ladies.

Mr. Chairman, Ladies and gentlemen I have been invited to speak this morning on the Tenth Amendment, that heart of the U.S. Constitution which says, "The powers not delegated by the Constitution or prohibited by it to the States are reserved to the states, respectively or to the people."

You may be asking yourselves, busy people that you are, an important committee with an important mission, why this subject at this time?

It seems to me that every now and then in a nation there comes a time when there is a need for restoration, a resetting of the pillars that are the foundation of all that is great in America. It must be apparent to many in both public and private life that the time has come.

It must be apparent, as well, that for some time an evolutionary process of unconstitutional usurpation of power has escalated to an alarming degree, and in spite of the law of the government (the Constitution) which forbids it.

All aspects of the domestic affairs of the people have become a federal concern to the point where we now have a president and congressmen, and, yes, innumerable bureaucrats, bureaucrats who appear to be accountable to nobody, addressing daily the domestic affairs of the people from soup to nuts.

It was not pleasing to hear Donna Shalala, Secretary of Health and Human Services, say, at her confirmation hearings in the first Clinton administration, that the President views the states as "laboratories" for the federal government. Her statement represents the apotheosis of many years of usurpation and preemption which has taken place in all administrations, not just the Clinton administration, for the last fifty years. It has slipped into our great free system on quiet little feet, taking a step forward and a step back but steadily advancing in the path toward centralizing and unifying the divided and enumerated powers which have made us a free people. There are reasons innumerable that such unlawful inroads have been made, perhaps federal money, perhaps false philanthropy, perhaps expediency. It is not necessary to engage in the "politically correct" subjective analysis of "why." Objective judgment reveals that the problem exists and must be addressed, if the first great republic in history is to be the inherited blessing of our descendants.

Attention to the 10th amendment is growing as its importance cannot be overestimated. What would the system be like without it? Where would you be?

The founders were not ignorant men; they drew on their knowledge of Greek and Roman law, the American colonial experience, the English legacy of common law and checks upon power, the Christian theories of natural law and then they added that best and newest ingredient, government at the local level. State legislators sit at the pinnacle close to the people with their powers enumerated over all domestic law. There is no finer elective position in the country. The authority of state legislators, faithfully executed has power in many ways to keep America stable.

Thankfully, it can be said that the 200 year old Constitution stands, relatively unchanged, amended only 17 times since the Bill of Rights. Within it, the 10th Amendment, in spite of assaults against it, stands unchanged too, because when Con-cons and conferences of the States come along, the people realize that their Constitution is endangered and combine to preserve it.

One of the strongest reasons for defeating the Equal Rights Amendment, once the emotional aspects of it were put in perspective, was that it was a major 10th amendment issue, the second part of this amendment transferred all authority over the domestic affairs of the nation to the Federal level. Not everyone realized that this was the true goal but constitutionalists did.

Standing in the way of ratification of the United Nations Treaty on the Political Rights of Women and the U.N. Treaty on the Rights of the Child is the Tenth Amendment.

The discredited health plan of the first Clinton administration ran into roadblocks as the bevy of lawyers assigned to the health care commission were told, "You can't do that because of the 10th amendment."

The recent Supreme Court ruling that the Religious Freedom Restoration Act is unconstitutional, drove a dagger into the heart of some conservatives who will bend the Constitution a bit if their issue is at stake, but Religious Freedom Restoration Act really is unconstitutional. The ruling of the court made it clear that the enforcement power of the 14th amendment does not override the broad powers of the 10th.

One great ally of the Tenth Amendment is Supreme Court Justice Clarence Thomas. He has enunciated hard nosed positions limiting federal power. Writing about him, Joseph Sobran said, "In the 1995 Term Limits Case, he insisted on the pertinence of the Tenth Amendment and added a brilliant new twist to the debate. The Tenth not only limits the

federal government to its enumerated powers, he argued, it reserves to the states and to the people all powers not specifically denied to them."

The clear purpose of the founders when they produced the U.S. Constitution was to create a federal government with strictly limited powers. It was the states who created the federal government not the other way around. Their shared attitude was best expressed by Thomas Jefferson when he said, "In questions of power then, let no more be said of faith in man, but bind him down with the chains of the Constitution." Also he said, after reading the new constitution, which he, of course, had no part in writing, "I assume that if the federal government were to be involved in education, there would have to be a constitutional amendment." There has been no constitutional amendment in this area, because it is understood that the American people do not want education transferred to the federal level. They are the rightful authorities over the education of their children; their authority is protected by the 10th amendment and state legislators are obligated to uphold that right—no where in the Constitution is "here-in granted" for the federal government to make laws about education and no where is there authority for legislators to transfer *voluntarily* their enumerated power to another branch of government.

There are those who would, if possible, scrap the Constitution. They have openly said so; they are prominent people, known public figures. One of their spokesmen, Professor James McGregor Burns said it, during the observance of the 200th anniversary of the ratification of the Constitution. I thought it a strange way to celebrate this occasion, but he said "let's face reality, the framers have simply been too shrewd for us. They have out witted us. They designed separated institutions that cannot be unified by mechanical linkages, frail bridges, tinkering. If we are to turn the founders upside down, to put together what they put asunder, we must directly confront the constitutional structure which they erected." This quote comes from page 160 of Professor Burns book *Reforming American Government*.

Threads of this agenda from *Reforming American Government* surface from time to time. For instance in Newt Gingrich's new contract with America 2000. He wants that year's Republican candidates for the House, Senate and Presidency to run as a team committed to enacting a 10 point contract with America. He foresees a parliamentary-like campaign in which the entire national party runs on a unified platform. This has the net effect of solidifying allegiance to the Party and diluting allegiance to the Constitution and Congressional constituents. The Contracts with America are 10th amendment issues, because they generally address domestic affairs—but never mind that—"conservative" activists are already trying to get their issues into the Contract.

Identifying the undermining of local state government, several legislatures have passed 10th amendment resolutions, and more of them will be as evidence mounts that the federal government is out of control, and that ignoring the oath that public servants take is dangerous to the liberty of all.

State legislators are so important. You are not only, by decree, closest to the people, along with county and city government, but you come from among us—the people. You are our neighbors, our friends and part of the businesses and activities that make up our various communities. Any qualified citizen can sit in the halls of the legislatures if fellow citizens so elect. Once that happens and the oath is taken, you become a citizen-legislator who can represent the rest of us only

by strict adherence to the law of the Constitution. Since the majority are not always right, that adherence to the Constitution assures justice for all. The 10th amendment, then, protects the law-makers and the people to whom they are bound. This is an arrangement worth preserving.

Why then have state legislators been allowing their just powers to slip away? Federal bureaucracies are doing more and more unconstitutional runs around them.

It is time for a wake up call. As this committee prepares to take up its duties, more end runs are occurring in Washington. On Friday president Clinton traded off some of his national education standards for a couple of years, and the House voted overwhelmingly to fund charter schools by one hundred million dollars, giving them a certain autonomy if they teach performance-based education. The President, who has no enumerated authority, any more than Congress does, over education has highly endorsed charter schools as long as they teach national standards. The net effect will be the nationalizing, long term, of the school system, putting it into the hands of special interest private boards, gradually absorbing current public and private schools.

So much for elected local school boards, so much for local legislators if they let it continue.

The more these federal intrusions into education create massive failures in education, the more bent these federal "nannies" seem to be on more of the same.

Will state legislators seize the initiatives which are rightfully and lawfully theirs? If they do not, as I have said before, they will end up figure heads in a regional satrapy run from somewhere on high.

Never before in recent times has the choice been so well defined—On the one side is the Republic of the United States of America a nation under God as defined by the Declaration of Independence, a nation governed by God's law as incorporated into the Constitution. It establishes limited government, and divided powers. Most of all it leaves citizens free to guide and direct their own lives. God given rights are unalienable and may not be taken away; they are eternal.

At the opposite end of the spectrum is the United Nations Charter which enshrines the religion of man (generically speaking) as the source of rights. Man through government can give and take away rights from other men, women and children. It is government farthest from the people run by councils of "wise" men. We will have to choose whom we will serve. Knowing that where the spirit of God is, there is the spirit of liberty, I trust that citizen and legislator alike will not remove the ancient landmarks which our fathers have set.

In summary, this select committee has some very serious matters to investigate, probably the tip of the iceberg—in an ongoing chore. I wish you well and hope that you will ever keep before you the basic truths of the 10th amendment base. The law is on your side.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. INHOFE. Will the Senator yield for a moment for a unanimous consent request?

Mr. GREGG. Yes.

Mr. INHOFE. Mr. President, I ask unanimous consent that after the Senator from Vermont takes his time, I be allowed to have 10 minutes.

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

The Senator from New Hampshire.

#### WHAT TO DO WITH THE BUDGET SURPLUS

Mr. GREGG. Mr. President, this evening we will hear from the President of the United States in his State of the Union Address. We live in a time where the United States is extraordinarily fortunate. We are at peace. We are a Nation that has great prosperity. We are a Nation with a balanced budget for the first time in 25 years. This is all good news. But there looms on the horizon a fiscal policy which, if we do not address in the coming near term, will dramatically undermine our Nation and make it difficult to pass on to our children a country of prosperity. That, of course, is the pending retirement, beginning in the latter part of the next decade, of the postwar baby-boom generation, that huge demographic group of which I and the President are members, which has impacted this country this very decade in some unique way, and which in the next two decades will, as a result of their retiring have an impact of basically bankrupting this country in the Social Security system, which so many seniors rely on, if we do not address these concerns.

The opportunity to address these concerns is today. It is much like that oil filter ad, "You can pay me now or you can pay me later." The opportunity to make changes in our Social Security system, which will allow for its solvency, allow it to be a strong and vibrant part of our fabric as a Nation, the opportunity for those changes to be effective and to be done reasonably, is much better today than if we wait for 4, 5 or 10 years.

In addition, of course, as we head into a time of surplus, there will be, as a basic policy in this Chamber and in the House, over the next few months a question of how we use that surplus. What is generating the surplus should be the first question. What is generating the surplus is the Social Security trust fund. For the foreseeable future, the extent to which we generate a surplus at the Federal level will be as a result of the fact that more people are paying Social Security taxes than are taking benefits out of the Social Security trust fund. It is not a surplus generated, therefore, as a result of the day-to-day operation of Government being in surplus, of having raised more tax revenues for the day-to-day operation of the Government—defense, education, environmental protection, building roads, for those accounts income surplus; rather, it is a surplus generated by the fact that people who pay payroll taxes are paying more in payroll taxes to support people on retirement under Social Security than they need to.

That should be retained as a primary point as we move down the road of addressing the surplus issue. Therefore, I would like to posture that if we are going to be responsible as legislators and as keepers of our Nation's future, we have an obligation to address the

issue of Social Security and address it in the short-term, rather than to wait. I also would like to suggest a manner in which we might consider addressing it. One of our goals, as we look at the issue of the surplus, should be to give people tax relief. Another goal, as we look at the issue of the surplus, should be to pay down the Federal debt. A third goal, as we look at the issue of addressing how we are going to deal with the surplus, should be to increase the savings of the American people. A fourth goal should be to assure the solvency of the most critical Federal program that we have, the Social Security system.

All four of those goals can be significantly advanced if we intelligently approach the use of the surplus and apply it to benefit the Social Security system. How can we do that?

Well, the best way would be to cut the Social Security tax. This is the most regressive tax we have. It is also the taxes generating the surplus. If we were to reduce the Social Security tax so that the average wage earner, instead of paying approximately 7½ percent, would end up paying 6½ percent; it would mean that the average wage earner in this country would receive the benefits directly of a tax cut, the purpose of which would be to refund to them the surplus which is being generated by the Federal Government.

In such a tax cut, if we were to say to the folks receiving it, the wage earners, the people paying the payroll tax, if we were to say that the tax cut must be saved in an account designated in your name, a personal savings account, such as an IRA account, then we would be accomplishing a second goal, which would be to allow individuals who are seeing retirement coming at them to begin to specifically have an account in the Social Security structure which would be in their name and on which they could participate in the investment decisions, and which would most likely return a much better return than the present Social Security system returns, and which would give them an actual savings vehicle.

Thirdly, the practical effect of cutting the tax for people who are wage earners and allowing them to save would be that we would begin the process of refunding the liability in the Social Security system. The Social Security system today has a \$3 trillion unfunded liability. So that as the postwar baby-boom generation hits the system in 2008, which is the first year when the system starts to pay more out than it takes in, there becomes a liability that must be paid for through either increased taxes or by reducing the benefit structure of approximately \$3 trillion. Well, to the extent that we can encourage people to save by cutting their taxes today and putting those tax cuts into savings accounts, we can significantly reduce the unfunded liability of the Social Security system, which will, in turn, reduce the debt of the Federal Government, which would