I wrote her a letter, and I think the Senator from North Dakota, my colleague, and several others of us sent a letter to her saying:

When you send this letter over, you should be very careful to make sure that you are absolutely certain that all of this is going to lead to a balanced budget, because you have been instructed not to project but to certify.

Mr. DORGAN. I wonder if the Senator might let me reclaim my time.

Mr. BUMPERS. I would be happy to.

Mr. DORGAN. That is a great point.

I want to say Harry Truman—you know, a fine-spoken guy from Independence, MO, could not always follow all of the logic, or at least the presumed logic, by the Congress. He finally says in exasperation

For God's sake, give me a one-armed economist. I am so tired of hearing economists saying ''on the one hand'' and ''on the other hand.'' Give me a one-armed economist.

Here it is. If Harry Truman were here, he would say, This is, on the one hand, yesterday. This plan produces a surplus. But, on the other hand, today, when asked by Senator CONRAD and myself, if you really do it right, the way the law requires, then how does it add up?

Well, on the other hand, this produces a $98 billion deficit in the year 2002.

My son tonight is going to be real excited to hear that you can get this right in the Senate without paying for it—vanishing ink, 24 hours, a new letter, a new projection. This is not a balanced budget. It is a $100 billion deficit in the year 2002.

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

Mr. DORGAN. I will be happy to yield.

Mr. CONRAD. Is it not amazing what a day makes?

Yesterday, the American people were told, you enact the Republican plan, you have a balanced budget. You even have a little bit of a surplus. But when we asked the question, yes, but what if you obey the law of the United States, which says you cannot count Social Security surpluses—and, of course, the reason you cannot count Social Security surpluses is because no accountant anywhere would allow you to take the reserve funds, the retirement funds of your people, and throw those into the pot and call it a balanced budget. That is why we have a law that says you cannot count the Social Security surplus. And when you ask the question, what do you do if you obey the law? then the head of the Budget Office comes back and says, including an estimated off-budget surplus of $180 billion, which is the Social Security surpluses, CBO would project an on-budget deficit of $98 billion in 2002—$98 billion. In fact, the Republican plan, in order to balance, takes every penny of Social Security surpluses over the next 7 years—$650 billion. It takes all those Social Security surpluses, throws those into the pot and says, hallelujah, we have a balanced budget.

Well, of course, they do not have a balanced budget. They do not have a balanced budget by the law of the United States. They do not have a balanced budget that any accountant would anywhere certify to in America.

I say to my colleague, is it not interesting the difference a day makes, from a surplus to a massive deficit in the year 2002 under the Republican plan? There is no balanced budget here, just a big fraud.

Mr. HOLLINGS addressed the Chair.

Mr. DORGAN. Mr. President, let me just make one additional comment and yield the floor.

Mr. HOLLINGS. I am sorry.

Mr. DORGAN. We will talk a little bit more about this next week. The only reason we bothered to do this is because some of us yesterday found it not believable, those who held up with great pride this missive from the CBO. We felt if you are going to misuse the Social Security trust funds to the tune of $100 billion in the year 2002, there is a law on the books—and the law was written, incidentally, by the Senator who will speak now, the Senator who is now standing—which says you cannot use the Social Security trust fund.

Why would we do that? Because Social Security trust funds come out of people's paychecks and they are dedicated to go into a trust fund to be used only for one purpose and no other purpose, Social Security. We are creating a surplus because we need it for the future. It is one of the few responsible things we have done in the last 15 years. That surplus under today's budget scheme is now being used as revenue in the operating budget, and that is the basis on which yesterday's letter was issued improperly. Today we say issue it properly and then tell us what the impact is.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

The Senator from South Carolina.

Mr. HOLLINGS. I thank the Chair.

NO BALANCED BUDGET

Mr. HOLLINGS. Mr. President, let me first congratulate the distinguished Senator from North Dakota, Senator DORGAN, and the distinguished Senator from North Dakota, Senator CONRAD. These two gentlemen have been persistent on this issue, and this particular Senator from South Carolina is most grateful because for a long time I have felt a little like a Johnny One Note. I took the floor 2 days ago and now again today to reiterate what Senator DORGAN just said—namely, that the Republican budget is not balanced. A couple weeks ago, when we were passing the State, Justice, Commerce Appropriations bill I said that if there were a way to balance the budget without increasing revenues as well as holding the line on spending, I would jump off the Capitol dome.

Let me turn, Mr. President, to the subject raised by these two gentlemen and the response given to their inquiry by the Director of the Congressional Budget Office.

While my distinguished colleague from Mississippi congratulated the chairman of the Budget Committee, I was sorry that I could not join in those congratulations, and I wish to explain in a very dignified way just exactly why.

On July 10, 1990, we voted in the Budget Committee by a vote of 20 to 1 to put the Social Security trust fund off budget—20 yeas, 1 nay. The one nay was the distinguished Senator from Texas, Mr. GRAMM, but the distinguished present chairman of the Budget Committee, Senator DOMENICI, voted for my Social Security preservation amendment.

I ask unanimous consent to include the committee rollcall in the RECORD.

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

JULY 10, 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	Nays
Mr. Sasser	Mr. Gramm
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	
Mr. Bond	

Mr. HOLLINGS. I thank the Chair. On October 18, 1990, I toiled alongside the distinguished Senator from Pennsylvania, our late, wonderful Senator and friend, John Heinz. He had been working diligently on this issue as well. He was not on the Budget Committee, but I said to John, if you can get the votes on the Republican side, I think we can really finally fix this problem. It needed fixing because everyone had been playing games.

The truth of the matter is, Mr. President, that beyond using the surpluses in the Social Security trust fund, another $12 billion comes from other trust funds. They use the highway trust fund. They use the airport and airways trust fund, the civil service retirement, the military retirement trust fund. You can go right on down the list. Back in 1990, you could not get anybody's attention talking about these other trust funds, but I said on Social Security I think we have got them.

Mr. President, the vote on October 18, 1990, was 98 to 2.

I ask unanimous consent to have printed in the RECORD the Senate vote on the Hollings-Heinz amendment putting Social Security off budget.

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

Subject.—Hollings-Heinz, et al., amendment which excludes the Social Security Trust Funds from the budget deficit calculation, BEGINNING in FY 1991.

YEAS (98)

Democrats (55 or 100%)—Adams, Akaka, Baucus, Bentsen, Biden, Bingaman, Boren, Bradley, Breaux, Bryan, Bumpers, Burdick, Byrd, Conrad, Cranston, Daschle, DeConcini, Dixon, Dodd, Exon, Ford, Fowler, Glenn, Gore, Graham, Harkin, Heflin, Hollings, Inouye, Johnston, Kennedy, Kerrey, Kerry, Kohl, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Nunn, Pell, Pryor, Reid, Riegle, Robb, Rockefeller, Sanford, Sarbanes, Sasser, Shelby, Simon, Wirth.

Republicans (43 or 96%)—Bond, Boschwitz, Burns, Chafee, Coats, Cochran, Cohen, D'Amato, Danforth, Dole, Domenici, Durenberger, Garn, Gorton, Gramm, Grassley, Hatch, Hatfield, Heinz, Helms, Humphrey, Jeffords, Kassebaum, Kasten, Lott, Lugar, Mack, McCain, McClure, McConnell, Murkowski, Nickles, Packwood, Pressler, Roth, Rudman, Simpson, Specter, Stevens, Symms, Thurmond, Warner, Wilson.

NAYS (2)

Democrats (0 or 0%).

Republicans (2 or 4%)—Armstrong, Wallop.

NOT VOTING (0)

Democrats (0).

Republicans (0).

Mr. HOLLINGS. I thank the distinguished Chair.

And then on November 5, Mr. President, George Bush, President George Bush, signed into law, Public Law 101–508, saying here:

Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.

I ask unanimous consent to include in the RECORD at this particular point section 13301 of Public Law 101–508 of the United States.

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

Subtitle C—Social Security

SEC. 13301. OFF-BUDGET STATUS OF OASDI TRUST FUNDS.

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipt, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, my friends on the other side are well rehearsed in repeating their little drumbeat—balanced budget, balanced budget, balanced budget, balanced budget. But like they say back home: no matter how many times you say it, it doesn't make it so.

Chairman KASICH filed a conference report on June 26, 1995, and on page 3 you will see the word ''deficit''—not ''balance''—for fiscal 2002, $108.4 billion.

We need to open our eyes. When we started the budget process at the beginning of the year, the distinguished chairman of the committee said that we were going to provide the American people with a down payment. We were not going to balance the budget.

As we marked up the budget, the distinguished chairman of the Budget Committee said, ''Now, we require that the reconciliation bill be passed into law before we do any tax cut.''

That has been changed, Mr. President. Now we have a different process where we give CBO certain assumptions. We send them over one day and they say we have a $10 billion surplus. We come back the next day and they say you have a $100 billion deficit.

In the Commerce Committee, where I am the ranking member, we are charged with saving $15 billion. Mr. President, $8 billion of our allotment has already been spent on the telecommunications bill. Half of our assigned savings in the Commerce Committee is absolutely false. The same may be true in other committees as well.

It is like Cato's famous couplet, ''The politician makes his own little laws and sits attentive to his own applause.'' Why, heavens above, you will probably be able to say something else tomorrow.

What we are trying to do is to level with the American people. What we are trying to do is cut spending, freeze spending, close loopholes. But you cannot balance the budget, Mr. President, you cannot do it without also increasing revenues. Nobody around here wants to say that, but that is the truth.

I was put to the metal when the distinguished chairman of the Budget Committee, and others, appeared on December 18. Mr. KASICH, Senator DOMENICI, and others, said, ''We are going to have three budgets. We don't care what the President has got. We are going to balance the budget without taxes.'' I went to the budget staff and said, ''I'm missing something.''

I had worked with Senator Baker on a freeze and back in 1981. Then I got together with Senator GRAMM and Senator Rudman, and we had a freeze and cuts across the board. In 1986 we closed the loopholes with tax reform. Then in 1989 and in 1990 we appeared before the Finance Committee and in the Budget Committee proposing a value-added tax.

We got eight votes in the Budget Committee on that proposal. We got Senator Danforth, Senator Boschwitz and others to work as part of a bipartisan group with truth-in-budgeting.

But now we have a big act going on now. Pressure is being exerted by the House leadership over there, pressuring my friend, the distinguished chairman of the Budget Committee. He should know better than anybody else that this budget we are talking about has no idea of being balanced by the year 2002.

Mr. President, I ask unanimous consent to have printed in the RECORD a budget table compiled by my staff using CBO figures at this particular point.

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

BUDGET TABLES

[Outlays in billions]

Year	Government budget	Turst funds	Unified deficit	Real deficit	Grosss federal debt	Gross interest
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	−0.3	+3.2	+2.9	365.8	16.6
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	504.0	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8

BUDGET TABLES—Continued

[Outlays in billions]

Year	Government budget	Turst funds	Unified deficit	Real deficit	Grosss federal debt	Gross interest
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.6	−212.3	−252.9	1,817.6	178.9
1986	990.3	81.8	−221.2	−303.0	2,120.6	190.3
1987	1,003.0	75.7	−149.8	−225.5	2,346.1	195.3
1988	1.064.1	100.0	−155.2	−255.2	2,601.3	214.1
1989	1,143.2	114.2	−152.5	−266.7	2,868.0	240.9
1990	1,252.7	117.2	−221.4	−338.6	3,206.6	264.7
1991	1,323.8	122.7	−269.2	−391.9	3,598.5	285.5
1992	1.380.9	113.2	−290.4	−403.6	4,002.1	292.3
1993	1,408.2	94.2	−255.1	−349.3	4,351.4	292.5
1994	1,460.6	89.1	−203.2	−292.3	4,643.7	296.3
1995	1,518.0	121.9	−161.4	−283.3	4,927.0	336.0
1996 estimated	1,583.0	121.8	−189.3	−311.1	5,238.0	348.0

Source: CBO's 1995 Economic and Budget Outlook: An Update, August 1995.

	Year 2002 (billion)
1996 Budget: Kasich Conf. Report, p. 3 (deficit)	−$108
1996 Budget Outlays (CBO est.)	1,583
1995 Budget Outlays	1,518
Increase spending	+65
CBO Baseline Assuming Budget Resolution:	
Outlays	$1,874
Revenues	1,884
This Assumes:	
(1) Discretionary Freeze Plus Additional Cuts (in 2002)	−121
(2) Other Spending Cuts (in 2002)	−226
(3) Using SS Trust Fund (in 2002)	−109
Total reductions (in 2002)	−456

Mr. HOLLINGS. Since my time is limited here, let me just point out one thing. The interest costs are growing faster than the cuts. The interest costs on the gross debt are scheduled to total $348 billion for this fiscal year. That is almost $1 billion a day. In addition, over the 7-year period you know how much we use of Social Security, $636 billion. It is not a balanced budget, Mr. President, and it's high time we recognize this fact.

The PRESIDING OFFICER. The Senator from South Carolina's time has expired.

Mr. HOLLINGS. I thank the Chair.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

BALANCING THE BUDGET

Mr. INHOFE. I hope that everyone is watching what is going on right now. I cannot tell you how long many of us have been working on the problem of the deficits in this country. And we are finally to a point where we can do something about it.

It is hard for Americans to understand the obstacles that we are facing. There are those of us who really want to do something, really want to balance the budget, with the obstacles we face, and not just the things that are said that are not true, but the fact that I cannot help but believe there are some people who really do not care that much about balancing the budget.

This goes back a long, long time. I can remember, Mr. President, U.S. Senator Carl Curtis from Nebraska. I saw the Senator from Nebraska a moment ago. I was hoping he would still be here when I talked about his home State. He came up with an idea way back in 1972. Carl Curtis said the only way we are ever going to get a balanced budget amendment to the Constitution is to get something ratified in advance from the States to show that there is enough grassroots support to pass it.

And so he devised this plan. He said, we are going to have the State senates and State legislatures throughout America pass and preratify an amendment to the Constitution so that will give us the power that is necessary and influence necessary to get this thing passed. He came to Oklahoma. I was in the State senate at that time.

I remember back in 1972 the total national debt was something like $200 billion. And I remember a TV ad that they had to try to impress upon people to quantify how much money this really was. They had $100 bills that they stacked up and then finally it was up to the height of the Empire State Building, which was a tall building at that time. That was $200 billion. That was 1972. Well, anyway, I passed a resolution in the State senate of the State of Oklahoma to preratify it even though technically we know that would not work. And so he came in and we talked about it. That is how long we have been working on this.

Now since that time in my own personal life we have had four children. Now they are all grown. Now we have grandchildren.

We talked on the floor of this Senate as to the significance of the discussion that has taken place right now of the fact that we really have an opportunity to make a vote, to take a step that the CBO and everybody else says is going to balance the budget, is going to eliminate the deficit by the year 2002. Many of us would like to do it earlier than that. But we are satisfied in knowing that we cannot continue on the course that we are on.

During the national prayer breakfast that took place in February of this year I had the honor of participating in that and of talking to many groups that came in from foreign countries. One was a gentleman who came in from one of the former Soviet Republics. I cannot recall the name of which one it was at this time. But they just recently found their freedoms in that country.

He asked me a question in front of a group. This is during a national prayer breakfast discussion. He said, ''Senator Inhofe, in your country, how much can you keep?''

I said, ''No. I don't understand what you are saying.''

He said, ''How much money can you keep?''

Then after a little while I figured out what he was talking about.

What he was really saying is how much do you have to give the Government in America? He was very proud to announce to us that under their new democracy, under their new freedom, that they are able to keep 20 percent. In other words, in that particular country, they turned around and had to give the government 80 percent of everything they earned on a periodic basis like every month or every 2 months. I do not remember the exact timeframe.

And I thought, my goodness, he is so proud of this freedom. Then we looked at a study that no one has refuted, and no one in this Chamber today will refute it, that if we do not do something to change the course that we are on, that by the time someone who is born today, like my three grandchildren, during the course of their lifetimes, they will have to pay, not 80 percent, but 82 percent of their lifetime income just to support the Federal Government.

Now, that is what we are looking at right now. That is why this is significant. That is why we are at a point we cannot say that we are just going to be business as usual. The elections of 1994 were very specific. They had mandates in those elections. All of the post-election surveys have indicated there are about four areas that people want in this country. First, they want less Government involvement in their lives; second, a stronger national defense; third, punishing criminals; and fourth, which actually came out first, they want to do something about eliminating the deficit, about starting to cut into reducing the debt.