

year 2000. That hardly comes as a surprise. The Constitution, in article I, requires that there be a census every 10 years. We have done a census every 10 years in the history of the Republic. It is hardly a surprise that we are going to do a census this year. But everybody who is familiar with it knows that this administration has consistently underfunded the census, and now they are on the verge of declaring it an emergency, when they created the emergency.

Embassy security. Everybody knows the terrible tragedy of where we had two Embassies bombed in Africa. Both of those Embassies had asked for enhanced security, and in both cases the administration had rejected it, to spend money on other things. But the important point is, the \$1.6 billion being requested will be spent over the next 10 years.

I could understand if you said, "Well, we want to begin it now, and until we can write a new budget and make it part of our budget, would you designate that as an emergency?" I could understand that. But the President is asking us to designate as emergency spending an item which we have been debating and looking at for a decade and an item which in many cases the money will not actually be spent, and the construction will not occur, for 4 or 5 or 6 years.

Then there is defense readiness. All of a sudden, this administration has discovered that we have been cutting defense spending every day that President Clinton has been in office. And these dramatic reductions in defense spending are beginning to affect retention, they are beginning to affect recruitment, they are beginning to affect modernization.

This is hardly a surprise. Many Members of the Senate, both Democrats and Republicans, have stood up and denounced these cuts in defense. But yet they have been made so that money could be spent on programs that were deemed by this administration to be of higher priority. Now that the Joint Chiefs of Staff have gone public for something they clearly must have known for years, but remained silent about because the process has become politicized, in my opinion. Now the President is saying we have an emergency in defense.

My point is, this emergency was created by an administration that would not support defense, and now they want to bust the budget to try to correct problems that they produced. My alternative is, let the President, in next year's budget, propose a permanent change in defense spending within the overall cap in spending that he agreed to last year. And I will support it. But let's not raid Social Security to try to correct a problem that, in fact, has been created by our own budget decisions.

The next emergency is Bosnia. There is an emergency because we have discovered that we have troops in Bosnia.

That sounds almost comical.

We sent troops to Bosnia in December of 1995 and they were supposed to be there until December of 1996. Then we expanded the mission in October of 1996 and they were supposed to be there until March 1997. Again in November 1996 we extended the deployment of troops to Bosnia until June 1998. Finally, in December of 1997 the President announced that troops would be deployed to Bosnia indefinitely.

Now, how can it be an emergency to fund troops in Bosnia when they have been there since 1995 and the President has told us they are going to be there indefinitely? Why didn't the President put money in his budget to pay for troops in Bosnia? You know why he didn't. He didn't because he wanted to take the money out of Social Security.

So here is where we are and this is the concern that I want to raise. The President has said—and rightly so, in my opinion—we have a big job to do next year in fixing Social Security. Don't cut taxes, don't increase spending, and let's take this surplus and fix Social Security first and then we will decide what to do if any is left. That is what he said on January 27 of 1998. Since then, the President has said less and less about spending, more and more about taxes, and now the President is saying, "Don't cut taxes with a Social Security surplus;" but, at the same time, the President is pushing \$20 billion worth of new spending. The tax cut passed in the House would cost \$6.6 billion; the President is talking about increasing spending by \$20 billion.

Now, my point is a very simple point. If it hurts our ability to save Social Security to cut taxes by \$6.6 billion, and that is wrong, how can it be the right thing to do to increase spending by \$20 billion—more than three times as much?

The bargain I would like to strike so that I and others could support the President on a bipartisan basis: we won't do our tax cut, you don't do your spending. Let's just say no. Then next year, let's fix Social Security. I believe we will have money left for a substantial tax cut next year, but let's not start a spending spree this year that would endanger our ability to save Social Security next year.

Now, I know that as people get ready to go home it is always hard to not say yes to every spending interest in the country. But I believe the President took the right position in January. He has changed that position now.

My proposal is straightforward and simple: Don't cut taxes this year and don't increase spending this year. Save the \$6.6 billion that we would have used on tax cuts for Social Security next year; save the \$20 billion or as much of it that we can that we would have spent this year for Social Security next year. And once we have fixed Social Security, then let's look at cutting taxes for the American people.

That is the challenge. We are going to see this debate in the next few weeks. I intend to be here saying no on

spending—not because I don't want to build up defense. I voted against many of the defense cuts of the last 5 years. But nobody can say that this is an emergency when we created it and the President created it through his budget problems or policy. Nobody can say it is a shock that the year 2000 is coming and the President didn't know about it when he sent us his budget in January. Nobody can say they didn't know we were going to do a census. Nobody can say they didn't know we were going to be in Bosnia. These are not emergencies as the law was intended to apply to emergencies.

I urge my colleagues to stand up for the President's position and call on the President to do it. The President said on January 27th, don't cut taxes and don't increase spending. I say yes, don't cut taxes, don't increase spending.

The only problem is the President continues to say don't cut taxes, but the President is the driving force behind an effort to increase spending by \$20 billion this year. And that spending, every penny of it, will come out of Social Security, and it will diminish our ability to rebuild the financial foundations of Social Security. I say no.

I yield the floor.

The PRESIDING OFFICER (Mr. BURNS). The Senator from South Dakota is recognized.

PRIVILEGE OF THE FLOOR

Mr. JOHNSON. Mr. President, I ask unanimous consent that Susan Hansen of my staff have floor privileges during my remarks.

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

BUDGET SURPLUS

Mr. JOHNSON. Mr. President, we have reached an extraordinary point in our Nation's contemporary history with the finding of the Office of Management and Budget that we will, in fact, at the end of this fiscal year, be running a significant budget surplus.

I think there are a great number of causes for that, a great number of people who could be commended for that, but I think to put this in some perspective, it is worthwhile to note that some 6 years ago when President Clinton took office, the annual deficit each year by the U.S. Government was running in the range of \$292 billion each year. We were spending \$292 billion more revenue than we had coming in. The size of the Federal deficit had exploded through the 1980s, and we had reached, finally, this terrible point in 1992.

Since that time, we have had 6 years of successive declines in the Federal budget deficit until, finally, this year for the first time in 30 years we are now at least in a unified budget in surplus.

What an extraordinary accomplishment. At a time when other nations' economies are suffering, this country

has reduced its debt relative to its gross domestic product to a lower level than any other industrialized nation on Earth. Again there are a great many people who can take some credit for this. But I think that the leadership of this White House has been a key part of it.

Now, the Senator who preceded me had a chart showing one of President Clinton's plans. It did not show the plan that actually was acted upon which has led to this decline in the deficit. It did show the alternative competing Republican plan that was offered in 1992 which, as many of us recall, was premised on plundering the Medicare fund, education, and the environment. One of the constructive steps that this President took was to lead the way, ultimately with a budget plan which brought us to a balanced budget—in fact, to a surplus—and showed, in fact, we did not need to plunder education, Medicare, and health care in order to get to this point.

So we have had 6 years of declining deficits. That is the good news. However, there is a point of great concern that I have as a member of the Senate Budget Committee. That is, we reached this point because there was an agreement between Congress and the President that we would put our country on a pay-as-you-go basis. That is, no tax cuts unless it is simultaneously explained who is going to pay more taxes or whose programs will be cut to pay for those tax cuts, and no spending increases unless it is simultaneously explained who is going to pay more taxes or have their programs cut to pay for those increases. Every step had to be budget neutral, scored over a 5-year period by the Office of Management and Budget and by the Congressional Budget Office, the CBO.

After years of wandering in the wilderness of faulty and unsuccessful mechanisms that go back over a decade, we finally reached a formula that put this country on a commonsense, pay-as-you-go basis, something we should have been doing for 200 years but which we have been doing now for about 6 years.

Because we now have this unified budget surplus, we find there are those in Congress who grow giddy about this projected surplus. By some projections it could run as high as \$1.6 trillion over the next decade. Keep in mind that those projections are not money in hand, they are simply projections, and they are premised on the notion that our country will continue to have economic growth in the range of 2.2 GDP growth annually from here to the horizon, and that we will never stumble into a recession and that our economy will never slow down again.

Well, while we have had a remarkable run of good fortune over the years of the Clinton Presidency, with record low unemployment, low inflation and high economic growth, I think it would be foolhardy for any of us to assume that somehow business cycles have

been abolished, that we are on an upward plain and that economic growth will never end. So I think we need to approach these projections with a great deal of caution and some skepticism, given what is going on today with the economies in Asia, Russia, and increasingly in Latin America.

Secondly, the other point of caution that I think needs to be stated with great emphasis is that the budget surplus that we have today, as noteworthy as it is, and as worthy of applause as it is, is a unified budget surplus; that is, our operating budget is still in the deficit. That is, the surplus that we have is only a surplus if you count revenue flowing into the Social Security trust fund. I think the chart that I have with me here graphically shows the circumstances we face today.

The Federal surpluses—and it is simply amazing that we are even talking about surpluses, given where we have been over the last decade—the Federal surpluses are projected to grow steadily all the way out through the year 2008, and that is the farthest out anyone has dared make a projection. That is a positive thing.

Before we get carried away about how to spend the surplus, whether for tax cuts or for new programs, the red line represents where we are without counting Social Security money. If you look at that, we will not be in the black until the year 2002. That is even assuming continued economic growth. We are not in the black—we have nobody's money to spend other than the Social Security revenue until the year 2002. We will dip back into deficit, in fact, briefly, under current projections, in 2003. It is approximately 2005 before we will be consistently in the black, without counting Social Security surplus dollars and the interest earnings that are attributable to Social Security. Finally, in about 2005, if we behave ourselves and continue to go on pay-as-you-go, if the economy continues to grow, we will be in the black, without counting the money that needs to be reserved for Social Security.

So the President was exactly right as he talked to both the House and the Senate this year, saying, "do not be thinking about how to spend this surplus this year when we have not yet decided what we are going to do about our long-term reform for Social Security." That issue will be up next year in the 106th Congress. It is not for certain it will be resolved in 1 year, either. We have some reforms that no doubt will have to be made for the long-term viability of Social Security. If we do nothing, the Social Security trust fund will eventually be drawn down and today's baby boomers will receive only about 75 percent of today's buying value of Social Security. It is not as if Social Security will go away. It is not as though the system will collapse, but as you get far out into the 2032 range, today's boomers and today's younger people, who are also relying on Social Security, will find that the buy-

ing power of that program has been reduced by about one-fourth. So there is a need to make changes, and the sooner they are made to preserve the full 100-percent buying power of Social Security for those outyears, the better off we are. But in the meantime, to use money that has been raised and collected from the American taxpayers for the purposes of a strong Social Security system, and to use it for another purpose, is simply wrong.

If we approach this with the kind of responsibility that I think is needed, and with the kind of bipartisanship I believe is needed, we will reject the tax proposal coming to this body from the House of Representatives, which calls for a tax cut paid for out of Social Security revenue.

Now, the Senator who preceded me was making reference to a \$6.6 billion tax cut. That is only the cost to the Treasury next year. It is an \$80 billion tax cut over 5 years, \$170 billion over 10, and it goes into perpetuity, forever, constantly taking more and more money out of the Social Security surplus fund—all the more reason to nip that in the bud, stop now and take a deep breath, albeit an election year and there is a temptation on the part of our friends in the other body to offer what looks like a free giveaway.

There is a need in this body, I think, to respond responsibly to that kind of proposal coming to us from the House. There may be room for some tax relief this year. I applaud the leadership of Senator DASCHLE, the Democratic leader, and others who have worked with him, including those from the White House, in suggesting that we could find in the range of a \$25 billion tax relief package, which could be focused on the needs of the middle class and working families, and it could be done through savings in the existing budget, through new efficiencies in the existing budget, from the closure of loopholes in the existing Tax Code. That could free up in the range of \$25 billion to be utilized for tax relief for middle class and working families. So it is not a question of are you for tax relief or not; I think there is room for some tax relief. But it has to be financed out of the existing budget, rather than going the easy route and that is raiding the Social Security trust fund.

I think something needs to be said as well about the requests for emergency funds. Much has been said about the requests from the President for emergency funding. I think there is a possibility that some of those requests could be offset from within the existing budget, but I think it also needs to be clear that the needs being presented to the Congress by the White House were not foreseen either by the White House or by the Congress in either political party. It was not foreseen that we would have expenses at the scope that they are for dealing now with the year 2000 computer problem, and the delay of addressing that problem will only cost the taxpayers and the economy

potentially enormous sums later down the road. Congress did not foresee, nor did the White House, when the original budget was presented last year, the full cost of our Bosnia role, or the need to upgrade security at our embassies, or the scope of the farm crisis today.

Again, it is my hope that perhaps some of this could be offset by reductions elsewhere in the budget. But the fact is that the budget agreement that was agreed to, which led us on the track toward the reduction of that \$292 billion deficit to a surplus today, was premised on the assumption that we would, from time to time, have emergency needs that would have to be funded outside of the budget. There is no surprise to that. I think we need to use discipline so we don't wind up denominating everything that comes along that we would like to do as an emergency. But it is in the nature of emergency funding, and it is one time only that it could not be reasonably foreseen, as these were not either by the White House or by the Congress, and that they have some extraordinary level of urgency about them.

The budget agreement that led to this elimination of the budget deficit did foresee that we would have these emergencies come up from time to time. So nobody should be surprised today that we do, in fact, have a need to address some issues that may have to be outside the pay-as-you-go framework that has, overall, led us to the budget deficit. But what we cannot afford to do is to use Social Security surpluses as a source of funding for non-emergency, in perpetuity-type expenditures, whether it be domestic spending programs or for tax relief that could not otherwise be funded. I, for one, think that the next priority, after preserving Social Security, probably ought to be to begin to pay down the existing accumulated debt that this country has in the \$5 trillion range, or more. To the extent that we do that, we are, in fact, hoping that every taxpayer in this country—to the extent that the U.S. Government is not competing for credit dollars and that we bring down interest rates—buying a car, buying a home, sending a kid to college, or expanding a business and creating jobs, is made easier and all the more affordable for the private sector of our economy to do.

If we act with budget responsibility here, keep our Federal budget in equilibrium with the pay-as-you-go mechanism that was passed initially in the 1993 budget agreement—legislation which has passed and has contributed more than any other single legislative policy step taken in Congress, passed without a vote of a single Republican Member, passed exclusively with Democratic votes in both the House and the Senate. And there were many Members of Congress, many Democrats, frankly, who lost their seats in Congress, in the House and the Senate, over the controversy, over the contention, that the passage of that landmark

legislation caused because it was a bold step. It was a courageous step. It reduced our Federal budget deficit from \$292 billion to a surplus today. But as is often said in politics, no good deed goes unpunished. And that was certainly the case of many of our colleagues who are no longer here; who did the right thing and paid a dear price for it. But here we are with positive consequences of that legislation which has led us now to a surplus with a unified budget. The great danger we have is to abandon the discipline which that budget legislation set in place.

I am hopeful as we finish up these closing weeks that we will reject this shortsighted and I believe somewhat demagogic, frankly, effort coming out of the other body to raid the Social Security trust fund.

I hear people saying, "Well, the President wants to address emergency crises. So we ought to just pile on and spend more money out of the Social Security trust fund." That is the logic that is not worthy of a third grader, in my view. We have some emergency crises of one time only that we will face, and we will decide how to finance that, whether it is out of the ordinary budget, or whether it is through an offset, or some combination of both. But to set us on track down the road in perpetuity for nonemergency, long-term expenditures out of the Social Security trust fund makes no sense whatever.

Of the \$1.6 trillion surplus projected over the next decade, virtually the entire sum is attributable to Social Security and the interest earnings due to Social Security.

So let's resolve one problem at a time: Maintain the discipline that has made this much progress over the last half dozen years of the Clinton administration; preserve Social Security so we can make some difficult policy choices in the coming years about what we need to do further to maintain its viability on into the next generation. When we have done that, then we may be in a position ultimately, if we have surpluses at that point, to decide what combination of investments in our schools, in child care, in health care, in medical research and, yes, possibly in tax relief for American taxpayers might be able to come out of that surplus. But don't get put the cart before the horse. Do not be demagogic in an election year about this kind of issue. We need some statesmanship. We need some bipartisan responsibility as we deal with what I believe is one of the most fundamental most challenging responsibilities that our Congress has; that is, how do we sustain our economic growth? How do we sustain the pay-as-you-go discipline that has brought us to this good point after so many years—after 30 years—of budget deficits?

Mr. President, I conclude by saying that it is certainly my hope that statesmanship will rise to the top; that we will abide with the President's recommendation; that we not raid the So-

cial Security trust fund during these closing days of this Congress; that we go home and tell our constituents that we did the right thing; we did the right thing by them; we did the right thing by our government; we did the right thing by our Nation by retaining fiscal responsibility; and by preserving the opportunity to have a strong Social Security program on into the future years, at least until we decide what future changes are needed. By doing that we will keep the cost of money down for the private sector, and we will do as much as possibly can be done to put us on track to sustain what has been record economic growth, low inflation, low unemployment, and increased opportunity for all of our citizens.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, what is the status of the floor at the moment?

The PRESIDING OFFICER. Under the previous order, we are in a period of morning business.

Mr. THOMAS. I ask unanimous consent that I be allowed 10 minutes in morning business.

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

APPROPRIATIONS BILLS

Mr. THOMAS. Mr. President, I have been wanting to come to the floor for some time to talk a little bit about the situation that we are in here in the Senate, here in the Congress, the amount of work that we have to do in a relatively short time, and, frankly, to urge my colleagues that we get on with it.

The immediate need, of course, is to deal with the appropriations, to deal with continuing to finish what has to be done this year so that we keep the Federal Government operating, so that we do the things that need to be done.

At last count, it seems to me, out of 13 appropriations, I think only three have been passed: one prepared by the Presiding Officer, which is the only one I think signed by the President.

In any event, we have a great deal to do. Of course, as is always the case, there are many things being talked about, some of which are amendments on appropriations. Others are free-standing bills. But a lot of things could wait. None of us like to see things wait that are ours, of course. But I guess I am prepared to say that the appropriations are what we need to do, and finish this job so that a week from Friday we will be out of here. I think that is what we really need to do.

It is an opportune time, having had almost all year dealing with appropriations, to remind my colleagues that we ought to take a look at a biannual appropriations process where we do that every other year, where we appropriate for 2 years as they do in almost all legislatures, which not only gives the agencies more time to know what