the kind of things that move this economy along. If they are not confident about the future, they decide not to make those decisions, they decide to withhold this purchase, or that purchase, and it affects the economy.

What we did about 7 years ago dramatically changed the fiscal policy of this country. This country has had unprecedented economic expansion, and a huge and growing Federal budget deficit is now eliminated.

What remains is the Federal debt that occurred from all of those years of spending. The question is, What should we do about that? The answer for many in this Senate who voted to pass a tax cut was to say what we should do about that is essentially ignore that; let's provide a very large tax cut right now just based on projections by economists who often cannot even remember their home address. That is not good policy. I am pleased that I voted against it.

I think most Americans believe that the right approach for this Congress is to continue on this path we are on of good solid fiscal policy, believing that if and when we have true, good economic times and significant budget surpluses, a major part of that ought to be used to reduce the Federal debt. What greater gift can we give to America's children than to eliminate the Federal debt of $5.7 trillion?

Let me thank my colleague from Maine. She has been most patient. I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 1576 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Ms. COLLINS. Mr. President, seeing no one seeking recognition, 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. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Vermont.

VERMONT FOLIAGE

Mr. JEFFORDS. Mr. President, I rise today on an issue of the utmost importance to Vermonters. I recently returned from a wonderful month in my home State of Vermont. I visited farms and downtowns, talked to teachers, parents, and business men and women from all over our State, and enjoyed the beautiful Vermont summer. However, as I and countless of Americans know, nothing compares to Vermont in all of its autumn glory. I would like to read the following proclamation, that I received when I was visiting the picturesque town of Stowe, VT:

VERMONT FOLIAGE CHALLENGE PROCLAMATION

Inasmuch as Vermont is acknowledged throughout the known universe to be the home of the most spectacular fall foliage.

And inasmuch as certain ill informed media reports have implied that Vermont's legendary foliage display this year may be less spectacular than usual.

And inasmuch as Vermont's fall foliage display is always the best and brightest on this planet or any other.

We, of the Green Mountain State, hereby issue a challenge, open to all Senators, to wit:

That as of twelve noon on October 1, 1999, the fall foliage in Vermont will be the most colorful, most spectacular, and most photogenic of any venue on Earth.

And inasmuch as any challenge worth issuing deserves to be honored with a prize, we of the Green Mountain State hereby offer as proof of our challenge the quality of ten gallons of last spring's Vermont's finest Grade A Fancy Maple Syrup from Nebraska Knoll Sugar Farm of Stowe, Vermont, to be collected in Stowe.

Respectfully tendered, the Stowe Area Association.

I don't know about where you come from, but 10 gallons of Vermont Fancy Maple Syrup are worth their weight in gold! I would like to see anyone try and meet that challenge.

From Bennington to Derby Line, from Fair Haven to St. Johnsbury, in the months of September and October Vermont's Green Mountains become a painter's palette of rich colors. Nothing refreshes the soul as we head into the cold winter months like the invigorating rush one gets from a visit to Vermont when she is decked out in prime foliage.

The brisk autumn weather and the breathtaking beauty of nature's fall canvass are unparalled anywhere in the 50 States, or even anywhere in the world. Come see for yourself.

Mr. President, before I came to the Chamber, I received word that my esteemed colleague from the State of New York, Senator SCHUMER, has risen to the Vermont Foliage Challenge. Senator SCHUMER has offered 10 gallons of New York apple cider to our 10 gallons of Vermont Maple Syrup, stating that the foliage in the Empire State ''will outshine the challenging leaves found in Vermont during this and every October.'' Anybody who has looked at apple leaves in the fall and maple leaves in the fall realizes there is no way to compare them. I am sure he was not referring to that. I am delighted to hear that the challenge has been accepted, and I am looking forward to enjoying a nice, tall, cold glass of New York apple cider later in the fall. I would like to mention that 10 gallons of maple syrup is not quite comparable to 10 gallons of apple cider, especially considering that it takes 40 gallons of sap to make 1 gallon of maple syrup. But this evens the odds, as it is about a million-to-one chance that Vermont will come out on the short end of the stick in this wager.

Mr. President, Mr. SCHUMER, who I think probably has some insecurity in making this challenge, whisked off to New York and is unable to be here to give his statement. But to acknowledge his courage in accepting the challenge, I ask unanimous consent that Senator SCHUMER's statement be printed in the RECORD.

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

● Mr. SCHUMER. Mr. President, today my esteemed colleague from Vermont stood in praise of the beauty of his fine State during the fall season. Nothing, he argued, could compare with the sight of the Green Mountain State's autumnal foliage. To that end, he reported a challenge issued by his fine constituents in Stowe; that on October 1 of this year, the changing leaves of Vermont would reign supreme.

I represent a contender to this challenge whose autumn beauty is destined to win any comparison with its bright flying colors of yellow, red, and orange. I am proud to represent the State of New York in this Senate, the Empire State, whose foliage will outshine the changing leaves found in Vermont during this and every October.

New York's fall splendor has been captured by a wide variety of artists, from the landscape painters of the Hudson River School to the soulful jazz of Vernon Duke's ''Autumn in New York.'' I point to such representations as proof of our superiority in this venue, and invite any skeptics to visit the Empire State themselves. They will enjoy the breathtaking grandeur of the Catskills, or happily succumb to the peaceful serenity of an autumn day's drive along Interstate 87 in the Adirondack Mountains. From our wineries to our apple orchards, nothing can compare to the glory of Upstate New York in the fall.

In fact, speaking of apples, I recall that my esteemed Vermont colleague brought a prize to the table from which he issued his challenge. To the State possessing the finest foliage on the first of October, he said, would go 10 gallons of Vermont Fancy Maple Syrup. Mr. President, it is only appropriate that the Empire State bring its own prize to this competition. To that end, I hereby offer as proof of our greatness 10 gallons of New York's finest apple cider, gleaned from the 25 million bushels produced by the Empire State every year. After all, while maple syrup is truly a product of Vermont's spring rejuvenation, apple cider is evidence of the glory of New York's fine fall.●

THERE IS NO SURPLUS

Mr. HOLLINGS. Mr. President, yesterday the Republican majority continued to try and create a strategy to embarrass President Clinton and those Members of Congress that opposed the so-called tax-cut bill. I found their strategy quite ironic that while this country is less than 20 days away from the end of a fiscal year when the U.S. Government will spend more than $100 billion than it takes in that the Republicans are insisting on giving tax breaks to the rich that the country cannot afford.

William Greider, a former assistant managing editor of the Washington Post and now National Editor for Rolling Stone, explains the issue of the phantom surplus very well in an article headlined ''The Surplus Fallacy.''

Mr. Greider has done a great job in explaining that there is no surplus, there is no money to give a tax break with, and more importantly, this country spends more than it takes in each year. I think this article should be required reading for any Member of Congress that has to vote on a federal budget in the next two months so they may understand where this country really stands fiscally.

I ask unanimous consent that the article be printed in the RECORD.

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

THE SURPLUS FALLACY

(By William Greider)

Leaders of both parties are gleefully finding ways to spend 3 trillion extra tax dollars. The only problem is, the money doesn't exist.

Fanciful claims and sly deception are common enough in Washington politics, but this season, the level of gross falsification on the question of the governorment's budget surpluses—which were discovered this year—is awesome and ominously bipartisan. It's as if the politicians, wearied by nearly two decades of fighting horrendous deficits, are deranged by the notion that at long last they have some loose money to throw around.

Republicans swiftly proposed giving some of this supposed windfall back to the people, but their $792 billion tax-cut bill, passed in early August, actually delivers most of the boodle to the very rich and to major corporations. President Clinton, claiming the high ground of fiscal responsibility, is certain to veto the GOP measure, yet he and the Democrats have their own worthy plans for spending the extra money or perhaps bargaining for a smaller tax cut.

One big idea animates both political parties: The federal government, they tell us, will amass surplus revenues during the next ten years totaling nearly $3 trillion—that is, $3 trillion more will come in than be spent. Roughly two-thirds of this will accumulate from Social Security payroll taxes, but the other $1 trillion in surpluses is projected for the government's general operating budget, which is made up of personal and corporate income-tax revenues. This happy prospect reflects the robust economy—more people working and paying taxes—and the long campaign to contain the growth of federal spending.

Even in Washington, $3 trillion is serious money. The air is thick with self-congratulation. Reduce income-tax rates by a point or two, cut capital gains again and repeal inheritance taxes? No sweat. Increase the military's budget by $40 billion or $60 billion? Let's do it. Suddenly, the political horizon is aglow with feel-good opportunities.

Except for this: That one big idea is false. There is no $3 trillion surplus ahead. In fact, the government's gross debt will grow steadily over the next decade. Nor is any large bonanza likely from the operating budget of the government, though Clinton and Congress have made great progress in eliminating the red ink. At the very most, instead of $1 trillion, the operating budget might realistically develop a surplus over ten years of no more than $100 billion or $200 billion. But even that ''surplus'' will be money borrowed from the government's other trust accounts.

As conservative commentator Kevin Phillips has noted of the alleged surplus, this is not pie in the sky—it's pie in the stratosphere.

Many smart players know better, and some say so aloud, but dissent is brushed aside by that $3 trillion headline. A careful reader of leading newspapers will find sidebar stories explaining why the huge surpluses are far from assured, but conventional wisdom wipes out complicated facts and reasonable doubt. In this media age, mindless buzz shapes the debate, and once the terms are set, both parties scurry to prepare billboard slogans for the next campaign.

Both are now playing the politics of dipping into the future—dispensing virtual money that will be available only if Congress also imposes dramatic and continuing pain on many citizens. But why spoil the fun by mentioning reality?

Republicans have reverted to the same feel-good assumptions that Ronald Reagan introduced with his economic package back in 1981. Reagan's combination of massive tax cuts and mushrooming defense spending produced the runaway federal deficits in the first place and eventually tripled the national debt. Just when those deficits are finally conquered, the GOP wants to try it all again.

The Democrats, meanwhile, have morphed into the party of rectitude, scolding the Republicans for reckless tax giveaways, just as Democrats were always pilloried as big-government spendthrifts. This reversal in party values is potentially significant, because it is really an argument about the size and future of the federal government. If the Democrats hold their ground and win in 2000, it could signal an end to the long era of successful government bashing. If Democrats yield to election-year temptations and join the partying, the federal government may swiftly slide back into an endless swamp of red ink.

The other danger is to prosperity. The GOP's reward-the-wealthy tax bill may simply inflate the stock-market bubble further and provide more stimulus to the economy just as the Federal Reserve Board is trying to cool it down. That could set up the same destructive collision between budget policy and monetary policy that marked the Reagan era—the Fed raises interest rates to counter the stimulative tax cuts. Fed Chairman Alan Greenspan is pleading with his fellow Republicans in Congress: Do nothing, please.

Right now, according to various opinion polls, the public thinks the Democrats have got it right. By a margin of twenty-one percent, people want the surpluses to be devoted to ''unmet needs,'' from education to defense, instead of to tax cuts. Among younger voters (between the ages of eighteen and thirty-four) the majority favors applying surplus funds to Medicare rather than to tax cuts, sixty-seven percent to twenty-seven percent.

For that matter, half of the public doesn't believe the $3 trillion headlines and doubts that any real surpluses will actually materialize. Their skepticism is well founded.

Like any forecast of the distant future, the accuracy of the official projections of vast surpluses depends upon whether the forecasters are using plausible assumptions or massaging the results. In this case, the Congressional Budget Office, controlled by Republicans, and the White House's Office of Management and Budget have produced similar predictions, but both have also applied a self-indulgent political spin on the future, not to mention various accounting gimmicks.

The first premise is that the prosperous economy will sail forward more or less uninterrupted. The CBO foresees no recessions in the next ten years nor any dire surprises, like a stock-market meltdown. The OMB assumes that above-average growth in productivity will continue. But economic history suggests that events never cooperate with blue-sky-forever forecasts.

More important, the projections assume that while these huge budget surpluses are piling up each year, Congress and future presidents will continue to whack away at the size and scope of the federal government. If deep cuts don't occur, then the surplus in the operating budget shrinks to a mere sliver. The Center on Budget and Policy Priorities estimates that if Congress simply maintains spending at its present dimensions—adjusted for inflation but with no real increases—the trillion-dollar surplus will be $112 billion. Nobody knows, of course, but the smaller number looks like a better bet.

In fact, CBO and OMB presume an amazing reversal: They claim that Congress will stick to the budget caps adopted in 1997 for all regular spending programs, even though those caps have been bent and broken every year since they were put in place. Last year Congress went over the ceilings by $21 billion. This summer it's already over by $30 billion and will likely go higher.

''It's crazy,'' says Rep. David Obey of Wisconsin, Ranking Democrat on the House Appropriations Committee. ''The Republicans pretend they're going to make all these budget cuts. They're not going to do that, and they know they're not. We're already $30 billion above the caps this year, because they are stuffing so much defense stuff into the emergency bills. If you assume defense keeps its present share of gross domestic product, the all the rest of government would have to be cut almost in half.''

Right now, domestic spending is about $1,100 per capita, Obey explains, but is would fall to $640 per person under the GOP vision and almost as much under Clinton's. If highways and defense are to have growing budgets, as Congress has already decreed, then everything else must get whacked even harder, by at least twenty percent to thirty percent. It's not going to happen, for reasons that are more practical than ideological.

''You can shrink the government,'' Obey says, ''but you ain't going to shrink the country. This country is going to have 20 million more people a decade from now. We will have 1 million more young people in college, we'll have a fifty percent increase in commercial-airline flights, 50 million more people visiting the national parks every year. We have a prosperous economy now because government has always invested in science, in education and technology. Republicans are pretending the country will not respond to any of this in the future, that people would rather have the tax cut. The White House is not nearly as bad, but they are being overly optimistic as well. They're saying we can afford a tax cut of $300 billion. That's true only if you assume government is not going to respond to the growing population and economy.''

The Clinton administration nobly intends to ''pay down the public debt'' with the nearly $2 trillion in surpluses that the Social Security trust fund will accumulate during the next decade. The Treasury secretary compares this to refinancing your mortgage to get a lower interest rate, and in theory that may be the result. But Sen. Fritz Hollings, the blunt-spoken Democrat from South Carolina, offers a challenging wager to his colleague in both parties. On October 1st, when the new fiscal year begins, if the federal government's gross debt actually goes down, he will jump off the Capitol dome. And they will jump if it doesn't.

''They claim we are paying down the debt, but that's terribly misleading,'' Hollings complains. ''We are not really paying down the debt, we're shifting it from one account to another. Actually, we're looting the trust funds so we can say the government's got a big surplus. It's just not true.''

Hollings' argument takes us still deeper into the mysteries of federal accounting, but he has uncovered an important and widely believed myth about the new surpluses. His essential point is confirmed in the president's own midyear budget review. Its ten-hear projections show the federal government steadily reducing its publicly held debts: the Treasury bonds, notes and bills used to borrow money in financial markets. Yet meanwhile, the federal government's total debt obligations will continue to escalate over the decade—an $485 billion increase by 2009.

So what happened to the $3 trillion surplus? It is something of an accounting mirage—like borrowing from the rent money to pay off your credit cards. Sooner or later, you still have to come up with the rent.

In fact, aside from Social Security, the government's vast borrowing from its other trust accounts—highways, military and civil-service retirement, Medicare—provides the underpinning for the supposed $1 trillion surplus in its regular operating budget. Without those trust-fund loans, CBO acknowledges, its forecast of a ten-year surplus of $996 billion shrinks to only $250 billion. Someday someone has to come up with that money too—or else stiff those lenders.

Social Security surpluses are not new at all: They have been piling up since 1983, when the payroll tax was substantially increased to prevent insolvency. This money belongs to future retirees, not Congress or the White House, but it was not locked away for them. Instead, it was spent every year to cover the swollen deficits generated by the rest of the government—and IOUs were given to the trust fund. The government still owes all that money to the Social Security trust fund, and it intends to borrow lots more.

All that is really new is the promise, now that budget deficits are vanishing, that the government will stop using Social Security money to pay its yearly operating costs and instead use it only to pay back the public borrowings in financial markets. That's admirable, but it doesn't pay off the actual debt obligations of the government to Social Security retirees. The Treasury is still giving more IOUs to the trust fund—money it will have to pay back one day hence.

Some will insist that because the government is essentially borrowing from itself, none of this matters. But it does. The suggestion that any of Social Security's long-term financial problems are somehow being remedied by these transactions is utter fiction. A nasty day of reckoning remains ahead for American taxpayers—when Social Security recipients expect to get their money back and someone gets stuck with the burden.

The choices for a future president and Congress will be stark: They can go back to the financial markets and borrow trillions again. They can raise income taxes. Or they can cut Social Security benefits and screw the retirees.

Such duplicitous evasions have prompted an angry Hollings to denounce his colleagues. ''This a shameful sideshow out here,'' he thundered in debate. ''There is no dignity left in the Senate. No responsibility.''

Indeed, none of his colleagues has taken up Hollings' proffered bet, though doubtless some of them would love to see him jump off the Capitol dome.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, September 9, 1999, the Federal debt stood at $5,654,163,509,903.96 (Five trillion, six hundred fifty-four billion, one hundred sixty-three million, five hundred and nine thousand, nine hundred and three dollars and ninety-six cents).

One year ago, September 9, 1998, the Federal debt stood at $5,548,477,000,000 (Five trillion, five hundred forty-eight billion, four hundred seventy-seven million).

Five years ago, September 9, 1994, the Federal debt stood at $4,679,665,000,000 (Four trillion, six hundred seventy-nine billion, six hundred sixty-five million).

Twenty-five years ago, September 9, 1974, the Federal debt stood at $479,367,000,000 (Four hundred seventy-nine billion, three hundred sixty-seven million) which reflects a debt increase of more than $5 trillion—$5,174,796,509,938 (Five trillion, one hundred seventy-four billion, seven hundred ninety-six million, five hundred and nine thousand, nine hundred thirty-eight dollars) during the past 25 years.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–5083. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''Community Services Block Grant Statistical Report'' for fiscal year 1996; to the Committee on Health, Education, Labor, and Pensions.

EC–5084. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers'' (Docket No. 99F–0994), received September 7, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5085. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Indirect Food Additives: Polymers'' (Docket No. 89F–0338), received September 7, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5086. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Indirect Food Additives: Adjuvants, Production Aids, Sanitizers'' (Docket No. 99F–0459), received September 7, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5087. A communication from the Acting Director, Office of Standards, Regulations and Variances, Mine Safety and Health Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''Health Standards for Occupational Noise Exposure'' (RIN1219–AA53), received September 8, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5088. A communication from the Deputy Executive Secretary, Center for Health Plans and Providers, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medicare Program; Graduate Medical Education (GME): Incentive Payments Under Plans for Voluntary Reduction in the Number of Residents'' (RIN0938–AI27), received September 7, 1999; to the Committee on Finance.

EC–5089. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Section 7702 Closing Agreements'' (Notice 99–47), received September 7, 1999; to the Committee on Finance.

EC–5090. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''July-September 1999 Bond Factor Amounts'' (Revenue Ruling 99–38), received September 7, 1999; to the Committee on Finance.

EC–5091. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Hospital Corporation of America and Subsidiaries v. Commissioner'' (109 T.C. 21 (1997)), received September 7, 1999; to the Committee on Finance.

EC–5092. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Boyd Gaming Corporation v. Commissioner'' (__F3d__(9th Cir. 1999), rev'g T.C. Memo 1997–445), received September 7, 1999; to the Committee on Finance.

EC–5093. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revision of the Tax Refund Offset Program'' (RIN1545–AV50) (TD 8837), received September 7, 1999; to the Committee on Finance.

EC–5094. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Estate of Mellinger v. Commissioner'' (112 T.C. 4 (1999)), received September 7, 1999; to the Committee on Finance.

EC–5095. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Inflation-Indexed Debt Instruments'' (RIN1545–AU45) (TD8838), received September 7, 1999; to the Committee on Finance.

EC–5096. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Vulcan Materials Company and Subsidiaries v. Commissioner'' (96 T.C. 410 (1991), aff'd per curiam 959 F2d 973 (11th Cir. 1992)), received September 7, 1999; to the Committee on Finance.

EC–5097. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''St. Jude Medical, Inc. v. Commissioner'' (33 F. 3d 1394 (8th Cir. 1994) rev'g in part 97 T.C. 457 (1991)), received September 7, 1999; to the Committee on Finance.

EC–5098. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled