is irresponsible and, I think, probably one of the great facades that has been cast on the American people.

The message over here has been constant since last year. You can talk about Medicare, welfare, the county fair—I do not care what you want to talk about. Basically, we are talking about a balanced budget. We are talking about something we can hand our children that they can deal with. It is because people ran for public office and made a promise to America that we will balance the budget and now the other side says, ''We don't want you to keep your promises.''

It is very, very simple. There is nothing, there is nothing, there is just nothing that is not simple about this whole presentation.

So while we are quoting quotes and we see the message, one has been consistent, one has not, because maybe the compass sort of goes awry every now and again. The American people have learned one thing—that they do not want business as usual. In the past couple of months, we have heard a lot about the drastic cuts in Medicare. Well, where did we go to school? In the last 7 years, if we spent $900 billion in Medicare and in the next 7 years we will spend $1.6 trillion in Medicare—a 45 percent increase—is that a cut? Not where I went to school. A 45 percent increase by the year 2002, and we still balance the budget. The same goes for Medicaid.

Let us talk about the tax package. Candidate Clinton called for a tax cut for the middle class during the campaign of 1992. And then in 1993 he gave this country a tax package that was the largest tax increase in the history of the country. In Houston, he says: Maybe I raised your taxes a little too much, and I sort of cooled this economy a little too much.

Well, in this package, we are trying to help some families. Seventy-five percent or the tax cuts go to families with children. We care about children. There is a $500 per child tax credit. There are IRA reforms, and also reforms in estate planning, estate taxes, that keeps farms and ranches and small businesses and families functioning. There is an alternative minimum tax reform that creates jobs and does something about investment, providing an expanding economy.

Let us talk a little bit about those death taxes, those estate taxes. It is a form of double taxation. Capital gains is a form of a—let us call it a voluntary tax. Everybody participates in capital gains. If you own anything that appreciates in value, it is capital gains—anything, such as your home, or whatever, you participate in capital gains. It is a voluntary tax. You do not have to pay it because you do not have to sell. I think that is a lot of difference. When we look at a farm or ranch and everybody says, ''Do something for the family farm,'' this is what you can do; we can let them hang on to it and let the next generation farm it or ranch it. That is the way it should be.

Let us not be led astray and be quoting different quotes because of the message, and do not shoot the messenger. There has been one consistent message: Now is the time to get our fiscal house in order.

I come here from county government. We had to balance it there. Sometimes it would become tough because maybe you did not get everything covered, but you found a way to get through it. We even lived through an initiative in Montana called I–105. We could not levy any more mils because people were tired of their tax bill.

I will say to those folks who do not want any reforms at all, if you do not think something has to be done over the entitlements, I have a little fellow out here in Springfield, VA, that takes care of my car. If you say to him, ''I want to raise your taxes,'' and he says, ''OK, you do it,'' then I will probably go along with you. Right now, he has all the taxes he can handle, and he is just making $25,000 a year. He has a couple of kids and wants to pay for a home. I think he needs a part of the American dream, too.

So we do not care? I think we care a lot. We do not care for Medicare? I think we care a lot. We care enough to sacrifice so that we can save it, so that it will be there for my children and their children. That is what this discussion is all about. That is what it is all about.

Let us talk about the package that has been presented. It is a CR, continuing resolution, and it says, Mr. President, agree to a 7-year balanced budget and use CBO figures, real assumptions, and use real economics, and we will put everybody back to work. But this is the time to balance the budget with the least amount of pain.

So it is because we do care that we go through this. Somebody has to step up and take responsibility. Sometimes that gets to be a little tough. We hear a lot of rhetoric, a lot of rhetoric that really inflames the landscape so that no negotiations can take place at all. I do not propose to do that. What I propose to do is the responsible thing. I think this is the responsible thing.

I always go back to what my dad said. Fathers teach us a lot of things about discipline, discipline in the family, discipline in your company, and discipline in your job. I can remember when our first child was born and dad was just a farmer down in Northwest Missouri. I do not see how most kids make it to be good kids anyway because they are being raised by amateurs. But I asked dad, ''How tough do you have to be on your kids disciplinewise?'' He said, ''It all depends how much you love them.'' I have never forgotten that, and I have never forgotten that in Government either. It all depends on how much we love this country, how much we want to put her on solid footing, to be both the political and economic leader in this world, because these young people deserve a future, and they cannot do it if they are borrowed up to their eyes.

So this is responsible. This is because we love this country very much. This is the time to do it with the least amount of pain. Let us just do it.

Mr. President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that I may speak for 10 minutes as in morning business.

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

A BALANCED BUDGET

Mr. HOLLINGS. Mr. President, I am reminded that Patrick Henry said, '''Peace, peace.' Everywhere, men cry 'peace.' But there is no peace.'' Now the colleagues on the other side of the aisle cry ''balanced budget, balanced budget,'' but there is no balanced budget.

I ask unanimous consent to have printed at this point in the RECORD an article entitled ''Polls get in the Way of Washington's Work,'' from this morning's Post and Courier.

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

[From the Post and Courier, Wednesday, Nov. 15, 1995]

POLLS GET IN THE WAY OF WASHINGTON'S WORK

(By Sen. Ernest F. Hollings)

The silent scandal that permeates Washington is the pollster charade. As in Newsweek's Conventional Wisdom Watch, today's Washington is based on who's up and who's down in the polls. Everyone—the president, Congress and the media—participates. The result? Nothing gets done and no one really expects anything to get done. Meanwhile, the nation's real needs are ignored. There is no genuine plan to guide us. And plans to put us on a pay-as-you-go basis are simply pollster-driven budget schemes fashioned to get politicians past the next election.

John F. Kennedy started it all 35 years ago in West Virginia. Lou Harris' polls identified hot-button issues of concern and Jack Kennedy played them like a Stradivarius. Political polling immediately became the order of the day. Now even the media wittingly are the engines behind the oppressive reliance on polls. No longer do reporters bow to the who, what, where, when, how and why of fact and accuracy. Instead, they kowtow to pollsters to elicit pithy partisan responses that stem from polls.

The pollster begins each day with ''divide and conquer.'' Voters immediately are divided into age, sex, race, education, working or retired, married or single, veteran or military, city, suburb or rural. No one is considered an American. They have to be Asian-American, African-American, Irish-American.

Division is the pollster mentality, but dissembling is the pollster's art. No pollster has served a day in office. But they'll tell you in a minute that you can't break the Sacred Code of the Pollster. If you want to get—and stay—in office.

Never take a firm position. If you do, you'll divide voters.

Favoring a proposition will put you at odds with those who oppose.

Opposing will separate you from those who favor.

To influence the most voters possible, firmly say that you're ''concerned'' about any issue so you appear understanding and appease both sides.

Aha! Now any way you slice it, you've identified with the voter. With this kind of soundbite mentality permeating the airwaves, it's easy to understands why there is no leadership in Washington.

Lee Atwater taught that negative politics is the positive path to political victory. As a result, one of the first ''musts'' for a candidate today is to order negative research on opponents—and himself. Why? To have a prepared answer for any past mistakes or inconsistencies and to be able to unload on an opponent at the end of the campaign when voters finally are interested and there's no time to respond.

Pollsters also teach both incumbents and challengers to preach change. That's why all candidates sound the same. Republicans and Democrats are all for cutting spending and against taxes; for prisons and against crime; for jobs and against welfare; for education and the environment. And, of course, everyone is for the family. With this emphasis on change and negative politics, the logic of the pollster paradigm is that government is the enemy and problem, not the solution. As such, everyone serving in government must be ousted. Thus, there's the cry for term limits.

The media's job is to expose this nonsense. But instead of living up to this responsibility, the media have joined the scam. They feast on polls and partisanship. Rather than reporting the news of the day, they make the news with their own polls. Questions by reporters don't delve into an issue but focus on the poll or partisan aspects of the issue. What they want is conflict.

These days, the pollster charade in the media continues with the ludicrous notion that spending cuts alone can eliminate the deficit. Or worse—that cutting taxes can eliminate the deficit. Nothing could be further from the truth. Since Ronald Reagan's ''voodoo'' that tax cuts could bring in more revenue and eliminate the deficit, the national debt quintupled from less that $1 trillion to almost $5 trillion. And instead of eliminating waste in government, we created the biggest waste of all—$348 billion a year in interest costs. Since we can't avoid paying interest costs, we borrow a billion dollars daily, which automatically increases spending a billion, increases the debt a billion and increases interest costs. Every day the cycle starts again.

Both President Clinton's and Speaker Gingrich's budget plans to get rid of this waste are mere ruses to get past next year's election. But Washington politicians figure—who cares? Who will be around seven years from now? And the media lets them get by with it. Our 1995 budget was $1.52 trillion. The 1996 Clinton budget is $1.63 trillion. The 1996 Gingrich congressional budget is $1.60 trillion. Both budgets increase spending. Neither keeps up with the $1 billion daily increases in the national debt. Over the seven years, spending exceeds revenues by more than $1 trillion. The media know this yet continue to report ''a balance budget by the year 2002.''

Now comes the bogus proposal to balance the budget by reducing cost-of-living increases for Social Security and by raiding Medicare. By law, Social Security funds are in trust and are not to be used to offset the deficit. Similarly, the Medicare trust funds for hospital costs is in the black, but may go into the red by 2002. In other words, both Social Security and Medicare are paid for and in surplus. What is not paid for this minute is defense, education, farm subsidies, environmental protection, veteran's benefits, law enforcement—general government. We readily increase billions for defense and other programs but are unwilling to pay for it. Thus continues the borrowing, spending and downward spiral that increases the deficit. We have fiscal cancer and nobody wants to talk about it.

To put a tourniquet on this deficit-debt hemorrhage, we need spending cuts, spending freezes, a closing of tax loopholes, denying new programs and tax increases. But proposals to do this go unreported. As such, the public believes spending cuts alone will do the job. And the media validate bogus plans to cut taxes as serious moves to balance the budget. That we really are broke is ignored.

Rather than being pollster pawns, the media should serve as an institutional memory to give us perspective. With the Cold War over, it's time to rebuild our economy. More than ever, a strong government is needed—for education, job training research, housing, transportation, technical development and inner-city needs.

But the media treat government as the enemy.

In a silent conspiracy with pollsters and Washington politicians, the media masquerade opinion polls as fact and validate the politics that any tax increase is poison. All the time, the rebuilding of America goes wanting and neither the Clinton nor the Dole/Gingrich forces can talk sense. The train wreck is a media production.

Mr. HOLLINGS. It pretty well explains the reason for our dilemma. Let me address comments of the Senator from Montana, and others, who have made the argument that President Clinton does not want a balanced budget. Those who have the unmitigated gall to come and contend that really ought to be embarrassed. They know no shame.

For openers, we should note that President Clinton came to the Presidency having balanced 10 budgets in a row down in Arkansas. Some of my colleagues that bellow and scream and whine and cry have never seen a balanced budget. But the President did it. That was one of the Clinton campaign's clarion calls, that he knew how to put Government on a pay-as-you-go basis.

What did he do when he came to town? He cut spending and put us on a path that has led to significant reductions in the Federal budget deficit. Even the opposition contends that it cannot be balanced except in 7 years. But let me address the issue of responsibility. That is what Republicans claim now—that they are responsible and the President is irresponsible. I think somewhere, sometime, somehow the record should show exactly who caused these deficits and who is not responsible for the deficit. You can not accuse President Lyndon Johnson of causing the deficit. He left office at the end of 1968 with a surplus. Ever heard that word around here? Not just ''balanced,'' but totally in the black.

I say in passing that President Nixon did not cause these deficits that we grapple with now. Likewise, President Ford worked his dead-level best even holding a budget summit to try and bring down the deficits. After Ford, President Carter worked to reduce the deficit that he had inherited from President Ford.

Mr. President, it was not until we got to voodoo, Kemp-Roth Reaganomics, that we started this nonsense. President Reagan gave us the first $100 billion deficit in the history of the land. He gave us the first $200 billion deficit in the history of the land. President Bush gave us the first $300 billion deficit in the history of the land. And at the close of his administration, President Bush was fast approaching a $400 billion deficit. That is where the deficits have come from.

I speak advisedly. President Bush voted for every dollar spent during his 4 years. Not this Senator. Not the distinguished Presiding Officer. But I can guarantee that of the 44 vetoes under President Bush, not a red cent of spending was ever vetoed.

So now we know from whence we came, piling up annual shortfalls until they approached almost $400 billion deficits. President Clinton comes to town and what did he do? He put together a package to reduce the deficit $500 billion over 5 years. That is the one person that cannot be accused of causing the deficit—William Jefferson Clinton.

The distinguished Presiding Officer as well as this Senator from South Carolina could be accused. We were here at the time that deficits soared up, up, and away. The expression used by my colleagues on the other side of the aisle is that the President's program leaves us with $200 billion deficits ''for as far as the eye can see.''

Heavens above, President Clinton did not cause it. He was down in Little Rock. The first thing he did when he came to town was to say that we are going to start balancing the budget. Here was a Democrat who said we are going to tax gasoline. We are going to tax liquor. We are going to close corporate loopholes.

And not a peep was heard from that crowd over there. We could not get a single vote in the U.S. Senate from our Republican colleagues. We could not get a single vote in the U.S. House of Representatives from our Republican colleagues.

Now, having caused the trouble, they act like they never heard of it and charge that President Clinton does not want a balanced budget. But what did he do? On top of the $57 billion in Medicare cuts that were part of his deficit reduction package, he followed up with a proposal to cut another $120 billion as part of comprehensive health care reform. But my colleagues on the other side of the aisle countered, ''Why change the best health care system in the world?'' Now they say that unless we cut $270 billion Medicare will be broke.

Let me quote for the RECORD from the 1994 report of the Medicare trustees.

The trust fund ratio, defined as the ratio of assets at the beginning of the year to disbursements during the year, was 131 percent in 1993 and then under the intermediate assumptions is projected to decline steadily until the fund is completely exhausted in 2001.

This year the same board says that exhaustion will not occur until 2002, as a direct result of the deficit reduction package that we enacted in 1993.

President Clinton did that. Not one Republican on the other side of the aisle had anything to do with it. They ought to be ashamed of themselves, having caused the problem, fussing with the fellow who had nothing to do with the problem, who is trying his best.

And the Republicans say that because he is up in the polls, he will not take a stand. He has taken a stand. It is they who would not. It is all political applesauce. They have been threatening all year, ''We will close down the Government.'' Read this morning's Washington Post.

The Washington Post editorials say, why do you need the FDA? Forget pharmaceuticals. Why do you need the EPA? We can get clean water. That is freedom. I never heard such nonsense.

Close down the Government, they say. And they are reveling in it, trying to act now like they are responsible. And every time we meet, they have to get the gang of 73 satisfied who came to Government with a pledge not to serve.

They ought to get rid of the entire crowd. They ought to understand the charge. The truth of the matter is they have not done a thing to help us. We tried in the Budget Committee to show the extreme nonsense of having a $245 billion tax cut. Heavens above, we do not have enough revenue. That is why we have a deficit.

When they proposed this in the Budget Committee, we said ''Let's not have the tax cut until we balance the budget.'' They all voted ''no.'' We said, ''Let's have the economic dividend go to Medicare if that's the problem?'' Red-faced, they replied, ''Let's change the subject.''

The chairman of the Budget Committee constantly says ''Well, that is the way they did it before; that is the way they did it.'' Well, I thought the election message of last November a year ago was that we were going to have change. It is the same act, same scene; same players.

We said in 1981 we were going to balance the budget by 1984. In 1985 we had a similar document which said we would have a balanced budget by 1990.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. I ask unanimous consent for an additional 5 minutes.

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

Mr. HOLLINGS. Then in 1990, heavens above, you know what we said? They said in 1990 that by September 30, 1995, we would have a surplus of $20.5 billion. Look at the budget document.

And now the chairman of the Budget Committee tries to justify his actions by saying, ''Well, that is what you all have done before.'' That is the trouble. We keep telling the American people that we are getting together on a balanced budget. Then when they finally get together they say, ''Oops, something else happened.'' They have no idea of actually balancing the budget.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the budget tables along with my ''Dear Colleague'' letter of which each Senator, each Congressman, I sent to them.

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

BUDGET TABLES—SENATOR HOLLINGS

[Dollar amounts in billions]

Year	U.S. budget (outlays)	Real deficit	Gross Federal debt	Gross interest
1945	$92.7	.....	$260.1	.....
1946	55.2	−$10.9	271.0	.....
1947	34.5	+13.9	257.1	.....
1948	29.8	+5.1	252.0	.....
1949	38.8	−0.6	252.6	.....
1950	42.6	−4.3	256.9	.....
1951	45.5	+1.6	255.3	.....
1952	67.7	−3.8	259.1	.....
1953	76.1	−6.9	266.0	.....
1954	70.9	−4.8	270.8	.....
1955	68.4	−3.6	274.4	.....
1956	70.6	+1.7	272.7	.....
1957	76.6	+0.4	272.3	.....
1958	82.4	−7.4	279.7	.....
1959	92.1	−7.8	287.5	.....
1960	92.2	−3.0	290.5	.....
1961	97.7	−2.1	292.6	.....
1962	106.8	−10.3	302.9	9.1
1963	111.3	−7.4	310.3	9.9
1964	118.5	−5.8	316.1	10.7
1965	118.2	−6.2	322.3	11.3
1966	134.5	−6.2	328.5	12.0
1967	157.5	−11.9	340.4	13.4
1968	178.1	−28.3	368.7	14.6
1969	183.6	+2.9	365.8	16.6
1970	195.6	−15.1	380.9	19.3
1971	210.2	−27.3	408.2	21.0
1972	230.7	−27.7	435.9	21.8
1973	245.7	−30.4	466.3	24.2
1974	269.4	−17.6	483.9	29.3
1975	332.3	−58.0	541.9	32.7
1976	371.8	−87.1	629.0	37.1
1977	409.2	−77.4	706.4	41.9
1978	458.7	−70.2	776.6	48.7
1979	503.5	−52.9	829.5	59.9
1980	590.9	−79.6	909.1	74.8
1981	678.2	−85.7	994.8	95.5
1982	745.8	−142.5	1,137.3	117.2
1983	808.4	−234.4	1,371.7	128.7
1984	851.8	−193.0	1,564.7	153.9
1985	946.4	−252.9	1,817.6	178.9
1986	990.3	−303.0	2,120.6	190.3
1987	1,003.9	−225.5	2,346.1	195.3
1988	1,064.1	−255.2	2,601.3	214.1
1989	1.143.2	−266.7	2,868.0	240.9
1990	1,252.7	−338.6	3,206.6	264.7
1991	1,323.8	−391.9	3,598.5	285.5
1992	1,380.9	−403.6	4,002.1	292.3
1993	1,408.2	−349.3	4,351.4	292.5
1994	1,460.6	−292.3	4,643.7	296.3
1995	1,518.0	−283.3	4,927.0	336.0
1996CBOest.	1,602.0	−311.1	5,238.0	348.0

Note: Historical Tables, Budget of the U.S. Government FY 1996; Beginning in 1962, CBO's 1995 Economic and Budget Outlook. 10/10/95.

U.S. SENATE,
Washington, DC, November 1, 1995.

DEAR COLLEAGUE: In 1987, in the Budget Committee, a bipartisan group of 8 Senators voted for a 5% value-added-tax to eliminate the deficit and debt. Like everyone else, these 8 Senators abhorred taxes—but there was no other way. Beginning in the 80's, they had tried a spending freeze—then a freeze plus cuts across the board with Gramm-Rudman-Hollings—then a freeze, cuts, and tax loophole closings with the Tax Reform Act of 1986. But the debt with increased interest costs was growing faster than these combined cuts. The only way to put a tourniquet on this hemorrhage of spending and put an end to deficit spending was to apply a freeze, cuts, loophole closings *and a tax increase.* This was 8 years ago. Now the problem has exploded. In 1980, the debt was less than $1 trillion—now, quintupled to $5 trillion; interest costs on the debt were $75 billion—now, estimated at $348 billion. To this challenge comes the GOP plan to balance the budget—not with a tax increase but with a tax cut. Ludicrous! Let the facts and figures of the plan speak for themselves:

1. Each year, spending increases;
2. Spending increases exceed the increase in revenues for 7 years by over $1 trillion;
3. The debt grows by $1.8 trillion;
4. Interest costs approximate $500 billion.

Enclosed you will find the undisputed budget figures of the plan. Remember, in 1981, President Reagan submitted a three year plan indicating a balance by 1984. Then, at the end of 1985, President Reagan endorsed a five year plan (Gramm-Rudman-Hollings) showing a balance in 1991. In 1990, the across-the-board cuts of Gramm-Rudman-Hollings were repealed and replaced with spending caps and a totally inadequate tax increase. This 1990 plan of President Bush showed a *surplus* by 1995 of $20,500,000,000.

Periodically, we Democrats and Republicans conspire to ''balance the budget'' to get by the next election. We know it can't be done without a tax increase but the media conveniently goes along. In the words of our fearless Leader, President Reagan, ''Here we go again.''

With kindest regards, I am

Sincerely,

ERNEST F. HOLLINGS.

''Here We Go Again'': Senator Ernest F. Hollings

[By fiscal year 1995; in billions of dollars]

Starting in 1995 with:

(a) A deficit of $283.3 Billion for 1995—

Outlays	1,530
Trust Funds	121.9
Unified Deficit	161.4
Real Deficit	−283.3
Gross Interest	336.0

(b) And a debt of $4,927 Billion

How do you balance the budget by:

(a) Increasing spending over revenues $1,801 Billion over seven years?

GOP ''SOLID'', ''NO SMOKE AND MIRRORS'' BUDGET PLAN

[In billions of dollars]

Year	CBO outlays	CBO revenues	Cumulative deficits
1996	$1,583	$1,355	−228
1997	1,624	1,419	−205
1998	1,663	1,478	−185
1999	1,718	1,549	−169
2000	1,779	1,622	−157
2001	1,819	1,701	−118
2002	1,874	1,884	+10
Total	12,060	11,008	−1,052

(b) And increasing the national debt from $4,927.0 Billion to $6,728.0 Billion?

DEBT (OFF CBO's APRIL BASELINE *)

[In billions of dollars]

Year	National debt	Interest costs
1995	$4,927.0	$336.0
1996	5,261.7	369.9
1997	5,551.4	381.6
1998	5,821.6	390.9
1999	6,081.1	404.0
2000	6,331.3	416.1
2001	6,575.9	426.8
2002	6,728.0	436.0
Increase 1995–2002	1,801.0	100.0

* Off CBO's August Baseline.

[In billions of dollars]

	1996	2002
Debt Includes:		
(1) Owed to the Trust Funds	$1,361.8	$2,355.7
(2) Owed to Government Accts.	81.9	(1)
(3) Owed to Additional Borrowing	3,794.3	4,372.7
[Note: No ''unified'' debt; just total debt]	5,238.0	6,728.4

[1] Included above.

(c) And increasing mandatory spending for interest costs by $100 billion?

How? You don't!

(a) 1996 Budget: Kasich Conference Report, p.3 −$108 Billion Deficit.

(b) October 20, 1995, CBO Letter from June O'Neill −105 Billion Deficit.

—You must fabricate a ''paper balance'' by ''smoke and mirrors'' and borrowing more: Smoke and Mirrors

(a) Picking up $19 billion by cutting the Consumer Price index (CPI) by .2%—thereby reducing Social Security Benefits and increasing taxes by increasing ''bracket creep''.

(b) With impossible spending cuts:	*Billion*
Medicare	−$270
Medicaid	−$182
Welfare	−$83

(c) ''Backloading'' the plan:

—Promising a cut of $347 Billion in FY2002 when a cut of $45 Billion this year will never materialize.

[In billions of dollars]

2002 CBO Baseline Budget	$1,874	$1,884
This assumes:		
(1) Discretionary Freeze Plus Discretionary Cuts (in 2002)		−$121
(2) Entitlement Cuts and Interest Savings (in 2002)		−226
[1996 Cuts, $45 B] Spending Reductions (in 2002)		−347
Using SS Trust Fund		−115
Total Reductions (in 2002)		−462
+Increased Borrowing from Tax Cut		−93
Grand total		−555
(d) By increasing revenues by decreasing revenues (tax cut)		245
(e) By borrowing and increasing the debt (1995–2002)		1,801

—Includes $636 billion ''embezzlement'' of the Social Security Trust Fund.

The Real Problem—

Not Medicare—In Surplus $147 Billion—Paid For

Not Social Security—In Surplus $481 Billion—Paid For

But interest costs on the National debt—are now at almost $1 billion a day and are growing faster than any possible spending cuts

—And Both the Republican Congress and Democratic White House as well as the media are afraid to tell the American people the truth: ''A tax increase is necessary.''

—Solution: Spending Cuts, Spending Freezes, Tax loophole closings, withholding new programs (AmeriCorps) and a 5% Value Added Tax allocated to the deficit and the debt.

''Here We Go Again''—Promised Balanced Budgets

	Billion
President Reagan (by FY1984) 1981 Budget	0
President Reagan (by FY1991) 1985 GRH Budget	0
President Bush (by FY1995) 1990 Budget	+$20.5

Mr. HOLLINGS. They ought to put me in charge of the CIA. I know how to keep things secret.

But just as the title of my budget tables say, ''here we go again''. Same thing we did in 1981. Same thing we did in 1985. Same thing we did in 1990. Here we go again in 1995, saying the budget is balanced when their budget is not even near balance and they know it. They know it.

They spend $636 billion of surpluses in the Social Security trust fund. That is not eliminating deficits. That is moving the deficit from the general fund to the Social Security trust fund to make it appear like we are eliminating deficits. Not so.

Today, we owe Social Security $484 billion. Spending another $636 billion under their plan, we will owe over $1 trillion. So we will come in the year 2002 and say, ''Oh, what a smart boy am I, I have Medicare solvent.'' And then they will look over and say, ''Ye gads, I put Social Security into bankruptcy.'' We will owe it $1 trillion. Who has the plan to raise $1 trillion in revenues in 2002?

Mr. President, we are fiddling while Rome burns and they know it. The GOP budget is nothing more then a political document to get by next year's election—excuse me, next year's election and the election in 2000. That is how arrogant they are. Avoid the tough decisions to get by two Presidential elections.

Do you know how much they are supposed to cut in spending in the year 2002? Mr. President, $347 billion. Right now in debating the fiscal year 1996 appropriations bills, with all the attention, with the Government closed down, we are having difficulty saving $45 billion. But in the last year, they have to save $347 billion. The reason that this whole charade is transpiring is that they are trying to force-feed the President what they cannot pass by a majority vote.

I am on these committees. I know. Do you think Republicans are opposed to legal services? I joined with the distinguished Senator from New Mexico to restore the funding.

Do you think the Republicans really want to abolish the Department of Commerce? I know. We joined in to strike that language. We let the Senator who was trying to kill the Department make the motion, for some kind of political advantage. It was embarrassing, but that is what they wanted to do, and I wanted to preserve the Department.

My point is that Republicans and Democrats are not for all these cuts and they know it. That is why 10 of the 13 appropriations bills have not passed. And it is Thanksgiving. We have the ''Grinch That Stole Christmas.'' Now we've got the GINGRICH that is going to steal Thanksgiving with this nonsense. That is exactly what is going on. They cannot get their bills through the Congress, so they are piling it all up in a budget and saying, ''Mr. President, take it or leave it.'' Since he does not take it, ''Oh, you are not for a balanced budget.''

They ought to give it to him in an orderly process, let him veto it, and let them get two-thirds. Let us have the democratic process, the orderly process of legislation here on the floor of the national Congress and stop all this one-upmanship about who is going to win and who is going to lose in the polls. It is downright embarrassing.

They cannot get it through the Congress. That is why they have not passed the appropriations bills. They cannot pass those appropriations bills because we have right-thinking Members on the Republican side as well as the Democratic side who do not want to do away with technology. They do not want to do away with the Minority Business Administration.

I can go down the list of things on both sides of the aisle. They did not want to do away with the Department of Energy; with the Department of Education.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, I ask to proceed just for a couple of minutes more.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

Mr. HOLLINGS. My point is they planned this scenario all year long. They had no idea of passing any appropriations bills. Last December I saw it on TV, and they were going to pass their bills and they were going to do this and that. But as we have already seen, they cannot pass a defense appropriations bill. Defense has been voted down, right over there with the gang of 73.

I am on State, Justice, Commerce and they cannot get that bill enacted. So, not being able to pass them using their own troops, they just load them on to a debt bill and a continuing resolution. This is really just a terrible shame for Government to be conducted in this fashion. All to save that Presidential gang of 73. You see, the 73 control the Speaker, the Speaker controls GRAMM, GRAMM controls DOLE, and DOLE controls the chairman of the Budget Committee, Senator DOMENICI. I feel sorry for my friend from New Mexico.

I hear statements that I know he does not agree with. I see votes that I know he does not agree with. All of these tricks—changing the CPI, backloading the cuts, using the Social Security surpluses, creating a Medicare lockbox—are a bad mistake. I would not vote for it. President Clinton ought not to sign it. He ought to veto it. He knows that is just a document for the next two Presidential elections, to get them in office next November.

I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio [Mr. GLENN] is recognized.

THE DEBT CEILING

Mr. GLENN. Mr. President, I wish to talk for a few minutes about the debt ceiling bill, what happened to it, and an amendment that was on it when it came to the floor.

First, I want to make a couple of comments so that the public will understand exactly what this is all about.

In general terms, we are talking about the balanced budget. There is not a soul in this Chamber, elected or otherwise, who would not agree that we want a balanced budget. I certainly agree with that. The question is, how do we get to that?

We, on the Democratic side, were concerned about this back 2 years ago, in 1993, when we passed the President's proposal for the budget. There was a lot of difficulty passing that. It meant the committee chairs, of which I was one, had to go through and analyze everything to meet the objectives that were assigned as part of the debt reduction process.

We did that. That was in the summer of 1993. The budget deficit at that time was running right at $300 billion a year and going up. What happened? We passed a $500 billion deficit reduction program and it was tough. We passed it without one single Republican vote—not a one. In the Senate, it was a 50–50 tie vote and the Vice President broke that tie.

There were all sorts of dire predictions from the other side. I can remember some of the debate here. ''We are going to see millions unemployed. If this passes, it will be a terrible bill. Everything bad is going to happen.''

What happened? We were running right at $300 billion a year at that time. Last year, it went down to $246 billion, and now down to about $192 billion. We were on the right path toward a balanced budget.

For the first time since Harry Truman we have had a reduced budget deficit 3 years in a row. So it has been working. We went from $300 billion to $246 billion to $192 billion. The problem is—and I am critical of our own administration and the Democrats and everybody else for not taking action that will keep that trend going. Instead of leveling off we should be trying to further reduce those annual deficits and keep us on the right track. It is not as though we have seen things run away in the last 3 years. I think the President deserves a lot of credit. He is not getting much from the other side, of course. The people over in the House in particular, some of the leadership over there just dismiss the fact for 3 years in a row, the first time since Harry Truman, we have had declining deficits.

What has happened now? As part of this so-called Contract With America, they want to give a $245 billion tax break as a crown jewel. We are giving a $245 billion tax break, and the figures are that almost half, a little over half of that goes to people already making $100,000 a year.

When I point that out to people back home in Ohio, they are incredulous that we could be permitting that to be considered, whether the cuts come from Medicare, Medicaid, education, or environmental protection. Basically, those are not areas that the American people want to give up and say that we are just going to whack with a two-edged sword, or swing machetes back and forth and whack those programs. The American people do not agree with that.

So we have come to an impasse. We can put up with it for a few days. However, I understand that Speaker GINGRICH told his staff in the House as reported on CNN about an hour and a half ago, that we could look forward to maybe 90 days of this.

I hope that he is not serious about that because, if he is, this will get far beyond just being a domestic problem in the United States of America. We are the leading world currency. We are the leading economy in this whole world. And if ever there begins to be doubt and if ever there begins to be lack of trust in the good faith and credit of the United States of America around the world by letting this impasse run 90 days, we are in deep trouble.

Everybody wants a balanced budget. As I understand it, what we are down to now is they said to the President, ''Well, we will agree to provide a clean continuing resolution if you will agree to a balanced budget over 7 years using CBO assumptions.'' I understand that the President agrees that we are going to balance this budget, the real question is how.

The President, as I understand it, made an offer back that said, ''Well, OK, let's make it 7 to 10 years,'' using mutually agreed upon economic assumptions. And they turned it down. He has to come up with 7 years or else.

That is just flat ideological blackmail. There is no other term that you can put onto it. I think this has gotten to be a bit ridiculous.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GLENN. Mr. President, I ask unanimous consent for another 5 minutes.

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

Mr. GLENN. Mr. President, now to get down to a specific. We had two continuing resolution limit proposals yesterday in which we proposed a straight, clean spending extension to go to the President—nothing else on it, no amendments. Government gets back in operation and away we go, and that is it. There was objection on the other side to that.

The debt ceiling question is very simple. Everyone knows that a debt limit extension is must legislation. You have to have it or everything else in Government stops.

So everyone is aware that there is a lot of pressure toward getting that through. There is a lot of pressure on the President to sign it, and that is why it attracts amendments, because people believe if they can just get their pet amendment, whatever it may be, hooked onto this thing, it can become law without all the protective mechanisms such as hearings, open debate on the floor, perfecting amendments, and consideration of all the long-term impacts and all the other things that we normally have to consider. So people know that when you have a debt limit extension that is must legislation.

What happened? We have no better example of the contempt with which the legislative process has been treated in recent days than the way in which the so-called regulatory reform bill was attached to the debt ceiling by the House Republicans without any hearings whatsoever, without any analysis, without adequate notice to the minority. A 112-page nongermane amendment was brought to the House floor and attached to the debt limit bill—112 pages. It was done with such haste that at least three versions of the amendment were circulating Thursday morning, November 9, the day of the debate and the vote.

The day before, on November 8, the chief sponsor of the amendment had inserted one version into the CONGRESSIONAL RECORD. It was that version to which my remarks on November 9 were addressed.

Revisions to the amendment were being made so close to the time of introduction on the House floor that the chief sponsors themselves misstated an important provision of the amendment. They referred to the definition of ''major rule'' and said it was defined in the amendment as one costing $75 million per year. In the amendment, the cost is $100 million. This is not a small point.

Cost-benefit analysis of major rules is a huge undertaking that can result in documents—we were told in testimony before the Governmental Affairs Committee—reaching over 100 feet of shelf space just for one rule. So this is not something that is lightly considered.

I do not know which number the House sponsors think is the correct one, since $100 million is in the amendment, but $75 million was mentioned by both key sponsors. Are their remarks in error, or is the number in the amendment a typographical error? We do not know. That should not surprise us.

The night before, on November 8, the bill that was given to the House Rules Committee was 132 pages long and defined a major rule with a threshold of $50 million. The next day at 10 a.m. it was about 20 pages shorter, though still hefty, and defined a major rule with a threshold $75 million. That was the second version. Then, the third version appeared at about 2:30 p.m. after debate on the amendment had begun, and defined a major rule with a threshold of $100 million. No wonder the sponsors were confused.

But that confusion did not stop the House Republicans from ramming the bill through with minimum debate.

Well, since the President was going to veto the debt limit bill anyway, we agreed to let it go through the Senate, and I spoke about one version of this amendment on the Senate floor that night. I can tell you that if I thought this regulatory reform bill was going to become law, I would still be here talking these many days, almost. I feel that strongly about it.

Mr. President, I have now examined the version that passed the House, and it turns out that my comments of November 9 require no major revision.

I claimed that the amendment had a supermandate. They changed the language, but the supermandate is still there. How do I know that? Well, besides reading the language, I have the word of the chief sponsor, Representative WALKER. In describing the amendment, he stated that current statutory standards can be ''superseded—the so-called supermandate''.

Let us be clear about what that means. It means that 25 years of health-based environmental standards for clean air and clean water could be overturned if this amendment became law.

Representative WALKER also describes his amendment as ''not as tough as the House bill, nor as loose as the Senate bill''. That is one way of putting it. Here is another. The original House bill, H.R. 9, was as reactionary an antienvironment, antihealth, and antisafety legislative instrument as I have seen during my entire 20 years in the U.S. Senate. The Senate bill referred to is the Dole-Johnston bill, S. 343, which is a seriously flawed bill that has failed three cloture motions in the Senate this year.

So, according to the chief sponsor of the amendment, the amendment is a cross between the reactionary H.R. 9 and the not-so-moderate version of S. 343 that failed on three cloture votes. Is this a moderate compromise?

No, it is not. It is an example of what we can expect in a conference with the House on regulatory reform if we go into it with a Senate bill like S. 343.

I think the Walker amendment is extreme. It is reckless, extreme in the burden it places on agencies to defend themselves from the unlimited litigation that would be unleashed by the judicial review provisions of this amendment. It is reckless in the jeopardy that it causes our laws concerning health, safety, and the environment.

We passed it in the U.S. Senate and sent it as part of the debt limit bill over to the President. It is a good thing that he vetoed it.

Mr. President, I am for regulatory reform, but not at the expense of the health and the safety of the American people. I worked hard all year with both Republican and Democratic colleagues to produce a moderate bill, and we came within two votes of passing it. I am still interested in producing a moderate bill that provides real regulatory reform but owes its provenance to no special interest group, and above all protects the American people.

I am for a balanced budget, too. I am for all the things we are trying to do to get the Federal Government on the right track for the American people. But this game playing that is going on, that is largely coming from the House with literally poor and onerous pieces of legislation hooked on as amendments to an essential bill like the debt limit; this is something we cannot tolerate.

The President was absolutely right to veto that bill, and I think we can still pass legislation here to benefit all of the American people.

We can still do that in this Congress but not if the legislative process is treated with the literal contempt that has been evinced this past week by the way in which reg reform was attached to the debt limit bill.

I thank my colleague for yielding, and I yield the floor.

COMMERCE FUNDS LOBBYISTS

Mr. ABRAHAM. Mr. President, I rise today to call my colleagues' attention to a woeful misuse of the taxpayers' money.

As we have debated the so-called Istook amendment banning taxpayer subsidies for lobbyists, those opposed to reform have argued that current law already prohibits using grant funds for advocacy.

But there has come to my attention a blatant example of just this phenomenon.

The National Telecommunications and Information Administration, a part of the Commerce Department, has provided $200,000 to HandsNet, Inc., a California group which operates an online computer service focused on lobbying and available on the Internet. According to its own Internet-based documents, HandsNet links ''5,000 public interest and human service organizations across the United States.'' Among the services offered: ''the latest Action Alerts,'' a weekly digest summarizing the alerts, and daily updates on key issues.

Mr. President, NTIA's own description of the grant award specifically mentions that the grant will allow ''National organizations [to] help local ones keep up to date by publicizing action alerts. . . .''

And what are these action alerts? Allow me to offer a few recent examples:

''ISTOOK AMENDMENT—CALL YOUR REPRESENTATIVES''

The message? ''Now is the time to turn up the heat. . . . So Call, E-Mail, or Fax Your Representative Today!''

''GIVE PRESIDENT CLINTON A WAKE-UP CALL.''

The message? ''If President Clinton signs immoral welfare and Medicaid 'reform' bills, the 60-year-old guaranteed safety net for children will be destroyed.''

''CONGRESS YIELDS TO TRADITIONAL VALUES COALITION''

The message? ''The hearing, dubbed 'Parental Involvement in Social Issues in Education'. . . Is likely to become a tax-funded platform for gay bashing.''

I could go on, Mr. President, but my point is clear. These action alerts are intended to facilitate and increase the effectiveness of lobbying on this Congress. ''HandsNet'' has a clear political agenda, and it is using Commerce Department funding—the taxpayers' money—to further that agenda.

We cannot afford to fund this kind of political activism. It is a waste of taxpayers' money in times when the Government already taxes too much and spends even more than it takes in. It is also counterproductive, in times of budgetary downsizing, to fund the interest groups that seek to continue Government's expansion.

The sum of $200,000 may not sound like a lot of money Mr. President, but it is the taxpayers' money. What is more, this practice is entirely too widespread. NTIA also has funded online activities for a number of other groups engaged in lobbying activities.

Mr. President, HandsNet members include several special interest groups lobbying against the Istook-McIntosh-Ehrlich reform effort. Not surprisingly, these groups are more than happy to use taxpayer funds to lobby against having taxpayer funds cut off from their lobbying efforts.

This brings up the problem of the Commerce Department itself. I say the problem of the Commerce Department because that agency itself is an invitation and a source of funds for lobbying activities and subsidies against the interests of America's taxpayers.

The General Accounting Office has noted that the Commerce Department is duplicative and so unnecessary. It shares its missions with over 71 Federal departments, agencies and offices. It controls at most 8 percent of funding devoted to actual trade issues in our Government and has no unified purpose for its existence.

What, then, do we get for our $3.6 billion in funding for the Commerce Department? Corporate welfare and subsidies for lobbying organizations.

The HandsNet example proves how counterproductive Commerce Department grants really are. These grants encourage a growth industry of special-interest lobbying, distort our deliberations here, and push us toward overspending and unbalanced budgets. We must stop this blatant self-interested lobbying for the sake of our Nation and for the sake of our own independence as a legislative body.

I ask unanimous consent that the full text of the Heritage Foundation's Government Integrity Project Report titled ''Commerce Department Funds Blatant Lobbying'' be printed in the RECORD.

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