

want to make America a better place in the future by balancing our budget sooner rather than later. It is a question of whether we want interest rates to come down and stay down, save millions and millions of dollars for average Americans in houses they buy and mortgage, in cars they buy and mortgage, in school tuition where they borrow money, in every aspect of America's life, to make it easier and better and make America grow stronger through the private-sector growth that a balanced budget will permit us to accomplish.

That is what this whole debate is about. And frankly, tonight I am grateful to our leader, Senator DOLE, to Speaker NEWT GINGRICH, who apparently had to argue loud and strong in the House to get these resolutions passed and get them to us here tonight, to rid us of the confusion of a half-open, half-closed American Government. I believe we have a real chance.

I do not know how close we are, Mr. President, and to those who are listening, I do not know how close we are to getting a balanced budget, but I tell you, everybody has to give. Everybody has to give. And I believe we are prepared to give. I will state once again that we already put \$95 billion more on the spending side into the budget that the President vetoed—that is over 7 years—in areas that the President was concerned about. That has already been done as another marker of our good faith, of our movement in the direction that we have been asked to move in. Now, in the next week, 10 days, we will see if there is additional movement both ways. I hope there is.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Virginia.

Mr. WARNER. Mr. President, before the distinguished Senator from New Mexico leaves the floor, I would like to express my views, and I think I express them for Senators on both sides of the aisle, not only to the Senator but the Senator from Nebraska, the ranking member on the committee, Senator EXON, for their leadership in this crisis. I have been privileged to be in a number of meetings with the Senator, the majority leader, the Speaker of the House, and others, Mr. KASICH, his counterpart in the House, and I wish to commend the Senator.

Mr. DOMENICI. I thank the Senator very much.

Mr. WARNER. When the history of this unusual chapter in the 206-year life of the Senate, indeed, the Congress is written, there will be a prominent place for the Senator despite his humility.

Mr. DOMENICI. I thank the Senator.

Mr. FORD. Mr. President, may I join in. I do not want to leave the impression that I do not feel the same way about the Senator from New Mexico that the Senator from Virginia feels toward him—

Mr. DOMENICI. I thank the Senator.

Mr. FORD. Personally, his effort, the long hours and how hard he works. It is just like the distinguished Senator in the chair has indicated: We have a difference, and we need to let everything else go on while we settle that difference. And I thought—and I still sincerely believe it—that there was an offer to move toward you. The Senator says no. I say yes. And that seems to be the budget problem here.

But I do want people to know I like him personally. He is my friend. He works hard, and we are very close to being together. So I did not want the Senator to leave and the people viewing to think we had anything personal.

Mr. DOMENICI. I thank the Senator.

Mr. FORD. It was just a disagreement on how we are going to get to the balanced budget. I thank the Chair and the Senator for giving me an opportunity.

Mr. DOMENICI. Mr. President, I say to the Senator, the feeling is mutual. I thank the Senator for his kind words, and I extend the same to him. Thank you very much.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I also wish to include Congressman ARMEY, who was in most of the meetings in which I joined.

ARMED SERVICES AUTHORIZATION

Mr. WARNER. Now, Mr. President, I wish to also pay special recognition to the distinguished senior Senator from South Carolina, the President pro tempore of the Senate, Senator THURMOND.

Just minutes ago, when I had the opportunity to be the Presiding Officer, the Chair announced the appointment of conferees upon the receipt of the message from the House, conferees to resume negotiations between the Senate and the House for hopefully the adoption of the authorization bill for the armed services of the United States. Senator THURMOND, together with Senator NUNN, has worked tirelessly to put together an excellent bill. It was vetoed, and I shall not review the reasons. The President had his reasons, many of which I continue, not all, to disagree.

Nevertheless, that is history. It is behind us. The veto message is back. The veto message was carefully considered by Senator THURMOND, Senator NUNN, myself, and other members of the committee here yesterday and again today. Staffs are now diligently working on an agenda to be considered by the conferees, and I am very optimistic that we can produce a conference report which will be accepted by the Senate as well as the House and eventually the President.

Again, I wish to commend the leadership of the distinguished senior Senator from South Carolina and, indeed, the ranking member, the Senator from Georgia [Mr. NUNN], in bringing this matter back up, such that the second conference can hopefully produce a bill

that will be accepted by the Congress and the President. It is essential to the Armed Forces of the United States.

There are key provisions in this bill, not the least of which are pay raises, well deserved by the men and women of the Armed Forces, key provisions relating to new programs which are essential for the modernization. And I want to express special tribute to the Secretary of Defense and members of his staff for informally working with the staffs of members of the Armed Services Committee of the Senate, for the majority and minority, in giving us guidance on how this conference report can embrace the views of both the President and the Congress such that it will become law.

Mr. President, I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

USING SOCIAL SECURITY FUNDS TO BALANCE THE BUDGET

Mr. FORD. Every once in a while you worry about whether you remember things right or not, and so you have to go back and check on it to be sure.

The distinguished Senator from Idaho and I were debating. I was speaking, and I said something about this budget that the Republicans had offered was not balanced in the year 2002 by \$108 billion unless you used Social Security. And he asked me, had not Democrats used that before, and I told him I had not known that, but for 12 years we had Republicans who were President and they signed or vetoed legislation.

So now I have a little information I wish to put into the RECORD, or at least read into the RECORD, Mr. President. In response to Senator CRAIG on the use of Social Security trust funds, and more importantly for future reference I think, the following points I think are relevant.

It is the law—and let me underscore that now—it is the law. Both the Social Security law—it is attached to title XLII, section 911—and the Budget Act, title II, section 3631, mandate—and I underscore mandate—that “the social security surplus shall not be counted in budget deficit calculations by the Congress.”

That is why the budget resolution passed earlier this year showed a deficit. You talk about honest figures. I have heard honest figures held out in front of me until it dripped. That meant my figures were dishonest. I do not particularly like that. But it showed a deficit of more than \$100 billion under the Republican plan.

The Senate Democrats did—and I want to underscore did—offer a budget plan to balance the budget without using the Social Security Trust Funds, and not one that the Republicans supported. It was a 9-year budget, Mr. President, but we did not use the Social Security funds.

Just take a look at the budgets submitted by Presidents Bush and Reagan,

all calculated with on-budget and off-budget deficits. We will not have an honest balanced budget until the on-budget deficit is zero. So the budget that we are being told about here tonight is not an on-budget deficit, so therefore it is not a balanced budget in the year 2002 without using \$108 billion of Social Security surplus.

Let me read the Budgetary treatment of trust fund operations. That is under Section 911(a)(1).

The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund and the taxes imposed under section 1401, 3101, and 3111 of Title 26 shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (Budget outlays) of the United States Government.

Under our budget act—I want to read that. I will just read one paragraph into the RECORD.

The concurrent resolution shall not include the outlays and revenue totals of the old age survivors, and disability insurance program established under title II of the Social Security Act [42 U.S.C.A. Sec. 401 et seq.] or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or any other surplus or deficit totals required by this subchapter.

Let me make one more point. The conference report on the budget that people have been beating their chest about around here tonight that is a balanced budget, the concurrent resolution on the budget for fiscal year 1996 and the conference report—all my colleagues have to do is just look on page 3.

Look on page 3 and see how you get a balanced budget. In the year 2002, the year it is supposed to be balanced, you are using \$108,400,000,000 out of Social Security Trust Funds in order to balance that budget. I have heard enough about "honest figures, honest figures."

The CBO is just as honest as they can be, I am sure. But OMB is too. I think about the private people out there that give industry an analysis of the future. Are those dishonest figures? I do not think so. I think they are honest people giving their honest best projection.

So, Mr. President, I wanted in the RECORD tonight that we have been hearing a lot about the balanced budget, but on budget the Republican budget is not balanced. The on-budget deficit must be zero to have a balanced budget, and not use \$108,400,000,000 out of the Social Security Trust Funds to balance the budget in the year 2002.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

proceed on behalf of the distinguished majority leader to make the following announcements.

MORNING BUSINESS

Mr. WARNER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

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

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on January 5, 1996, during the recess of the Senate, received a message from the House of Representatives announcing that the House agrees to the amendment of the Senate to the bill (H.R. 1643) to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria, with amendments, in which it requests the concurrence of the Senate.

MESSAGES FROM THE HOUSE

At 7:03 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agreed to the following concurrent resolution, in which it requests the concurrence of the Senate.

H. Con. Res. 131. Concurrent Resolution establishing procedures making the transmission of the continuing resolution (H.J. Res. 134) to the President contingent upon the submission by the President of a 7-year balanced budget using updated economic and technical assumptions of the Congressional Budget Office.

At 8:14 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1606) to designate the United States Post Office building located at 24 Corliss Street, Providence, RI, as the "Harry Kizirian Post Office Building."

The message also announced that the House insists upon its amendments to the bill (S. 1124) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. SPENCE, Mr. STUMP, Mr. HUNTER, Mr. BATEMAN, Mr. WELDON of Pennsylvania, Mr. DELLUMS, Mr. MONTGOMERY, and Mr. SPRATT as the managers of the conference on the part of the House.

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-1771. A communication from the Executive Secretary of the Barry M. Goldwater Scholarship and Excellence In Education Foundation, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC-1772. A communication from the Executive Secretary of the Barry M. Goldwater Scholarship and Excellence In Education Foundation, transmitting, pursuant to law, the 1995 annual report in compliance with the Inspector General Act; to the Committee on Governmental Affairs.

EC-1773. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC-1774. A communication from the Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the 1995 annual report in compliance with the Inspector General Act; to the Committee on Governmental Affairs.

EC-1775. A communication from the President of the Inter-American Foundation, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC-1776. A communication from the Executive Director of the Japan-United States Friendship Commission, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Governmental Affairs.

EC-1777. A communication from the Executive Director of the Japan-United States Friendship Commission, transmitting, pursuant to law, the 1995 annual report in compliance with the Inspector General Act; to the Committee on Governmental Affairs.

EC-1778. A communication from the President of the National Endowment for Democracy, transmitting, pursuant to law, the annual report in compliance with the Inspector General Act for fiscal year 1995; to the Committee on Governmental Affairs.

EC-1779. A communication from the Chairman of the National Science Board, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC-1780. A communication from the Executive Director of the Office of Navajo and Hopi Indian Relocation, transmitting, pursuant to law, the annual report in compliance with the Inspector General Act for 1995; to the Committee on Governmental Affairs.

EC-1781. A communication from the Executive Director of the Office of Navajo and Hopi Indian Relocation, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC-1782. A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC-1783. A communication from the Executive Director of the State Justice Institute, transmitting, pursuant to law, the annual report in compliance with the Inspector General Act for 1995; to the Committee on Governmental Affairs.

ORDER OF PROCEDURE

Mr. WARNER. Seeing no other Senator seeking recognition, I will now