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

Mr. HOLLINGS. Mr. President, I am fully aware that my colleague from Minnesota has made a motion to strike——

Mr. STEVENS. Will the Senator yield for a moment for a housekeeping matter?

Mr. HOLLINGS. Certainly.

UNANIMOUS-CONSENT AGREEMENT—AMENDMENT NO. 54

Mr. STEVENS. Mr. President, I ask unanimous consent that at 2:15 today there be 5 minutes of debate equally divided between Senator GRAMS and the ranking member, and at the expiration or yielding back of the time, the Senate proceed to vote on the Grams amendment. That would make the rollcall vote at approximately 2:20 today.

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

Mr. STEVENS. I thank the Senator.

May I inquire, is there any indication between you and Senator WELLSTONE that we might have some timeframe on this?

Mr. HOLLINGS. I will check and inform the chairman.

PRIVILEGE OF THE FLOOR

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Bill Pratt, a fellow assigned to Senator DASCHLE, be given floor privileges during the consideration of S. 672.

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

Mr. HOLLINGS. Mr. President, momentarily, while we see what may or may not be worked out with respect to the particular amendment——

Mr. BOND. Mr. President, may I ask consideration of my colleague to interrupt for a procedural question?

Mr. HOLLINGS. Yes.

Mr. BOND. Mr. President, I have a number of technical amendments and things that I will need to insert, and I will need a brief time period sometime between now and lunch. I wondered if the distinguished colleague from South Carolina would indicate if there is a time when I may do that.

Mr. HOLLINGS. I will be very brief.

Mr. BOND. I thank the Senator.

SHAM BALANCING ACT

Mr. HOLLINGS. Mr. President, as some say, ''Eureka, I have found an honest man.'' Well, here, I have found an honest journalist. I don't know who wrote the editorial in USA Today on yesterday, but it is entitled ''Sham Balancing Act Hides True Scope of the Deficit.''

It is not my intent to come out and immediately take the so-called balanced budget plan and trash it. It moves in the right direction. But I want to be constant and persistent until we finally have not just the USA Today realize it has been a sham balancing act, but I want everyone to realize that it is in the law. Section 13301, signed by President Bush on November 5, 1990, says that thou shalt not in this Government use Social Security trust funds in any report of a so-called unified budget or unified deficit. It is the most fraudulent use of the word unified because, to the lay person, unified suggests it is net. In other words, the Government spends money and it also receives receipts or receives money. And the inference is, with unified budgets and deficits, that is the real net or true balance or true deficit. Totally false.

The truth of the matter is that we have been engaged in a sham now for several years respecting the use of trust funds. Right to the point, Mr. President, what we have is a list of these trust funds here that have been consumed and spent, not just borrowed. I have the March figures. As of the end of March—this is the most updated figure—Social Security will be owed $582 billion; Medicare, HI, $122 billion; SMI, $31 billion, for a total of $153 billion in Medicare.

Military retirees the land around, you should know they are spending your money, which has been set aside under the law for your retirement. That particular fund is $129 billion shy because of this deceit. Civilian retirement—all civil servants within the sound of my voice, remember, the civil service retirement trust fund has now been spent to the tune of $395 billion. Unemployment compensation that the small employer in America pays in regularly, as well as the large ones, that is shy some $51 billion, that particular savings amount. The highway trust fund—we borrowed that money, too, but not for highways. If anybody says a bridge is down, like in my backyard where we have been trying to get a river bridge that has been declared unsafe for 20 years now, that money is already spent to the tune of $22 billion. We can build a river bridge in each of the 50 States with the highway money used to obscure the size of the deficit, the debt, and the interest cost on that national debt. Airports and airways, $6 billion; railroad retirement, $18 billion; $63 billion in the Federal finance bank and the other particular trust funds, for a total of how much? $1.419 trillion. Now, we owe $1.419 trillion.

I have the updated figure just for Social Security as it relates to this particular editorial. I ask unanimous consent that this editorial be printed in the RECORD at this point.

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

[From USA Today, May 5, 1997]

SHAM BALANCING ACT HIDES TRUE SCOPE OF THE DEFICIT

Over exuberance isn't just a disease of the stock market. Just consider the expansive praise surrounding last week's budget deal between the White House and GOP congressional leaders.

''This balanced-budget plan is in balance with our values. It will help prepare our people for a new century,'' President Clinton declared of the five-year outline.

House Speaker Newt Gingrich was even more effusive: ''We spent four months (with) people saying, 'What are you going to do? * * * Well, my answer is balance the budget, cut taxes, reform entitlements.''

Not quite.

The deal, with $350 billion in spending reductions over five years, is a modest step forward. But it is more a product of good fortune than hard work.

The end of the Cold War has trimmed tens of billions from defense needs. And a high-employment, low-inflation economy has provided a $45 billion-a-year windfall in revenues.

Those factors alone have cut the budget balancers' work by about a third.

But good fortune takes second place to the budget tricks Clinton and Congress have performed and the blind eye they've given entitlement problems.

The fact is that the balanced budget in 2002 won't be balanced. Clinton and Congress avoided dealing with $450 billion worth of overspending over the next five years by simply counting surpluses borrowed from Social Security and other federal trust funds as income. In 2002, they rely on $100 billion borrowed from Social Security and other trust funds that year.

Worse, Clinton and Congress put off meaningful entitlement reform. The $23 billion a year in Medicare savings they agreed to will keep its trust fund solvent only until 2008—the year 76 million baby boomers begin flooding into retirement. Ignored totally was Social Security's need for an infusion of an extra $60 billion a year, starting now, to keep it viable.

Instead, Clinton and Congress passed out tax goodies that will sap $20 billion worth of revenue a year, with much of the benefit going to the rich.

The budget deal has its high points. It will trim the health-care bureaucracy and promote greater use of managed care. It cuts back some wasteful corporate welfare even as it invests more in a healthy start for kids that could provide savings later.

But tax giveaways promise to balloon the deficit when good economic times end, and lack of entitlement reform means the toughest budget work lies ahead.

Last week's deal thus earns some polite applause but no standing ovation.

Mr. HOLLINGS. Mr. President, it is another $456 billion that will be spent. So as of the year 2002, we look around at Social Security and everybody is saying, wait a minute, the baby boomers are going to come in 15 years, and the baby boomers will be in a foot race trying to get ahead of us politicians because we are way ahead of them spending this money. We will owe, in the year 2002, in excess of a trillion dollars. That is why this chart has been brought forward. Last year, when we said the annual deficit was $107 billion, the truth of the matter is, it was $261 billion. We borrowed, in order to make it $107 billion, or we spent from the various savings funds here at the Federal level, $154 billion. Why not borrow another $107 billion and call it balanced? That is the gamesmanship that is going on.

I went home over the weekend and they found $225 billion over at CBO. I have heard that my colleagues on the other side of the aisle were informed of this revenue before the Democratic negotiators were. They went back and forth with respect to OMB and CBO while knowing this extra money was available. You can see the gamesmanship involved. But the hard-core fact is that they have projected, up until now, $360 billion in interest costs on the national debt. That is, while we are debating, we are increasing spending a billion dollars a day for absolutely nothing and adding it to the national debt. So that by the end of the 2002, the debt will exceed $6 trillion, and the interest costs on that will be in excess of $500 billion.

So what will occur is, at the end of this particular budget that we are all talking about as balanced, domestic spending, which is cut from current policy, defense, which is cut from current policy, will be exceeded by the interest costs on the national debt. The whole time we are going through this charade, they said ''sham balancing act'' in this particular editorial, they totally ignore section 13301 of the Budget Act and ignore the reality that we will have spent in excess of $2 trillion in trust funds when we get through.

Mr. President, what we really have is a disaster on our hands. While we are talking about waiting for the baby boomers 15 years out, Social Security is paid for. The taxes are there. We have a surplus, supposedly, of $581 billion. But that $581 billion is not in the desk drawer; it is a little old IOU. We have a surplus in Medicare right this minute, which they are talking about going broke; in Medicare we have a $153 billion surplus. That is paid for. But they are all talking about deficits. Why? Because we are spending it and using this subterfuge of a unified budget, a unified deficit. Until we sober up from that, Mr. President, we are going down, down, down, adding to the debt each year, adding then to the interest cost each year, and then adding to the automatic spending, the spending on automatic pilot at a billion dollars a day. That is spending for absolutely nothing.

If we had been responsible—interest payments were only $75 billion when President Reagan came to town; we have added over $285 billion in interest spending; that $285 billion is what all of the particular negotiating since January has been about—we could have taken defense, research, technology, education, the environment, and all of these particular needs.

Point: We are spending the trust fund money up here in Washington. We are telling the people we are not spending it. ''It is unified. Don't worry about it.'' And we are taking their savings fund and running away with it. And whoever is going to be around here on the bridge to the next century, remember. It is not going to be a bridge. We are going right straight over the cliff.

I yield the floor.

SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT OF 1997

The Senate continued with the consideration of the bill.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I extend my sincere thanks to the distinguished colleague and fellow Budget Committee Member from South Carolina.

Mr. President, as we begin the discussions today about the emergency supplemental appropriations measure, I thought it would be very important to touch on some of the important issues in this bill that reflect the spending items in the budget of the VA-HUD Independent Agency Subcommittee on which I serve.

The full committee appropriations recommendation includes for the emergency supplemental $3.5 billion for disaster relief for the Federal Emergency Management Agency, or FEMA. In the committee report we have recommended $2.5 billion more than the President's request of $979 million. The amount recommended represents FEMA's current estimate of what is needed to meet the requirements of all disasters currently on the books, and those disasters projected to occur in the balance of fiscal year 1997.

Approximately $1.1 billion of the funds provided are for disasters projected to occur based on the 5-year historical average cost of disaster relief.

The funds recommended, coupled with the $2 billion currently available in FEMA's disaster relief fund, would enable FEMA to meet fully all of the fiscal year 1997 and prior year commitments. Certainly our hearts go out to the people of North Dakota, South Dakota, Minnesota, and other areas stricken by disasters this year. I join with others in commending FEMA for the work that it has done to respond quickly to disasters. For those of us who live in States which have been struck by disasters, we sincerely appreciate the dedicated men and women of FEMA and their ability to respond quickly to those needs.

Having said that, I must notify my colleagues that FEMA's disaster relief expenditures are out of control. The subcommittee has been paying the price time and time again for FEMA's largess. It is as if we had a tanker truck that arrived to put out the fire. It puts out the fire but it leaves all of the valves open. So the water continues to spill out even after the fire is done, and that is what we are funding. We are filling up a tanker truck that still has the valves open. I commend the people for getting the truck there when the fire starts. But we need to get a handle on how much continues to run out after the fire is put out.

In the past 2 years, including this legislation before us today, we have cut almost $12 billion from other VA-HUD programs—principally low-income housing—to pay for FEMA disaster relief. Yet we have learned that these funds have gone to rebuild stadiums, golf courses, yacht harbors, and to replace fully, without any State cost share—partially damaged university hospitals, such as over $400 million in Federal repair costs by FEMA for the UCLA hospital because of the Northridge earthquake. Let me make that point again. Mr. President, we have spent $400 million in Federal repair costs for the UCLA hospital, a very important facility, a revenue-generating facility, and one which, frankly, has a lot more reserves than the U.S. Government.

In the past 2 years, hundreds of millions of dollars have paid for snow removal. There has not been a Federal disaster declaration for snow removal since 1979. I think there is little accountability in the program, and entirely too much discretion to waste taxpayers' dollars.

I also point out to my colleagues that we wouldn't need a supplemental for FEMA today if in 1996 the President's Chief of Staff had not recommended a $1 billion rescission from FEMA during the negotiations on the final bill last year. We knew these funds would be needed, but instead, following the administration's recommendation, Congress rescinded these funds to pay for administration priorities in other areas.

Moreover, equally disturbing is that to offset these FEMA costs, as well as an additional $100 million requested by the President for CDBG, community development block grant emergency funding, the bill would rescind over $4 billion from the programs and activities within the jurisdiction of the VA–HUD appropriations subcommittee, including $3.65 billion from unobligated HUD section 8 contract reserves.

The rescission of $3.65 billion in unobligated section 8 contract reserves places the renewal of section 8 contracts for fiscal year 1998 in jeopardy. As the people at HUD know full well, the cost of section 8 contracts will skyrocket over the next few years. In particular, the VA–HUD fiscal year 1997 Appropriations Act appropriated $3.6 billion to cover the cost of renewing expiring section 8 contracts for fiscal year 1997. The costs of renewing all section 8 contracts for fiscal year 1998, one year later, a total of $1.7 million expiring contracts, many of which are for the elderly and disabled, will require an appropriations of some $10.2 billion in budget authority for fiscal year 1998. The cost of expiring section 8 contracts rises to $11.9 billion in fiscal year 1999, $13.7 billion in fiscal year 2000; $15.1 billion in fiscal year 2001, and $16.4 billion in fiscal year 2002.

Just to go back, in the current year we had to find budget authority for $3.6 billion. For the coming year, $10.2 billion, almost a threefold increase, going up to $11.9 billion, up to $13.7 billion, up to $15.1 billion, up to $16.4 billion.

My colleagues will have a right to ask. Are we paying out that much more because we have that many new section 8 contracts? The answer is no. The answer is no. The answer is that in the past we have provided multiyear contracts for the section 8 program, 20-year contracts, and they built in all of the budget authority—the commitment to spend—in prior years. Because of the