speak in morning business for 15 minutes.

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

A BALANCED BUDGET

Mr. HOLLINGS. Mr. President, the greatest difficulty I had during the August break was convincing the various newpaper editors I visited while traveling the State, that the budget was not balanced. Everywhere I went, they said that Congress had done its job, producing the first balanced budget since Lyndon Johnson's back in 1968–69. And I said that it was totally out of the whole cloth.

Mr. President, I think of Mark Twain's famous observation. He said, ''The truth is such a precious thing, it should be used very sparingly.'' Unfortunately, our media friends have been caught up in the politics and with the consultants in the polls and the truth goes unreported.

I stated this on the floor when we debated the conference report to the budget resolution. I referred at that particular time to the report of Mr. KASICH from the committee of conference, submitted on June 4, 1997.

On page 4, I showed where, listed under ''Deficits,'' that under fiscal year 2002 a deficit of $108,300,000,000 was listed. It was listed with the exclusion of the Social Security surplus as required under section 13:301 of the Budget Act.

Under that particular act that we passed in 1990, 98 Senators voted for it and President George Bush signed it into law. It said that you cannot report in the Congress nor shall the President submit a budget that includes the Social Security trust funds in the calculation of the budget deficit. We got this enacted into law, and today it is totally disregarded.

I wish I could put in a criminal penalty. We could lock up the Congress. But the fact of the matter is, a criminal penalty for this already exists, the 1994 Pension Reform Act. This law was enacted to make sure that workers, with all this merger mania, could be sure that their pension funds would remain fiscally intact and safe from defraying company debt. Denny McLain, the famous Detroit pitcher, which the distinguished Chair should be very familiar with—is in jail today because he violated this law. Our great pitcher, McLain, was elected the chairman of a certain corporation where he used the pension fund to pay the debts. Earlier this year, Denny McLain was sentenced to 8 years in prison. Now, if you can find Denny, and what cell he is in, tell him he made a mistake. He should have run for the U.S. Senate instead of going into business, because instead of a prison term, what you get is a good Government award. The constant babble over the land in by all the talking heads, on the TV and the radio, is balance, balance, balance.

Well, heavens above, this is exactly what is occurring today in the U.S. Senate. Even Mr. KASICH said that his submission was not a balanced budget. All you have to do is read and you will see the increase in the debt between the years 2001 and 2002. In 2002, instead of a balanced budget—you have a $173.9 billion deficit.

So, I went to all the different newspaper editors, and I said, Wait until the Congressional Budget Office makes their estimate. It usually comes out in August but because of reconcilliation, it will come out in September this year. They finally submitted ''The Economic and Budget Outlook,'' in September 1997.

Mr. President, I ask unanimous consent that the table on page 34 be printed in the RECORD.

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

DEBT SUBJECT TO LIMIT

As part of the Balanced Budget Act of 1997, the Congress increased the statutory limit on federal debt from $5.5 trillion to $5.95 trillion. That amount should be sufficient until the summer of 2000. Even in the face of small deficits and budget surpluses, though, the debt subject to limit will continue to increase, thereby implying that the ceiling will have to be raised in the future.

Debt subject to limit far exceeds debt held by the public (a much more useful measure of what the government owes), mainly because it includes the holdings of the Social Security, Medicare, and other government trust funds. The Congressional Budget Office's projections of debt subject to limit through 2007 are presented below. Because the size of the trust fund surplus dwarfs the projected total budget surpluses after 2002, debt subject to limit continues to rise throughout the projection period.

BASELINE PROJECTIONS OF DEBT SUBJECT TO STATUTORY LIMIT

[By fiscal year, in billions of dollars]

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Subject to Limit, Start of Year	5,137	5,314	5,525	5,751	5,979	6,179	6,339	6,513	6,674	6,834	6,996
Changes:											
Deficit	34	57	52	48	36	−32	−13	−29	−36	−72	−86
Trust fund surplus	112	130	153	159	143	171	168	172	179	218	178
Other changes [1]	31	24	21	21	20	22	19	18	17	15	17
Total	177	210	226	228	199	161	174	161	160	162	110
Debt Subject to Limit, End of Year	5,314	5,525	5,751	5,979	6,179	6,339	6,513	6,674	6,834	6,996	7,106

[1] Primarily changes in Treasury cash balances, investments by government funds (such as the Bank Insurance Fund) that are not trust funds, and activity of the credit financing accounts.

Source: Congressional Budget Office.

Mr. HOLLINGS. Let us cite that table.

Here they have what they all like to call under the euphemism, a ''unified deficit.'' Here they just use the word ''deficit.'' They are very clever because they do not want to get in controversy with that particular section, 13:301. So CBO says: ''Deficit for 1997, $34 billion.'' This is what everybody is crowing about. But—but—Mr. President, trust fund surpluses. You see under the moneys there, and other changes, other short-falls there, that there is veritably $143 billion used, spent, in order to make the deficit appear to be only $34 billion. The truth is, and actually listed in this document now by CBO, is a deficit of $177 billion for fiscal 1997. And extrapolating it out for 1998, the actual deficit is $210 billion; 1999, $226 billion; the year 2000, $228 billion; the year 2001, $199 billion; and the year 2002, $161 billion.

There you are, Mr. President. The Congressional Budget Office has not estimated a balanced budget. And no one else in his right mind has estimated a balanced budget except for the political dissembling over the land, in the editorial columns, and in the news reports, ''balance, balance, balance,'' because what they've got up here this consultant thing to get our ''message, message, message'' out. If you say it enough, they will believe anything.

The truth is—the truth is—that we are going to expand the debt by over $1 trillion in the next 5 years, Mr. President. Now, let me say something about a soaring debt. When debt increases, interest increase. Everybody around here is saying, ''I'm cutting taxes, cutting taxes,'' when in essence they are increasing taxes. There are two kinds of taxes. One tax, of course, is like a school tax, where in my home State, South Carolina, all the sales tax goes to the public school system, or gasoline taxes which go to highway construction. Those are what you call win taxes—you win something for paying those taxes.

The second kind of tax is the waste tax. An example of this is the interest costs on the national debt. You do not win anything. It is absolute waste. This goes up, up, and away to the tune now in the last several years, of at least $15 billion, and it is going up more every day. The actual estimated amount for this particular fiscal year which will end in a couple of weeks' time, at the end of September, is $358 billion. That is the CBO estimate. That is almost $1 billion a day for nothing. I ask unanimous consent that ''Hollings Budget Realities'' be printed in the RECORD.

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

HOLLINGS' BUDGET REALITIES

[In billions of dollars]

President and year	U.S. Budget[1]	Borrowed Trust Funds	Unified Deficit With Trust Funds	Actual Deficit Without Trust Funds	National Debt	Annual Increases in Spending for Interest
Truman:						
1945	92.7	5.4	−47.6	....	260.1	....
1946	55.2	−5.0	−15.9	−10.9	271.0	....
1947	34.5	−9.9	4.0	+13.9	257.1	....
1948	29.8	6.7	11.8	+5.1	252.0	....
1949	38.8	1.2	0.6	−0.6	252.6	....
1950	42.6	1.2	−3.1	−4.3	256.9	....
1951	45.5	4.5	6.1	+1.6	255.3	....
1952	67.7	2.3	−1.5	−3.8	259.1	....
1953	76.1	0.4	−6.5	−6.9	266.0	....
Eisenhower:						
1954	70.9	3.6	−1.2	−4.8	270.8	....
1955	68.4	0.6	−3.0	−3.6	274.4	....
1956	70.6	2.2	3.9	+1.7	272.7	....
1957	76.6	3.0	3.4	+0.4	272.3	....
1958	82.4	4.6	−2.8	−7.4	279.7	....
1959	92.1	−5.0	−12.8	−7.8	287.5	....
1960	92.2	3.3	0.3	−3.0	290.5	....
1961	97.7	−1.2	−3.3	−2.1	292.6	....
Kennedy:						
1962	106.8	3.2	−7.1	−10.3	302.9	9.1
1963	111.3	2.6	−4.8	−7.4	310.3	9.9
Johnson:						
1964	118.5	−0.1	−5.9	−5.8	316.1	10.7
1965	118.2	4.8	−1.4	−6.2	322.3	11.3
1966	134.5	2.5	−3.7	−6.2	328.5	12.0
1967	157.5	3.3	−8.6	−11.9	340.4	13.4
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	0.3	3.2	+2.9	365.8	16.6
Nixon:						
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
Ford:						
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
Carter:						
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	503.5	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
Reagan:						
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.5	−212.3	−252.8	1,817.5	178.9
1986	990.3	81.9	−221.2	−303.1	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.2	114.2	−152.5	−266.7	2,868.3	240.9
1990	1,252.7	117.4	−221.2	−338.6	3,206.6	264.7
1991	1,323.8	122.5	−269.4	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	94.3	−255.0	−349.3	4,351.4	292.5
1994	1,460.6	89.2	−203.1	−292.3	4,643.7	296.3
1995	1,514.6	113.4	−163.9	−277.3	4,921.0	332.4
1996	1,560.0	154.0	−107.0	−261.0	5,182.0	344.0
1997	1,612.0	143.0	−34.0	−177.0	5,359.0	358.0

[1] Outlays.

Note: Historical Tables, Budget of the U.S. Government FY 1998: Beginning in 1962 CBO's 1997 Economic and Budget Outlook.

Mr. HOLLINGS. When is this crowd going to wake up around here? The interest cost was less than $75 billion when Mr. Reagan came to town and promised to balance the budget in 1 year. We had less than $1 trillion debt. Now we have a $5.3 trillion debt—quadruple the debt since that time. We are spending about $283 billion more a year today in interest costs than that particular day 17 years ago.

Now, if I had that $283 billion, I would get all the highways built, I would get all the research at NIH, I would put in all the money at Head Start. With all of these amendments, we are spending the money but not getting the government. We are proving with this cut taxes, cut taxes, cut taxes that we are incompetent up here.

Now, Mr. President, I had hoped at that particular time, since the economy was going well and we have had lower deficits each year for the last 5 years under President Clinton, that we would stay the course, not have any tax cuts, not have any spending increases. But this hope was defeated.

Instead, Mr. President, we passed what? We passed a $52 billion increase in spending and cut the revenues $95 billion and call it balanced. How can you increase spending, lower your revenues, and get to a balanced budget? Of course, it is obvious—you cannot. That is why you have the $177 billion deficit this particular fiscal year and instead of a balanced budget in the year 2002, we have a $161 billion deficit.

Interestingly, this assumes that by the year 2000—you will have a deficit of $228 billion, an almost $70 billion decrease in a 2-year period. The cuts are back-loaded. That is the smoke and mirrors.

Everyone is talking about balance, talking about baby boomers, talking about Social Security, which is in the black and balanced. But we are not paying for defense, we are not paying for education, we are not paying for Senators' pay, we are not paying for Head Start, we are not paying for foreign aid, we are not paying for the general Government expenses, and we come around here and we say, ''Now what we need is tax cuts to buy the election next year.''

Mr. President, they have a big hearing going on about campaign financing. The biggest campaign finance violation is the Federal budget scam of a balanced budget and cutting taxes. We are using this budget scam to reelect ourselves. This is what ought to be investigated. This is a public hearing. I hope C-SPAN is covering it. I hope everyone is listening right now, because this is how we buy the votes. I am not worried whether I get from a PAC contribution of $1,000 or $2,000 The country of Japan has over 100 lawyers here, paid over $113 million to lobby us, the Congress. I need not tell you that this is significantly more than the pay of the 535 Members of Congress. I am not worried about those things. What I am worried about is the campaign financing fraud scam that is going on on the floor of the national Congress. We're all running around here hollering, ''balance,'' and our good friends, the Concord Coalition, is yelling ''entitlements, entitlements.'' They have not yet faced the reality.

My friend, David Broder, says I have gotten to be a nuisance on this subject. I wonder why the truth has become a nuisance in Washington?

LABOR-HHS-EDUCATION SPENDING BILL FOR FY98

Mr. BINGAMAN. Mr. President, the fiscal year 1998 Labor-HHS-Education appropriations bill that was passed overwhelmingly by the Senate today contains several education and health provisions that I feel are especially important and have worked hard on to help improve the lives of people in New Mexico and nationwide.

The key health and education provisions include a plan to move control over the proposed new math and reading tests to an independent board, increased funding for education technology and technology training for teachers, first-time funding to help low-income students participate in the rigorous and cost saving academic program known as Advanced Placement, and funding for a Boarder Health Commission that I helped enact in 1994.

It is especially important to note that the United States Senate today approved $1 million in funding to implement the United States-Mexico Border Health Commission. The Commission, which has long been one of my priorities, is designed to help improve public health along the United States-Mexico border. I requested that the funds be included in the 1998 spending bill in a letter to Senate appropriators earlier in the year.

I led the fight to fund the Commission because I believe that we can't wait any longer to begin addressing the serious health problems along the border. They greatly affect people in nearby communities and in New Mexico. What's alarming is that many of these health problems—such as malaria and tuberculosis—can affect people nationwide. This appropriation represents the first time Federal funds have been earmarked specifically for implementation of the commission.

The funds would go to the commission to begin a comprehensive border health needs assessment followed by a coordinated medical response to border health problems. Each United States-border State would receive two federally appointed commissioners who would work with Mexico to design and coordinate programs to improve health, water resources, sewage treatment, vector control and air quality along the border. Because of the Senate's move today, we are inching closer to being able to directing medical help to our ailing border region.

The Senate has also now approved funding for several key education initiatives that have been some of my top priorities in this Congress.

Perhaps most notable is that the Senate approved $30 million to train teachers in the use of technology in the classroom. The funding will be used to implement the Technology for Teachers Act, new legislation that I authored earlier this year.

There is a tremendous effort underway to put computers in classrooms and hook schools across American into the Internet. But until now, the primary focus has been on obtaining equipment—not on training teachers to use it. We can't simply install a computer in the classroom and expect it to revolutionize education all by itself. These new resources represent the first time Federal funds have been set aside specifically for training new and current teachers in the use of education technology.

As a founding member of the Senate Education Technology Workforce, I am also proud that the Senate voted to double the funding for the Technology Literacy Challenge Fund, created by my 1994 Technology for Education Act. The fund would jump to $425 million in 1998 from $200 million in 1997. New Mexico's State Department of Education this year received $1.7 million from the Technology Literacy Challenge Fund, and awarded grants to 26 communities across the State. The 1998 funding would boost New Mexico's share to $3.55 million.

And finally, the Senate also approved $3 million in funding to increase the number of low-income students who participate in the rigorous Advanced Placement [AP] program in schools in New Mexico and across the country. I secured this funding in the 1998 Labor-HHS appropriations bill in order to broaden the reach of AP classes to all students—not just to those who attend more affluent schools or have definite plans to attend college. By promoting AP, we're promoting high-standards education in our schools without creating new Federal programs.

These are just a few of the most important elements of a bill that on the whole is very strong, I believe. However, I must note one part of the legislation that we are sending into conference with the House of Representatives, which is the Gorton amendment.

As part of this spending bill, the Senate narrowly approved—49 to 51—an amendment by Senator GORTON that would convert billions of dollars in critical Federal education dollars into unrestricted block grants that school districts could spend with few restrictions and little accountability. For reasons I would like to describe here, I strongly oppose the amendment and will push for its elimination from the final version of the 1998 Labor-HHS appropriations measure.

In essence, this amendment would eliminate much of the U.S. Department of Education—a radical and misguided effort that I had thought was abandoned in the face of tremendous public opposition over the last few years.

Specifically, this amendment block grants to local districts—not states—roughly $5.5 billion in annual funding for Federal education programs. The eliminated programs would include:

Funding for the new voluntary national tests for reading and math, which would help so many parents keep their schools accountable for preparing their students for a high-tech world;

Title 1, the roughly $7 billion program to help poor children improve their reading and math skills in the early grades;

The $425 million Technology for Education Act, which is already providing $1.7 million in education technology funding to 26 grantees around the state, and would rise to $3.5 million next year;

The $50 million Charter Schools program, which helps foster the creation of more new, independent public schools like the five that are up and running in New Mexico;

Goals 2000, which has provided millions of dollars to New Mexico as part of its effort to raise academic standards and achievement;

The School-to-Work Opportunities Act, which has given both local and statewide implementation grants to help improve training for students going straight into the workforce from high school;

Safe and Drug Free Schools, a program that sends Federal funds to the States and schools most affected by school violence in order to make them more orderly;

Teacher training funds called the Eisenhower program that are used in New Mexico to help upgrade the preparation of teachers in our classrooms; and

Bilingual and immigrant education programs, which also provide much-needed support for communities with large numbers of limited English proficient students.

In effect, this would create an unmonitored windfall for school districts that could be used for nearly any purpose—conceivably even raising administrative salaries, or building swimming pools and tennis courts. There would be no oversight or accountability—in fact, all of the limits on administrative costs and accountability measures that rely on State oversight and are already in Federal law would be eliminated by the amendment.