

It is my thinking that it would be calamitous—a very strong word, but I think that is the right word—if the Senate were to reject the Comprehensive Test Ban Treaty. At the present time around the world, many eyebrows are raised because the Senate has not ratified the treaty. But if the Senate were to reject the treaty, then it would be highly publicized worldwide. It would be an open excuse for countries such as India and Pakistan to continue nuclear testing, which I think is very undesirable, destabilizing that area of the world, and give an excuse for rogue nations such as Iran, Iraq, Libya, and other rogue nations to test, and it would be very undesirable.

It is a complicated issue because our distinguished majority leader has scheduled the vote under a unanimous consent agreement with the minority leader after very substantial pressures have been building up with many floor statements demanding a vote.

The majority leader gave them what they asked for, and it was agreed to. It is not an easy matter to have that unanimous consent agreement vitiated. Any Senator can object to the vote. We will go ahead and schedule it. The administration has expressed the view it does not want to make a commitment to have no vote during the year 2000. The leader has propounded a substitute unanimous consent agreement, as I understand it—I wasn't on the floor at the time—which would vitiate the unanimous consent agreement on the condition that no vote be held in the year 2000.

The administration takes the position if they were to agree to that, or go along with it, that it would look as if they were backing off the treaty and it would be complicated for other world leaders as to how the administration would explain that kind of a position when we were pressing other nations to stop nuclear testing and to end proliferation.

It may be the matter is really for the Senate without the administration. We set our own schedule. Perhaps a group of Senators representing both Democrats and Republicans could take the responsibility to oppose a vote during the year 2000.

Another idea which occurred to me this morning was to have a vote in the year 2000 but have it after the election so the treaty does not become embroiled in Presidential politics. One of the key Democrats expressed the view that he would oppose considering the treaty in the year 2000 because it would become embroiled in Presidential politics and surely lose.

If a debate were to be scheduled by mid-November and then a vote held in November that could accommodate the interests of not having it involved in a Presidential campaign and still give President Clinton an opportunity to have the treaty decided upon during his tenure as President with him being in the position to advocate.

I make these comments because I think with the schedule for debate on

Friday and then again on Tuesday and a scheduled vote on Tuesday that time is of the essence—in this case very much the essence, not unlike that expression which has arisen in real estate transactions—that there are very serious international implications.

I know many Senators will be following up on the dinner meeting of last night by communicating with our distinguished majority leader and by communicating with people on both sides to see if we can accommodate all of the competing interests.

We are facing one of the most important votes of our era. It will set back arms control and nonproliferation very substantially if this treaty goes down. If after study and deliberation and an adequate time for debate the treaty is rejected, so be it. That is constitutional process. But to have it go down with the kinds of pressures to schedule it, and a schedule which has been entered into knowingly with leaders on both sides having unanimous consent agreements all the time, and any suggestion that there is any inappropriate conduct on anybody's part is totally unfounded. That is the way we operate. But, as I view it, it is an unwise course for the reasons I have stated.

#### DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1650, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1650) making appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies for the fiscal year ending September 30, 2000, and for other purposes.

Pending:

Nickles amendment No. 1851, to protect Social Security surpluses.

Nickles amendment No. 1889 (to amendment No. 1851), to protect Social Security surpluses.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have some housekeeping.

Mr. SPECTER. Mr. President, I still have the floor.

I ask my distinguished colleague, the assistant majority leader, if we could propound a unanimous consent request to consider the pending sense-of-the-Senate resolution.

Mr. REID. Mr. President, I say to my friend, the manager of the bill, we are going to have to do that now. It would be appropriate if the debate started. We are in the process of checking to see who wants to speak against the pending amendment.

I say in response to my friend's statement earlier that we want to move this along. The staff has worked very well the last several days since we had our

break. We are down now to about 16 amendments, give or take a few, both Democratic and Republican amendments. We have on our side agreed. We have time agreements on most of ours—not all of them but most of them. I think we can move forward on that basis.

I also say to my friend that I saw the Senator from Pennsylvania coming into the White House as I was leaving last night. I was invited down for a meeting. I should say to my friend that I had orange juice and some nuts. I see that he was served dinner. That is something I have to check into.

Mr. SPECTER. If the Senator and I had been there at the same time, we could have solved this problem.

Mr. REID. Over dinner.

Mr. SPECTER. The fact that I was arriving as the Senator from Nevada was departing led to the inability to solve it. If we had been there together, we would have had a very abbreviated meeting. We could have concentrated on dinner instead of debate.

Mr. REID. I think maybe the Senator's great skills in debates may have had something to do with the Senator being served dinner and me getting by with just orange juice and a bowl of nuts.

Anyway, I think we should proceed on this pending amendment and move forward with it. If the Senator from Pennsylvania has someone speaking on it, we will try to get people lined up to speak against it and try to move along as quickly as possible.

We called some of our people to come over and offer amendments. We could set that aside and move on to some of these amendments on which we have time limits.

Mr. SPECTER. Mr. President, I would be agreeable to setting the amendment aside. I have secured the agreement of the proponent of the sense-of-the-Senate resolution, Senator NICKLES, to 30 minutes equally divided. It is a sense of the Senate. It does not have the import of some of the other amendments which involve real money and not confederate money. The next amendment would come from the other side of the aisle. If somebody is ready to offer an amendment, I would be agreeable to setting this amendment aside until we can reach a time agreement.

Let me yield now to my colleague from Georgia.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, it is my understanding that several from our side of the aisle are coming to speak on this, and Senator NICKLES will return at 10.

While they are assembling their amendments, we might talk on this for the next few minutes and then get a time agreement with Senator NICKLES and I for 30 minutes equally divided. He has indicated he will do that. We have a few minutes before they are ready to present their amendment. We might continue to discuss this amendment.

Mr. REID. I think that would be appropriate.

Mr. SPECTER. Mr. President, may I inquire of my distinguished colleague from Nevada whether an amendment is ready now or when an amendment will be ready to be offered.

Mr. REID. Mr. President, we have two Senators who are on their way. In Senate language, "on their way" doesn't mean they are walking into the building. They have indicated to us they are on their way. As soon as they are through the door, I will let the Senate know and we can get a time agreement on the amendment.

Mr. SPECTER. Mr. President, if I might say, for the information of all Senators who may be watching on television, we are very anxious to sort of queue up so we can move along with dispatch.

If there are Senators on our side of the aisle who wish to speak on this sense of the Senate, it would be my request that they come over promptly so they can speak—the same thing about Members on Senator REID's side of the aisle. If somebody has an amendment to offer, we can move this bill along and stack those votes and not have to have a late night session. The leader did talk about a window. We haven't had a window for a while. Windows which bring us back here late in the evening hours are not very much appreciated.

Mr. REID. Mr. President, I also say, if my friend will yield, to elaborate on his statement, Friday is fast approaching and people have things they want to do on Friday. Friday is scheduled now, and it may be vitiated based on the statement the Senator from Pennsylvania has made. The way the unanimous consent order is now in place, we are going to start debate on the Comprehensive Test Ban Treaty on Friday. There are a lot of people who have planned their schedules around that. If that is taken off for some reason, I am sure the majority leader will ask us to complete this bill, if it is not completed before Thursday.

I say to my friend that we need to move forward on this bill, if anybody has any anticipation of going back to their States on Friday.

Mr. SPECTER. Mr. President, that was well said.

Mr. President, may I yield to my colleague from Georgia?

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I am going to speak for a moment or two about the pending business, which is the Nickles amendment numbered 1851. It is a sense of the Senate and is quite short and very clear.

It is the sense of the Senate that Congress should ensure that fiscal year 2000 appropriations measures do not result in an on-budget deficit, excluding surpluses generated by the Social Security trust fund.

Basically, what he is saying is that if for any reason in our budgetary exer-

cise we find ourselves having dipped into the Social Security receipts, go beyond non-Social Security receipts, there would be a sequester for across-the-board cuts to replenish it. The response from the other side is interesting because, of course, the President and the other side have said they don't want to use Social Security receipts and then they say current budgetary activities, depending on whose numbers you read, may have already done so.

I point out, it is not over until it is over. There has been no concluding action on our budget decisions. What this sense-of-the-Senate amendment states is "if," depending on how much, it would require across-the-board cuts to protect Social Security—pretty clean and very simple. That is the sense-of-the-Senate resolution from Senator NICKLES of Oklahoma, amendment No. 1851. It is simple. It says when we finish all of our budget activities, finish all the conferences, and have everything concluded, if we have gone beyond other surpluses and dipped into Social Security, they will be replenished by an across-the-board cut.

The other side last week was imploring it is already maybe at \$19 billion. It depends on whose numbers you look at. That is a 5-percent across-the-board cut. We are not there, is the point. If the budgeteers and appropriators are neglectful and we get into Social Security at that level, it will be appropriate there be a 5-percent across-the-board cut. Everybody has agreed—the President, the leadership on the other side and on our side—we should not use Social Security receipts to deal with this year's budget.

I think Senator NICKLES from Oklahoma offers a rational concept for assuring the American people—assuring those individuals who are concerned about Social Security, whether they are using Social Security or about to use Social Security—that this Congress is not going to use those to deal with the current expenditures.

Mr. SPECTER. May I interrupt my distinguished colleague to propound a unanimous consent agreement.

Mr. COVERDELL. I yield the floor.

Mr. SPECTER. I ask unanimous consent, and it has been cleared with Senator REID, that the pending amendment be subject to 1 hour of debate with time equally divided.

The PRESIDING OFFICER (Mr. SANTORUM). Without objection, it is so ordered.

Mr. SPECTER. I yield time to the Senator from Georgia.

Mr. COVERDELL. Mr. President, Senator NICKLES should be here shortly to speak on his own behalf. Basically, he outlined a very simple premise and a very important principle, that we are not going to use Social Security for new spending; we are going to protect Social Security receipts.

He has offered a concept by which that would be done. Its impact would depend on the amount to which appropriators and the Congress, through

their budgetary practices, had used those receipts. They have two options: They can go back to the conference committee reports and make sure the spending does not get into Social Security, in which case this has no import. But if they do, if it is \$5 billion, that will be a 1-percent across-the-board cut; if it is \$20 billion, it will be about 5.

It is up to the conscience, work, and dedication of our appropriators to resolve.

He outlines early in the process a premise which I think is sound: if we get into Social Security, we will recover.

I yield the floor.

Mr. SPECTER. How much time does my distinguished colleague from New Hampshire desire?

Mr. GREGG. Ten minutes.

Mr. SPECTER. I yield 10 minutes to Senator GREGG.

Mr. GREGG. Mr. President, I rise in support of the Nickles amendment of which I am a cosponsor along with a number of other Members of the Senate.

This proposal addresses one of the underlying political debates we are confronting today in trying to reach conclusion on our entire budget, which is the manner in which we should handle Social Security surplus. It is a key element of how we can resolve this matter and resolve it in a way that fulfills at least the stated goals of the various parties.

We have heard the President say on a number of occasions he wants to protect the Social Security surplus and preserve it for Social Security. It has been our position, as the Republican membership of this Senate, that we should do exactly that. In fact, we have offered time and again something called a lockbox which would essentially guarantee all Social Security surplus be held independent of any other spending and would not be available for any other activities of the Government but, rather, be reserved for the purposes of paying down the debt and being retained in the Social Security trust fund as debt instruments.

Unfortunately, as we have moved down the road to address the operating budget of the Federal Government, it has been clear the administration wants to have it both ways: They want to say, on one side, protect the Social Security trust fund, and specifically the surplus which is now being generated by the Social Security accounts; but, on the other side, they want to propose a large amount of new spending which would inevitably lead to using up some portion of the surplus of the Social Security trust fund.

Senator NICKLES, other Members of this Senate, and I have come forward with this proposal which is a sense of the Senate and therefore isn't binding. Hopefully at some point it will be put into binding language. It says under no circumstances will Social Security

trust fund dollars or the surplus now being generated by the Social Security taxes being paid be used to operate the general functions of the Federal Government, and that we should have a mechanism to guarantee what is known as a sequester which is a system of saying, if ever we should spend a dollar or it is looking as if we are about to spend a dollar of Social Security surplus funds, there will be a sequester in spending of the general fund, the general operating accounts of the Federal Government, the discretionary accounts of the Federal Government, the "sequester" meaning those accounts would be reduced to the extent necessary in order to be sure no Social Security surplus funds would be used.

This, of course, is the proper way to proceed because it sets in place a mechanism which makes it clear, and which makes it absolutely a sure thing, that there will be not an invasion of Social Security surplus funds.

To step back a second, let's understand what the Social Security surplus funds are. We all pay Social Security taxes on our earnings. They are called FICA taxes. Those taxes go into what is known as the Social Security trust fund. That trust fund is used to pay for the operation of the Social Security system.

The Social Security system for many years ran a deficit where the taxes being raised were not enough to support the money being paid to support the benefits, or it was about to run a deficit. Therefore, we changed the tax law and we changed the structure of the benefits back in 1983 so the system was put into a solvent situation.

As the baby boom generation grew in its earning capacity and the older generations preceding, the World War II generations, retired, we found the earning capacity of the baby boom generation was so great it was generating a huge surplus. In other words, there was more money going into the Social Security trust fund than was needed to support the people on Social Security.

For a number of years, because the operating accounts of the Federal Government, the day-to-day operation accounts independent of Social Security, were running a deficit, the Social Security trust fund was borrowed from to mask the deficit of the operating accounts of the Federal Government. We ended up with the Federal Government day-to-day operations, whether defense, education, or social services, being supported by the Social Security taxes which were being paid into the Social Security trust fund.

With the occurrence of the good economy and a strict fiscal discipline put in place by this Republican Congress, we now are in a position where we are running what is known as a real surplus. In other words, the amount of money we are taking in in order to operate the Federal Government in its day-to-day activities is about the same, and it is starting to grow to the point where it is actually exceeding the

amount of money necessary to operate the Federal Government. So things such as education, defense, and general social services can be paid for by the general revenues of the Federal Government. It is no longer necessary for us to invade the Social Security trust fund in any way to operate the Federal Government.

Yet there is still some pressure, because there is this surplus running up in the Social Security trust fund, to say we can spend a little more on the operations side of the Federal Government—a little more for defense, a little more for education. All we have to do is take it out of the Social Security trust fund to pay for it.

That is what this debate is about; there are many of us who believe that is not the proper way to do it. The money that goes into the Social Security trust fund should be reserved for the purposes of preserving and protecting Social Security. Some of us have even gone so far as to put forward major pieces of legislation, bipartisan in nature, which would structure a program to make the Social Security system solvent not only for today but for the next hundred years.

In fact, there is a bill that would do exactly that which I cosponsor with Senator BREAU, Senator GRASSLEY, and a number of other Members, Senator KERREY, BOB KERREY from Nebraska. It would make the Social Security system solvent for years. It would use this surplus in the Social Security trust fund to accomplish that solvency.

That is really another story. But it points out it is important the Social Security surplus is preserved for Social Security, the preservation of Social Security, and it is not used to operate the general government.

In order to keep Social Security solvent, in order to keep the surplus from the day-to-day operation of the Federal Government, we have put forward this sense of the Senate. As I mentioned, what the sense of the Senate essentially says is, if it occurs that the day-to-day operation of the Federal Government—for national defense, for education, for general social activities—should exceed the operating income of the general government—income taxes, business taxes, various excise taxes we receive—if it should exceed those incomes, then rather than go into the Social Security trust fund to pay for that deficit, we will reduce the spending of the Federal Government to the point where the incomes of the Federal Government meet the expenses of the Federal Government on the operating side of the ledger and the Social Security surplus will, therefore, be kept protected and preserved for the purpose, I hope, of putting in place a large, comprehensive plan I just described to you, that Senators BREAU, KERREY, and GRASSLEY, and I have introduced.

This proposal is a sense of the Senate. It is not even actually a legislative event. I hope someday it will be. But this legislation simply states that the

Senate is not going to tolerate the invasion of the Social Security trust fund for purposes of operating the day-to-day functioning of the Government of the United States; that we are going to expect the Government of the United States to meet its day-to-day operating expenses from the traditional resources that are available to it for operations and not from the income that comes from those people who are paying Social Security taxes.

Rather than just making that as a statement, we are also taking it a step further, saying we shall create a sequester mechanism whereby there will be an actual reduction in spending on the day-to-day operations side of the account should there ever occur a situation where the Social Security trust fund was going to be used in order to pay for day-to-day operations. Thus, we create this clear, enforceable protection for Social Security and for our Social Security trust fund.

It is a very simple idea. It is a very appropriate idea. Most important, it is an idea that is absolutely consistent with everything we have heard from the White House and from the other side of the aisle as it has put forward its concepts of how we should protect and preserve the Social Security trust fund. Essentially, Senator NICKLES, I, and the other Senators who support this legislation, most of whom I guess are Republican, are really doing the work of the administration.

We know, for that reason, we are going to be supported both by the administration and Democratic Members of the Senate.

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

The Senator from Nevada.

Mr. REID. Mr. President, I yield myself 6 minutes.

The PRESIDING OFFICER. The Senator is recognized for 6 minutes.

Mr. REID. Mr. President, we have here an interesting saga. It started when the House decided to add another month to the fiscal year. That caused a little bit of controversy, to say the least. Then last week they came up with a new proposal, and that is the earned-income tax credit, which Ronald Reagan said was the best antiwelfare program he had ever known. The Republicans in the House decided what they were going to do was slow down the payments of this, the best antiwelfare program ever.

This ran into a little bit of trouble, including the frontrunner for the Republican nomination for President, George W. Bush, who said he thought it was wrong to try to balance the budget on the backs of the poor.

Just a short time ago, they came up with a new proposal. That is what we are here to talk about today, an across-the-board cut. Of course, an across-the-board cut would be devastating. In fact, it was attacked immediately by the Republican chairman of the House Appropriations Committee as a political blunder. He said: "It's a mistake.

It sets a bad precedent. We have never done anything like that." This is the chairman, the Republican chairman of the House Appropriations Committee. So I think we should just step back and become more realistic and look at some reasonable offsets to fund Government the way it should be funded.

In this morning's Washington Post, in something called "In The Loop" by Al Kamen, he gave us the results of a little contest he held. He wanted to find out what people thought the new month should be named. Remember, the majority wants to extend the calendar year 1 month. Here are some of the names they have come up with. He said:

We weeded out some suggestions that came as many as 10 times, such as Porkuary or Porkcember, Debtuary or Debtember, Budgetary. . . .

But some of those he thinks were winners were: "Abracadember" which is, magic, It is like "abracadabra." And then "Payupuary" was also declared a winner. This is clearly voodoo economics; one of the names that won was "Voodooober."

We have another one that sounds pretty good—I certainly agree it should be declared a winner—"Gridlockedober," based upon the gridlock that occurred just a few years ago because of the Republicans shutting down the Government. Another one is "Bustacapuary." This was submitted by a Member of the House of Representatives.

Another one that was not submitted by a Member of the House of Representatives, but probably should have been—is called "DeLaypril," named after the House whip.

I think it is good to add a little bit of levity to what is going on. But the levity should end and we should get serious about getting rid of the appropriations bills. When I say get rid of them, I mean just that. We should get them so they can pass muster here and be signed by the President. The way things are going now, I think the President is going to veto almost every appropriations bill that is going to be sent to him. It is apparent to me the appropriations bills have too much magic in them and really are pieces of legislation that deserve these derogatory names. We must get serious and pass a budget the American people will accept.

Mr. President, I yield the remainder of the time to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. NICKLES. Mr. President, I inquire of my colleague from New Jersey how long would he wish to speak.

Mr. LAUTENBERG. We have, by unanimous consent, established a half hour on each side. If the Senator from Nevada has used 6 minutes, then we have roughly 24 left.

Parliamentary inquiry: How much time remains?

The PRESIDING OFFICER. The Senator from Nevada, now the Senator from New Jersey, has 25 minutes 30 seconds. The Senator from Pennsylvania has 18 minutes 19 seconds.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent I may yield to the Senator from Oklahoma for 5 minutes without losing any time on our side. That comes off their time.

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

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my colleague from New Jersey for his cooperation. Of course, this will be charged to our time.

I appreciate the comments by Senator COVERDELL and Senator GREGG. I know Senator GRAMS from Minnesota will be speaking shortly on this amendment. I will make some quick comments, and maybe I will not take 5 minutes.

I hope we do not have to have across-the-board cuts to meet our objectives, but our objective is to make absolutely certain that we do not dip in, as some people say, or spend some of the Social Security surplus money.

Right now there are surplus taxes coming from Social Security. There are more taxes going in than going out. We want 100 percent of that to be used to pay down the national debt. We do not want to spend it. We do not want to spend it for anything other than paying down the national debt. Period. We are drawing the line.

I heard my colleagues from the Appropriations Committee—and I have great respect for the members on that committee; I served on it at one time—say: We do not want to; we do not have to. I agree with that. We even put in the resolution we would have across-the-board cuts only if necessary. I hope it will not be necessary. I do not think it will be necessary.

Right now, in totaling up the bills, from the Budget Committee and the Congressional Budget Office, basically if we have discretionary spending above \$592 billion or \$593 billion, then we will start dipping into the Social Security money. Current projections are if we continue spending, as outlined in all the appropriations bills, we will be above that figure by about \$4 billion or \$5 billion. We have not concluded major appropriations bills. We have not concluded the Ag bill, but we are very close. We have not concluded the Department of Defense bill, and we have not concluded the Labor-HHS bill which is the biggest bill. Among those three bills, we can find \$5 billion, and there would be no reason whatsoever to have to make this cut.

In the event we do not, for whatever reason, then let's have some adjustments. If it turns out we are \$5 billion over—and those are the figures given by the Budget Committee and Appropriations Committee—we will have across-the-board reduction cuts of

about 1 percent. It will apply to Defense, Labor-HHS, and VA-HUD. It will apply to all agencies. That is minuscule, that is affordable, and that is doable. It will keep us from dipping into Social Security trust funds as we have done year after year.

A lot of us have been pretty resolute in saying we ought to have a line. We are breaching the line on the caps because we are exceeding the caps by using emergency designations. We are now saying the absolute line is let's not grab Social Security money. That money comes from payroll taxes. It is supposed to be set aside for retirement. It is not to be spent on a variety of programs, whether that is a \$2 billion increase in NIH or a \$2.3 billion increase in education, or a big increase in defense, or an \$8.7 billion emergency Agricultural bill. It should not be spent for those things. If necessary, and hopefully it will not be necessary, we will implement across-the-board reductions to make absolutely certain that we do not dip into the Social Security trust funds.

I thank Senator GREGG, Senator COVERDELL, Senator GRAMS from Minnesota, Senator GRAMM from Texas, and others in supporting this sense-of-the-Senate amendment, and hopefully it will not be necessary; Congress will pass its bills and show at least enough discipline to not dip into the Social Security trust fund.

Again, I thank my colleague from New Jersey for his accommodation so I can attend another meeting. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I offer to let our friends on the other side who want to speak in opposition go ahead now if they want. I will pick up my time when that is done, if that is all right, if anybody has any interest.

Mr. NICKLES. Will the Senator yield for another half second?

Mr. LAUTENBERG. Yes.

Mr. NICKLES. Mr. President, I ask unanimous consent that Senator HAGEL be added as a cosponsor.

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

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I want to make sure we mean it when we say we are going to protect Social Security. Right now I ought to say welcome to the magic show because what we are hearing is rather hypothetical: If we want to protect Social Security by adopting across-the-board reductions in all discretionary appropriations, it should be sufficient to eliminate such deficit if necessary.

I believe it is more important to say how we are going to do that without at the same time dipping into Social Security. It is not realistic. This is pie in the sky, and the American public ought to know about what we are talking.

I do not support deep, indiscriminate cuts in education, defense, or law enforcement. Tell the veterans you want to cut further. I want to hear anybody stand on this floor and say to the veterans who served our country when we needed them and we made promises: Sorry, we are going to cut your benefits. I want them to talk about that. I want to hear them talk about how we are going to provide the kind of law enforcement we want when we will be getting rid of FBI agents and Border Patrol people. Cuts to the Immigration and Naturalization Service could result in a reduction of approximately 2,000 Border Patrol agents, when everybody is screaming about the number of illegal immigrants pouring across our borders. I want to hear them talk about programs such as Head Start that give children a chance to learn if they have not had the benefit of a home life that encourages learning. Mr. President, 43,000 children will be cut from the program.

I hope the American public listens. I know they get tired of our droning, but this is the kind of thing they ought to view with interest. I hope we are going to defeat this amendment.

Everyone knows it is now October 6. The fiscal year is almost a week old. But obviously, the Republican majority still does not know how they are going to put together their budget. They have declared they do not want to use Social Security surpluses. No, but the declarations ring hollow. In fact, they have been moving legislation that would raid those surpluses of billions of dollars, and they do not want to admit it.

The Republican tax bill, for instance, would use Social Security surpluses in the years 2005 through 2008. That is not very far away from our initial attempt to increase the longevity of Social Security.

In fiscal year 2008, that raid on Social Security would reach almost \$50 billion. Public, listen to this: Now they are pushing bills that will use roughly \$20 billion in Social Security funds this very year, the year which started October 1. That is not just my opinion, it is the opinion of the Congressional Budget Office, which is directed by a Republican appointee.

The majority has that right. Over the past few weeks, the majority has twisted itself into knots to evade the discretionary spending caps. They have used gimmick after gimmick, to the point where, frankly, the integrity of the whole budget process has been compromised.

I hope my colleagues can see this chart.

This is what a prominent paper, the Wall Street Journal, had in its issue of July 27: GOP using "two sets of books."

Lying about the numbers.

That is a budget expert, a fellow by the named of Stan Collender on the GOP. "Directed Scorekeeping"—we will talk about that in a minute.

Republicans are double-counting a big part of next year's surplus, papering over the fact that their proposed tax cuts and spending bills already have exhausted available funds.

In the House, the Republicans have declared the census that we are required to take, mandated by the Constitution; it comes around every 10 years—they want to declare that an emergency so it gets out of the spending loop. It is hardly an unexpected crisis. Calling it an emergency gets around the discretionary spending caps. For House Republicans, apparently, that is more important than direct, honest budgeting.

The Republicans are also using two sets of books, as we see described here, to get around the discretionary spending caps. When it suits their purposes, the majority uses CBO scoring; when it does not, they use OMB scoring. This is mumbo jumbo. For those who are not familiar with what goes on here—using this set of books on the one hand and that set of books on the other hand.

If someone was the chief executive of a major corporation—I had the honor of serving in that capacity before I came here—and did that, they could wind up in jail—using books here to describe what is going on on one side, and using books over here to describe a different picture to the public. That is unacceptable behavior but certainly not in this institution. That way, they can pretend they are spending less than they technically are.

Today, I am releasing a report that explains this so-called "Directed Scorekeeping." As the report explains, the majority is forcing CBO, the Congressional Budget Office, to fudge the numbers in an unprecedented way. The report is available from my office. I ask unanimous consent that a copy of that report be printed in the RECORD.

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

HOW THE GOP IS USING "TWO SETS OF BOOKS" TO HIDE USE OF SOCIAL SECURITY SURPLUS  
[From the Office of Senator Frank R. Lautenberg]

#### THE ABUSE OF "DIRECTED SCOREKEEPING"

Congress generally relies on the Congressional Budget Office (CBO) to evaluate the budgetary effects of legislation. This year, however, the Republican majority has repeatedly directed CBO to modify its scoring of appropriations bills, in order to make the bills appear less costly. Although such "directed scorekeeping" has occurred occasionally in the past, the extent of the practice this year is unprecedented.

According to a recent CBO analysis, congressional Republicans have directed CBO to make more than \$18 billion in scorekeeping adjustments in the FY 2000 appropriation bill.<sup>1</sup> CBO generally includes these modifications in its reports on legislation by creating a special account called "Budget Committee discretionary adjustment." This year, the adjustments in the Senate range from \$5 million for the District of Columbia to \$13 billion for the Department of Defense.

By forcing CBO to modify its scoring of legislation, the GOP has sought to hide more

than \$18 billion in new spending. This total exceeds the entire non-Social Security surplus, which CBO estimates at \$14 billion.

Of course, changing the scoring of legislation does not alter the actual budget impact of that legislation. If CBO's actual estimates are used based on their own assumptions, it becomes clear that congress is on its way to spending at least \$18 billion of Social Security surpluses in fiscal year 2000, and perhaps considerably more.<sup>2</sup>

Some Republicans defend "directed scorekeeping" as necessary to reconcile differences between OMB and CBO spending assumptions. But if accuracy is the goal, we should stick with CBO. A review of outlay estimates for appropriations enacted between 1993 and 1997 found that CBO's estimates were almost identical to the actual amounts spent in each year.<sup>3</sup> A more recent comparison of CBO and OMB estimates of defense outlays found that CBO's estimates were consistently higher than OMB's between 1997-1999, but that both CBO and OMB came in below actual defense outlays.<sup>4</sup>

The Republicans are also "mixing and matching" estimates—combining OMB's lower spending estimates with CBO's higher surplus projections. Choosing the best assumptions from each agency increases the potential for estimating error beyond what would occur under one set of assumptions. This practice is in clear violation of Section 301(g) of the Congressional Budget Act which states that the budget resolution and determinations made for Budget Act points of order "shall be based upon common economic and technical assumptions". Unfortunately, there is no practical remedy for violations of this section of the Budget Act since the chair in the Senate relies exclusively on the Budget Committee for all budget rulings.

Scorekeeping directives have been used in previous years, but not on this large a scale. Between 1991 and 1999, CBO was asked to change its estimates of appropriations bills four times by amounts ranging from \$1.9 billion in 1993 to \$5.5 billion in 1992. The adjustment this year, \$18.7 billion, is \$5.7 billion higher than the previous nine years combined.

Section 312(a) of the Congressional Budget Act gives the Budget Committees the prerogative to use their own estimates in the budget process. When this discretion is abused, there is no penalty, other than higher deficits. Ironically, American companies don't get off the hook so easily. In recent months, the SEC has cracked down on businesses that use accounting gimmicks to exaggerate profits. Several companies have been charged and some have paid fines. Unfortunately, only the American taxpayer picks up the tab when the Congress cooks the books.

The following table shows CBO estimates of scoring adjustments for the ten year period, fiscal years 1991-2000.

#### DIRECTED SCORING, FY 1991-2000

[Outlays: in billions of dollars]

Fiscal year	Defense	Nondefense	Total
2000 est. <sup>1</sup>	-13,073	-5,596	-18,669
1999 <sup>1</sup>	-2,383	-235	-2,618
1993	-1,291	-565	-1,856
1992	-2,937	-2,532	-5,469
1991	-2,929		-2,929
1991-99	-9,540	-3,332	-12,872

<sup>1</sup> Estimates based on House adjustments.

Source: CBO.

[Memorandum of October 4, 1999]

To: Sue Nelson.

From: Janet Airis.

Subject: Across-the-Board Cut to Discretionary Appropriations.

This is in response to your request of an across-the-board cut to FY 2000 discretionary

<sup>1</sup>Footnotes at end of article.

appropriations. You asked us to calculate an across-the-board cut that would result in an estimated on-budget deficit for FY 2000 of zero, assuming that the current status CBO estimate (excluding "directed scoring"), as of October 4, is enacted into law. Given your assumption, our estimate of the projected on-budget deficit is \$19.2 billion. Our estimate of the outlays available to be cut is \$351.7 billion. Dividing the projected deficit by the available outlays results in an across-the-board cut of 5.5%.

This calculation is preliminary and done without benefit of language. If you have any questions, please contact me at 226-2850.

FY 2000 ACROSS-THE-BOARD CUT  
[In billions of dollars, as of Oct. 4, 1999]

	Senate	
	BA	OL
Current action:		
Current Status (as of 10/4/99), excluding directed scoring	564.0	613.1
CBO July, 1999 Baseline	539.3	579.8
Excess over Baseline	24.7	33.2
Debt service on increase to disc. spending over baseline		0.4
Total, excess over baseline		33.6
Less projected on-budget surplus (CBO Economic and Budget Outlook, 7/1/99)		14.4
Projected on-budget deficit as of 10/4/99		-19.2
Calculation:		
Current Status (outlays new, excluding scoring adjustment)	564.0	351.7
Percent A-T-B cut to reduce deficit to 0 (projected deficit divided by new outlays)		0.0546
Across-the-board cut amount	30.8	19.2
Current Status after across-the-board cut:		
BA and new outlays	533.2	332.5
Prior year outlays		261.3
Total	533.2	593.8
CBO baseline plus \$14.4 billion (estimated surplus)		593.8

Note: This calculation assumes discretionary budgetary resources (e.g. budget authority, obligation limitations) are subject to the across-the-board cut.

Source: Congressional Budget Office.

#### FOOTNOTES

<sup>1</sup>CBO has been asked to adjust the House appropriation bills downward by \$18.6 billion. The total adjustment from normal CBO estimates in the Senate is \$18.3 billion. This includes a \$2.6 billion reduction in the projected cost of the defense appropriations bill that Committee staff made to reflect OMB's scoring of a provision that accelerates a spectrum auction.

<sup>2</sup>Letter from CBO Director Dan Crippen to Rep. John Spratt, September 29, 1999.

<sup>3</sup>Congressional Budget Office, "An Analysis of CBO's Outlay Estimates for Appropriation Bills, Fiscal Years 1993-1998", October 1998 memorandum.

<sup>4</sup>Congressional Budget Office, "An Analysis of the President's Budgetary Proposals for Fiscal Year 2000", April 1999, page 75-82.

Mr. LAUTENBERG. Beyond using the emergency designation and using two sets of books, the majority has resorted to the gimmick of artificially shifting huge amounts of spending into the next fiscal year.

The Washington Post described this as adding a 13th month to the fiscal year, kind of changing the calendar. It is a gimmick, and the public, again, ought to take notice. It is like getting out of debt by putting existing debts on a second credit card. It may make you feel better today, but it is sure going to make things tougher tomorrow.

These are a few of the gimmicks that are being proposed in this legislation. But no matter how many are used, there is no getting around the fact that the majority has busted the spending caps, and they are spending Social Security surpluses. Let's make sure that is clearly understood. They are using

the budget surpluses created in the Social Security account to fund Government. They want to take even larger cuts out of programs.

There is a better alternative. Instead of using scorekeeping gimmicks, we can use real offsets; that is, take it from another place. For example, we can close special interest tax loopholes. The Republicans even included some of those loophole closers in their tax bill, so this should not be at all that hard.

Another option that I personally favor is to simply go to the source that cost this country of ours lots and lots of money, the tobacco industry. Let them fully compensate taxpayers for the costs of tobacco-related diseases that they create. Why should they be protected? I do not understand it. Why cannot we get our friends across the aisle to join us in saying to the tobacco industry: Pay the \$20 billion that you cost us with the diseases that you have helped render on our society?

It is an outrage. We are going to let them get away with what they do while we say to our citizens: OK, we are going to cut veterans benefits; we are going to cut police efforts; we are going to cut education. Come on. That by itself could virtually eliminate the raid on Social Security—\$20 billion by the bills already approved by the Senate.

To its credit, the Justice Department is trying to recoup these costs through civil litigation against the tobacco companies. But as we all know, that could take years. Meanwhile, Congress can act now to make the taxpayers whole. We ought to do it.

The Nickles amendment, however, proposes another approach. It says: Rather than closing tax loopholes or asking the tobacco industry to pay its fair share, let's cut education, let's cut defense, let's cut the FBI, let's cut the Border Patrol, let's cut environmental protection, and let's cut veterans health care.

We heard it said that these across-the-board cuts might be a 2- or 3-percent difference. But those figures are not based on CBO's own estimates; they are based on the so-called "Directed Scorekeeping." That is a direction from the Budget Committee or the leadership to say: Hey, you say it's going to cost \$10 billion. I tell you what, let's say something else. Let's say it's only going to cost \$9 billion. OK, \$9 billion. There is no basis in fact, but let's say it.

It is based on politically driven assumptions about how much bills will cost, not the objective analysis of CBO estimators.

The truth is that if we are serious about protecting Social Security surpluses, the across-the-board cuts would have to be much greater. And if we look at the bills the Senate has already approved, we would need a 5.5-percent cut. And that is not my figure; that comes from the Congressional Budget Office—5.5 percent. The Transportation bill that we just processed through

here—and I shared the Democratic leadership in getting that bill to the floor—would take a cut of over \$2.5 billion.

But even that is unrealistically low. First, many Senate bills still need to be reconciled with the House, which has adopted a variety of emergency provisions—gimmickry—to allow for increased spending. In addition, Congress almost inevitably will increase spending for other items in the near future: Funding for hurricane victims—that ought to be fresh in our minds—for health care providers that are suffering from excessive cuts, preventing the expected closings of long-term care facilities in major quantities, for operations such as Kosovo; and then it is also a good bet that at some point this year there will be other emergencies: earthquakes, hurricanes, tornadoes—who knows what—that will also require more funding. If we do not offset that spending, it will come straight out of the Social Security surplus—cut the Social Security surplus.

When you account for these additional costs, you would have to cut discretionary spending roughly 10 percent under this amendment—10 percent. Do my colleagues want to go on record in supporting cutting education by at least 5 percent, more likely 10 percent? Do they want to call for cuts in defense, veterans programs, crime initiatives, and health research? I am sure the American public does not want that to happen, and none of us elected to represent them ought to support this wild scheme.

Senator NICKLES has offered his amendment as a second degree to his own underlying amendment. But at an appropriate point, once his second-degree amendment is disposed of, I plan to offer an alternative amendment. My amendment will call for rejecting scorekeeping gimmicks and indiscriminate across-the-board cuts. Instead, it will urge that we protect Social Security surpluses by closing special interest tax loopholes and using other appropriate offsets.

My alternative amendment does not limit the types of offsets that could be used, nor does it single anything out. But it would put us clearly on record in opposition to the broad-based cuts proposed by the amendment offered by the Senator from Oklahoma, and in strong opposition to the continued use of budget gimmickry to avoid tough decisions.

For now, I urge my colleagues to oppose the Nickles amendment. I ask the public who may learn of this amendment to let their Representatives know they do not like it, that they want to protect Social Security surpluses. Let's not make the deep cuts that are arbitrary in education, defense, crime, veterans, and other programs. Instead, let us close special interest tax loopholes, find other appropriate offsets that will allow us to save Social Security, as all of us agree should be done, in a direct and honest way.

Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator from Pennsylvania has 14 minutes 18 seconds, and the Senator from New Jersey has 10 minutes.

Mr. SPECTER. Mr. President, I yield 10 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. GRAMS. Mr. President, I rise strongly to support Senator NICKLES' pending amendment on the Labor-HHS bill, and I commend his leadership and vitality on this very important issue.

This amendment reassures the American people that Congress is not going to spend one penny of Social Security money, and it will put the Senate on record that we will honor that commitment.

We hear our colleagues from the other side of the aisle say Republicans are already dipping into Social Security. They want to spend more money.

That is not true. What we are trying to do is say we are going to go up to the edge but not go over; that is, not spend one dime of Social Security money. By being able to do that, we don't want to dip into the Social Security trust fund. We think everybody, across the board, on discretionary spending should make sure that doesn't happen.

That means we have an across-the-board cut. In other words, reduce all spending, in order to protect Social Security. That, I think, would be a fair and even way to do it.

Our colleagues on the other side don't want to cut spending. They are not talking about cutting spending at all in any programs. What they are saying—and the gimmicks they would use or the magic they would put into this budget—is simple tax increases. Let's penalize big tobacco, they say. But they don't tell us there are dozens of other tax increases buried in their proposal that would also affect every other average working American in this country. In other words, to support their higher spending level, they want to go out and attack the taxpayer. "Let's raise taxes," "close loopholes," are some of the words they use. The magic they put in it is tax increases.

That means every American out there can face higher Federal taxes in order to support larger spending. We are saying, let's do it the other way around. Let us be fiscally responsible. Let us not ask more of the taxpayer. Let us reduce spending across the board and do it in a very fair and equitable way.

I believe this is a crucial step to truly protect the Social Security surplus and save it exclusively for Americans' retirement, not for tax relief, not

for government spending. This is a line we absolutely have to draw in the sand.

In fact, over the past few days I have been working on legislation which is related to Senator NICKLES' amendment. I will introduce the bill today.

This legislation will be complementary to the Nickles amendment. His is a sense-of-the-Senate—my bill would create a mechanism to enforce our commitment. It would prevent anyone, whether it be the Congress or the administration, from raiding the Social Security surplus. This enforcement mechanism is simple and straightforward. Because we won't know whether we are spending the Social Security surplus until we get the CBO revised numbers in January, this bill will trigger an automatic across-the-board cut in discretionary spending to make up any differences if the January re-estimate shows we are spending any Social Security surplus. It would work similarly to the sequester of Gramm-Rudman-Hollings, but applies to Social Security surplus spending.

Let me address why it is so important to pass both the Nickles sense-of-the-Senate and my legislation. Economic forecasting is more of an art than a science. Many uncertainties, risks, and factors are involved. We have a budget of \$1.8 trillion based on a variety of assumptions, estimates, forecasts and projections, with people using both CBO numbers and OMB numbers. It is highly likely that there are errors in this budget. While we should learn from our past mistakes and take a very prudent and conservative approach in our economic outlook and our spending, a \$10 billion error in forecasting of \$1.8 trillion is not uncommon.

However, some of our colleagues are out there accusing us of spending the Social Security surplus. The truth is, we don't want to, but honestly we don't know for certain at this point. Neither does the President nor our Democratic colleagues. That is, why we need my bill as our insurance that we will live up to our commitment.

Some wave the CBO August letter to prove they are right. But Mr. President, as one economist observed, "If you torture numbers long enough, they will confess to anything." This is true with the CBO estimates. As you know, the CBO is a scorekeeping office and it scores based on whatever assumptions Congress requires it to use. We could continue to argue indefinitely over the right assumptions. That does not solve the problem.

Since both Congress and President Clinton have agreed that saving Social Security should be our top priority and have committed to not spending the Social Security surplus for government programs, we must find a better way to keep our promise to the American people.

Republicans have made a number of attempts to create a lockbox to lock in every penny of the Social Security surplus, not for government spending, not

for tax relief, but exclusively for Americans' retirement. Unfortunately, opposition by the Democrats has blocked the establishment of this safe lockbox.

In the absence of the Social Security safety lockbox, I hope that all of our colleagues and the President agree with us that we must draw a line in the sand. And live up to our pledge that not a penny of the Social Security surplus will be spent to fund this year's appropriations. Personally, I will vote against any spending bills that our right plans to spend Social Security money. If our spending plans do pass and we would, unintentionally wind up spending Social Security, my bill allows us to keep our commitment to the American people, by scaling back other spending to save Social Security.

Again, since we must use economic assumptions, the difficulty we are facing is because the numbers are so close we won't know if this year's appropriations have spent the Social Security surplus—or which specific spending bill or bills have spent the money—until next year when we receive the CBO re-estimate. Therefore we need an effective enforcement mechanism to ensure that Congress and the President do not touch the Social Security money.

The best mechanism is that proposed by Senator NICKLES' sense-of-the-Senate and my legislation. If this year's appropriations end up spending the Social Security surplus as a result of estimate errors, we will automatically rescind that amount by reducing government spending across-the-board and return it to the Social Security trust fund. This will affect discretionary spending only—not entitlement programs for seniors or the needy.

My biggest fear, is that without this mechanism Congress and the President may spend some of the Social Security surplus by using erroneous estimates. We would be forced to legislate after the fact if there is a re-estimate that shows spending of the Social Security surplus. The atmosphere of panic could cloud the type and speed of the remedy. The remedy should be my bill, and it should be passed before we face a problem, so we cannot play the blame game once we have a re-estimate.

The President's revised budget plan would have dipped into the Social Security surplus by \$24 billion. Counting his \$12 billion emergency spending request, the President would spend \$36 billion of the Social Security surplus for fiscal year 2000. Compared with his original budget, which would have taken \$150 billion from the trust funds, this revised plan is a great improvement.

However, the President still wants to spend money he pledged to save. That's not acceptable. We must say no to anyone who wants to spend even a penny of the Social Security surplus because we promised the American people we would save it. There is no excuse in an era of budget surplus to continue raiding the Social Security trust funds. Washington has done enough damage to America's retirement system.



In 1998, American workers paid \$489 billion into the Social Security system, but most of the money, \$382 billion, was immediately paid out to 44 million beneficiaries the same year. That left a \$106 billion surplus. The total accumulated surplus in the trust fund is \$763 billion.

Unfortunately, this surplus exists only on paper. The Government has consumed all the \$763 billion for non-Social Security related programs. All it has are the Treasury IOUs.

Despite Washington's rhetoric of using every penny of Social Security surplus to save Social Security, last year's omnibus appropriations bill alone spent over \$22 billion of the Social Security surplus. Without the enforceable mechanism provided by the Nickles amendment and my legislation, the Social Security surplus is likely to be spent to fund other government programs in fiscal year 2000 and the outyears.

Enough is enough. We must stop this outrageous practice. The time is now to show our resolve in protecting every penny of the Social Security surplus to ensure it will be available for Americans' retirement income security.

Do not mistakenly think that our colleagues across the aisle have changed their big spending ways by their rhetoric opposing spending the Social Security surplus. Do not believe for a second that they want to maintain fiscal discipline. They still want to spend more by taxing more.

Instead of controlling spending, the President and the Democrats have increased government spending and created even more government programs. They believe they know best how to spend taxpayers' money and that they can do more by spending more.

This solution to continue to grow funding for government programs at unprecedented high levels is to raise taxes. In the President's budget, he has not just proposed to penalize American tobacco companies, but to raise taxes on also small businesses, homeowners as well as millions of other Americans who are already overtaxed.

Again, the President's solution to avoiding spending the Social Security surplus will be to increase taxes. He will penalize American small businesses by changing their tax rules; he penalizes millions of American seniors who rely on life insurance products for their retirement; he penalizes non-profit trade organizations, which serve the disadvantaged in their communities so well, by taking away their tax exempt status; he penalizes other American companies by imposing environmental surtaxes and excise taxes. The President also penalizes millions of American homeowners by increasing their mortgage transaction fees; he penalizes millions of American travelers by raising taxes on their domestic air passenger tickets.

Is there anyone left who hasn't been penalized by the President and his colleagues in the Congress?

A tax increase is not the solution to this year's serious spending problem. Exercising fiscal discipline is our best solution. Although we don't know if we already have spent the Social Security surplus for fiscal year 2000 due to uncertain and incomplete estimates, we should take a very prudent approach on spending. On principle, we must do everything we can to ensure Washington will not have a chance to touch any Social Security money.

I am disappointed that instead of solving the problem, Washington is trying again to hide behind creative financing, forward funding, emergency spending and so-called technical adjustments to give the appearance we are not breaking the spending caps or eating into the Social Security surplus. I am also disappointed that Congress spends every penny of the \$14 billion on-budget surplus for increased spending. Remember, this \$14 billion is the tax overpayment which we promised to return to working Americans in the form of tax relief. I proposed this in the budget resolution and Congress included this in our budget resolution early this year.

I have warned repeatedly that if we don't return tax overcharges to the taxpayers or reduce the debt, Washington will spend it all, leaving nothing for tax relief or the vitally important task of preserving Social Security. This year's appropriations bills have proven my fear to be well founded. The last thing we want to do is to spend these tax overpayments to enlarge the government. Since President Clinton's veto prevents major tax relief this year, we at least should dedicate this on-budget surplus to reduce the national debt. But we are spending every penny of it, in violation of our commitment in the budget resolution.

Twenty-five years ago, the Congress passed the Congressional Budget Act, which created an annual budgeting process in the hope of controlling spiraling government spending. Twenty five years later we have made progress but are still unable to tame this beast.

Today, spending is at an all-time high, and so are taxes. The government is getting bigger, not smaller. Government spending is growing twice as fast as personal income. Discretionary spending has increased by over 20 percent since 1993.

The budget process has become so complicated that most lawmakers have a hard time understanding it. Of course, that hasn't stopped the proliferation of budget gimmicks to circumvent the intent of the Congress. The flawed budget process allows Members to vote to control spending in the budget and then turn right around and vote for increased appropriations.

Spending caps are the best example of the phrase "fiscal discipline" means nothing in Washington. Spending caps were supposedly a good tool to control spending—if the President and lawmakers could stick to them. But since the establishment of statutory spend-

ing limits, Washington has repeatedly broken them because of a lack of fiscal discipline. In fact, the first budget criteria in the past has been to first break the caps so spending could be accommodated.

Washington set new spending caps in 1990 after it failed to meet its deficit reduction targets. In 1993, President Clinton broke the spending caps for his new spending increases and created new caps. But in 1997, the President could not live within his own spending caps, and he broke them again. New spending caps were again re-negotiated and established in BBA.

By 1998, one year later Congress and President Clinton could not live within their new limits and proposed over \$22 billion of so-called "emergency spending" and other unauthorized spending in the omnibus spending legislation to get around the caps. The use of "emergency" spending is far too broad, and has become a common budget gimmick.

This year Washington may spend \$37 billion or more above the spending caps and use more creative bookkeeping to give the impression we are maintaining the caps. It demands more spending to fully fund government programs, but delays payment of the bills until the next fiscal year, placing more and more pressure on future caps and spending commitments.

Again and again, Washington lowers the fiscal bar and then jumps over it, or finds ways around it, at the expense of the American taxpayers. This is wrong. If we commit to living within the statutory spending caps, we must stick to them. We must use every tool available to enforce these spending limits. If we were still facing a budget deficit we would not be spending this much money. But because there is a surplus, the feeding frenzy continues. Again, a lack of fiscal discipline.

I understand the upward spending pressure the Congress is facing this year and in the outyears. But I believe we should, and can, meet this challenge by prioritizing and streamlining government programs while maintaining fiscal discipline. We can reduce wasteful, unnecessary, duplicate, low-priority government programs to fund the necessary and responsible functions of government. We could if we tried, but it seems it's easier just to throw more money at the budget. Many believe we can help more if we spend more, but the spending comes at the expense of somebody—and that somebody is usually the average, middle-class taxpayer.

It's true that our short-term fiscal situation has improved greatly due to the continued growth of our economy. However, our long-term financial imbalance still poses a major threat to the health of our future economic security. The President said tax relief was irresponsible. Wrong. It's spending appetite that is irresponsible.

Breaking the caps through more and more spending will only worsen our



short-term fiscal outlook and affect our ability to deal with long-term budget pressures.

We can run but we cannot hide from our budget problems. We must make hard choices and be honest about it. While "advance appropriations," "advance funding" and "forward funding" are not uncommon practices here, it does not mean they are the right thing to do, particularly when these budget techniques are used to dodge much-needed fiscal discipline.

In the past 5 years, "advance appropriations" have increased dramatically, jumping from \$1.9 billion in fiscal year 1996 to \$11.6 billion in fiscal year 2000, an increase of \$9.7 billion over 5 years. This year, President Clinton proposed advancing nearly \$19 billion into fiscal year 2001. Advance appropriations create even worse problems for us in the outyears. We must end this irresponsible practice.

I realize how extremely difficult it is for appropriators to get their job done this year. I appreciate the fact that tremendous efforts are being made to keep our promise not to spend any of Social Security surplus. My point is, in an era of budget surplus, extra prudence and effort is needed to keep ourselves from spending more than we can afford. If we can maintain fiscal discipline, we will be able to honor our commitment to the American people not to take any money from Social Security.

Protecting the Social Security surplus from funding government operations is the last defense of fiscal discipline. I cannot emphasize how vitally important this line of defense is for both the Republican Party as well as the Democratic Party. If we lose this defense, our credibility and accountability with the American people will be gone.

Mr. President, the best protection is the Nickles sense-of-the-Senate amendment coupled with my legislation. If more accurate or actual numbers show Congress and the President have spent the Social Security surplus for fiscal year 2000 and beyond, an effective mechanism will ensure the money is returned. It is plain and simple. I hope my colleagues from both sides will support the Nickles amendment and my legislation.

Mr. REID. Will the Senator yield for a question?

Mr. GRAMS. I will yield.

Mr. REID. Is the Senator aware that the cut would probably have to be around a 9 percent across-the-board cut?

Mr. GRAMS. Why would it be 9 percent? Some of the latest numbers I have seen are anywhere from \$3.8 to \$5.6 billion, and all of the appropriation bills are not yet completed. They have not been submitted or voted on, so we are still estimating. If the Senator is talking about \$30 billion or \$40 billion, we are not in that range right now. Those accusations have been made, but according to the numbers I have seen, we are not in that range.

Mr. REID. I say to my friend, the Office of Management and Budget, in a meeting last night, indicated at least 9 percent. The House has a number of things in bills they have passed; they have declared those as emergencies. There are other matters that are double funded. For example, in order to pass this bill, there has been money taken from the Defense appropriations bill. There comes a time when we have to fund everything in realistic terms. As I have indicated, the Office of Management and Budget believes across-the-board cuts now would have to be about 9 percent.

Mr. GRAMS. Without agreeing to the Senator's numbers, let me say that if that were the case, wouldn't it show that we are spending more than we should and that that kind of a cut would be something that we should do? If we are going to go back and say to the taxpayer: We can't manage the books and somehow we have spent 9 or 10 percent more in discretionary spending than we have, and the only way we can make it up is to go out and penalize, as my colleagues have said, big tobacco, but also penalize in dozens of other ways with other tax increases—in other words, if we can't do our job responsibly—then we should go to the taxpayer and say, let's just have a little more revenue to make up those differences. I don't think it is going to be in the range of 9 or 10 percent. If that would be true, I think that would be a glaring argument we are overspending by 10 percent in discretionary spending and we should make every effort to trim that spending.

Mr. HARKIN. Will the Senator yield for a question? If the Senator will yield for a question.

Mr. GRAMS. I will yield just for one.

Mr. HARKIN. We have a letter from CBO that says dividing the projected deficit by the available outlays results in an across-the-board cut of 5.5 percent. That is from the CBO. I ask the Senator, if he hasn't, if he would take a look at that. I think he will see that is some pretty deep cuts he is talking about, 5.5 percent.

Mr. GRAMS. I think we are overspending by that much, too. I will say this once again, as I mentioned earlier in my statement. We are using a lot of different numbers. We are using a lot of assessments, projections. We are taking a lot of risks in a \$1.8 trillion budget. If some of these numbers are wrong, then I think we need to go back and adjust them. The question, I guess, comes down to how do we adjust them. My colleagues on the other side would adjust them by raising taxes so they could keep spending more. What we are advocating is we would adjust our spending habits and spend less across the board. I think we need to do that because taxpayers today are paying taxes at an all-time record high. Forty-two percent, on average, of everything people in my State of Minnesota earn goes to pay taxes. I think that we can't continue to ask them to pay even more

because we can't hold down their spending.

Thank you, Mr. President. I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. How much time remains on each side?

The PRESIDING OFFICER. Four minutes 25 seconds. The Democratic side has 10 minutes.

Mr. SPECTER. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I yield myself 10 minutes. The CBO has projected that we are heading toward using at least \$19 billion of the Social Security surplus next year. Again, I agree with Senator NICKLES that we should not be dipping into Social Security to pay for this year's appropriations bills. But, quite frankly, I believe the other side already has dipped into Social Security by the fact of what they have been doing with their spending bills.

While I do agree with Senator NICKLES on not dipping into Social Security, I don't agree with his solution. Again, he calls for an across-the-board cut against all discretionary programs, even those that we have already passed. They were passed by both sides, went to conference, came back, and they have been signed into law by the President. Now they want to take that back.

OMB has estimated a 9-percent across-the-board cut. We have a letter from CBO which shows that this across-the-board cut that Senator NICKLES is proposing would be about 5.5 percent. Well, let's take a look. The Senator from Minnesota said we are spending too much money. I am going to get into that in a second. Take a look at what we would have to cut with a 5.5-percent cut across the board. Our COPS program, our community policing program that puts cops on the streets, would have to be cut by \$26 million; Head Start, \$290 million cut; meals for seniors, \$29 million cut; NIH, \$967 million cut. That is almost a \$1 billion cut in NIH. While Senator SPECTER and I and others, in a bipartisan manner, have worked to get the \$2 billion increase for NIH and get it on the track to double in 5 years, this would whack about a billion dollars out of NIH.

Mr. REID. Will the Senator yield?

Mr. HARKIN. Yes.

Mr. REID. Will the Senator from Iowa, who has spent so much time on Head Start, explain why it would hurt American children to cut almost \$300 million from Head Start?

Mr. HARKIN. First of all, we all agree this has been a bipartisan approach to put more money into Head Start to cover all 4-year-olds in the Head Start Program. We know an ounce of prevention is worth a pound of cure. Every study done, all the educators, everybody says if we can put the money into Head Start, we are

going to save a lot of money downstream.

Mr. REID. It is true, is it not, that it has been proven and apparent that we save money in welfare costs and costs to our criminal justice system by helping these kids?

Mr. HARKIN. That is true.

Mr. REID. Isn't it also true that, even funded at current levels, most kids who need help don't get it?

Mr. HARKIN. Yes. I think right now on Head Start, we are a little over 50 percent. About 50 percent of the eligible kids are served by Head Start. We are trying to get it up to 80 percent.

Mr. REID. If we cut almost \$300 million, we are going to drop down to 30 or 35 percent.

Mr. HARKIN. That is correct—probably less than 40 percent. Four out of 10 kids who qualify, who need the Head Start Program, will be cut out of the program because of this cut.

Mr. REID. You heard the Senator from Minnesota say we have to start cutting, that we are spending too much money. Does the Senator from Iowa think we are spending too much money for the Head Start Program?

Mr. HARKIN. The Senator has put his finger on it. We are spending too little on that program. We need to fund it so every eligible child can get into that program.

Mr. REID. The Senator from Minnesota said what Democrats want to do is raise taxes. Hasn't the Senator from Iowa been trying for more than 3 years—would the Senator tell this Senator, because I want some understanding, as to what you are talking about for tobacco, for example, to cover some of these things?

Mr. HARKIN. I am going to get to where we can get the money so we can have the offsets, so we don't have—

Mr. REID. It is not out of taxes, is it?

Mr. HARKIN. Not one penny in taxes. I want to say to my friend from Nevada that the Senator from Minnesota said we are spending too much money. I am thinking that I might offer an amendment to cut NIH by \$1 billion. Let's see how many votes we get on the other side. What if I offered an amendment to cut Head Start by \$290 million? Do you think the Republicans would all vote to cut that? How about title I, education grants, \$380 million in cuts to title I for our schools? How about veterans' health care, cut by \$1.1 billion? Does anybody believe that if we offered amendments to cut those, we would get the votes to do that? Maybe the Senator from Minnesota would be the sole person who would vote to cut NIH by a billion dollars; I don't know. Perhaps we ought to have an amendment to see if that is what they want to do.

Mr. REID. Isn't it true that if we had amendments to increase spending for veterans' benefits by a billion dollars, they would pass overwhelmingly?

Mr. HARKIN. That is probably true. The Senator is absolutely right. When the Senator says we are spending too much and we have to cut spending, why

doesn't he offer some amendments to cut NIH, title I, meals for seniors, and Head Start? No, they are going to try to hide behind this sort of across-the-board cut. An across-the-board cut means deep cuts in these programs.

The Senator from Nevada said we have a proposal where we can pay for these programs and it would not require any tax at all. This is what we could do. I have a proposal that has been scored by CBO. If we just penalize the tobacco companies that fail to reduce teen smoking—they set the targets to reduce teen smoking, but they are not meeting them. We are saying that they pay a penalty for not reducing that and it raises \$6 billion. CBO has given us the score on that. We could fund the Department of Defense at the requested level. What DOD said is, fund them at that level. That saves us \$4 billion. We could enact the administration's proposal for student loan guarantee agencies. That is \$1.5 billion in savings.

I might add that the House, last week, went the opposite direction. They raised the student loan origination fees. I could not believe they did that. Talk about raising taxes; last week, the House raised the taxes on college students by making them pay more for their loans. They increased it by 25 percent. It affects about one-third of students. More than half of the students in my State of Iowa are affected by that. So they got a 25-percent increase in their origination fees.

Well, that is the opposite way to go. If we enacted the administration's proposal, we would save \$1.5 billion. Reduce Medicare waste, fraud, and abuse by \$13 billion. Well, again, the House bill—the counterpart to this—actually cuts funding for Medicare waste, fraud, and abuse. It retreats at a time when we have \$13 billion estimated annually that we lose to Medicare for waste, fraud, and abuse.

What the House GOP did is to cut \$70 million from the audits and other checks that save us \$17 for every dollar spent. We know from the audit agencies and others that for every dollar we have spent on audits, every dollar we have spent on the checks, we got \$17 returned from waste, fraud, and abuse. Yet the House bill cut money from fighting waste, fraud, and abuse. That is inexcusable. If we want to go after it, we could save \$13 billion.

The last is reducing corporate welfare. We have a series of things—\$2 billion tax deductibility of tobacco advertising; underpayments by oil and gas industry royalties for use of Federal lands; billions lost because of tax loopholes and gimmicks that allow foreign companies and multinationals to avoid paying their fair share by bookkeeping methods that shift funds to foreign tax havens. By doing that, we can save about \$4 billion. So our total offsets are about \$28.5 billion, and we haven't raised taxes on any American. Nobody would have to pay more taxes.

Yet this is the choice: Either have these kinds of offsets that will help pay

for increased funding at NIH, veterans' health care, Head Start programs, meals for seniors; or what the Senator from Oklahoma wants to do, and that is to have a huge cut in all of these programs. That is really where we are.

As I said, I agree with the Senator from Oklahoma; we shouldn't be dipping into Social Security. But we shouldn't be cutting Head Start programs. We shouldn't be cutting Meals on Wheels, meals to seniors. We shouldn't be cutting NIH and biomedical research. We should focus on the waste, fraud, and abuse, focus on the tax loopholes, focus on the DOD funding at their requested level, and that will more than pay for the programs we have come up with on a bipartisan basis.

The PRESIDING OFFICER. The Senator from Pennsylvania has 4 minutes 25 seconds.

Mr. SPECTER. Mr. President, the consensus has been clear cut that Social Security trust funds ought not to be invaded. The pending Nickles amendment recites that the Congress and the President should balance the budget excluding the surplus generated by the Social Security trust funds. That is really agreed upon, I think on all sides.

The second finding is that Social Security surpluses should be used only for Social Security reform, or to reduce the debt held by the public, and should not be spent on other programs. That is generally agreed upon.

Then the sense-of-the-Senate clause: It is the sense of the Senate that Congress should ensure that the fiscal year 2000 appropriations measures do not result in an onbudget deficit, excluding the surpluses generated by the Social Security trust funds, by adopting an across-the-board reduction in all discretionary appropriations sufficient to eliminate such deficit, if necessary.

The sense of the Senate is not binding, as we all know; it is what we think ought to be done.

I do not like the idea of reducing the discretionary spending, although I think the figures cited by the Senator from Iowa are extreme. I don't think we are looking at a 5-percent across-the-board cut, which would have a deep impact on Head Start, which we ought not to do, or a deep impact on NIH, which we ought not to do.

In proposing this amendment, Senator NICKLES seeks to put the Senate on notice—and appropriately so—that we had better come within the confines, and not exceed the caps, and not go into Social Security. I think that is an appropriate objective.

When the Senator from Iowa articulates proposals for savings in quite a number of other directions, I don't think they are realistic. I don't think the Congress is going to cut defense by \$4 billion. When he articulates the view about penalizing tobacco companies that fail to reduce teen smoking by \$6 billion, that is a laudable objective, if we can find more tobacco money. It is

too bad we don't have some of the money which was worked out on the \$203 billion settlement for the Federal Government. But I don't think that is likely either. Reducing waste, fraud, and abuse is the most lofty objective the Congress can articulate. But finding the money to achieve that is so hard.

While I have worked very closely with my distinguished colleague from Iowa, I don't really think those figures are realistic. I don't think we are going to reduce Head Start. I don't think we are going to reduce NIH. But there is a stick. It is a stick to stay within the budget limitations.

Among a great many alternatives which are undesirable, I believe the pending sense-of-the-Senate resolution is the least undesirable. So I am going to support it.

Mr. President, how much time remains?

The PRESIDING OFFICER. Thirty-five seconds.

Mr. SPECTER. Would Senator NICKLES like the last word?

Mr. NICKLES. Mr. President, I ask unanimous consent for 2 minutes.

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

Mr. NICKLES. Mr. President, I apologize to my colleagues for going to the Finance Committee. I have just a couple of comments.

I have heard some of the discussion which said if we enact this amendment, we will have a 5-percent reduction. That is not the case. I have heard my colleagues say the Congressional Budget Office says it. Well, frankly, you get into descriptions of who is doing the scoring. If you use the administration scoring, it is not 5 percent; it is 1 percent. We use some administration scoring, OMB scoring. When we had the Gramm-Rudman-Hollings law, we used OMB scoring. They were the ones who implemented it. We use OMB scoring in a lot of the bills we have before us. If that is the case, we are \$5 billion off. I don't think we have to be \$5 billion off. I think we can, within the last few bills, narrow it down. We can eliminate \$5 billion of growth in spending. Across the board won't be necessary, it shouldn't be necessary, if we show just a little discipline.

I know others on the other side said we can raise taxes. That may be their proposal. But it is not going to pass.

Yet I know there is lots of demand for increases in spending. We are trying to say we should have some restraint. The restraint is that we shouldn't be dipping into the Social Security surpluses. If we are going to spend Social Security surpluses, let's have an across-the-board reduction—if necessary. I hope it is not necessary. Let's do that if necessary to restrain the growth of spending, so we can ensure that 100 percent of the Social Security funds are used for debt reduction or for Social Security and not used for more Government spending in a variety of areas, whether it is defense, Labor-HHS, or you name it.

I thank my colleagues for their cooperation.

I yield the floor.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has expired.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent for 1 minute so I may respond.

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

Mr. LAUTENBERG. Mr. President, the Senator from Oklahoma stresses the difference between OMB and the Congressional Budget Office. It is the typical preference to use the Congressional Budget Office.

I point out a letter dated October 4 sent to a senior member of our staff. It says:

Dividing the projected deficit by the available outlays results in an across-the-board cut of 5.5 percent.

This is from the Congressional Budget Office. They are the gospel, I think, when it comes to making decisions in the Budget Committee.

I ask unanimous consent that the letter be printed in the RECORD, and I yield the floor.

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

[Memorandum of October 4, 1999]

To: Sue Nelson, [Democrat Staff—Budget Committee].

From: Janet Airis [CBO Staff].

Subject: Across-the-Board Cut to Discretionary Appropriations.

This is in response to your request of an across-the-board cut to FY 2000 discretionary appropriations. You asked us to calculate an across-the-board cut that would result in an estimated on-budget deficit for FY 2000 of zero, assuming that the current status CBO estimate (excluding "directed scoring"), as of October 4, is enacted into law. Given your assumption, our estimate of the projected on-budget deficit is \$19.2 billion. Our estimate of the outlays available to be cut is \$351.7 billion. Dividing the projected deficit by the available outlays results in an across-the-board cut of 5.5%.

This calculation is preliminary and done without benefit of language. If you have any questions, please contact me at 226-2850.

Mr. SPECTER. Mr. President, we have attempted to set this first- and second-degree amendment aside, but we cannot get consent to do that. We are now seeking unanimous consent to move to foreign operations. We are waiting for final clearance.

#### MEASURE PLACED ON THE CALENDAR—S. 1692

Mr. SPECTER. Mr. President, on behalf of the leader, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative assistant read as follows:

A bill (S. 1692) to amend title 18, United States Code, to ban partial birth abortions.

Mr. SPECTER. Mr. President, I object to further reading of the bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

#### UNANIMOUS-CONSENT AGREEMENT—S. 1650 AND H.R. 2606

Mr. SPECTER. Mr. President, we are trying to move this bill on Health, Health Human Services, and Education. We are seeking short time agreements so we can finish this bill by the close of business tomorrow. Senator HARKIN and I, Senator REID and Senator COVERDELL's staff, are trying to get that done. We have not been able to move ahead at the moment because we cannot get consent to set aside the pending Nickles amendment, second-degree amendment. We are going to proceed now to foreign operations. We have consent on a proposal, which I am about to make.

I ask unanimous consent the pending first- and second-degree amendments be laid aside and the Senate now proceed to the conference report to accompany the foreign operations bill and there be 1 hour for debate equally divided; the conference report should be considered read.

I further ask the votes in relation to the pending amendment and the conference report occur following the use or yielding back of the time, and the votes occur in a stacked sequence with the second vote to be 10 minutes in duration.

Mr. REID. Reserving the right to object, and I shall not object, it is my understanding, then, we would vote first on the foreign operations conference report or the amendment of Senator NICKLES? Which do you want to vote on first?

Mr. SPECTER. Vote first on the conference report, since we will be taking that up.

Mr. REID. No objection.

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

Mr. SPECTER. Mr. President, therefore Senators may expect votes to occur perhaps as early as 11:45. We have lost about a half hour waiting for this transition, so it is my hope that although we have the unanimous consent agreement for 1 hour, we might accomplish the debate in a half hour and finish at 11:45, where we could then be expected to proceed to a vote. If the managers insist on taking the full hour,