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Senate

The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Help us, O Lord, to have no other gods before You. We say we trust in You, but there are times when our worries and fears expose us to the idols in our hearts. Sometimes we are troubled about our success ratings, what people think of us, and maintaining popularity. Often we are better at reading the pulse of public opinion than honestly taking our own spiritual pulse. Help us to use the true measurement of humility; not to stoop until we are smaller than ourselves, but to stand at our real height and compare ourselves to the greatness You intend for us to achieve. Thus, seeing the real smallness of our supposed greatness, stretch our souls today until they are enlarged to contain the gift of Your spirit. Then sound in our souls Your renewed call to serve You with our eye on only one opinion poll: What You think of our performance. Free us from need of people's approval so that we may give ourselves away for the needs of people. In our Lord's name. Amen.

RESERVATION OF LEADERSHIP TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from South Carolina [Mr. HOLLINGS] is recognized to speak for up to 20 minutes.

The able Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the junior Senator from South Carolina. I thank the distinguished Chair.

(Mr. FRIST assumed the chair.)

SCORING THE BUDGET

Mr. HOLLINGS. Mr. President, once again we have lied to the American people.

Mr. President, once again, we are lying to the American people. For the past several weeks, we have heard the cries of the ''balanced budget'' and ''the first opportunity in 25 years really to balance this budget.'' Everywhere men and women cry ''balance.'' But, Mr. President, there is no balance to this budget. It is an outright fraud, and my friends on the other side should know better.

It was an embarrassing moment at the Budget Committee last evening. The chairman of the Budget Committee had fallen into the trap of playing to the cameras.

He had a clock flashing the amount of the gross debt and a chart showing the first page of the reconciliation bill with a ribbon, like in a horserace or the good housekeeping award, certifying that this budget was for fiscal responsibility. Not so at all.

On last Tuesday, just a week ago, he inserted in the CONGRESSIONAL RECORD the letter from June O'Neill, the Director of the Congressional Budget Office, together with the tables showing a surplus of $10 billion.

I ask unanimous consent that the letter be printed in the RECORD again at this point.

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

TAXATION, BUDGET, AND ACCOUNTING TEXT

[Letter from Congressional Budget Office Director, June O'Neill to Senate Budget Committee Chairman Pete Domenici (R–NM), projecting enactment of reconciliation legislation submitted to committee would produce budget surplus in 2002, issued Oct. 18, 1995 (Text)]

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 18, 1995.

Hon. PETE V. DOMENICI,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the legislation submitted to the Senate Committee on the Budget by eleven Senate committees pursuant to the reconciliation directives included in the budget resolution for fiscal year 1996 (H.Con Res. 67). CBO's estimates of the budgetary effects of each of those submissions have been provided to the relevant committees and to the Budget Committees. Based on those estimates, using the economic and technical assumptions underlying the budget resolution, and assuming the level of discretionary spending specified in that resolution, CBO projects that enactment of the reconciliation legislation submitted to the Budget Committee would produce a small budget surplus in 2002. The effects of the proposed package of savings on the projected deficit are summarized in Table 1, which includes the adjustments to CBO's April 1995 baseline assumed by the budget resolution. The estimated savings that would result from enactment of each committee's reconciliation proposal is shown in Table 2.

As you noted in your letter of October 6, CBO published in August an estimate of the fiscal dividend that could result from balancing the budget in 2002. CBO estimated that instituting credible budget policies to eliminate the deficit by 2002 could reduce interest rates by 150 basic points over six years (based on a weighted average of long-term and short-term interest rates) and increase the real rate of economic growth by 0.1 percentage point a year on average, compared with CBO's economic projections under current policies. CBO projected that the resulting reductions in federal interest payments and increase in federal revenues would total $50 billion in 2002 and $170 billion over the 1996–2002 period. Those projections were

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

based on a hypothetical deficit reduction path developed by CBO. The deficit reductions estimated to result from the reconciliation legislation submitted to the Budget Committee, together with the constraints on discretionary spending proposed in the budget resolution, would likely yield a fiscal dividend similar to that discussed in the August report.

If you wish further details on this projection, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,
Director.

Mr. HOLLINGS. I thank the distinguished Chair.

Thereupon, Senators admonished the Director of the Congressional Budget Office that she was violating section 13301 of the Budget Act, which provides that Social Security trust funds shall not be used to hide the size of the deficit.

On October 19, 2 days later, the same June O'Neill, the Director of the Congressional Budget Office, sent a second letter in response to inquiries made by my colleagues from North Dakota, Senators CONRAD and DORGAN. In that response, Ms. O'Neill explained that if you follow the law, you will end up with a deficit of $98 billion in the year 2002.

I ask unanimous consent that the letter be printed in the RECORD at this point.

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

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 19, 1995.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR: Pursuant to Section 205(a) of the budget resolution for fiscal year 1996 (H. Con. Res. 67), the Congressional Budget Office yesterday provided the Chairman of the Senate Budget Committee with a projection of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee. As specified in section 205(a), CBO provided projections (using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution) of the deficit or surplus of the total budget—that is, the deficit or surplus resulting from all budgetary transactions of the federal government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions. As stated in the letter to Chairman Domenici, CBO projected that there will be a total-budget surplus of $10 billion in 2002. Excluding an estimated off-budget surplus of $108 billion in 2002 from the calculation, CBO would project an on-budget deficit of $98 billion in 2002.

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney, who can be reached at 226–2880.

Sincerely,

JUNE E. O'NEILL.

Mr. HOLLINGS. I thank the distinguished Chair.

Again the following day, October 20, the same June O'Neill acknowledged an accounting mistake and corrected her October 19 letter by explaining that actually the deficit in the year 2002 would not be $98 billion, but $105 billion instead.

Now, calling this budget balanced is a mistake that is commonly made, Mr. President. Just two Sundays ago on "Meet the Press," the best I have seen in the public media covering this budget, Mr. Tim Russert, asked Mr. Panetta, "Will you withstand those political charges and go along with the reduction in cost-of-living increases in order to balance the budget?"

That question is based on a false premise, Mr. President. The reduction of the cost-of-living increase does not go to balance the budget, but, on the contrary, adds to the surpluses in the Social Security trust fund. We are getting all get boiled up around here, Mr. President, with respect to Medicare and Social Security, about things that are in the black and ignoring the part of Government that is not paid for.

Specifically, let me cite Social Security. At the end of this fiscal year, Social Security will have a $544 billion surplus. Has anybody in this body, Capitol, ever heard the word "surplus"? I have. I worked with President Lyndon Johnson, in 1968 and 1969 with our good friend, Chairman George Mahon, of the Appropriations Committee.

In December 1968 we called the President and said, "Mr. President, please allow us to cut another $5 billion." The outlays were for the entire Government in 1968–69, defense included were $178 billion. Today, just the interest cost on the national debt is projected to reach $348 billion, almost $1 billion a day.

We have been fiscally responsible at times. And perhaps before I start, I ought to qualify myself as a witness, like they do in court.

Mr. President, this particular Governor got the first triple-A credit rating, before Tennessee, before North Carolina, Georgia, before any Southern State. It was accomplished by hard work, but I, as a young Governor, knew I could not make any impression on investors by just talking about paving a road and serving barbecue. We needed a calling card of fiscal responsibility.

Even back then I was trying to get business sense in Government, I asked the management consultants, to look at higher education, elementary and secondary education, the tax commission, insurance department. We went through Government making it more efficient and earning a triple-A credit rating, which incidentally, was subsequently lost by our former Republican governor.

Then, as I previously stated, I worked in Washington with Chairman Mahon back in 1968. And we continued that work to try and cut spending without decimating the responsibilities of Government. When President Ford came in, we had an economic summit and we cut spending. When President Carter came in, I was the chairman of the Budget Committee. I went to the White House after President Carter had been defeated in November 1980 and said, "Mr. President, you are going to leave a bigger deficit than you inherited from President Ford." He said, "How much?" I said, "$66 billion." He said, "Well, then, how much are we projecting?" I said, "We are projected to have a deficit of $75 billion. And if that occurs, no Democrat will ever get elected again."

So we passed the first reconciliation bill, signed by President Carter on December 5, 1980, cutting spending. I went to my good friends, Senator Magnuson of Washington, Senator Church of Idaho, Senator Culver of Iowa, Senator Gaylord Nelson of Wisconsin, Senator George McGovern of South Dakota, Senator Birch Bayh of Indiana. I said, "You fellows have got to help. We have got to cut back on the appropriations bills that we have already approved." And we did just that.

In 1981, I worked with the then majority leader, Howard Baker. We could see that this supply-side economics was just exactly what Baker called it, "river boat gambling." In the coming days, you are going to hear a whole lot of campy nonsense about opportunity and growth, about giving people their money back, and about people back home knowing more about how to spend their money.

We should remember our experience with the supply-siders mantra of "growth, growth, growth." We first called it Kemp-Roth, then Reaganomics, and finally Vice President Bush named it "voodoo." And here we go again with the voodoo. We are heading full-tilt toward enacting a massive tax cut, when we are looking for money to pay the bills.

It is absolutely irresponsible. We have lied again to the American people.

President Reagan came to town promising to balance the budget in 1 year. Then having been sworn in, the President said, "Oops, this is way worse than I ever thought. We will balance it in 3 years." We could not pass a budget freeze, so we tried Gramm–Rudman-Hollings which was a freeze plus automatic cuts across the board.

The trouble is that we are about to see history repeat itself. We may pass this budget but then, after 2 or 3 years, they will throw it away just like they threw away Gramm–Rudman-Hollings on October 19, 1990, at 12:41 a.m. in the morning.

I stood at this desk and raised the point of order against doing away with the fixed deficit targets of Gramm–Rudman-Hollings, but Senator GRAMM and others voted me down. So it is not accurate to say, "Oh, it didn't work." It was working too well, that was the problem for some of my colleagues. Instead, they said, "Let's have caps on spending and we will balance the budget." And you can see the caps have gone up, up and away.

My Republican colleagues have, to their credit, mastered the rhetoric and the lingo: Balance, balance, balance, balance, first time in 25 years, solid budget, certified by CBO—it is an absolute charade. CBO says that by the year 2002 there will be a $105 billion deficit. But Mr. Archer, the chairman of the Ways and Means Committee over on the House side, was quoted yesterday in USA Today. He said:

> House Ways and Means Chairman Archer (R-TX) denies that his party's budget is balanced with borrowing through Social Security dollars and angrily denied Hollings' allegations. ''I don't know where he comes up with that,'' Archer says of Hollings.

Mr. President, I would recommend that he go to the conference report of Mr. KASICH's budget on page 3 where it says: Fiscal year 2002, $108,400,000,000 deficit. ''Deficit'' is the word used, not surplus or balance.

No wonder we're in a pickle. The chairman of the Ways and Means Committee does not even know that the budget provides for a deficit in 2002. Here in the Senate, the chairman of the Budget Committee charges that we are using a phony argument. But I would invite my colleagues to look at the CONGRESSIONAL RECORD of last Tuesday, October 17, and you will see that Mr. DOMENICI himself says that we will owe the Social Security fund. I quote from S. 15193, October 17 and Mr. DOMENICI:

> So we owe it, in fact, we owe part of it to the Social Security trust fund.

So please spare me this about phony. They think as long as they holler ''balance'' and holler ''phony and fraudulent'' people will ignore the fact that the law plainly says that Social Security shall be excluded from deficit and surplus totals.

I ask unanimous consent to have printed in the RECORD that section 13301 of the Congressional Budget Act.

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

SEC. 13301. OFF-BUDGET STATUS OF OASDI TRUST FUNDS.

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, what I do then is go to the figures themselves, because it is not very difficult.

I ask unanimous consent to have printed in the RECORD a budget table.

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

BUDGET TABLES

[Outlays in billions]

Year	Government budget	Trust funds	Unified deficit	Real deficit	Gross Federal debt	Gross interest
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	−0.3	+3.2	+2.9	365.8	16.6
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	504.0	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.6	−212.3	−252.9	1,817.6	178.9
1986	990.3	81.8	−221.2	−303.0	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
1989	1,143.2	114.2	−152.5	−266.7	2,868.0	240.9
1990	1,252.7	117.2	−221.4	−338.6	3,206.6	264.7
1991	1,323.8	122.7	−269.2	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
1993	1,408.2	94.2	−255.1	−349.3	4,351.4	292.5
1994	1,460.6	89.1	−203.2	−292.3	4,643.7	296.3
1995	1,530.0	121.9	−161.4	−283.3	4,927.0	336.0
1996 estimate	1,583.0	121.8	−189.3	−311.1	5,238.0	348.0

Source: CBO's January, April, and August 1995 Reports.

	Year 2002 (billion)
1996 Budget: Kasich Conf. Report, p. 3 (deficit)	−$108
1996 Budget Outlays (CBO est.)	1,583
1995 Budget Outlays	1,530
Increased spending	+53
CBO Baseline Assuming Budget Resolution:	
Outlays	1,874
Revenues	1,884
This Assumes:	
(1) Discretionary Freeze Plus Discretionary Cuts (in 2002)	−121
(2) Entitlement Cuts and Interest Savings (in 2002)	−226
(3) Using SS Trust Fund (in 2002)	−115
Total reduction (in 2002)	−462

Mr. HOLLINGS. Mr. President, these budget tables show the Government outlays from 1968 through 1995 and the CBO estimate for 1996. It shows the trust funds that we have borrowed from for a total of $1,255,000,000,000.

Then it shows the term they use—''Unified deficit''—that is borrowing from the public and then also borrowing from your own pocket.

I ask unanimous consent that I may continue for another 5 minutes to conclude.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLINGS. I thank the distinguished Chair.

So we have each figure in a separate column. Adding the unified deficit to the money we owe the trust funds gives us the real deficit which last year totaled $283.3 billion.

I ask unanimous consent to have printed in the RECORD another budget table.

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

MORE BUDGET TABLES: SENATOR ERNEST F. HOLLINGS

[In billions of dollars]

	National debt	Interest costs
1996	5,238	348
2002	6,728	436
	1996	2002
Debt includes:		
1. Owed to the trust funds	1,361.8	2,355.7
2. Owed to Government accounts	81.9	[1]
3. Owed to additional borrowing	3,794.3	4,372.7
Note: No ''unified'' debt; just total debt	5,238.0	6,728.4

[1] Included above.

Surplus in Social Security (CBO through 1996)—$544.0 billion.

Surplus in Medicare (CBO through 1996)—$145.0 billion.

''SOLID'' BUDGET PLAN

1995 real deficit (CBO), −$283.3 billion.

[In billions of dollars]

Year	CBO outlays	CBO revenues
1996	1,583	1,355
1997	1,624	1,419
1998	1,663	1,478
1999	1,718	1,549
2000	1,779	1,622
2001	1,819	1,701
2002	1,874	1,884
Total	12,060	11,008

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

[In billions of dollars]

	Outlays	Revenues
2002 CBO baseline budget	1,874	1,884
This assumes:		
1. Discretionary freeze plus discretionary cuts (in 2002)		−$121
2. Entitlement cuts and interest savings (in 2002)		−$226
[1996 cuts, $45 B] Spending reductions (in 2002)		−$347
Using SS Trust Fund		−$115
Total reductions (in 2002)		−$462

Mr. HOLLINGS. Mr. President, in this chart we have taken the outlays under the Republican budget proposal as promulgated by the Congressional Budget Office for the years 1996 through the year 2002, and the revenues from CBO for the years 1996 through 2002. If you look at the total for spending, it is $12,080,000,000,000—$12,080,000,000,000. Then if you look at total revenues over the same period, it is only $11,008,000,000,000.

By simple arithmetic we will be adding over $1 trillion to the debt over the next 7 years.

In the year 2002, the gross debt will go from $4.9 trillion today to $6.728 trillion.

In order to show good faith, Mr. President, I ask unanimous consent to have printed in the RECORD the budget paths that I presented in January at our initial meeting of the Budget Committee.

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

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

Reality No. 1: $1.2 trillion in spending cuts is necessary.

Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again.

Reality No. 3: We should hold the line on the budget on Defense; that would be no savings.

Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

Reality No. 5: Taxes are necessary to stop hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Mr. HOLLINGS. Mr. President, the January table shows the deficit using trust fund and not using the trust fund.

I have been in this budget game now for over 20 years at the Federal level. If anyone can show me any kind of realistic cuts that will by themselves balance the budget, I will jump off the Capitol dome. It is very easy to make that pledge because you see exactly from the arithmetic.

The Republican budget can claim it balances the budget in 7 years only because they use $636 billion of Social Security between now and 2002. The other half of the trillion-dollar program comes from discretionary cuts, entitlement cuts, and interest savings of $347 billion in the year 2002. That should give us a dose of reality. At this very minute, we are struggling to find $45 billion in cuts for this fiscal year.

In addition, you can add on the tax cut, which adds $93 billion to the debt. I ask unanimous consent that a Wall Street Journal article outlining this fact be printed in the RECORD.

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

[From the Wall Street Journal]

GOP TAX CUTS WILL ADD $93 BILLION TO U.S. DEBT, BUDGET ANALYSTS SAY

(By Jackie Calmes)

WASHINGTON.—Despite Republicans' claims to the contrary, their tax cuts will add billions to the nation's nearly $5 trillion debt even as the GOP seeks to balance the budget by 2002.

An estimated $93 billion in extra debt will pile up as a result of the Republicans' proposed $245 billion in seven-year tax cuts, according to calculations from GOP congressional budget analysts. And that's assuming the economy gets a huge $170 billion fiscal stimulus that Republicans are counting on as a consequence of balancing the budget over seven years, thanks mostly to lower interest rates.

GOP leaders agreed last summer, as part of a House-Senate budget compromise, to apply that hypothetical $170 billion ''fiscal dividend'' toward their proposed $245 billion in tax cuts. That left $75 billion in revenue losses unaccounted for. Interest on that amount would add about $18 billion, for the total $93 billion in debt.

Meanwhile, the Republican architects of the plan boast that the tax cuts are all paid for with spending cuts. Senate Finance Committee Chairman William Roth, announcing his panel's draft $245 billion tax-cut package last Friday, said it would be completely financed with lower interest rates and smaller government. ''Other factors like that will add up to $245 billion,'' the Delaware-Republican said.

And Oklahoma Sen. Don Nickels, another Finance Committee panelist and a member of the Senate GOP leadership, added, ''We will not pass this tax cut until we have a letter'' from the Congressional Budget Office reporting that Republicans' proposed spending cuts through 2002 ''will give us a balanced budget and a surplus of at least $245 billion.'' He added, ''It's all paid for.''

The confusion has to do with the frequently misunderstood distinction between the nation's accumulated debt, now approaching $4.9 trillion, and its annual budget deficits, which have built up at roughly $200 billion a year.

Republicans' spending cuts, it's projected, generally will put the annual deficits on a downward path until the fiscal 2002 budget shows a minimal surplus. But the annual deficits until then, while declining, together with nearly $1 trillion more to the cumulative debt. Meanwhile, the GOP tax cuts add to those annual deficits in the early years—in fact, the fiscal 1997 deficit would show an increase from the previous year. Thus the debt, and the interest on the debt, would be that much higher.

Interviews in recent weeks indicate that many House and Senate GOP members are unaware of the calculus. And some are unfazed even when they hear of it. ''It would bother me if I thought we were adding to the debt,'' said Texas Sen. Phil Gramm, now seeking the presidency on his record as a fiscal conservative, ''but I don't think we are.''.

Mr. HOLLINGS. The Chair has been indulgent and I know my distinguished colleague from Tennessee is waiting to be heard.

Let me conclude by asking people to look at the arithmetic and to help expose the fact that once again, we have lied to the American people.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized to speak for up to 20 minutes.

CHANGE THE BUDGET STATUS QUO

Mr. THOMPSON. Mr. President, I appreciate the recognition.

First of all, I want to commend the distinguished Senator from South Carolina for his usual eloquence. I