

Mr. KERRY. Mr. President, I do not want my vote for final passage of H.R. 927, the Cuban Liberty and Democratic Solidarity Act to be misunderstood. I was strongly opposed to the centerpiece of the legislation—title III. This title would have altered 45 years of international and domestic law and practice with respect to the resolution of claims resulting from the expropriation of U.S. property abroad. I supported efforts to ensure that that title was deleted from the bill.

I will oppose any conference report that restores this title or adds draconian provisions. I will join with my colleagues in utilizing all parliamentary procedures to ensure that a conference report containing what was title III is not enacted into law.

#### MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask, at the request of the Republican leader, unanimous consent that there now be a period for the transaction of routine morning business during which Senators may speak for up to 10 minutes each.

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

#### THE BUDGET RECONCILIATION

Mr. COCHRAN. Mr. President, I was just looking at a letter that was given to me by the chairman of the Budget Committee, the Honorable Senator from New Mexico [Mr. DOMENICI], advising that the Congressional Budget Office has had an opportunity to review the budget reconciliation package that has been assembled and will be presented to the Senate, we assume during next week. The good news is that the Congressional Budget Office's analysis of the bill as assembled at this point, assuming that the tax bill being reported in the Finance Committee is within the budget reconciliation targets, not only will achieve a balanced budget by the year 2002 but will actually result in a small surplus.

The letter from the Director of the Congressional Budget Office goes into more detail with the analysis that she and her staff have made of this reconciliation package. But I hope that between now and next week, when the Senate will have an opportunity to take up and debate the reconciliation bill, Senators will review these documents and the analysis that has been done, because this is the centerpiece of the effort to achieve the balanced budget by the target that was set in the budget resolution that has passed both Houses and is reflected in the conference report that earlier passed the Congress.

This is the centerpiece, this is the heart and soul of the effort to achieve a balanced budget. And we are about to embark upon a very historic debate for the first time in anybody's memory on a plan to actually achieve an annual operating budget that is in balance,

that changes entitlement programs as well as the appropriated bills that have passed the Congress which is about to take place. I hope that we will have an opportunity as we approach that period to talk about some of the changes that we foresee and the resulting influence that it is going to have for good on the fiscal policies of the country, as well as the effect on interest rates, the effect on the general overall economic environment for job creation and business activity, which will be positive and continue to move us in the right direction in terms of economic growth and economic well-being as a nation.

But I congratulate the distinguished chairman of the Budget Committee, Senator DOMENICI, for his good work and his strong leadership in bringing us to this point. We look forward to the debate on the resolution.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

#### RECONCILIATION LEGISLATION

Mr. DORGAN. Thank you, Mr. President. It is a timely opportunity to take the floor to follow my friend from Mississippi.

My friend from Mississippi was quoting from a letter dated October 18 from the CBO signed by Director June O'Neill. It is a letter that says that based on those estimates—referring to estimates in the letter—using the economic and technical assumptions underlying the budget resolution and assuming—this is the way economists talk—the level of discretionary spending specified in that resolution, the CBO projects that enactment of the reconciliation legislation submitted to the Budget Committee would produce a small budget surplus in the year 2002.

The Senator is quite correct about what this letter said. That is dated yesterday.

Let me, however, read a letter dated today signed by the same person, the Director of the Congressional Budget Office, June O'Neill. This is in response to a letter that Senator CONRAD and I wrote to her yesterday saying:

This is a curious letter you have sent to Congress, saying it is going to produce a surplus. Would you please tell us what the impact of the reconciliation bill will be on this country's fiscal policy? In other words, what kind of surplus or deficit will we have if you follow the law that exists in this country, in fact, the law written by the Senator from South Carolina, Senator Hollings, that says you cannot use Social Security trust funds as revenues to balance the budget?

So we sent the letter to Director O'Neill of the Congressional Budget Office, and here is the letter we received today from the Congressional Budget Office, this afternoon. The letter says in the first paragraph—the same kind of language from economists—"Excluding an estimated off-budget surplus of \$108 billion"—translated, it means by and large excluding the Social Security trust fund surplus in 2001 from the cal-

culuation—"the CBO would project an on-budget deficit of \$98 billion in the year 2002."

Now, I have an 8-year-old son who, when we last went to Toys 'R Us, was fascinated by vanishing ink. We passed this little thing. They sell vanishing ink. He said, "Daddy, how do they do that?" I said

I do not really know. I know it is simple. It does not cost very much. We could buy it and take it home. But I do not know how they do vanishing ink.

I could tell my son that we do not have to stop at Toys 'R Us. We have folks who have Ph.D.'s that know how to deal with vanishing ink.

Here we have an October 18 letter that says: "You Republicans have asked me, an appointee of the Republicans, how has our plan fared in your eyes?" And you said, "Well, we think you are doing real good. In fact, you have produced a surplus."

We sent a letter to the same person who said:

But if you do this the right way, if you calculate this the right way and do not take the Social Security trust funds, because you cannot misuse those, those are Social Security trust funds, do not bring them over here in the operating budget, that that is the way you do it, that is the way the law requires that you do it.

Then what happens is the same person 1 day later says, "By the way, in the year 2002 there is not a balanced budget. There is a \$98 billion deficit."

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

Mr. DORGAN. I would be happy to yield.

Mr. BUMPERS. The thing even more perplexing on the point which the Senator from North Dakota raises is this. This is the conference report of the budget bill. Let me read it. It says:

Section 205 of the conference agreement requires the chairman of the Budget Committee to submit the committee's responses to the first reconciliation instruction to the Congressional Budget Office.

So the committee has to send all of these things to the Congressional Budget Office.

Next sentence, if the Congressional Budget Office "certifies"—this is the operative word—if the Congressional Budget Office certifies that these legislative recommendations will reduce spending by an amount that will lead to a balanced budget by the year 2002, the second reconciliation instruction is triggered.

If you read the letter from the Congressional Budget Office, she does not certify anything; she projects a balanced budget.

Mr. DORGAN. Only yesterday. Today, there is a deficit.

Mr. BUMPERS. But the point is, certification is a certification. You look in the dictionary. It says: "certifies: to be accurate." I could project a balanced budget. But certification and projection are two entirely different words.

I wrote her a letter, and I think the Senator from North Dakota, my colleague, and several others of us sent a letter to her saying:

When you send this letter over, you should be very careful to make sure that you are absolutely certain that all of this is going to lead to a balanced budget, because you have been instructed not to project but to certify.

Mr. DORGAN. I wonder if the Senator might let me reclaim my time.

Mr. BUMPERS. I would be happy to.

Mr. DORGAN. That is a great point.

I want to say Harry Truman—you know, a fine-spoken guy from Independence, MO, could not always follow all of the logic, or at least the presumed logic, by the Congress. He finally says in exasperation

For God's sake, give me a one-armed economist. I am so tired of hearing economists saying "on the one hand" and "on the other hand." Give me a one-armed economist.

Here it is. If Harry Truman were here, he would say, This is, on the one hand, yesterday. This plan produces a surplus. But, on the other hand, today, when asked by Senator CONRAD and myself, if you really do it right, the way the law requires, then how does it add up?

Well, on the other hand, this produces a \$98 billion deficit in the year 2002.

My son tonight is going to be real excited to hear that you can get this right in the Senate without paying for it—vanishing ink, 24 hours, a new letter, a new projection. This is not a balanced budget. It is a \$100 billion deficit in the year 2002.

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

Mr. DORGAN. I will be happy to yield.

Mr. CONRAD. Is it not amazing what a day makes?

Yesterday, the American people were told, you enact the Republican plan, you have a balanced budget. You even have a little bit of a surplus. But when we asked the question, yes, but what if you obey the law of the United States, which says you cannot count Social Security surpluses—and, of course, the reason you cannot count Social Security surpluses is because no accountant anywhere would allow you to take the reserve funds, the retirement funds of your people, and throw those into the pot and call it a balanced budget. That is why we have a law that says you cannot count the Social Security surplus. And when you ask the question, what do you do if you obey the law? then the head of the Budget Office comes back and says, including an estimated off-budget surplus of \$180 billion, which is the Social Security surpluses, CBO would project an on-budget deficit of \$98 billion in 2002—\$98 billion. In fact, the Republican plan, in order to balance, takes every penny of Social Security surpluses over the next 7 years—\$650 billion. It takes all those Social Security surpluses, throws those into the pot and says, hallelujah, we have a balanced budget.

Well, of course, they do not have a balanced budget. They do not have a balanced budget by the law of the United States. They do not have a balanced budget that any accountant would anywhere certify to in America.

I say to my colleague, is it not interesting the difference a day makes, from a surplus to a massive deficit in the year 2002 under the Republican plan? There is no balanced budget here, just a big fraud.

Mr. HOLLINGS addressed the Chair.

Mr. DORGAN. Mr. President, let me just make one additional comment and yield the floor.

Mr. HOLLINGS. I am sorry.

Mr. DORGAN. We will talk a little bit more about this next week. The only reason we bothered to do this is because some of us yesterday found it not believable, those who held up with great pride this missive from the CBO. We felt if you are going to misuse the Social Security trust funds to the tune of \$100 billion in the year 2002, there is a law on the books—and the law was written, incidentally, by the Senator who will speak now, the Senator who is now standing—which says you cannot use the Social Security trust fund.

Why would we do that? Because Social Security trust funds come out of people's paychecks and they are dedicated to go into a trust fund to be used only for one purpose and no other purpose, Social Security. We are creating a surplus because we need it for the future. It is one of the few responsible things we have done in the last 15 years. That surplus under today's budget scheme is now being used as revenue in the operating budget, and that is the basis on which yesterday's letter was issued improperly. Today we say issue it properly and then tell us what the impact is.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

The Senator from South Carolina.

Mr. HOLLINGS. I thank the Chair.

#### NO BALANCED BUDGET

Mr. HOLLINGS. Mr. President, let me first congratulate the distinguished Senator from North Dakota, Senator DORGAN, and the distinguished Senator from North Dakota, Senator CONRAD. These two gentlemen have been persistent on this issue, and this particular Senator from South Carolina is most grateful because for a long time I have felt a little like a Johnny One Note. I took the floor 2 days ago and now again today to reiterate what Senator DORGAN just said—namely, that the Republican budget is not balanced. A couple weeks ago, when we were passing the State, Justice, Commerce Appropriations bill I said that if there were a way to balance the budget without increasing revenues as well as holding the line on spending, I would jump off the Capitol dome.

Let me turn, Mr. President, to the subject raised by these two gentlemen

and the response given to their inquiry by the Director of the Congressional Budget Office.

While my distinguished colleague from Mississippi congratulated the chairman of the Budget Committee, I was sorry that I could not join in those congratulations, and I wish to explain in a very dignified way just exactly why.

On July 10, 1990, we voted in the Budget Committee by a vote of 20 to 1 to put the Social Security trust fund off budget—20 years, 1 nay. The one nay was the distinguished Senator from Texas, Mr. GRAMM, but the distinguished present chairman of the Budget Committee, Senator DOMENICI, voted for my Social Security preservation amendment.

I ask unanimous consent to include the committee rollcall in the RECORD.

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

#### JULY 10, 1990—HOLLINGS MOTION TO REPORT THE SOCIAL SECURITY PRESERVATION ACT

The Committee agreed to the Hollings motion to report the Social Security Preservation Act by a vote of 20 yeas to 1 nay:

Yeas	Nays
Mr. Sasser	Mr. Gramm
Mr. Hollings	
Mr. Johnston	
Mr. Riegle	
Mr. Exon	
Mr. Lautenberg	
Mr. Simon	
Mr. Sanford	
Mr. Wirth	
Mr. Fowler	
Mr. Conrad	
Mr. Dodd	
Mr. Robb	
Mr. Domenici	
Mr. Boschwitz	
Mr. Symms	
Mr. Grassley	
Mr. Kasten	
Mr. Nickles	
Mr. Bond	

Mr. HOLLINGS. I thank the Chair. On October 18, 1990, I toiled alongside the distinguished Senator from Pennsylvania, our late, wonderful Senator and friend, John Heinz. He had been working diligently on this issue as well. He was not on the Budget Committee, but I said to John, if you can get the votes on the Republican side, I think we can really finally fix this problem. It needed fixing because everyone had been playing games.

The truth of the matter is, Mr. President, that beyond using the surpluses in the Social Security trust fund, another \$12 billion comes from other trust funds. They use the highway trust fund. They use the airport and airways trust fund, the civil service retirement, the military retirement trust fund. You can go right on down the list. Back in 1990, you could not get anybody's attention talking about these other trust funds, but I said on Social Security I think we have got them.

Mr. President, the vote on October 18, 1990, was 98 to 2.