

All the way through life, make this your goal: Keep your eye on the donut and not the hole.

Mr. President, we are looking right at the hole with tax cuts and avoiding and evading the donut, which are tax increases, because we know—and I am saying we in the budget process who have been working in this discipline—and they know it on the other side of the aisle, too. I can quote Senator DOMENICI, who, all the way back in 1985—the present chairman of the Budget Committee—said you cannot balance without an increase in taxes.

We tried budget freezes with then-majority leader Howard Baker of Tennessee, the Republican leader. We worked in tandem; in those days you could work together. We tried not only the freezes but the spending cuts across the board, with Gramm-Rudman-Hollings. And then, in 1986, we got on our Finance Committee friends—and I see the distinguished chairman is present—and we said, look, we might be spending in appropriations, but you folks with loopholes are spending way more than the Government.

And so, with the distinguished Finance Committee and its chair, Lloyd Bentsen of Texas, we had tax reform in 1986, and we supposedly closed the loopholes. And at that time, we had freezes, cuts, and the loophole closings. Then in 1987, a studied group within the Budget Committee, charged with the responsibility of balancing the budget, agreed that it could not be done merely with cuts and freezes and loophole closings; that we needed taxes.

In an informal vote on the Budget Committee, eight of us and two of our Republican colleagues, Senator Danforth of Missouri, Senator Boschwitz of Minnesota—he did not come up here with a lockbox gimmick. He came with a solemn vote for a 5-percent value-added tax allocated to eliminating the tax and the debt.

That was 8 years ago. Eight years ago, we were trying. But they do not try now. They come with all the pollster nonsense, running around here, getting on top of the message. That is why we are in session.

I can tell you, if people of common sense would look at the 65 percent of what has been agreed upon in both budgets, which would constitute about another \$600 billion in spending cuts, which this Senator could support, we could agree on cuts in Medicare—not no \$270 billion. That is out of the whole cloth. We could pare back some on Medicaid and the other particular programs. The President was asking just this time last week, on Thursday, he said, you have given me \$7 billion; you force-fed me \$7 billion, never even asked for by the Pentagon or by the administration, but you just heaped it on. Now, just give me \$1.5 billion so I can take care of technology and children's nutrition and health care, environment, education, so we do not have to wreck the Government, we can pay for the Government.

These programs save money, as well as lives, but they would not even compromise. Every time they talk, they say, "Here's our budget. Where is yours?"

The PRESIDING OFFICER. The Chair would inform the Senator that his 10 minutes under the unanimous-consent request have expired.

Mr. HOLLINGS. Mr. President, could I have 2 more minutes? Is there objection?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator is recognized for 2 additional minutes.

Mr. HOLLINGS. I do appreciate the Chair and the indulgence of my colleagues. I simply will end by saying that we can easily get together on the 65 percent, \$700 billion in savings right now. This Senator believes we need taxes. Others say, no, you need more spending cuts. I know if you could do it in spending cuts, we would have long since done it.

The entire domestic discretionary spending is \$273 billion. That is for the President, the Congress, the courts, the departments, welfare, foreign aid. Just get rid of it all. But you are spending \$348 billion automatically for nothing in interest costs on the debt.

You can do away entirely with Medicare. That is only \$200 billion. Do away entirely with the entire Defense and Pentagon budget of \$243 billion. You have still got a deficit. You cannot do it.

So you have to get together, men and women of good will, and work together to freeze, cut, close loopholes, and get some kind of a revenue measure to get on top of this fiscal cancer. It is growing faster than we can stop it. I look upon it as taxes because it cannot be avoided. The truth of the matter is that we have to increase taxes to stop increasing taxes. Spending is on automatic pilot, and nobody wants to admit it, and no plan here comes near excising this cancer.

I thank the distinguished Chair.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Under the previous agreement, the Senator from North Dakota is recognized for 10 minutes as in morning business.

THE RECONCILIATION BILL

Mr. DORGAN. Mr. President, I noticed some earlier discussion on the Senate floor that prompted me to come and discuss the pending veto of the reconciliation bill by President Clinton. Some wonder, because they extol the virtue of that reconciliation bill, why on Earth would the President veto it?

It occurred to me that often cartoonists are able to capture the equivalent of 1,000 words in one little picture. This cartoon out of the Times Union, I think, describes pretty well why the President feels he must veto this legislation. You look at the cartoon. He has the Republican tax cut in the carriage, and the elderly woman on Medicare

with the walker pulling the carriage here. And he says, "Giddyup ol' gal." That is a cartoonists' message of poking fun. Behind that cartoon is a message.

Those who say that the tax cuts, half of which goes to those whose incomes are over \$100,000 or more, will have no impact or no relationship to Medicare, that is hardly believable. That is not to me or to cartoonists or to people around the country. There is a relationship.

The discussion about all this is not to balance the budget; we ought to. The question is, how do you do two things, balance the budget and still retain the priorities that are necessary for this country?

I have said before—and I want to state again today—I give the Republican Party credit, the Republicans in the Congress credit, because I believe they sincerely want to balance this budget. I think their initiative to push to do that makes sense, and I compliment them for that. I think there are a lot of us who also want to balance the budget but want to do it with a different sense of priorities.

I hope they will accord us the same respect and say, "Yes, that makes sense." And, "We understand your priorities." And, "Let's try to find a compromise." I hope that is the way we will be able to solve this problem, to do two things, balance the Federal budget and at the same time reach the kind of compromise on priorities that protects certain things that many of us think are important.

I happen to think that we ought to have separated this job. First, balance the budget, and then, second, when the budget is balanced and the job is done, then turn to the issue of the Tax Code. But that was not the case. The case was that you had to do a tax cut within the context of this reconciliation bill. The problem is that the priorities, in my judgment, are priorities that are not square with what the country's needs are.

A previous speaker talked about being a Senate pork buster. I guess I was unaware that we have a caucus called pork busters, a rather inelegant name, but I understand what it means. A pork buster, I think, would be to look at where is the pork, where is the spending that ought not be spent? I would encourage those who are part of the pork busters caucus to take a look at the defense bill, because I have talked before about the issue of priorities in the context of balancing the budget, especially as it relates to the defense bill.

I have a list here of additions to the defense bill that no one from the Defense Department asked for, no one wanted, no one said we needed, no one requested. This is extra money stuck into the defense bill by people in the Senate who said, "By the way, Defense Department, you don't want enough trucks. You didn't order enough trucks. We insist you buy more

trucks." So the Congress says, "We're going to order more trucks for you. It is true you did not ask for them, but you need to be driving more trucks. You did not ask for more B-2 bombers. We're going to order up some B-2 bombers for you. You didn't ask for amphibious ships." And the major debate is which of the ships shall we buy? There is a \$900 million one or a \$1.2 billion one, so the Congress says, "You didn't order either of them, so we insist you buy both of them. That's our priority. You didn't order enough F-15's. We're going to order some for you. You didn't order enough F-16's. We're going to order some of those for you. You didn't order enough Warrior helicopters, Longbow helicopters, Black Hawk helicopters. We insist you get some of those as well."

This is from people who say they are conservatives. Probably some of the pork busters are some of these people, I do not know. But if they are looking for pork to bust, boy, I tell you this is a slaughterhouse that will keep them busy for a year. I can give you chapter and verse on planes, ships, submarines, tanks, helicopters that were ordered that the Secretary of Defense said he did not want.

So, you know, I say, look, if this is a question of priorities—and I think it is—how do you balance the budget? What are the priorities? How do you strengthen our priorities and reach from zero? There was \$7 billion added to the defense bill this year, \$7 billion that the Secretary of Defense said he did not want. I have said before and I am going to state again, because I think it is descriptive of the priority problem, a little program called star schools is cut 40 percent and a big program called star wars is increased in funding by 100 percent. It is, I think, the script of the fundamental problem of priorities.

The priorities are wrong. That is why the President is going to veto that today. The priorities in terms of what the bill, the reconciliation bill, says to the public, are these: In the same town, going to two different addresses with two different messages. The first letter to describe how this balanced budget plan affects you, we will go to the top floor of the best office building in town. And on the 18th floor they will knock on the CEO's door of a major corporation and say, "Well, we just passed this bill, this budget balancing bill, and here is how it affects you. Your company gets some relief from what is called the 'alternative minimum tax,' so you get \$7 million in tax cuts because of a little provision called the AMT in this bill. So we want you to smile here on the 18th floor with this big desk and big office, with a \$7 million tax cut we give you."

And then you get back in the taxi and go to the other side of town to a little one-room apartment occupied by a low-income person in their late 70's with heart trouble and trying to struggle along and figure out how she

stretches a very low income to eat and pay for more medicine and pay for rent. We say to that person, "Well, we just dropped off a \$7 million tax cut downtown to the CEO of a big company, but our message for you is not quite so good. We're going to tell you that you are going to have to pay a little more for your health care and probably get a little less health care to boot. You are going to pay more and get less. You have to tighten your belt more. You understand the message. You have to tighten your belt. Yes, you are in your late seventies; I know you cannot compensate by getting a second job or first job, but you have to tighten your belt."

See the different messages? One to the biggest office in town saying, "You get a big tax cut." The other to the person struggling out there barely making it saying, "By the way, we're going to add to your burden." That priority does not make any sense.

There is another little piece in here—I hope the chairman of the Senate Finance Committee will come and we can have a discussion about this someday—a little piece in this tax cut bill, by the way, on the issue of deferral. It says, we are going to make it more generous for you than under current law. If you move your plant overseas and close your plant here we are going to make it more generous. We are going to increase the little tax loophole that says to companies, "Leave America, put your jobs elsewhere, close your plant here."

Boy, you talk about an insidious tax perversion that says we will give you a tax break if you only leave our country. That is in this bill. It is not a big thing; it is a tiny, little thing. I bet there are not two or three Senators know it is there or why it is there or who it is going to benefit. But that is the kind of thing that represents a fundamentally wrongheaded priority. And it is what the Senator from South Carolina talked about.

There is not any question, you will not get a debate in this Congress about whether you should balance the budget. We ought to do it. The question is how, how do you balance the budget and at the same time have a fair sense of priorities about what strengthens our country and what is important in our country.

I am one of those who will negotiate, a team of people sitting around a table, Republicans and Democrats on a negotiating team. I very much want this to succeed, very much want it to work. I believe the end stage of the President and the Democrats and the Republicans in Congress can agree on a goal of balancing the budget and agree on a goal of preserving priorities that make sense for this country in health care, education, the environment, agriculture and a couple of other areas, that we can get this job done. The American people expect us to get it done, and we should.

But we have a circumstance where the budget reconciliation bill or the

balanced budget provisions were essentially written without any assistance from our side of the aisle. There was not a budget meeting. The Senate Finance Committee met drafting this with the majority party, which is fine, but it does not make for a process in which you get the best of what both parties have to offer. That is what I think the end stage of this process ought to be.

So, I echo many of the things said by the Senator from South Carolina. I believe the goal is very worthwhile. We ought to do it, we ought to do it the right way, the real way, and when we get it done working cooperatively with both sides of the aisle, I think the American people would have reason to rejoice that we put this country on sound footing.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

FLAG DESECRATION CONSTITUTIONAL AMENDMENT—MOTION TO PROCEED

Mr. DOLE. Mr. President, I hope we might be able to move ahead here. I understood maybe by 1 o'clock we would be able to proceed to the constitutional amendment on flag desecration. I do not know what the problem is. I hope I am not part of it. I have been trying every day to get ambassadors confirmed, particularly our friend Senator Sasser. I am still working on it.

But I must say, this does not encourage me very much to waste the whole morning and part of the afternoon, at a time when we are trying not only to do this but cooperate with the President on an item or two.

I hope the Senator from New Mexico will let us proceed. I can only say to him, it is my intention before we leave here this year to have the Executive Calendar cleared, START II completed, and I do not know what else may have been mentioned here this morning.

I also understand that they are very near an agreement that would permit us to do all this in 4 hours. It seems to me that is worth pursuing. That is what I have been doing on a daily basis, and as recently as yesterday, I spoke to the Democratic leader about it.

So I hope the Senator from New Mexico, with those assurances, will let us proceed to Senate Joint Resolution 31, so we might complete action on it tomorrow and that we might complete action also tomorrow on the partial-birth abortion bill and also perhaps a conference report on State, Justice, Commerce. And that might be all we can accomplish this week. But I hope we can proceed.

I do not disagree with the Senator at all. My view is every one of these nominees have families. I have made this plea on the floor many times, regardless of who was holding up ambassadorships. I think in this case it has been an effort on both sides—Senator KERRY