think this is the time to stand our ground, demand that the President sign on to a budget in order to get this new credit card, and I am committed to the principle that we do just that.

I think we have written a budget which fulfills what we promised we would do; I intend to stand with that budget. My proposal, which I have made on several occasions in the past is this: we have set out what we can spend over the next 7 years and still balance the Federal budget; we should ask President Clinton to sit down with us and to try to reach agreement as to how that money is spent. I do not believe we ought to go back and rewrite our budget and let the President spend tens of billions of dollars we do not have on programs that we cannot afford.

I think the best Christmas present we could give America is a balanced budget. Maybe my perspective is different because I am spending more time outside Washington than many of our colleagues, and I am in a mode where you tend to listen a little more intently than you might otherwise. I believe that the American people are not so concerned about the Government being disrupted as they are about the fact that a baby born in 1995, if the current trend in spending continues, is going to pay $187,000 in taxes, just to pay his or her share of the interest on the public debt. This is not just economic suicide, it is immoral, and I think we need to do something about it. I submit, that if we cannot do it now, how are we going to do it next year when we have to turn right around and write another budget?

I simply raise these alarms because I believe we need to stand firm on our commitments to the American people. After all, we did not say we were going to balance the budget only if it was easy. We did not say we were going to balance the budget only if Bill Clinton went along. We said we were going to balance the Federal budget. So I think the time has come—in fact, in my opinion, it is long past—to say to the President, if you do not sign on to a budget, then we are not going to give you another credit card. It seems to me, the last time we went through this exercise the President got the credit card and we got this vague language about how he was going to support balancing the budget in 7 years under all these circumstances and all these conditions. The President was doing a lot of nodding and winking and good gestures during the negotiations, but once he got the credit card he said we have either agreed on everything or we have agreed on nothing, and since we have not agreed on everything, we have, therefore, agreed on nothing.

I think we need to stop debating statements of policy. I think if we are going to give Bill Clinton another credit card, we need to have written into law limits on how much he can spend. Finally, we need to require that, in return for getting another credit card, the President join us in a budget which meets the spending levels we set out in the original seven year balanced budget resolution.

I see we have another colleague who is here to speak. So, to accommodate him, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I thank the Chair.

(The remarks of Mr. GRAMS pertaining to the introduction of S. 1452 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. GRAMS. Thank you, Mr. President. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COATS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. HOLLINGS. Mr. President, I ask unanimous consent that I be allowed to continue as if in morning business for 10 minutes.

Mr. DORGAN. Mr. President, reserving the right to object—I will not object—I wonder if the Senator will add to his request that I be allowed to speak for 10 minutes as if in morning business.

Mr. HOLLINGS. I amend the request accordingly.

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

Mr. HOLLINGS. I thank the distinguished Chair.

THE BUDGET

Mr. HOLLINGS. Mr. President, I was getting a bite of lunch and noting on TV the continued hypocrisy. There is no better word for it. Some in the Senate continue to come and blame President Clinton for the deficit. They continue to say he does not want to do anything about the deficit, which is totally out of the whole cloth. It is good pollster politics to try to paint that image.

But the fact of the matter is, where I could be blamed for the deficit because I have been up here for years and others could be, President Clinton was down in Arkansas balancing the budgets for 10 years. He came to this town with a plan in 1993, and it was traumatic. It said we are going to cut spending and get rid of Federal employees. We are going to cut the deficit $500 billion. We are going to tax. We heard that word. We are going to increase taxes on beer and liquor and cigarettes and gasoline, and, yes, Mr. President, we are going to increase taxes on Social Security—one of the really sacrosanct, holy of holies. He insisted on that attempt to cut the deficit, and there was not a single vote on the other side of the aisle either in the Senate or in the House of Representatives. But that other side of the aisle, having done nothing but cause deficits, comes now with this pollster-driven message that is developed by a retinue of Senators coming to the floor, and now I have to listen to some kind of lockbox nonsense.

Who caused the deficit? I know one who balanced the budget: Lyndon Baines Johnson. President Johnson in 1968 and 1969 was very sensitive about the charge of guns and butter and not paying for the war in Vietnam and his Great Society. So he had a 10-percent surcharge on taxes, and he came with spending cuts. At that particular time, the entire budget was $178 billion—$178 billion for Medicare, for defense, for Medicaid, for welfare. All the things that everyone is talking about cutting, President Johnson paid for and ended up with a $3.2 billion surplus.

Now, where did the deficit start? Presidents Nixon, Ford, and Carter all worked at cutting spending. But it was President Ronald Reagan who came to town with a promise of balancing the budget in 1 year. The others had not made that promise. They had worked on it. But the actual promise in the campaign—and I can show you the document—was, ''We are going to balance the budget in 1 year.''

President Reagan, on coming to town, said, ''Heavens, I didn't realize the fiscal dilemma we are in. It's going to take longer than 1 year.'' And he submitted and we passed in 1981 a budget to be balanced in 3 years. In 1985, with Gramm-Rudman-Hollings, we promised a balance by 1990. And in 1990, this Congress here, before President Clinton came to town, promised not only a balanced budget by 1995 but a surplus of $20.5 billion.

Now, that goes to all of this posturing about the historic effort that we are making in closing down the Government and the partisan attack that we are the only ones for a balanced budget and the other crowd is not. The fact is that for 200 years of history and 38 Presidents, Republican and Democrat, up until 1981 we had yet to come to a national debt of $1 trillion. It was less than $1 trillion. Now the deficit has grown over the 15 years of spending over $250 billion and the debt to almost $5 trillion.

The deficit for this year is considered by the Congressional Budget Office to be $311 billion. Spending goes up, up, and away, and as we look at defense, that has come from $300 billion down to $243, similar domestic discretionary spending and others. But the one that has really taken off, is interest cost on the national debt—$348 billion, or $1 billion a day. We have spending on automatic pilot.

This land has fiscal cancer, and nobody wants to talk about it.

There was an old limerick, my children, on Saturday morning, on the ''Big John and Sparky'' program on the radio:

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