same type of returns. That is an unfair and unique quirk of our tax laws which has existed too long and needs to be changed.

So, we have put in place in this tax package the tax benefits which are targeted directly on, essentially, the middle- and moderate- and to some extent low-income families, to the extent they pay taxes, in this country. So it is a blatant misrepresentation to come to this floor and say this tax cut goes to the wealthy. It is equally unfair and inappropriate to come to this floor and suggest there should be no tax cut at all if we actually have a balanced budget, when you are not even willing to vote for the balanced budget. There seems to be something inappropriate in taking that position.

So, as we go forward on this debate, I hope he will look at the hard numbers, at the real substantive action rather than the political hyperbole. I hope we will step back from this attitude, which the White House seems to be taking, which is to pick a constituency a day to scare through misrepresentation, and, rather, inform people as to what is actually happening. Because, if people look at the facts of this situation, they will come to two very clear conclusions. First, if we do not do something fairly soon, this country is going to find itself unable to remain financially solvent; and, second, if we follow the program put forward by the Republicans in the Senate and in the House, which leads to a real balanced budget, we will be able to pass on to our children a country which is financially solvent and one where they have an opportunity for prosperity. We will be a generation which passes on to the next generation opportunities that exceed even those that were given to us by our parents.

If we fail to take this action, we will, of course, be the opposite, the first generation in the history of this country which will pass less on to our children than was given to us by our elders. That is not acceptable, it is not right, and it is not fair. That is why I strongly support the reconciliation bill that will be coming forward toward the end of this week.

Mr. President, I appreciate the courtesy of the Chair and yield such time as I may have.

Mr. President, I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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.

A reminder to the Senator from South Carolina that, under unanimous consent, 20 minutes of debate will begin at 20 minutes before 6, equally divided between both sides, dealing with the Dorgan amendment to S. 1322.

Mr. HOLLINGS. Very good. I thank the distinguished Chair.

THE BUDGET

Mr. HOLLINGS. Mr. President, what I want to do, right quickly is, first to put in the RECORD the letter of October 20 from June E. O'Neill. I ask unanimous consent to have the letter from the Congressional Budget Office printed in the RECORD at this particular point.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC. October 20, 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 provided the Chairman of the Senate Budget Committee on October 18 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 $115 billion in 2002 from the calculation, CBO would project an on-budget deficit of $105 billion in 2002. (The letter you received yesterday incorrectly stated these two figures.)

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney.

Sincerely,

JUNE E. O'NEILL, *Director.*

Mr. HOLLINGS. While the distinguished Senator from New Hampshire said that the Republican budget was ''certified as being balanced,'' this letter certifies a $105 billion deficit.

Now, I would also ask unanimous consent that we insert two budget tables in the RECORD which have been prepared with the help of my staff.

There being no objection, the tables were 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 reductions (in 2002)	−462

MORE BUDGET TABLES

[In billions]

Year	National debt	Interest costs
1996	$5,238	$348
2002	6,728	436

[In billions]

	1996	2002
Debt Includes:		
(1) Owed to the Trust Funds	$1,361.8	$2,355.7
(2) Owed to Government Accts	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
Surplus in Social Security (CBO through 1996)	544.0	
Surplus in Medicare (CBO through 1996)	145.0	

[1] Included above.

"SOLID" BUDGET PLAN

[In billion; 1995 Real Deficit (CBO) (1) $283.3 billion]

Year (2)	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

Note: $636 Billion "embezzlement" of the Social Security Trust Fund.

[In billions]

	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, as they demonstrate, you can add up the CBO outlays—the spending of the years 1996, 1997, 1998, 1999, 2000, 2001, 2002—and find that over that 7-year period, we will spend a total of $12.06 trillion. Over that same period, CBO estimates that revenues will total $11,008 trillion. So you can see that spending will actually increase over revenues during the 7-year period by $1.052 trillion.

Even that figure is low is it requires what the former Senator, John Heinz, called "embezzlement"; namely, using the Social Security trust fund to mask the true size of the deficit.

I just heard in the Budget Committee the distinguished chairman, Senator DOMENICI, call it a phony argument. But he voted for it and all the Members who were present in 1990 voted to stop using Social Security surpluses to mask the size of the deficit. Senator Heinz and I put it into the law, section 13301 of the Congressional Budget Act. There is nothing phony about it, but I hear the Senator from Washington coming in and quoting Charles Krauthammer as saying the argument was fraudulent. I know that Mr. Krauthammer was a psychiatrist before he started spilling ink in the editorial page. It reminds me of the old saw that a psychiatrist is the fellow who goes to the burlesque show to look at the audience.

Let us not use economic figures from psychiatrists, let's use the $105 billion deficit cited by CBO.

JERUSALEM EMBASSY RELOCATION IMPLEMENTATION ACT OF 1995

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2940

The PRESIDING OFFICER. I remind the Senator that 20 minutes of debate has begun on the Dorgan amendment, but none of the managers is here.

I see the Senator from North Dakota is here.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Under the previous unanimous-consent order, the Senator has 10 minutes.

Mr. DORGAN. Let me yield myself 5 minutes of the 10 minutes and then reserve the time.

Mr. President, this issue will be relatively simple. The vote we are going to have in 20 minutes is a very simple proposition. It is a sense-of-the-Senate resolution that says let us limit the tax cut to those whose incomes are under a quarter of a million dollars a year and use the savings from that limitation to reduce the cut in Medicare. It is very simple. This follows an amendment I had previously that was voted on by the Senate—it failed—saying let us limit the tax cut to those whose incomes are $100,000 a year or less. That failed.

So I indicated that I intended to offer another resolution which I now offer that says I do not personally think we ought to talk about tax cuts at the moment. I think we ought to deal with the budget issue, and the Congressional Budget Office has told us there is not a balanced budget in this proposal. The deficit in the year 2002 will be $105 billion. But the majority side says they have reached a balanced budget. So they want now to proceed to a tax cut.

While I wish they would not do that, my amendment is painfully simple. It says let us at least agree to limit the tax cut to those whose incomes are $250,000 a year or less. If we do that, we will save some money and be able to cut Medicare less than is now proposed.

What does this amount to? I do not have exact figures. But, from talking to the Treasury Department and others, my reckoning is that we are talking about 20 percent of the tax cut going to slightly more than 1 percent of the earners in this country, or about $50 billion over the 7 years. This sense-of-the-Senate would, say, let us save $50 billion that will otherwise, during the 7 years, go to those whose incomes are over a quarter of a million dollars a year and use that $50 billion to soften the blow on Medicare recipients. It is interesting. That $50 billion over the 5 years is almost exactly the same amount as the $50 billion increase in part B premiums that senior citizens will be asked to pay.

It is simply about choices. It is not about Republicans, Democrats, conservative, or liberal. It is about choices. What is important? Is it more important to provide tax cuts to people whose incomes are a quarter of a million dollars or greater? Is it more important to do that than to try to soften the blow on low-income senior citizens who will, I think, get hit fairly hard on the question of these Medicare cuts?

So that is the purpose of this amendment. As the Members of the Senate know, the Treasury Department has indicated that the reconciliation bill that will come to the floor will provide nearly one-half of its tax benefits to those with incomes of $100,000 a year or more, and it will at the same time increase taxes on about half the families in our country. Which half? The lower half, of course. That is the subject of this amendment. It is about priorities.

I hope that others in the Chamber, having reflected on this and having turned down the proposition to limit the tax cut to those under $100,000 a year, will now at least agree that those who make over a quarter of a million dollars a year really do not need at this point a tax cut. So that is the purpose of the sense-of-the-Senate resolution.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator from North Dakota has about 5½ minutes remaining.

Mr. DORGAN. Mr. President, the reconciliation bill will come to the floor of the Senate tomorrow perhaps, or at the latest Wednesday. We will begin debate on the reconciliation bill under a procedure that is very restricting and very constrained, as you know.

It will, by necessity, limit the debate on the amendments, and, frankly, we will have an insignificant opportunity to effect what is happening in the committees that is brought to the floor under the reconciliation bill.

Tragically, this reconciliation bill really does almost everything. It is going to have a farm bill in it. For the first time in history, they stick a farm bill in the reconciliation bill. I mean, it has the kitchen sink in it—profound, massive changes in Medicaid and Medicare and eliminates national standards for nursing homes. You name it. But