

The tax relief offered in this reconciliation package is very much in the realm of current possibilities. We offer a \$245 billion tax cut which goes into effect only when the CBO has certified that deficit reduction is being achieved. Despite what some may say for political reasons, this tax relief does not come at the expense of Medicare. As the generally more liberal Washington Post admitted, "The Democrats have fabricated the Medicare-tax cut connection because it is useful politically." In an earlier editorial, the Post opined that,

The Democrats are engaged in demagoguery, big time. And it's wrong. . . . [The Republicans] have a plan. Enough is known about it to say it's credible; it's gutsy and in some respects inventive—and it addresses a genuine problem that is only going to get worse. What Democrats have [on the other hand] is a lot of expostulation, TV ads and scare talk.

That is the end of the quote from the Washington Post.

Under the bill we propose today, using Medicare savings for tax cuts is illegal. The law requires that money saved on the Medicare Program will stay in the Medicare Program. These are trust funds, the assets of which may not be used for any other purpose. And to say otherwise, as the Post points out, is little more than politically motivated scare tactics.

The fact is, our efforts preserve and strengthen the Medicare trust fund. This is a promise made and a promise kept. Likewise our efforts bring the Federal budget into balance and provide substantial tax relief for middle-income Americans. Again, promises made and kept. I can only guess that these scare tactics are being used by some because for so long these individuals have gotten by politically by making promises without keeping them. Well, you cannot have it both ways. You are either working for the kinds of changes the American people want, or you are locked into business as usual. You are either working for reform, or you are an agent of big Government, runaway spending, and political gridlock.

Let this reconciliation package show Americans who stands where on these important issues.

Our plan offers a \$500-a-child tax credit, encourages savings and investment, and offers other incentives for economic growth. Our proposal to cut taxes by \$245 billion, offers relief for our middle class—with over 70 percent of the \$245 billion going to families making less than \$75,000 a year. These provisions mean more security for our families, more jobs for Americans, and greater stability in our communities.

Of the \$245 billion Senate relief package, a full \$223 billion will go to families. The remaining \$22 billion will strengthen businesses and lead to increased employment opportunity. It will also improve America's ability to compete in the global community, with other nations that provide their businesses with strong incentives to compete with us.

The four pillars of our proposal are: First, a \$500 child tax credit; second, restoration and strengthening of individual retirement accounts; third, relief from overbearing estate taxes on families and businesses; and, fourth, reduction of the top rate of capital gains on individuals and corporations.

These measures meet our promise to the American people. They represent a bold beginning in our effort to break with the failed policies of the past. The current tax system double-taxes savings, thwarts investment, hinders productivity, increases prices, stifles wages, and hurts exports. It is complex, controlled by special interest groups, and places disincentives on work.

We move to correct these deficiencies, and because we have cut spending, our bill balances the budget while making room for tax relief. Americans need relief. Our economy needs a shot in the arm. Even Bill Clinton has admitted as much. I call on him to join us in our efforts to unleash the potential our economy has to move us into a bold and exciting future.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. ROTH. Mr. President, will the distinguished Senator from New York yield? I have about three more pages. May I finish?

Mr. MOYNIHAN. Of course. Could we then extend morning business until 1:30?

Mr. KENNEDY. Reserving the right to object—and I do not intend to object—if we can have the morning business time, whatever morning business there was, divided equally between the two sides, whatever amount of time, since we are off the bill. If we could have whatever amount of time to be divided equally, then I would not object. If we are not going to have that allocation of time, then I feel compelled to object.

Mr. MOYNIHAN. Mr. President, may I make the suggestion that morning business be continued to 1:30 and that the time be equally divided?

Mr. KENNEDY. Reserving the right to object, that does not include the last 10 minutes—just from the time we go to morning business, divided equally.

Mr. GRASSLEY. Mr. President, I have to object momentarily for the leader. We want to find out if Senator DOLE wants this time extended.

The PRESIDING OFFICER. Objection is heard. The Senator from New York has the floor.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the period of morning business be extended until 1:30 and that the time be equally divided. I believe it is the desire of the majority that the speakers alternate, if that is convenient.

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

Mr. ROTH. Reserving the right to object, may I finish?

Mr. MOYNIHAN. Yes.

The PRESIDING OFFICER. Hearing no objection, without objection it is so ordered.

The Senator from Delaware.

Mr. ROTH. Mr. President, as I was stating, that is what this reconciliation package is all about—the future.

As Lincoln said, "The struggle of today is not altogether for today—it is for a vast future, also"—a future that I believe will be very bright if we succeed in our endeavors here today.

Our objective is to strengthen the American Dream—in our homes, in our schools, in our communities, in our States, and all across the land. Some have said that the dream is dead, that our children cannot expect to lead a better life than that led by their parents. I strongly disagree. However, I do believe that in order to meet the domestic challenges before us—as we look to put our house in order here at home—as we seek to maintain influence and leadership abroad, that we must reinvent America to reflect the profound changes that are taking place throughout the world as well as here in the United States.

We must build on principles that are tried and proven and good. We know what works. We know what's failed. And we cannot march boldly into the future with blueprints prepared for the past. This reinventing of America must be thorough, it must create a nation that is compassionate, responsible, and economically viable from the houses in our neighborhoods to the Houses of Congress. It must encourage self-reliance, risk-taking, and the confidence that diligent labor will be rewarded with security and even greater opportunity for reward.

These are the principles that built America, and they are the principles that will see us into a bright and expansive new millennium.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I wish to congratulate the chairman of the Finance Committee on a very thoughtful and deeply felt exposition of his views. They are not entirely shared on this side, but they are, nonetheless, admired for the grace in which he has presented them.

REPUBLICAN BUDGET PLAN

Mr. MOYNIHAN. Mr. President, earlier in the day, this morning, I was

speaking without notes. I stated that under the Republican budget plan the national debt will increase by \$700 billion in the next 7 years. I would like now to correct that to be the precise number, which is \$669 billion. That is how much more we will borrow.

I surely cannot think of any figure more explicitly to state the irresponsibility of a \$245 billion tax cut. We will borrow every penny of that tax cut. If that were not the last thing to say, it turns out that the tax cut is a tax increase on average for taxpayers with income up to \$30,000—half of all taxpayers—because of the reduction in the earned income tax credit. For the rest the bill reduces taxes. And we will borrow every penny of the tax cut, and persons working, paying taxes, and trying to get along will pay for every cent of the tax increase.

Mr. President, there is no way to get rid of a \$5 trillion debt. I hope we know. Once again, to say, if it were not for that Contract With America, we would not be talking about a \$245 billion tax cut on this floor, in this Chamber. We know it. We all know it. And I need not repeat it again.

I thank the Chair. I appreciate the courtesy.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

MEDICARE

Mr. ROCKEFELLER. Mr. President, I have a motion here in my hand. It is a motion to recommit with instructions. And I would like to say to every one of my colleagues on both sides of the aisle that the first amendment that we deal with today in the U.S. Senate—that we are dealing with today, the day that we meant for dealing with amendments of absolutely enormous importance to the future of our country—is going to be the Medicare amendment.

I do not care how many meetings are held in the majority leader's office, I do not care how many long speeches are given, I do not care how many morning businesses are taken, and I do not care even to the fact that no Democrat, other than the chairmen of the Budget Committee and the Finance Committee, has been able to say a word on this day, the day we meant to be devoting an hour to a series of extraordinarily important amendments on Medicare, EITC, Medicaid, and other matters, this amendment is going to be the first amendment laid down. It will recommit the Republican \$270 billion cut in Medicare to the Finance Committee for further work.

I just want my colleagues to be fully aware of that fact. That will be the first amendment, the Medicare amendment. And it will come regardless of what tactics are used or whatever dilatory procedures are adopted.

I will say that the reason we on the Democratic side are laying this motion down is that the Republicans are cutting three times as much out of Medi-

care as they need to do in order to make the hospital insurance trust fund solvent to the year 2006. There is no need to do \$270 billion of cuts.

So between the \$89 billion that the trustees of the trust fund say is needed to make the Medicare hospital insurance trust fund solvent, which is what all the rhetoric is around here, to make the thing solvent—they all say, the trustees, that is, \$89 billion—and the majority party taking \$270 billion out of Medicare to do the work for which only \$89 billion is required, therefore, there is a gap of \$181 billion, to which I would think an ordinary inquiring citizen would say: What is this \$181 billion for if all we need is \$89 billion to make the Medicare trust fund solvent? And the answer, of course, is oft proclaimed, oft denied on the other side but a matter of irrefutable fact, and that is that it is going to be used to give in part an enormous tax break to families and institutions of wealth, and that emanates from the fact that this was part of the contract. It had its genesis when NEWT GINGRICH on a sunny day went with a band of very committed, newly elected House Members and in front of all kinds of American flags pronounced the 10 commandments, of which the greatest was a tax cut, the crown jewel was a tax cut.

That having been done, obviously no less could be done in this body and so the \$245 billion, or \$225 billion tax cut became the mantra. So that tax cut has to be achieved. We do not have that kind of money laying around, nor does the average American family, and therefore where do we get it? We go to Medicare and to Medicaid, and we cut them egregiously in order to do that.

I have no idea of how I am going to explain the damage done to the people of West Virginia, to the seniors of West Virginia, to the health institutions of West Virginia, to the veterans of West Virginia by this Medicare cut. And I will be talking at length about that at the time we actually do lay the amendment down. But the amendment is simply to say on our side we will not accept a \$270 billion cut when \$89 billion will do the job, stamped and approved by those whose responsibility it is to do the job, the trustees of the hospital insurance trust fund, in order to not have to do the \$270 billion cut which the majority party is doing for the purpose of raising enough money to give a tax cut to those who do not need it.

I find this extraordinary. I find it certainly worth the meager 1 hour that we are going to be able to have on each side to discuss the Medicare amendment. But the Medicare amendment there will be, and it will be the first one and it will happen.

I thank the Presiding Officer.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time do we have? I see my friends from Minnesota and North Dakota. How much time do we have on this side under the consent agreement?

The PRESIDING OFFICER. There are 9 minutes and 20 seconds.

Mr. KENNEDY. I will yield myself 3 minutes. I think Senator MIKULSKI wanted time.

I yield myself 3 minutes, Mr. President.

IGNORING THE RECOMMENDATION OF THE MEDICARE TRUSTEES

Mr. KENNEDY. Mr. President, for 2 hours I have been on the floor of the Senate and the one thing we did not hear, which is at the heart of this whole program, is how our Republican friends possibly justify not taking the recommendation of the trustees, which is the amount to ensure solvency for Medicare is \$89 billion, and for them to justify a \$270 billion cut. For 2 hours we have waited to hear the reasons for that. We have not heard it. There is silence on the other side for the reasons that the Senator from West Virginia will point out and the reasons why we will have an opportunity to vote.

The Republican proposal is to provide not just the \$87 billion, not just solvency for the Medicare Program but lavish tax breaks for the wealthiest individuals. That is what this is about. The Republicans have not made that case. They have not justified why that is necessary and what the impact is going to be on senior citizens. It will be double their deductible, double their copay, a raise in the premium, and raise the age eligibility from 65 to 67.

Have you heard that explained by our Republican colleagues? No, you have not, Mr. President. And squeeze the elderly so they will no longer have a choice of doctors. That is what this legislation is about. We want answers. We want answers from those who are trying to jam this through the Senate of the United States.

Why should we accept it? We will have an opportunity to reject it, and I hope that the Senate will speak for the American people and seniors this afternoon.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself 10 minutes.

CHANGES IN MEDICARE PROVISIONS

Mr. GRASSLEY. Mr. President, I want to touch on portions of this reconciliation bill that deal very effectively with the changes in Medicare provisions that are very good nationally and provisions that are very good for rural America.

The bill will put the financial situation of the Medicare Program, particularly the part A hospital trust fund, but also part B for physician services, on a sounder, more sustainable footing. This will ensure that current and future Medicare beneficiaries in Iowa and