

within the range of doability and certainly within the range of what is necessary to keep the trust fund solvent.

So in substance what he sent up here in June can be discussed, and it can be worked for the purposes of resolving the matter. But when the President and the Vice President talk in such outrageous political terms and use such hyperbole, it is not constructive to the process.

So the fourth thing I think the President must do is stop running for reelection all the time and start trying to govern the country. Is that not his job for the next year and a half? There will be plenty of time to have an election next summer. Let us get about governing the country. Let us start talking some substance around here.

And that comes to my fifth point, which is leadership. If there is one obligation of the Presidency, it is to lead. Regrettably, this President has been leading like a bumper car. It is time that he gave us some definition and direction. It is time that he sent up here a budget based on numbers which everyone can agree are honest and fair, CBO numbers—a budget which has details attached to it, or if not a whole budget at least major programmatic activities that have details attached to them so that we can evaluate them.

It is time he started talking to Members of Congress as if they were colleagues working on a problem rather than opponents created by some political spinmeister that he has hired to do his polling for him. The fact is that leadership does not involve running for reelection. Leadership involves guiding this country through some very difficult times.

So the time has come, in my opinion, for the President to engage in these five areas, to show that he is serious about balancing this budget. We have put on the table serious proposals to balance this budget, to give our children a future, to make sure that this country brings under control its most serious threat to its future, which is the expansion of its Federal debt and the fact that our generation is borrowing from the next generation to finance day-to-day activity that we are benefiting from today.

If the President is serious, he has to address these five points. He has to start using numbers that we all agree are reasonable. And I suggest CBO numbers are the ones that are the best. He has to start giving us some details of what he intends to do in these major programmatic areas such as Medicare and Medicaid. He has to agree to a goal that is scorable, such as a 7-year goal to reach a balanced budget. He has to stop politicizing the issue, using the extreme language that may score well in the polling place but does nothing to move the process along.

Finally and most importantly, he has to give us some definable leadership that shows us where he feels we can reach compromise and govern rather than run for reelection.

Mr. President, I yield back the remainder of my time.

#### ORDER OF PROCEDURE

Mr. GREGG. Mr. President, I ask unanimous consent that at 12:45, the Senate turn to the consideration of Calendar No. 219, S. 1372, regarding an increase in the earnings test.

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

The Senator from New Jersey.

#### BUDGET RECONCILIATION

Mr. LAUTENBERG. Mr. President, I have listened with interest to some of the speeches that were being made this morning, and I heard speeches that decry the President's use of his opportunities for political reasons and to disagree with virtually everything that President Clinton has accomplished. I find it a strange anomaly. As Yogi Berra, the famous New Jersey philosopher said, "It's déjà vu all over again."

I stand here listening to political speech after political speech in which the President of the United States is accused of being excessively political.

I think we ought to look at the record just for a couple of minutes. First of all, we are faced with a reconciliation bill put out by the Republican majority—and I sit on the Budget Committee, and I can tell you this—and this is no surprise—that is going to take care of lots of wealthy wage earners, income earners, big investment yields, at the expense of lots of little people, if I can use that word to describe them, those who are dependent on Medicare for the sustenance, for the maintenance of their health, those who depend on Medicaid, in many cases the only source, the only source to enable them to get the health care they require.

And so it is despite the fact that Health and Human Services has projected an \$89 billion program to keep Medicare viable until the year 2000, during which period we will have a chance to evaluate what is taking place, maybe get to work on some of the problems we know exist that are solvable and will not require less to be available to the Medicare beneficiary—waste, for instance. We know there is a significant amount of waste. We know that there is fraud—this is not a secret—amounting to billions of dollars.

Those options ought to be examined before we turn to people who on balance in the senior community have less income than \$25,000 a year, to the extent of three-quarters of that population. Three-quarters of the senior citizen population have incomes of less than \$25,000 a year; 35 percent have incomes of less than \$10,000 a year.

But yet we say here in a majority voice that it is OK. "We're going to save you from the demise of this program. We're going to save you by making sure you pay more, significantly more, in premiums for part B, in higher

copays, in higher deductibles. We're saving you. We're taking money out of your pocket and transferring it over to those on the other side."

By way of example, the House bill calls for a \$20,000 tax break for those making \$350,000 a year. The Senate, a more modest program, allows for a \$6,000 tax break for those earning \$350,000 a year. But at the same time, we are saying to the senior citizens, whose profile and income I just gave you, that they on balance will pay an average of \$3,000 over a 7-year period more for their health care.

There is something funny, as they say. And the question is raised, in my mind, whose side are we on? I think it is pretty obvious that on that side of the aisle, from there over, that they are on the side of the wealthy and the comfortable and those who have special access. It is obvious. The arithmetic is there. If only the American people get the full story, then we will start to see changes, I believe.

We have already seen it. Congressmen in my State, who were dead full throttle behind the Gingrich proposal, the Contract With America, have now retreated because they are beginning to smell the ire of the constituency. They are beginning to hear the message that "We do not want you to take money from us hard-working, modest-income people and transfer it to those who have been fortunate enough to make lots of money in this society."

So, Mr. President, as we look at the record that President Clinton has compiled, it is a pretty good one. We just finished a year in which we saw one of the smaller deficits in many years, \$164 billion, and it is on the decline since President Clinton has taken over. We notice that we have a robust economy, that until the end of September, the economy grew at a very firm rate.

At the same time, we see almost an ideal situation in terms of inflation—modest growth, so little as to be of relatively minor consequence in the perspective that the people in this financial community have.

So, we have seen growth in the economy, we have seen growth in jobs, we have seen inflation under control, we have seen the budget deficit at a relatively low point. And yet the President gets little or no credit and lots of criticism as the debate obscures the reality of what is taking place in this reconciliation discussion: Taking care of those who have money, who have influence, who have power, at the expense of those who work hard, who plan their futures, and who are concerned about what tomorrow brings.

#### BOSNIA

Mr. LAUTENBERG. Last, Mr. President, we hear about the concerns expressed by people on both sides about Bosnia and about whether or not we ought to have American service people in Bosnia as part of a peacekeeping operation. I think that question is yet to

be resolved. I think it is a dangerous practice to simply say that we will not do it, to describe the situation as throwing our people into the meat grinder.

Mr. President, when America lacks the ability to stand up for human rights, to stand up against abuse of men, women, and children such as we have seen in Bosnia and such as we saw 50 years ago in Europe, when for a long period of time, America was silent while the slaughter went on—Mr. President, we have troops in Korea. They are there to protect democracy. They are at risk. There is some danger that something could go awry and people could get killed or injured, and we do not want that to happen. I want us to have a careful debate about Bosnia. But when America withdraws, as we see what is taking place in Europe, in the old Yugoslavia, where women are routinely raped, where young men are routinely killed, and we stand by doing nothing about it, shame on the free world, shame on America.

I am not talking about troops. A long time ago I felt we should have men supporting the Bosnians by lifting the arms embargo because they were taking a terrible, terrible beating at the hands of a brutal invader. So, Mr. President, I think that as we talk here about the President, about programs, about ridicule, about lack of respect—

Mr. President, I ask unanimous consent that I be permitted 2 more minutes.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

#### WORKING TOGETHER

Mr. LAUTENBERG. Mr. President, as we discuss where we have to go, the very difficult times in America—we have problems within our society in terms of crime and in terms of race relations, in terms of building our economy for the next century—I can understand people sticking up for their party because there is a separation of beliefs in many cases—in most, certainly. But to stand here to heap abuse on the President of the United States and try to discredit the office by even the terminology that is used to describe the President, I think that it does us no good, that it, in fact, continues to reduce the civility that used to exist here.

I am here 12 years now—almost 13 years. If nothing else, we had our disagreements, but the tone was far more civil. There was far more interaction between the parties. And now what has happened is this has become a political staging ground.

I hope, Mr. President, that we can do away with some of that, work on the problems, work on the budget, on reducing the budget deficit, sticking behind our country; if a decision is made by the Commander in Chief that makes sense in our review, we support it and not simply use it for another opportunity for a political score.

I yield the floor, Mr. President.

#### SENIOR CITIZENS' FREEDOM TO WORK ACT

The PRESIDING OFFICER. By unanimous consent, the Senate will now turn to consideration of S. 1372, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1372) to amend the Social Security Act to increase the earnings limit, and for other purposes.

The Senate proceeded to consider the bill.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I note the presence of the distinguished Senator from New York. If it is agreeable to him, I would like to proceed with the bill. If he is not ready, we could go into a quorum call.

Mr. MOYNIHAN. Mr. President, I most assuredly am prepared to go to the bill and look forward to the Senator's remarks.

Mr. MCCAIN. I thank the Senator from New York. Before I go into my remarks, I want to thank the Senator from New York for his steadfast support over many, many years of the principle of lifting the earnings test. The Senator from New York was kind enough, in a hearing that we had earlier this year, to point out in his own unique, descriptive style how unfair this is for working seniors. I am appreciative of his understanding of the obstacles that were posed to lifting the earnings test but, at the same time, his support of the concept of doing so.

Mr. President, after 8 years of being involved in this issue of raising the Social Security earnings limit, we have arrived at the moment when seniors will no longer be punished by their Government for being required, often by circumstances beyond their control, to work to support themselves and their families.

We begin debate today on long overdue legislation, the purpose of which is best summarized in the legislation's title, the "Senior Citizens' Freedom To Work Act." Mr. President, this bill is not everything that I wanted it to be. I wanted it to lift the earnings test completely. The scoring of that by CBO would have been prohibitive.

What this bill really does is increase, over a 7-year period, the present earnings cap minimum from today's level of \$11,280 per year to \$30,000 per year. It is over a 7-year period. I will discuss later the factors that motivated us to make it that modest, but primarily it had to do with scoring.

I remind my colleagues that in President Clinton's very important statement during his Presidential campaign book entitled "Putting People First," the President stated, and a direct excerpt reads:

Lift the Social Security earnings test limitation so that older Americans are able to help rebuild our economy and create a better future for all.

That, I think, describes it as well as can be.

Let me also point out, and I will say this time and time again, as I have in the past, this earnings test limitation does not affect wealthy seniors who have trust funds, stocks, pension funds, any other outside income that is not earned income. The only people that are affected by this Depression-era dinosaur are those seniors that go out and work and work because, generally, they have to because of either unforeseen circumstances or the fact that they just simply do not have enough money from their Social Security.

Mr. President, I do not know of a more onerous and unfair tax than that. It would probably astound people to know that if a senior went out to work, that as soon as he or she exceeded \$11,000 per year, for every \$3 that person earned over that limit, they lose \$1 in Social Security benefits. Due to this cap on earnings, the senior citizens, many of whom are existing on low incomes, are effectively burdened with a 33.3-percent tax on their earned income. If you put in Federal, State, and other Social Security taxes, it then mounts up to somewhere between 55 and 65 percent, placing these seniors who are low-income people in the highest tax bracket in America.

I do not want to spend a lot of time going through the history of this, because I have been fighting it, as I said, since 1987. There has always been a reason for not doing it because, one, it was brought up on an appropriations bill, there was no offset, it could not be scored by the CBO, et cetera.

I have always, up until now at least, resisted this business of accepting CBO scoring because it is clear to anyone that if we lift this earnings test, more seniors are going to go to work and more seniors will pay more taxes. So the static scoring idea has never been revealed as being more fallacious than in this type of scoring that goes on.

On September 10, 1992, we had a vote in the Senate on a motion to waive a Budget Act point of order which required a three-fifths vote. There were 51 votes in favor and 42 against.

I want to quote some of those who opposed the motion to waive the Budget Act:

Do not misunderstand us. The idea to raise the earnings test is not a bad idea. We just believe we should pay for raising the limits with offsets or a tax increase.

Another argument was:

We would support Senator MCCAIN's amendment if it were not being offered to an appropriations bill. The Senator is right, we should stop using static models and analysis for economic forecasting. We agree that this amendment would bring additional revenue to the Treasury. Further, we agree with all of the other arguments made by those who favor this bill and who would support this bill if it were freestanding or an amendment to a bill that was not an appropriations bill. Unfortunately, we must urge our colleagues to oppose the motion to waive the Budget Act since it is being offered to an appropriations bill.