

the best government is that closest to the people.

They keep quoting Jefferson around here, and instead of block grants like they have for crime and block grants for welfare back to the States, block grants for housing back to the States, here they want to take the authority, the 200-some-year authority from the States and relegate it to the Federal bureaucrats.

I am finally getting in step with the contract. I thank the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I rise today to urge my colleagues to vote in support of cloture on the Gorton substitute for the product liability bill as amended.

The American people support these commonsense changes to this bill. A majority of the Senate has supported these commonsense changes to the bill. But defenders of the status quo are now filibustering the bill and filibustering the changes Americans want.

Who benefits if they win? Some—just some—of our Nation's trial lawyers benefit: those who want to keep the status quo.

Who benefits the most in the status quo? Who has the largest stake in maintaining this out-of-control civil justice system and its runaway punitive damages? I think most of my colleagues know who. Some of our Nation's trial lawyers. And I believe most Americans understand that, as well.

The opponents of change may want to shroud this issue under a smoke-screen of high-blown rhetoric, but when the smoke clears we will see some of the Nation's trial lawyers laughing all the way to the bank. Who else could defend a system where an undisclosed \$601 paint refinishing of an automobile results in a \$2 million punitive damage award? Who else could defend a system where an insurance agent's misrepresentation about a \$25,000 policy could result in a jury award of \$25 million in punitive damages?

We could go on and on. Now, the fact of the matter is, I am not talking about all trial lawyers, just some who literally have milked this system dry.

Everybody knows we have to make these changes. There are excesses in the system, and these excesses are ones that only trial lawyers, some trial lawyers, could love. Runaway punitive damages is one of those excesses.

I urge our colleagues to vote for cloture on this next vote and help us to bring about the change that all America wants and only a few trial lawyers want to avoid.

Mr. President, I rise today to urge my colleagues to support cloture on the Gorton substitute to the product liability bill, as amended. The American people support commonsense change in our legal system. But the stubborn defenders of the status quo are now filibustering the change Americans want. Who benefits? Some of our Nation's trial lawyers, that's who.

As I have mentioned earlier, this bill represents the culmination of a long-standing, bipartisan effort to correct some of the more egregious faults of our product liability and civil justice systems. The defects in our product liability system have been long recognized.

We also passed a provision to apply punitive damage reform to all civil cases whose subject matter affects commerce. As I noted during that debate, punitive damage awards have grown out of control in this country. They have been out of control in all civil litigation—not just product liability cases. Even opponents of this legislation have pointed out time and again that excessive punitive damage awards in this country are most heavily evident in nonproduct liability cases. I agree. That is why I cosponsored the Dole punitive damages amendment, and why I was so pleased that a majority of my colleagues supported it.

That amendment improves the underlying bill by addressing more completely the crippling litigation costs that have been imposed not only on our product manufacturers but on cities and counties, volunteer organizations, service providers, small businesses, and others.

We have also added medical malpractice reform to the Gorton substitute.

Mr. President, I have listened as the champions of the status quo have mislabeled this bill as a manufacturer's bill. It is a pro-consumer bill. I have listened as these opponents of change in our civil justice system talk about the bill as narrowly drawn, covering only some participants in our national economy, even as they, ironically, resist efforts to have some provisions of the bill extended to cover all civil actions. These comments are, with all due respect, diversionary in their effect.

Who benefits the most from the status quo? Who has the largest stake in maintaining, in place, this out of control civil justice system and a runaway punitive damages system? I think most of my colleagues know who—some of our Nation's trial lawyers. I believe most Americans understand that, as well.

The opponents of change may wish to shroud this issue under a smokescreen of high blown rhetoric. But when the smoke clears, there are some of the Nation's trial lawyers, laughing all the way to the bank. Who else could defend a system where an undisclosed \$601 paint refinishing of an automobile results in a \$2 million punitive damage verdict? Who else could defend a system where an insurance agent's misrepresentation about a \$25,000 policy could result in a jury award of \$25 million in punitive damages? Who else could defend a \$38 million punitive damage verdict over the handling of a car loan? Who else could defend a system where liability concerns impede volunteer organizations and are so costly to them?

Now, I am not talking about all trial lawyers, and I understand the vital role lawyers play in vindicating individual rights. But let's face it: there are excesses in the system only some trial lawyers could love.

Runaway punitive damages are one of those excesses. The pending measure fixes this problem, and others. I urge a vote for cloture and allow us to give the American people the commonsense legal reform they want.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the hour of 2:02 having arrived, the cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on the Gorton Amendment No. 596 to H.R. 956, the Product Liability bill.

Bob Dole, Slade Gorton, Orrin G. Hatch, Dirk Kempthorne, Pete V. Domenici, Conrad Burns, John Ashcroft, Dan Coats, Bill Frist, Olympia J. Snowe, Spencer Abraham, Nancy Landon Kassebaum, James J. Jeffords, Ted Stevens, Mark O. Hatfield, Frank H. Murkowski.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Gorton amendment No. 596 to H.R. 956, the product liability bill, shall be brought to a close? The yeas and nays are required.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Rhode Island [Mr. PELL] is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "aye."

The PRESIDING OFFICER (Ms. SNOWE). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 47, nays 52, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—47

Abraham	Coats	Frist
Ashcroft	Coverdell	Gorton
Bennett	Craig	Gramm
Bond	DeWine	Grams
Brown	Dole	Grassley
Burns	Domenici	Gregg
Campbell	Exon	Hatch
Chafee	Faircloth	Hatfield

Helms	Lott	Santorum
Hutchison	Lugar	Smith
Inhofe	Mack	Snowe
Jeffords	McCain	Stevens
Kassebaum	McConnell	Thomas
Kempthorne	Murkowski	Thurmond
Kyl	Nickles	Warner
Lieberman	Pressler	

NAYS—52

Akaka	Feinstein	Moynihan
Baucus	Ford	Murray
Biden	Glenn	Nunn
Bingaman	Graham	Packwood
Boxer	Harkin	Pryor
Bradley	Heflin	Reid
Breaux	Hollings	Robb
Bryan	Inouye	Rockefeller
Bumpers	Johnston	Roth
Byrd	Kennedy	Sarbanes
Cochran	Kerrey	Shelby
Cohen	Kerry	Simon
Conrad	Kohl	Simpson
D'Amato	Lautenberg	Specter
Daschle	Leahy	Thompson
Dodd	Levin	Wellstone
Dorgan	Mikulski	
Feingold	Moseley-Braun	

NOT VOTING—1

Pell

The PRESIDING OFFICER. On this vote, the yeas are 47, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Madam President, I ask unanimous consent to proceed as if in morning business.

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

Mr. BRADLEY. I thank the Chair.

(The remarks of Mr. BRADLEY pertaining to the introduction of S. 759 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. I ask unanimous consent that I be allowed to continue for up to 15 minutes as in morning business.

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

MEDICARE'S IMPENDING BANKRUPTCY

Mr. BENNETT. Madam President, last evening, as I sat in the chair, the distinguished minority leader came on the floor and made a statement about, among other things, Medicare. There were many of the things he said on that occasion with which I disagree and so I take this opportunity, while my memory is still fresh on the minority leader's comments, to register my disagreement.

The reason I am doing it this quickly, and I hope this completely, is be-

cause I believe that the issue of Medicare's impending bankruptcy is so important that we should not allow statements that are incorrect to stay on the RECORD uncorrected. We should make sure this debate is as careful and as correct as it can possibly be. The stakes are much too high for this debate to take place in an atmosphere that some might consider demagogic.

I will take several of the minority leader's statements now and respond to them specifically. The first one: He said—and I am quoting from this morning's CONGRESSIONAL RECORD, page 6128:

Republicans have discovered that the Medicare Program faces challenges in the years ahead. Democrats told them and the Nation that 2 years ago when we shored up the Medicare Program and cut the deficit, all without Republican votes.

Madam President, I apologize for not having this particular chart made up in a chart big enough to show the world. Perhaps the television can pick it up for those that are watching. But I am sure those in the Chamber can at least see the direction of the curve, which is the hospital insurance trust fund balance, in billions, starting in 1994; it goes up slightly in 1995 and then begins a precipitous plunge to zero in the year 2002.

The reason I hold this chart up is because the minority leader has said, "Democrats told the Nation that 2 years ago." This chart, Madam President, became available on April 5, 1995, not necessarily 2 years ago.

I sat in the Chamber in the other body when the President of the United States addressed the House of Representatives in September 1993, roughly 2 years ago, and gave a masterful discourse on health care. He did not mention anything relating to the facts contained in this chart.

If, in fact, Democrats told Members this 2 years ago, the President of the United States neglected to mention it when he made his statement to the joint session of Congress.

I will not claim to have participated in all portions of the health care debate last year. I do not think any Member can make that claim. I watched the health care debate very closely. I cannot recall a single instance where a single Democratic spokesman told Members in last year's debate that the Medicare trust fund was in any kind of trouble.

The minority leader talked about the budget. I participated in the budget debate when the new administration came in. The adoption of the budget of which the minority leader is so proud, and I cannot recall—and I would like to have him point out to me if I am wrong—a single instance during that budget debate where the Democrats told Members that this trust fund was headed for disaster, indeed, extinct, in the year 2002.

I think the minority leader is incorrect when he says the Republicans are just discovering something that the world has known and that the Demo-

crats openly told Members about 2 years ago.

Second, he says:

House Republicans are considering reductions in Medicare growth on the order of \$300 billion. Senate Republicans have said they will need to reduce normal Medicare growth by \$200 to \$250 billion.

Then he goes on to say this is normal growth; the Republicans are cutting this growth in a way that is irresponsible.

What he does not tell Members is that during the health care debate last Congress, the President himself projected that we needed to reduce Medicare by \$118 billion. I am not going to quibble with him—yes, the \$200 billion figure that is talked about in the Senate now is obviously much higher than the \$118 figure that the President talked about.

The point is that the President, in last year's debate, and Democrats on this floor in last year's debate said, "We must reduce Medicare," and the figure the President came up with was \$118 billion.

I do not think it is appropriate to say the Republicans have suddenly discovered the idea of reducing Medicare in the hundreds of billions of dollars, and is that not terrible, when the President himself was saying we have to reduce Medicare from the projected rates by in excess of \$100 billion. That was OK, then. Now, Republicans are being bashed.

The one I feel the most strongly about, Madam President, is this statement where the minority leader said:

Medicare Program costs are increasing because all health insurance costs are increasing. In fact, on a per capita basis, Medicare and Medicaid costs are increasing at the same rate as privately insured costs.

On this one, Madam President, I did go to the chart makers and I have produced a chart. I will put it here and share it with the Members of the Senate and ask unanimous consent that the figures contained in this table be printed in the RECORD following my Statement.

(See exhibit No. 1.)

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

Mr. BENNETT. Here are medical expenditures. The dark figure—no metaphor intended—the dark figure is for public expenditures for health care; the light figure is for private expenditures.

The expenditures are calculated in terms of percentage growth. That is, if we look at 1985, in that year, public expenditures for health care went up at a rate of 8.8 percent per year, while private expenditures went up 10.3 percent. We can see in these years there is a disparity.

Some years public ones go up faster than private; other years private expenditures go up substantially faster than public expenditures. We can see that, in general terms, it is around 8 or 9 percent in public expenditures and slightly more than that in private expenditures.