

the gambling industry. But, at least for now, the bill is not on the list of measures he hopes to pass before he departs the Senate around June 11. Mr. Dole's likely successor, Trent Lott of Mississippi, has voiced reservations about forming a national commission.

With pro-gambling lobbyists working overtime to defeat those good idea, the best step now would be for Mr. Dole to bring the bill to the Senate floor before he departs. In doing so he can serve the public good and demonstrate his independence from a wealthy special-interest group.

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GAMBLING: A BAD BET

The Senate Governmental Affairs Committee last week approved a bill to set up a national commission to study gambling in the United States.

The bill calls for the commission to examine the social and economic impact of gambling on communities and individuals and issue a report within two years. It would look at all forms of gambling, including new forms of interactive computer technology and gambling over the Internet. Three commission members would be named by the president, three by the Speaker of the House of Representatives, and three by the Senate majority leader. The board would hold public hearings and have the power to subpoena witnesses.

Such a study, which joins a number of state-sponsored inquiries, is long overdue. The states' headlong rush over the last 20 years into lotteries, bingo, riverboat casinos, and other gaming was accompanied by promises of economic development, more state funding for schools and other services, and "harmless" entertainment.

Not one of these promises has come to pass. Instead of economic development, discretionary spending is drained away from other, more-productive spending on goods, services, or entertainment. Instead of spending more on education or social services, legislators have taken away general funds in equal amounts and merely replaced the money with lottery and keno revenues. Instead of harmless entertainment, there is organized-crime involvement, gambling addiction, and a whole host of personal problems fed by the lure of "easy money." The states, themselves addicted to gaming revenues, are forced to invent new games to augment lottery earnings lost to competition.

The gambling industry opposes creation of this commission, worried it will find that gambling causes more problems than benefits for states and communities.

It's time society knew the real costs of gambling. The Senate should pass the measure without delay.

Mr. SIMON. I urge Senator DOLE, if possible, prior to Tuesday, to bring this up. I would hope we could pass it quickly. If that cannot happen, I hope Senator LOTT or Senator COCHRAN, I am not voting on who will be the leader over there on their side, but I hope that we could move on this quickly. I think it is clearly in the national interest. This, again, is not an attempt to stop legalized gambling in this country. It is an attempt to say "Let's look at where we are."

I see the distinguished chairman of the Finance Committee. He is nodding, either because I was speaking, or he wishes to speak. I yield the floor to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware.

MEDICARE TRUST FUND SOLVENCY

Mr. ROTH. Mr. President, I rise today with grave concerns that the Medicare hospital insurance trust fund is no longer creeping toward insolvency, but galloping toward it.

This is very serious news. Based on the Medicare trustees' report released yesterday, Wednesday, June 5, the Medicare HI trust fund is going bankrupt earlier than expected. In fact, according to the trustees' report, of which three of the six trustees are members of President Clinton's Cabinet, the trust fund may run out of money as early as calendar year 2000.

What is happening to the Medicare trust fund is pretty basic. The program is paying out more than it is taking in. This simple dynamic, if left unchecked, will lead Medicare to bankruptcy in less than 5 years. And, simply put, bankruptcy of the trust fund means there will not be money to pay the hospital bills of our senior citizens and disabled individuals reliant on Medicare.

Medicare is on a collision course, and we cannot afford not to act. Taking no action to avert Medicare's collision course toward bankruptcy means leaving millions of seniors and disabled beneficiaries with an empty promise. I believe this is wrong.

It is time to put politics aside.

To address Medicare's financial crisis, it has been suggested appointing a bipartisan commission to develop a solution. I support the establishment of a commission. A commission could facilitate addressing the Medicare crisis. But, I cannot support the idea of establishing a commission if this is a delay tactic or a tactic to avoid addressing the issue.

I am concerned because, frankly, the administration's track record in proposing a solution is not good. Last year, the administration ignored the Medicare crisis. President Clinton's fiscal year 1996 budget did not include any proposals to shore up Medicare's fiscal debt, nor did his budget claim there was a problem. We are facing a crisis. A crisis requires action.

There is a lot of talk about wanting to get down to business to solve the Medicare trust fund crisis. Didn't anyone notice that we tried that last year? That in the Senate we put forward a proposal that would have truly preserved and protected the Medicare Program, not just through the next 5 years, but for the next generation.

Our proposal would have kept our promise to leave a legacy of a robust Medicare program for our children and our grandchildren. And yet, the Clinton administration played politics with Medicare and waged a "Medi-Scare" campaign. Yet, again, Democrats now are saying that Republicans are resorting to scare tactics.

I do not agree that scare tactics include alerting the public to factual information reported by the Medicare trustees.

"Medi-Scare" tactics were used last fall as Congress worked to preserve and strengthen the Medicare program.

Instead of debating the issues and focusing on the need to preserve Medicare, others resorted to political rhetoric that played on the public's emotions and distorted the truth. Democrats kept talking about Medicare "cuts", when not one of the Republican proposals would have cut benefits. The program was not "cut," in fact, spending would have increased every year under the Republican reforms. And, then there was the final emotional play linking changes to the Medicare program to a tax cut. According to the Washington Post last September, even this tactic was refuted: "The Democrats have fabricated the Medicare-tax cut connection because it is useful politically."

Now, is the time to put partisanship aside. Time is running short, and we need to work together to avert the crisis.

There are three very basic, but crucial facts that we can not avoid—these three facts are:

Fact: if changes are not enacted into law, the trust fund will continue on its course toward bankruptcy and there is no provision in the law allowing for HI expenditures to be made on behalf of Medicare beneficiaries.

Fact: according to the Medicare trustees, Medicare will be bankrupt in 2001.

Fact: the year 2000—the last year the Trustees believe Medicare will be solvent, is less than five years away.

Given the very short time-time Medicare will remain solvent, and given the demographic progression of the Medicare program, we cannot afford more delay. We are already 2 years closer to insolvency because we lost a year to address the problem, and the program is one more year closer to bankruptcy than we expected, yet we are miles away from reaching an agreement on a solution.

Demographic trends will continue to increase financial pressure on the trust fund. Today, there are less than 40 million Americans who qualify to receive Medicare. By the year 2010, the number will be approaching 50 million, and by 2020, it will be over 60 million. While these numbers are increasing, the number of workers supporting retirees will decrease. While we have almost four workers per retiree today, we will have about two per retiree by the year 2030.

Yet, my friends on the other side of the aisle will point out that the President took action in 1993 to extend the life of the HI Trust Fund—he raised taxes. President Clinton's 1993 budget he enacted into law included two taxes to bail out the trust fund. First, the 1993 Clinton budget increased taxes on workers by taxing all wages earned, and second, the 1993 budget increased the amount Social Security benefits are subject to taxation from 50 percent to 85 percent.

Increased taxes were not a solution in 1993, and they will not be a solution in the future.

Last year, Republicans proposed to preserve, protect and strengthen the Medicare program. We worked hard to put together a balanced proposal that did not cut Medicare but slowed the rate the cost of the program was expected to grow. Under our plan that was approved by Congress, annual per beneficiary Medicare spending would have increased from average spending of \$4,800 in 1995 to more than \$7,200 in 2002.

Under the original Senate Balanced Budget Act as reported out of Finance Committee, the Medicare program would have remained solvent for about 18 years. According to the CBO estimates, under our proposal, the Medicare HI Trust Fund balance would have totaled \$300 billion in 2005. The CBO stated, the HI Trust Fund would meet the Trustees' test of short-range financial adequacy." In other words, for the next 10 years, the HI Trust Fund balance, at the end of every year, would have been more than enough to pay Medicare benefits for the following year.

More importantly, using the CBO's estimates through 2005, our Finance Committee staff, in consultation with the Office of the Actuary within the Department of Health and Human Services, estimated that the Medicare HI Trust Fund would have been solvent through about the year 2020. That would have meant 10 years after the baby-boom generation begins to retire a quarter of a century from today.

We need to preserve and protect the Medicare program. We need to make sure we leave a solid legacy for the next generations. The demographics and the predictions of cost growth confirm that the program is not sustainable. It is no longer time for rhetoric, but time for action. Playing politics with Medicare is simply wrong. Putting off what needs to be done is the cruelest tactic.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. 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. REID. Mr. President, I ask unanimous consent that I be allowed to proceed as in morning business.

The PRESIDING OFFICER. The Chair advises the Senator that we are in morning business for statements of up to 10 minutes.

MEDICARE

Mr. REID. Mr. President, there have been a number of speeches made today by colleagues on the other side of the aisle about Medicare. I ask the American public to understand the opposi-

tion to Medicare, as a program. For example, I wonder if those same Senators who talk about how they were rallying to help Medicare would recognize that just last year, late in the year, the majority leader of the Senate, Senator DOLE said, "I was there fighting the fight against Medicare, one of 12, because we knew it would not work in 1965." On that same day, at another place in Washington, a speech was given by the Speaker of the House, where he said, "Now, let me talk about Medicare. We don't get rid of it in the first round because we don't think it would be politically smart. We believe it's going to wither on the vine." We have another leader in the House of Representatives, the majority leader, DICK ARMEY, a Congressman from Texas, who is second in command in the House of Representatives. He said, "Medicare has no place in the free world. Social Security is a rotten trick. I think we are going to have to bite the bullet on Social Security and phase it out over time."

This is where they are coming from. The Republican leadership does not like Medicare. Look at what Haley Barbour said: "This is manna from Heaven." The Republican National Committee chairman was responding to the Medicare trustees' report that was released when the Republicans were looking for a way to justify their scheme to cut Medicare. "This is manna from Heaven"—the fact that the Medicare trust fund is in trouble.

The fact of the matter is, Mr. President, we have had Medicare for some 27 years, and there have only been 2 years where in the annual report of the trustees it has indicated that Medicare is in trouble. The reason for that, of course, is that Medicare is a pay-as-you-go system. Every year, the trustees have said, "You have to do something to take care of Medicare," and we do. One of the things we recently did, in 1993—all the Democrats did it, and we did not get a single Republican vote—is we extended the solvency of the trust fund for 3 additional years.

There is a lot of work that we need to do to take care of Medicare. Medicare is a tremendous program. In the early 1960's, less than 40 percent of the American senior citizens had some type of health insurance. Today, almost 100 percent—over 99 percent—of senior citizens have health insurance. The reason they have health insurance is because of Medicare.

Of course, there are things we need to do with Medicare. For people to stand, though, with a straight face and say, "We are not cutting Medicare; all we are doing is cutting the rate of increase," certainly does not answer the question. We have thousands of people coming on the rolls—thousands and thousands of people—every week in the United States. People are living longer. During that period of life extension, they need additional health and medical care. Medicare has been a boon to these senior citizens in their older years to take care of that.

We need money to do that. If you use the argument that has been used by my colleagues on the other side, where, in effect, Mr. President, they are saying, "This is not a cut; we are only cutting the rate of increase," well, if that is a fact, we keep hearing on the Senate floor all the time about defense funding, defense forces. They talk about this increase that we are getting, and that a 5-percent increase is really a decrease in defense spending. Well, that same argument then would certainly apply to Medicare, a nominal funding increase of \$1,653 a person. But the fact of the matter is that the purchasing power is at a loss of about \$1,000.

So let us talk realistically. The fact that you raise the dollars does not mean in fact that you increase the ability of people to purchase. In fact, it is quite to the contrary.

We know that the Speaker wants Medicare to wither on the vine. The majority leader in the Senate was glad that he voted against it in 1965 because he said he knew it would not work—some 30 years ago.

Well, we are willing to take care of the problems in Medicare. In the budget submitted by the President there is an extension of the problems with Medicare. There are a lot of things that we need to do, and we can do those. But the one thing that we cannot do is continue this Presidential debate and in the process damage the image of Medicare. Medicare has billions and billions of dollars in the trust fund today. Those trust fund dollars will continue to be there for the foreseeable future. We have to, as we have in years gone by, change certain things, and we are going to do that. But we are going to have to wait, it appears, until the Presidential election season is over before we can constructively take care of the problems with Medicare.

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

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

The legislative clerk proceeded to call the roll.

Mr. GREGG. 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. GREGG. Mr. President, I ask unanimous consent to proceed as in morning business for 15 minutes.

The PRESIDING OFFICER. The Chair advises the Senator that we are in a period for morning business with Senators allowed to speak for up to 10 minutes.

Mr. GREGG. I thank the Chair.

MEDICARE

Mr. GREGG. Mr. President, I want to talk a little bit about Medicare, which I know has been discussed by other Members on the floor, and specifically about the Medicare trustees' report which I know has also received a fair