

we show them we see the problems facing Medicare, we understand them, and we are acting to fix them. It is high time we move on our priorities. This is one of them. I urge my colleagues to support this legislation.

Mrs. LINCOLN. Mr. President, today I rise to voice my support for a bill which addresses the unintended consequences of the Balanced Budget Act of 1997. I am pleased to join my Democratic colleagues as an original cosponsor of the Medicare Beneficiaries Access to Care Act.

Since I've been in the Senate, one of the greatest concerns of Arkansans is the lowered Medicare reimbursement rate for a variety of services that resulted from the Balanced Budget Act. Yes, we must continue to rid our Medicare system of waste, fraud and abuse. That is a high priority for our government and it should remain so. However, when Medicare changes were made as part of the Balanced Budget Act of 1997, Members of Congress did not intend to wreak havoc on the health care industry.

Enough time has elapsed to know the unintended consequences of the Balanced Budget Act. Hospitals have lost tremendous amounts of money due to changes in the outpatient prospective payment system. Many hospitals in my state are on the brink of closing due to the tremendous financial losses they have suffered. Nursing homes have not been reimbursed by Medicare at rates that cover the cost of patients with acute care needs. Payments for physical and rehabilitation therapy have been arbitrarily capped. Teaching hospitals have lost funding to support their training programs. Home health agencies have been forced to absorb huge losses and limit services to the elderly. Rural health clinics have been forced to cope with even more losses and operate on a shoestring budget.

Not only do these cuts and changes in Medicare reimbursement wreak havoc on the health care community and force them to absorb unfair financial losses, but Medicare beneficiaries, the very people that Medicare was set up to help, lose access to critical services. We cannot allow our parents and grandparents to be denied access to coverage or receive limited medicare care because we didn't take action to correct the devastating cuts of the Balanced Budget Act.

As a member of the Senate Rural Health Caucus and a member of the Senate Special Committee on Aging, I care deeply about the quality of health care and our citizens' access to health care. Over the past few months I have cosponsored various pieces of legislation which address all of the above-mentioned issues and the need to restore Medicare cuts. However, this legislation is "all encompassing" and if passed, would ensure that hospitals, skilled nursing facilities, physical therapy clinics, home health agencies, rural health clinics, and hospice programs receive important financial relief.

Above all, this legislation is about priorities. Ensuring the health and well-being of our Nation's seniors and most vulnerable citizens should be our highest priority. I thank my colleagues for their hard work on this proposal and I look forward to the quick passage of this legislation so we can deliver relief to our health care communities and let them know how much we value their services.

Mr. KERRY. Mr. President, I am pleased to join with Senators DASCHLE, KENNEDY, ROCKEFELLER and others to introduce the Medicare Beneficiary Access to Care Act of 1999.

In July, during consideration of tax relief legislation, I offered an amendment on the floor of the Senate to carve out \$20 billion from the tax bill and devote it towards relief for Medicare providers from the unintended consequences of the Balanced Budget Act. Although the amendment received the support of 50 Senators, including seven of my Republican colleagues, it did not gather the necessary three-fifths majority required for passage. Today's legislation, a \$20 billion package of specific measures to address the shortcomings of the Balanced Budget Act, represents the embodiment of our continued commitment to ensure that this relief is enacted before the end of the congressional session.

Mr. President, I cannot fully express the urgency of this matter. Here in Washington, we often throw around numbers with little realization of the real impact on America's communities. In this instance, I assure you, the impact is real. Take the town of Quincy, Massachusetts, population 88,000, and the birthplace of former presidents John Adams and John Quincy Adams. As we introduce this bill, the community hospital in Quincy, Massachusetts stands at the edge of closure. Jeffrey Doran, the hospital's CEO, has been working overtime to ensure that if the hospital closes, patients will be safely transferred to health care providers outside the community. Over the past several weeks, I have been on the phone multiple times with our State leaders asking them to step in and provide the needed relief where the Federal Government has failed. Failed, Mr. President, because the Medicare cuts enacted in 1997 have gone above and beyond what we intended or desired. The budget savings have exceeded the levels we envisioned at the time of enactment.

Alternatively, Mr. President, let's take a look at the home health care industry. Home health care providers deliver rehabilitative services to Medicare beneficiaries in the safety and comfort of their home. In the State of Massachusetts, just since passage of the Balanced Budget Act, we have witnessed the closure of 20 home health care agencies who are no longer able to cover their costs as a result of cuts in Medicare payment reimbursements. The same is true with our nursing homes and extended care facilities.

And just to provide some perspective, the cost of the legislation we introduce today amounts to less than three percent of the cost of the tax bill President Clinton vetoed last month. The cost of the entire bill is less than one provision in the tax bill to subsidize the interest expenses of American multinational corporations operating overseas. In fact, we could have passed this bill, repealed the interest expense provision, and saved American taxpayers an additional \$4 billion.

What a sad reflection on our state of affairs when the Senate would approve a tax provision to expand eligibility for Roth IRAs for people making over \$100,000 a year, a provision that would cost over \$6 billion, but has yet to address the dire needs of our teaching hospitals. A full legislative remedy for the Medicare payment problems facing teaching hospitals would cost \$5.7 billion.

Mr. President, the time will come for this debate, and the time will come before we adjourn. The bipartisan support exists. Let's keep the doors of our teaching and community hospitals, nursing homes, home health care agencies, and rural clinics open. Let's accept responsibility for the unintended effects of our previous legislation. Let's not wait any longer.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, what is the pending business?

The PRESIDING OFFICER. S. 1650, the Labor-HHS appropriations bill.

AMENDMENT NO. 1851

(Purpose: To prevent the plundering of the Social Security Trust Fund)

Mr. NICKLES. Mr. President, I call up amendment No. 1851.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 1851.

Mr. NICKLES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . PROTECTING SOCIAL SECURITY SURPLUSES.

(a) FINDINGS.—Congress finds that—

(1) Congress and the President should balance the budget excluding the surpluses generated by the Social Security trust funds; and

(2) Social Security surpluses should only be used for Social Security reform or to reduce the debt held by the public and should not be spent on other programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that conferees on the fiscal

year 2000 appropriations measures should ensure that total discretionary spending does not result in an on-budget deficit (excluding the surpluses generated by the Social Security trust funds) by adopting an across-the-board reduction in all discretionary appropriations sufficient to eliminate such deficit.

AMENDMENT NO. 1889 TO AMENDMENT NO. 1851
(Purpose: To prevent the plundering of the Social Security Trust Fund)

Mr. NICKLES. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 1889 to amendment No. 1851.

Mr. NICKLES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the first word, and insert the following:

PROTECTING SOCIAL SECURITY SURPLUSES.

(a) FINDINGS.—Congress finds that—

(1) Congress and the President should balance the budget excluding the surpluses generated by the social security trust funds; and

(2) social security surpluses should only be used for social security reform or to reduce the debt held by the public and should not be spent on other programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that Congress should ensure that the fiscal year 2000 appropriations measures do not result in an on-budget deficit (excluding the surpluses generated by the Social Security trust funds) by adopting an across-the-board reduction in all discretionary appropriations sufficient to eliminate such deficit if necessary.

Mr. NICKLES. Mr. President, the modification of the amendment is very minor and technical. I will tell you what it is:

It is the sense of the Senate that the Congress should ensure that the fiscal year 2000 appropriations measures do not result in an on-budget deficit (excluding the surpluses generated by Social Security trust funds) by adopting an across-the-board reduction in all discretionary appropriations sufficient to eliminate such deficit. . . .

The original amendment I filed said it is the sense of the Senate that conferees would make sure they did not dip into Social Security funds. Now I am saying the Congress should make sure we do not dip into the Social Security funds and, if necessary, that we have across-the-board reductions in spending to make sure we do not touch Social Security funds.

I have stated—and I think all of our colleagues on both sides of the aisle have done so as well—that we do not want to touch Social Security, we absolutely do not want to touch the Social Security trust funds.

We are going to have a surplus next year and it is in large part, if not totally, because of the Social Security surplus. Many have drawn the line and said: We are not going to touch that.

Maybe because of emergencies we will spend the non-social security surplus. Those funds may well be spent—as a result of the hurricane, agricultural disasters, the events in Kosovo or East Timor, or whatever. There may be some emergencies that that \$14 billion is going to be spent on, but absolutely not a dime more.

As we total all of these appropriations bills—the numbers are growing, or at least some people are trying to make them grow. I am saying that no matter what we do, at the end of this process, we will have across-the-board cuts if they are necessary. Hopefully, we won't have to. If we do our jobs, we will not need to have across-the-board cuts.

Senator STEVENS, the Appropriations chairman, said we are not going to need the cut because he is going to make sure we come in below the amounts necessary. He said that he will make sure outlays do not exceed the level that would intrude upon or have us spend Social Security trust funds. I respect that and I agree with it. But just in case I am saying—let's go on record; let's make sure that, if necessary we will have across-the-board cuts.

What are we talking about? I have added up all the bills. Just for the information of colleagues, I have added up all the bills including the Labor-HHS bill we have before us. If you add them all up, we are about \$5 billion into the Social Security surplus right now. According to the calculations I am using, the same ones I believe CBO and OMB are using, we are about \$5 billion over. That is about \$5 billion out of \$500 billion on discretionary spending. It equals about 1 percent.

I hope we can avoid an across-the-board cut. I do not think it is the best way to govern because we should be making reductions throughout the process. But, it may be necessary if we can not accomplish the FY 2000 appropriations without dipping into Social Security.

Incidentally, in the bill we have before us, I see we have about a \$2 billion increase in NIH, about \$1.7 billion more than the President's request; we have \$2.3 billion more in education spending; we have \$500 million in administrative expenses in the Department of Labor, and much, much more. There is a lot of squeezing we could do. Even if we went to the President's numbers on a few items, we could save \$3.5 billion or \$4 billion.

So I hope an across-the-board cut will not be necessary. But I think it is important we do whatever is necessary to make sure we do not raid the Social Security trust fund. A lot of us agree with that rhetorically, but we should make sure that each and every one of us mean it.

I have heard some of my colleagues saying: Well, we need to make some fixes in various areas such as Medicare, to correct some of the mistakes made in the Balanced Budget Act of 1997. I

will just say that there are many on this side of the aisle who are willing to make some adjustments in Medicare. We understand that some of the assumptions and some of the guess-timates were inaccurate and fell disproportionately on some different areas. So we are willing to make some adjustments.

Medicare is an important issue and I am very disappointed that the administration would not work with and support the Bipartisan Commission on Medicare, to make significant, real reforms that would help save Medicare long term. The idea that the administration is going to save Medicare by putting an IOU into the Medicare fund, is baloney. It is false, it is misleading, it is deceptive, and it does not do anything to save Medicare.

My colleagues have just talked about introducing a proposal that will greatly increase Medicare spending. We are willing to make some adjustments. I do not use the word "fix" because you are not going to fix it with a few Band-Aids.

A lot of us are somewhat knowledgeable on the issue, and we are willing to take the bipartisan efforts of the Breaux Commission and put together some positive solutions to help save Medicare for several years. Maybe we can only do a Band-Aid this Congress.

Frankly, I think we could and should do more. Certainly this Senator, and others on this side of the aisle are willing to work toward that. It is the administration that has been unwilling to dedicate itself to saving Medicare and as a result they have withdrawn their support of the Medicare proposal that was chaired by Chairman BREAUX and Congressman THOMAS.

Regardless, I hope we can lay aside the partisan guns and ask ourselves what we need to do to fix the system? I know Senator KERREY of Nebraska worked on that commission and did some outstanding work. Frankly, I think there are many of us who want to help fix and save Social Security, not just apply a few Band-Aids to alleviate a few of the problems. We are willing to try to work to help fix the entire system.

In working on these various appropriations it has become apparent that there is no limit to the appetite of some members of this body to spend money. Democrats yesterday offered about \$3 billion of additional spending on the Labor-HHS bill that is already growing by tremendous amounts. Chairman SPECTER has already come out with an amount that was \$2.3 billion over last year. Obviously, no matter what is reported out of committee, it is not enough, so we have to have billions more.

I think the appropriations process is getting a little faulty when we start appropriating so many years in advance. I do not quite subscribe to some of the games that are being played. And how much money can we move forward? We are seeing this happen time and time again.

Incidentally, the administration's budget had \$19 billion in forward funding. And now, evidently, the process will come out closer to \$19 billion or \$20 billion, but that is still not enough.

I know the Medicare fixes are going to cost money. My point is, I already said, before we have the add-ons, we are \$5 billion into the Social Security trust funds. We are going to have to make those adjustments in the conferences in the next couple weeks. It is going to have to happen. It is going to have to happen by people working together. If, for some reason, these conferences come out and exceed the amount and raid Social Security, we should have across-the-board reductions to stop it, to make sure we do not raid Social Security.

Maybe with the momentum for popular programs and we can't say no—if we do not have the collective will to say we are going to vote down and vote no on some of these appropriations bills, then let's set up a mechanism to say the bottom line is, if these amounts are so large that they actually raid Social Security, we are going to have to say no by having across-the-board reductions.

I hope that is not necessary. I do not expect it to be necessary. I think when it is all said and done, and the budgeters finally start scrubbing these numbers—the CBO and Budget Committee—Democrats as well as Republicans will say: Wait a minute, let's limit the appetite of growth in spending and make sure we do not raid Social Security. That is the purpose of this amendment. It is a sense of the Senate.

Frankly, I was considering budget language that would implement it. Senator STEVENS has pointed out he will make a budget point of order that it is legislation on appropriations. But at some point we are going to have to get serious and say we are not going to touch Social Security.

At this point, I offer this sense of the Senate. I hope 100 Members of the Senate will support it. I am hopeful we will not need it, but we will have it if necessary to make sure—absolutely sure—that we do not touch the Social Security trust funds in our spending programs. Let's make absolutely positive that does not happen for the fiscal years 2000 and 2001 or for the foreseeable future.

Mr. President, I thank my colleagues and yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I listened, with interest, to the comments made by my colleague from Oklahoma. I read his amendment. All I can say is I will use a term that is very popular out in the Midwest: It is like closing the barn door after you let the horse out.

I would have to ask my friend from Oklahoma—he's part of the Republican leadership—I wonder if he has talked to himself lately.

I wonder if he has talked to the other Republican leaders.

This is a great sense-of-the-Senate resolution, but the fact is, the Republican leadership has already dipped into Social Security. Don't take my word for it; take CBO's word for it. They have already dipped into it.

Mr. NICKLES. Will the Senator yield?

Mr. HARKIN. Let me finish a couple of things, and then I will. We will get into a dialogue on this.

Mr. NICKLES. I want the Senator to be factual.

Mr. HARKIN. "GOP Spending Bills Tap Social Security Surplus, CBO Cites Planned Use of \$18 Billion." This was in the paper yesterday:

On the same day House Republicans launched a new attack charging Democrats with "raiding" Social Security to fund spending programs, congressional analysts revealed that the GOP's own spending plan for next year would siphon at least \$18 billion of surplus funds generated by the retirement program.

Yesterday's report by the nonpartisan Congressional Budget Office seemed to undermine a concerted GOP effort to blame President Clinton for excessive spending and gain the high ground in the high-stakes political battle over Social Security.

There it is. They already have dipped into Social Security. We have already used up the non-Social Security budget of \$14 billion, according to CBO. Actually, it was by \$19 billion, but that included about \$5 billion that was in the tax scheme they came up with, which the President vetoed. So we get that back. We are about another \$15 billion into Social Security already.

Again, this is a great sense-of-the-Senate resolution. The fact is, though, the President sent a budget this year that was balanced, that met all our needs. I might have wanted to add a few things here and jiggle a few things there, but there were some penalties on tobacco companies in that budget. But, no, the Republicans, they don't want to penalize the tobacco companies, oh, no. Hands off the tobacco companies. We can't penalize them. But what we can penalize are the elderly on Social Security. They can pad the budget on the Pentagon. They added more to the Pentagon budget than what the Department of Defense even asked for. We have been playing all these shell games all year, moving money around.

Well, we have a plan, and we have had a plan, to be able to balance the budget, fund these programs by not dipping into Social Security but by penalizing the tobacco companies that fail to reduce teen smoking.

It seems to me we could beef up our efforts to reduce Medicare waste and abuse. There is \$13 billion right there, by the latest estimates. How about legislation that would save money by reducing student loan defaults and cutting excessive administration fees that we pay to banks for student loans? How about reducing some corporate welfare? How about closing some special interest tax loopholes?

No, no, the GOP, the Republicans don't want to do that. They want to cut education and health care. Oh, yes, and the earned income tax credit; that is their latest scheme. I see in the paper this morning that their frontrunner for the Presidency, Governor Bush of Texas, couldn't even swallow that one. He said: What are the House Republicans doing? He said: I am against balancing the budget on the backs of the poor. Obviously, House Republicans want to do that; evidently, a few Republicans over here, too, want to use the earned income tax credit to pay for their schemes and for the faulty budgeting they have done.

I say to my friend from Oklahoma, I may come up with a second degree. I guess he has already second degreeed it. We can second degree it again. We will have a vote on that. I think we need a sense-of-the-Senate resolution that we send the Republican leadership back for remedial math so they can add things up a little bit better.

I yield to my friend from Oklahoma, having said that; I yield for a question anyway.

Mr. NICKLES. Let me make a couple of comments.

Mr. HARKIN. Does the Senator want me to finish and yield the floor?

Mr. NICKLES. If the Senator doesn't mind.

Mr. HARKIN. Mr. President, again, don't take my word for it. Read the CBO's letter, dated August 26, almost a month ago. Things haven't gotten any better. You can read it in the newspapers. You can add it all up for yourselves.

This is what they have done, all these schemes. Now they are going to designate the census as an emergency. Thomas Jefferson could have told you there was going to be a census in the year 2000, but they think it is an emergency.

I said they want to delay the tax cut for low-income Americans, the one program that helps get people from welfare into work, the earned income tax credit. They want to cut that down to pay for their schemes and their tax cuts for the wealthy. They are using two sets of books—CBO books, OMB books, one or the other, whichever make it look good on any one day or the other. They want to spread one year's funding over 3 fiscal years. They propose to defer approximately \$3 billion in temporary assistance for needy families, TANF block grants, from fiscal year 2000 to 2001.

The schemes go on and on and on, all because, it seems to me, the Republicans looked at the Clinton budget that was sent down this year, which was balanced, which moved us ahead in the areas of education and health, which moved this country forward but had some penalties on tobacco companies and some offsets, as we call it around here, which means we pay for some of this by penalties on the tobacco companies. It is obvious to me the Republicans said, no, we can't touch the tobacco companies.

All year we have been having this jiggling going back and forth and back and forth about where they are going to come up with the money to fund the extra \$4 billion that they put onto the Pentagon. Where are we going to come up with the extra money to pay for their tax breaks for the wealthy? So on and on, we get these schemes; they keep bouncing around.

Now we are told that defense, I guess, is going to be an emergency. That is the latest scheme. The defense bill is now going to be an emergency bill, but there is no emergency out there.

As I said, you can have a sense-of-the-Senate resolution which says we should adopt an across-the-board reduction if we don't have a balanced budget. But quite frankly, why don't we have some penalties on the tobacco companies? Rather than cutting health care for the elderly, rather than cutting education for our kids, which his sense of the Senate would do, why don't we have some penalties on the tobacco companies for their failure to reduce teen smoking? CBO told us that would raise, if I am not mistaken, about \$6 billion. There is \$6 billion we could get right there for teen smoking.

That is where we are. I find it odd, kind of amusing, kind of bemusing, I guess, that the Senator from Oklahoma, one of the leaders on the Republican side, would offer this sense-of-the-Senate resolution. As I said, they have already dipped into Social Security. Now he wants to close the barn door.

All I can say is, too little and too late. I think the Senator from Oklahoma needs to have some remedial math.

I ask unanimous consent to print in the RECORD the article from which I quoted.

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

[From the Washington Post, September 30, 1999]

GOP SPENDING BILLS TAP SOCIAL SECURITY SURPLUS—CBO CITES PLANNED USE OF \$18 BILLION

(By Eric Pianin and Juliet Eilperin)

On the same day House Republicans launched a new attack charging Democrats with "raiding" Social Security to fund spending programs, congressional analysts revealed that the GOP's own spending plan for next year would siphon at least \$18 billion of surplus funds generated by the retirement program.

Yesterday's report by the nonpartisan Congressional Budget Office seemed to undermine a concerted GOP effort to blame President Clinton for excessive spending and gain the high ground in the high-stakes political battle over Social Security. Indeed, only hours before the report was released, House GOP leaders unveiled a national advertising campaign vowing to "draw a line in the sand" in opposing Democratic spending initiatives that they said would eat into the Social Security surplus.

But in a new analysis, CBO Director Dan L. Crippen shows that lawmakers writing the spending bills that would fund government next year have already used up billions of

dollars of funding beyond what they were supposed to spend under existing budget restrictions.

As a result, he shows, lawmakers will have to dip into the projected government surplus next year of \$167 billion to fund programs at the level they are targeting. Because almost all of that surplus will be created by extra money rolling into the Social Security program, Crippen suggests that as much as \$18 billion will have to be drawn from the retirement program.

This is up from an August CBO estimate that showed Congress on the way to spending \$16 billion of the Social Security surplus, but it does not include the extra spending lawmakers are likely to approve for hurricane and earthquake relief, restoring cuts in Medicare and other needs that could drive the number even higher.

The country has more than enough surplus funds to accommodate the new spending plans under consideration on Capitol Hill, but the CBO numbers are likely to sharpen the intensifying political debate over Social Security. Although the government has routinely tapped Social Security to fund other agencies in years past, both parties have elevated protection of the retirement program to the highest priority this year.

"What the Republicans are protesting in their ad campaign they already are guilty of themselves, and have been for two months now," said Rep. John M. Spratt Jr. (S.C.), the Ranking House Budget Committee Democrat who requested the CBO study. "They're . . . invading the Social Security surplus, and these are conservative numbers."

But one GOP lawmaker said the CBO numbers are premature because Congress has yet to complete work on all the 13 spending bills, implying that the numbers could change. "To somehow suggest that CBO says the funding level is going to be this or that for fiscal year 2000 is completely hypothetical," said Rep. John E. Sununu (R-N.H.), a member of the Budget Committee.

GOP lawmakers remained defiant yesterday. "Under no circumstance will I vote to spend one penny of the Social Security surplus for anything but Social Security," House Majority Whip Tom DeLay (Tex.) said during a media event dubbed "Stop the Raid."

Although Clinton and congressional leaders have agreed to a three-week extension of Friday's budget deadline in an effort to iron out their differences over sensitive spending issues, the two sides still appear to be far apart on numerous issues. If anything, the GOP may be forced to accept even more spending—and to dip further into Social Security—to accommodate Clinton.

By far the biggest fight is likely to be over the huge labor, health and education spending bill, which trims or guts many of Clinton's education initiatives, including his call for the hiring of 100,000 new teachers. The Senate began debating its version of the bill yesterday and voted 54 to 44 to kill an effort by Sen. Patty Murray (D-Wash.) to restore funding for the hiring of more teachers. Instead, senators approved a plan providing \$1.2 billion that states could use for hiring teachers or other education goals.

The House Appropriations Committee is scheduled to vote today on what the administration considers a far more draconian version of the bill, and there is certain to be a major dustup not only on funding levels but also on how Republicans intend to pay for the additional spending in the bill.

In an effort to keep from drawing on Social Security, House Speaker J. Dennis Hastert (R-Ill.) outlined a plan to delay the earned income tax credits to the working poor to save \$8.7 billion from the bill next year.

Republicans defended the measure, saying that it would encourage better monthly

planning by the beneficiaries. But critics said it would create undue hardship on people struggling to stay off welfare, and senators are balking at the idea.

Hastert has been under pressure from some of his House colleagues not to make significant concessions to the White House, but criticism seemed to recede after the speaker delivered an unequivocal declaration yesterday that Republicans would safeguard the Social Security surplus.

Meanwhile, White House Chief of Staff John D. Podesta, who addressed Democratic lawmakers yesterday morning, called the GOP's spending approach "crazy" and said "the budget process is headed toward chaos."

Overall, Congress made little progress in completing work on the overdue spending bills. Faced with opposition from both Democrats and antiabortion Republicans, House leaders were forced to postpone a vote yesterday on the foreign operations spending bill.

The agriculture budget bill was also held up, a GOP leaders scrambled to line up enough signatures to force it out of a contentious conference committee. Yesterday, Democrats as well as several Republicans accused the GOP leadership of shutting down the committee in order to kill a provision lifting trade sanctions on Cuba.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I tell my colleague from Illinois, I will be very brief, a couple comments.

I ask unanimous consent to add Senators GREGG and GRAMM as original sponsors of the amendment.

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

Mr. NICKLES. Very briefly, we don't have to debate all the budget assumptions.

My colleague pointed out a lot of things he has read in the paper that different people have tried. The earned income tax credit, frankly, needs to be reformed. About 24 percent of that program is waste and fraud. It needs to be reformed, but we are not going to do it. I am probably the biggest proponent of reforming the program, but I have already said it shouldn't be done in this bill and it will not be done in this bill. It is not in the Senate bill. You haven't seen it; you are not going to see it in the conference report. At least that is my intention.

The Senator mentioned a few other things. My point is, we don't have to play games. He mentioned tax cuts. We don't have a tax cut in this bill.

When it is all said and done, let's not raid Social Security. The Senator said we are going to have to cut education. We have more money in the bill than the President requested for education. Even if we had an across-the-board cut to make sure we didn't touch Social Security, we would still have more than the President requested. There is \$500 million more than the President requested in this bill for education, and if we had an across-the-board cut, it still comes out. There would still be more money than the President requested, and almost \$2 billion more than last year. My colleague said: Hey, the horse is out of the

barn. Well, it is not out of the barn. We have a lot of horses in the barn. Big horses are still there, such as the Defense bill, Labor-HHS. Those are two bills that are expensive. Most of the other bills are coming in at last year's level, maybe a little less. There are big increases in Labor-HHS and in the Department of Defense. Those are not out yet. Defense is close to being finished.

If Defense and Labor-HHS, Commerce-State-Justice, and HUD, come in too high—we do not know yet because they haven't been reported out, but if they raid Social Security, let's cut everything across the board. That is what this says. I hope they don't. I absolutely believe if I had my say-so, they would not. But I am just one person.

I think if the conferees show some restraint, and if we show some restraint on Labor-HHS, on the Department of Defense, and on the remaining bills, we don't have to touch Social Security, not one dime. But if, for some reason, we are not able do it, with the Agriculture bill for instance, the Agriculture bill emergency funding, as designated has blown from \$6 billion to \$8.7 billion; it grows by \$1 billion every few days. I question that. I may vote against it. I think it has grown too much.

I have a lot of farmers in my State who are going to be quite upset when I vote against it, but I may well because I think it is getting ridiculous how much we are spending. Even if we do, that will be classified as an emergency; but I don't care if it is called emergency or regular outlays. If it starts dipping into Social Security, this resolution says let's cut all spending enough to make sure we don't. Are we going to draw the line and stop at a certain level or not?

Let me make one other comment because we have heard a lot of discussion on Medicare. President Clinton's budget proposal proposed to freeze hospital payments. How many of us have had hospitals coming up here and saying: You have cut too much? The President's proposal was to cut it more. Nobody has talked about that. My colleague says President Clinton's budget was balanced. It was not. The President's budget, according to CBO, still raids Social Security by \$7 billion in 2000. I am saying, no, let's not let Congress do it, or the President; let's not do it. But if we have to, let's have an across-the-board cut and cut everybody a little bit.

Right now, the projections are that maybe it would take 1 percent if we don't show a little restraint. We can show a little restraint. We can save a measly \$5 billion out of \$500 billion of appropriations that have not been passed. We can do that, and we should. Absolutely. I am going to be disgusted if we don't do it. We used to have Gramm-Rudman-Hollings that provided for an automatic sequester if we didn't meet certain targets. I prefer that we not touch Social Security, but if we do, let's cut across the board so it is a small percentage.

I urge my colleagues to seriously consider that and, hopefully, pass this resolution when we vote next week.

I yield the floor.

Mr. HARKIN. Mr. President, I think the Senator and I do agree we should not raid Social Security. But I think it already has been under some of their proposals. That could be open for debate. The Senator says let's make an across-the-board cut if at the end have gone overboard. I made a list of some of the things we could cut, such as \$13 billion in Medicare fraud and abuse; \$6 billion in tobacco penalty; \$2 billion in student loan guarantees, as fixes that we can make; \$10 billion in corporate welfare; \$4 billion cut in Defense to get just to the DOD request. That is about \$35 billion. Why don't we take some of that money, if we have to, rather than cutting education and community health centers? That is what the Senator from Oklahoma would propose, if I am not mistaken.

Mr. NICKLES. Mr. President, my colleague has made several references about Republicans cutting education. I have called him on it in the past, and I am calling him on it again. The budget we have before us increases education by \$2.3 billion. If you took what I said, cut 1 percent, that increases education from \$35 billion to \$37 billion. And that is a \$2.3 billion increase. So I keep hearing him say Republicans are cutting education, and it has grown every single year.

I think he needs to stay with the facts. If you adopted this draconian proposal, you would reduce the growth of education from maybe \$2.3 billion to \$2 billion, which is still a big growth. So I want to make clear there is too much rhetoric that is too inaccurate which says Republicans are cutting education, when education is growing by over \$2 billion in this bill.

Mr. HARKIN. If the Senator will yield, the last time I checked, the Republicans do run the House of Representatives. Their education budget is below that. Ours is up a little bit, but you know what happens when you go to conference. And who runs the conference? The Republicans. I am saying, we may be up in the Senate, but the Republicans run the House and they have cut it down below. That is my point.

The Senator said education was up. But under the Senator's scenario of an across-the-board cut, obviously, education would be cut, as would community health centers and Head Start, because it would be across the board. I am saying, if we want to have a balanced budget, which we do, where do we cut?

Why won't the Senator accept penalties on the tobacco companies? The CBO gave us scoring of \$6 billion just from penalties on tobacco companies for not reducing teen smoking to the level they said they were going to do. That is \$6 billion right there. Yet the Senator doesn't seem to be willing to even entertain that as a possible source

of revenue. No, he wants to cut across the board.

So, again, this debate will continue, obviously, for the remainder of the fall as we get into the final crunch on our bills around here. But it seems to me that to have a sense-of-the-Senate resolution that we do an across-the-board cut, without looking at some other things—as I mentioned, there are \$2 billion in student loan guarantee fixes we can make, and the tobacco penalty I talked about, or bringing Defense back down to the DOD request. There are a whole bunch of things we can look at that will still let us increase Head Start and education, community health centers, all the things that meet human needs and invest in the human resources of our country, rather than doing it as the Senator from Oklahoma has suggested.

I yield the floor.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I would like to change the mood a little bit and wish all of my colleagues a happy new year. Here we are on October 1, a new fiscal year. I wish to say it is a pleasure to be in the Senate debating the spending bills for our Nation, and it is a pleasure to have the resolution brought by my friend, the Senator from Oklahoma.

I have to agree with the Senator from Iowa; it is hard for some people to keep a straight face when the Congressional Budget Office reported just 2 days ago that the Republican leadership in the House and Senate is already \$18 billion into the Social Security trust fund, and we are considering a sense-of-the-Senate resolution that says, by all means, we are never going to touch the Social Security trust fund. I don't think we can pull that off with a straight face. I think the American people are going to see through that. I think they understand what is happening. They understand we have not met our new year's deadline of October 1 and passed our spending bills.

But very few Congresses ever do, in all fairness. What is different about this Congress is, here we are on October 1 and we don't have a clue how to finish. We don't have a dialog between the President and Congress to try to bring us to a reasonable, bipartisan conclusion. Instead, as my old friend, Congressman DAVID OBEY of Wisconsin, used to say: "Too many people are posing for holy pictures here." They want to be known as the person who "saved" this or that.

I think the American people expect candor and honesty from us. Candor and honesty would tell us several things. First, if we are so desperate now that we want to do across-the-board cuts in spending, why in the world were we ever discussing a \$792 billion tax cut? That was the Republican mantra a few weeks ago. We have so much money, we can give away \$792 billion. Well, the American people were

skeptical and folks on this side of the aisle were also skeptical, and they dropped the idea. But now they come back and say we are in such dire straits that we have to pass this sense-of-the-Senate resolution to discipline ourselves, keep our hands off Social Security.

Some of the schemes the Republican leaders are coming up with to try to end this budget debate are, frankly, not only greeted with skepticism by Democrats, but even by fellow Republicans. Gov. George W. Bush of Texas, yesterday, took a look at the House Republicans' proposal to end this budget impasse, and this is what he said:

I don't think they [Congress] ought to balance their budget on the backs of the poor. I am concerned for someone who is moving from near poverty to middle class.

The nominal front runner for President of the Republican Party has tossed congressional Republicans overboard because of their extremism and their budget policy. What is it they want to do? They want to cut the earned-income tax credit—a credit that goes to 20 million low-income working Americans to help them get by. That is their idea. Some would argue that is painless. I don't think anyone among the 20 million families would. They understand that can hurt a family when they are trying to meet the basics.

The balanced budget amendment which is being debated on the floor—and the reason I came over—passed in 1997, established caps on spending and wanted to make some cuts in areas such as Medicare to save money to move forward a balanced budget. It was a sensible thing to do. I supported it. I did not believe that I was in any way voting for the Ten Commandments. I thought instead I was voting for a reasonable legislative attempt to bring this budget into balance.

But I will tell you that at this point in time I don't believe Senators on either side of the aisle can ignore what is happening across America when it comes to health care.

I support the legislation introduced by Senator DASCHLE this morning. I have my own bill, introduced a few days ago, which is very similar which tries to come to the rescue of many of these hospitals across America.

I am worried about the sense-of-the-Senate resolution that is pending now before the Senate because it suggests we can ignore problems such as this. And we certainly cannot.

As I travel across my State, I find hospitals are really in trouble, particularly teaching hospitals. In Illinois, we have about 66 teaching hospitals. These are hospitals where young men and women are learning to be the doctors of tomorrow. It is not the most cost-efficient thing to do at a teaching hospital. You have to take extra time to teach, and many insurance companies don't want to pay for that now that Medicare is not reimbursing adequately for it. Hospitals come to me—St. Francis Hospital in Peoria, St.

Johns Hospital in Springfield, hospitals in Chicago, and all across the State—and say: If we are going to meet our teaching mission, we need help.

I think Senator DASCHLE is right. Before this Congress puts itself on the back and goes home, we need to address this very serious problem—this problem that could affect the quality of health care, the quality of future doctors, and not only teaching hospitals as educational institutions but also because they take on the toughest cases. These are the academic and research hospitals which try to institute new procedures to deal with disease and try to find ways to cure people in imaginative ways. We don't want to in any way quell their enthusiasm and idealism. Unfortunately, these Medicare cuts are going to do just that.

I might also add that these teaching hospitals in my State account for 59 percent of charity care. In other words, the poorest of the poor who have no health insurance, who are not covered by Medicaid, who may be working poor, for example, come into these hospitals. They are taken care of free of charge.

If the Senator from Oklahoma thinks we can just walk away from this, make a 1-percent cut and go home and accept that as the verdict of history, I think he is wrong. I think, frankly, whether you are in Texas, Oklahoma, Iowa, Nebraska, or Illinois, these hospitals are in trouble. Rural hospitals are in trouble, as well.

These hospitals have seen dramatic cutbacks in reimbursement. In my part of the world, these hospitals are a lifeline for farmers who are injured in their farming operations or in traffic accidents. These small hospitals keep people alive. If we turn our backs on them and say that because we are enmeshed in some theoretical budgetary debate we can ignore what is happening to these hospitals, we are making a serious mistake. Some of the hospitals may close, some will merge, some will be bought out, some may keep the sign on the door that you have seen for years, but what is going on inside the hospital is going to change. It is going to change for the worse instead of the better.

When we consider sense-of-the-Senate resolutions that try to strike some position of principle—and I respect the Senator from Oklahoma for his point of view—I say: Let's get down to the real world.

Let's be honest with the American people in the closing days of this budget debate. And I sincerely hope we are in the closing days of this debate. Let's tell them what is going on here.

We are no longer awash in red ink as we have been for 20 years. We are starting to move toward a surplus. The economy is strong. We feel good about that. We would borrow less from Social Security this year, if it is held to \$5 billion, than probably any year in recent memory, and all of it will be paid back with the interest. We would use it to meet emergency needs of America—

such as the farm crisis the Senators from Iowa and Nebraska have shown such leadership on—and we would be responsive to these crises at a time when what is at stake is, frankly, a major part of our economy and a major part of America.

Second, we would address the health care needs of this country. If we think we can go home and beat our chests about how pure we were in the budgetary process and don't lift a finger to help these hospitals that are struggling to survive, we will have made a very serious mistake.

I salute the Senator from Iowa and other colleagues, such as Senator BOXER of California and Senator MURRAY of Washington, who have tried to make sure this Labor-HHS bill does not lay off 29,000 teachers at the end of this school year. This bill would do it. The bill that some Republican Senators are so proud of would lay off 29,000 teachers across America because of cuts that are made in that bill and 1,200 teachers in my home State of Illinois.

Is that how we want to welcome the new century? Is that how we want to tell our kids we are going to greet a new generation, by laying off teachers and increasing class size? No.

There are important priorities for us to face. I sincerely hope before we get caught up in some theoretical debate, as Senator HARKIN has said, about whether the horse is out of the barn, that we talk about whether or not we are going to protect Americans in their homes and protect them in their communities.

I support Senator HARKIN's remarks. I support—maybe one of the few times—Gov. George W. Bush, who has reminded his congressional Republicans to keep their feet on the ground and to realize there are real people out there who, frankly, are going to be injured and damaged and their lives changed if congressional Republicans have their way in this budgetary process. Governor Bush is on the right track. We will stay tuned to see if he stays there.

I sincerely hope before we leave and before we think we have completed our responsibility that we will pass a budget we can explain to American families is in their best interests.

I yield the floor.

Mr. BYRD. Mr. President, yesterday afternoon I voted against Senator HUTCHINSON's amendment to transfer \$25 million from the budget of the National Labor Relations Board (NLRB) to increase funding for community health centers. I am not opposed to expanding the services provided by community health centers—to the contrary, I believe they are an important element in health care delivery in West Virginia.

However, Mr. President, the National Labor Relations Board is also important to West Virginia. During the first half of this century, labor conditions in West Virginia coal mines, and the resulting growth in unions, led to a virtual state of war, in some instances.

Having an orderly process in place to resolve these kinds of issues, such as that managed by the NLRB, helps to keep management-labor-union relations on a civilized path.

The National Labor Relations Board is an independent agency created by Congress to administer the National Labor Relations Act, which is the primary law governing the relationship between unions and employers in the private sector. The NLRB has two principal functions: first, to determine, through secret ballot elections, if employees want to be represented by a union in dealing with their employers; and second, to prevent and remedy unfair labor practices by either employers or unions. The NLRB investigates violations of the National Labor Relations Act, seeks voluntary remedies to violations, and adjudicates those businesses that refuse to comply with the Act.

Opponents of the NLRB have been eager to eliminate it in recent years, but have not had much success in doing so on the merits. Instead, they have been attacking its financing. The NLRB's budget has not kept pace with inflation over the last six years, and, even though the case load has decreased since last year, overall, staffing levels have fallen at a greater rate. The NLRB had 6,198 unfair labor practice cases pending initial investigation at the end of Fiscal Year 1998. The Hutchinson amendment, according to the NLRB, would have caused them to process six thousand fewer cases, and cut all staff training and information technology activities in Fiscal Year 2000.

I support community health centers. They provide a vital service to low income persons who cannot afford health insurance. However, in my opinion, it is not practical to underfund one valuable program in order to fund another. Rather, I would prefer to see the funds come from other sources less disruptive to agencies as valuable to our nations' laborers as the NLRB.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Georgia.

MORNING BUSINESS

Mr. COVERDELL. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

FINALLY FIX SOCIAL SECURITY

Mr. KERREY. Mr. President, I heard an exchange earlier between the Senator from Iowa and the Senator from Oklahoma who talked about raiding the Social Security trust fund. We have not been raiding the Social Security trust fund for the last 16 years. What we have—since 1983—is a tax that generates revenue in excess of what we need. The law says we have to take

that tax and purchase Treasury bonds. When the Treasury is purchasing Treasury bonds from itself, Treasury ends up with cash.

The question is—since 1983—what do we do with that cash? We have been using it to fund general government, and the impact of that since 1983 is that people who get paid by the hour are the ones who suffer. We make this appeal to people over the age of 65 for political reasons: Do not raid Social Security. But the people who suffer and have been paying the price since 1983 are the American taxpayers, people who get paid by the hour. For the median-income family earning \$37,000 a year, they will pay \$5,700 in payroll taxes and \$1,300 or \$1,400 in income taxes. Since 1983, they have shouldered a disproportionate share of deficit reduction. Now that the deficit is gone, guess what they get to do. They get to shoulder all the debt reduction. This does not save Social Security. What this does is save us from having to make a change. That puts a tremendous burden upon people who are paid by the hour.

What we ought to be doing is debating reducing that burden, not, in my judgment, making a play for people over the age of 65 and saying we have been raiding the trust. We have not. We have not been raiding the trust fund since 1983. The trust fund has been building up, and those Treasury bonds are valuable. They earn interest. In fact, there is \$40 billion worth of interest added on to the Social Security trust this year as a result of paying for the interest on those bonds.

The people who suffer as a consequence of Congress' delay on fixing Social Security are 150 million Americans under the age of 45. If you are under the age 45 and you are watching Congress say, "Let's fix Social Security" and do nothing, what you ought to be saying is: Mr. Congressman, when are you going to fix it?

Why do we not fix it? You can see it. I was watching the news this morning. I saw Ken Apfel, the head of the Social Security Administration, in an interview with Katie Couric, proudly telling about a letter he is sending out to Social Security beneficiaries telling them what they are going to get when they retire. He left one thing out. If they are under 45 and they get a letter in the mail that says "this is what your benefits are going to be," Mr. Apfel is not informing those beneficiaries that unless Congress increases taxes, there is going to be a 25- to 33-percent cut in benefits, according to the Social Security trustees. He is not informing them of that, and he is not informing them that Social Security, for that low- and moderate-wage individual, is not a very generous program. If you live very long after the age of 65, God help you if that is all you have.

Those of us who have been arguing we need to fix Social Security get a little irritated when we hear people say we have been raiding Social Security

for the last 16 years and that the lockbox saves Social Security. It does not. What the lockbox does is say to people who are paid by the hour, the median family who has \$5,700 in payroll taxes, after shouldering all the burden for deficit reduction from 1983 to 1999, it is now their responsibility to pay down the debt. On behalf of those people, to keep Social Security as an intergenerational program, I beg my colleagues to finally decide: What will you support?

I went to the University of Nebraska, graduated with a degree in pharmacy, and was trained in demolitions in the U.S. Navy. I do not consider myself to be an intellectual giant. I am neither a Rhodes scholar nor some sort of scholastic achiever. I do not consider myself to be intellectually superior to anybody in this place. An average staffer with an hour's worth of work can present to any Member of Congress the options that are available to us. This is not complicated. This is not youth violence. This is not the deterioration of the American family. This is not lots of issues that are complicated.

We have a liability that is too big, and for 150 million beneficiaries who are now charged with the responsibility of paying down all the debt with their payroll taxes, they face a 25- to 33-percent cut in their benefits. We are not keeping the promise to them, and we are making an appeal to people over the age of 65, saying: The lockbox saves you. Nonsense, it does not.

I know how difficult it is to finally say this is what I choose because you either have to increase taxes or you cut benefits. There are no other magical choices. There is not any other choice. You either cut the benefits in the future or you increase taxes. I wish there were some other choice, but there is not.

I hope Americans, as they hear this debate about raiding Social Security, will understand we are not, in my view, raiding Social Security. What we are saying is that we are going to postpone fixing Social Security because we are afraid of people over the age of 65. We are afraid they cannot stomach the truth. I believe that is wrong. They can stomach the truth. They want to know the truth. They want the facts. They are patriotic; they love their country; they love their kids and grandkids; and they want to make certain their future is secure and sound and that Social Security is going to be there for them when they become eligible.

I hope we are able to take action on the Balanced Budget Restoration Act that Senator DASCHLE has introduced. But I hope in this budget debate as well, we will finally recognize the sooner we fix Social Security, the smaller the changes will have to be. The people who are going to suffer the consequences today may not be us. We may be able to get by the next election by fooling people about what we are doing. But the people who are going to suffer are 150 million Americans under