

Sadly, last year's tragedy in my home State is not an isolated event. Over the past 18 months, gun violence has claimed lives at schools in Pearl, MS, as mentioned by my colleague; West Paducah, KY; Edinboro, PA; Fayetteville, TN; Springfield, OR; and Richmond, VA. Each time as our country watched in horror, we wondered if this senseless violence would ever stop.

Mr. President, the picture painted by these images is ghastly indeed. Our Nation's schools are not just buildings where children and teachers spend their days. They are the cornerstones of our communities and the centers of young precious lives. Parents send their children to school day after day with the expectation that they will learn and that they will be safe. There are many things we can do in the Senate to curb school violence. We must not allow schools to become places to fear.

I urge this body to examine this escalating problem. And I urge each Senator to use National School Violence Victims Day to create a dialogue with school communities in their States. When an entire community works together to improve its schools, everyone benefits. Every child deserves the opportunity to attend a safe school where he or she may worry about math and science, not guns and violence.

Thank you, Mr. President.

I yield back the remainder of our time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I ask unanimous consent to be added as a cosponsor on the resolution offered by both of our colleagues from Arkansas. I commend them highly for this. I hope all of our colleagues will join them.

This is the kind of issue we need to speak out on. Incidents like these have caused great pain across the country. Yet, too often, the problem of school violence only receives attention at the moment a tragedy occurs.

So I commend both of my colleagues and ask to be added as a cosponsor.

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

Mr. GRAMS. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to S.Res. 53 appear at the appropriate place in the RECORD.

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

The resolution (S.Res. 53) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 53

Whereas approximately 10 percent of all public schools reported at least 1 serious violent crime to a law enforcement agency over the course of the 1996-97 school year;

Whereas in 1996, approximately 225,000 students between the ages of 12 and 18 were vic-

tims of nonfatal violent crime in schools in the United States;

Whereas during 1992 through 1994, 76 students and 29 non-students were victims of murders or suicides that were committed in schools in the United States;

Whereas because of escalating school violence, the children of the United States are increasingly afraid that they will be attacked or harmed at school;

Whereas efforts must be made to decrease incidences of school violence through an annual remembrance and prevention education; and

Whereas the Senate encourages school administrators in the United States to develop school violence awareness activities and programs for implementation on March 24, 1999; Now, therefore, be it

Resolved, That the Senate—

(1) designates March 24, 1999, as "National School Violence Victims' Memorial Day"; and

(2) requests the President to issue a proclamation designating March 24, 1999, as "National School Violence Victims' Memorial Day" and calling on the people of the United States to observe the day with appropriate ceremonies and activities.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2000

The Senate continued with the consideration of the concurrent resolution.

AMENDMENT NO. 143

Mr. GRAMS. Mr. President, I rise to strongly support the safe-deposit box amendment to lock in any future Social Security surpluses to be used only for Social Security benefits, Social Security reform and national debt reduction. I am pleased to join Senators ABRAHAM, DOMENICI, and ASHCROFT in offering this amendment.

Mr. President, we all agree that Social Security is facing a fast-approaching crisis and fundamental reforms are needed to save and strengthen the nation's retirement system. The question is, how do we proceed?

President Clinton unveiled his Social Security proposal under his FY 2000 budget. The bottom line on his plan is that it allows the government to control the retirement dollars of the American people by investing it for them.

It does nothing, however, to save Social Security from bankruptcy. Worse still, despite his rhetoric of saving every penny for Social Security, President Clinton has proposed to take \$158 billion in Social Security dollars to finance government programs unrelated to Social Security. Let me say that again—under the President's budget, he proposes to take \$158 billion from the Social Security surplus fund and spend it on other unrelated government programs. That is not saving Social Security first.

The only positive aspect of his proposal is that the President has admitted the insolvency of Social Security and has recognized the power of the markets to generate a better rate of return, and therefore improve benefits.

The fundamental problem with our Social Security system is that it's ba-

sically a Ponzi scheme—that is, a pay-as-you-go pyramid that takes the retirement dollars of today's workers to pay benefits for today's retirees.

It has no real assets and makes no real investment. With changing demographics that translate into fewer and fewer workers supporting each retiree, the system has begun to collapse.

Social Security operates on a cash-in and cash-out basis. In 1998, American workers paid \$517 billion into the system, but most of the money, \$391 billion, was immediately paid out to 44 million beneficiaries the same year. That left a \$126 billion surplus. The total accumulated surplus in the trust fund is \$750 billion.

Unfortunately, this surplus is only on paper. The government has consumed all the \$750 billion for non-Social Security related programs. All it has is the Treasury IOUs that fit in four ordinary brown accordian-style folders that one can easily hold in both hands.

So when Social Security begins to run a deficit, the government has to do a couple of things. The government has to either tighten its belt, raise taxes, or borrow more from the public, or it has to lower benefits or raise the retirement age.

There is a lot of double-counting and double talk in President Clinton's Social Security framework. The truth of the matter is the President spends the same money twice and claims that he has saved Social Security.

All the President has done is create a second set of the IOUs to the trust fund. It is like taking the money he owes Paul out of one pocket and applying it to the money he owes Peter in the other pocket, and then pretending that he has doubled his money and is now able to pay them both.

In addition, the President has proposed to spend \$58 billion of Social Security money in FY 2000 for his new government spending. Over the next five years, he will spend \$158 billion of Social Security money.

President Clinton's plan does not live up to his claim of saving Social Security. He has not pushed back the date for when the Social Security trust fund will begin real deficit spending. That date is still the same—2013. Social Security will have a shortfall that year and it the shortfall will continue to grow larger year after year.

By 2025, the shortfall will be over \$360 billion a year and by 2035, it will explode to \$786 billion, but by 2055, the deficit will run as high as \$2.07 trillion.

Since the government has spent the surplus and has not set aside money to make up for this shortfall, it will have to raise taxes to cover the gap—something that economists estimate will require a doubling of the payroll tax.

The proposal by the President to have the government invest a portion of the Social Security Trust Funds is no solution. It would give the government unwarranted new powers over our economy, and it will not provide retirees the rate of return they deserve.

In last year's Humphrey-Hawkins hearing, I asked Federal Reserve Chairman Alan Greenspan whether we should allow the government to invest the Social Security Trust Funds in the markets, and if this is the right direction in which we should be going. Here are his exact words:

No, I think it's very dangerous . . . I don't know of any way that you can essentially insulate government decision-makers from having access to what will amount to very large investments in American private industry . . .

I am fearful that we are taking on a position here, at least in conjecture, that has very far-reaching, potential danger for a free American economy and a free American society.

It is a wholly different phenomenon of having private investment in the market, where individuals own the stock and vote the claims on management, (from) having government (doing so).

I know there are those who believe it can be insulated from the political process, they go a long way to try to do that. I have been around long enough to realize that that is just not credible and not possible. Somewhere along the line, that breach will be broken.

Mr. President, Chairman Greenspan is right. We should never venture out onto what the Chairman calls "a slippery slope of extraordinary magnitude."

It is going to take real reform, not Washington schemes, to help provide security in retirement for all Americans. The first essential step is to stop raiding from the Social Security Trust Funds, and truly preserve and protect the Social Security surplus to be used exclusively for Social Security. This is exactly what this safe-deposit box amendment will achieve. This amendment would first take Social Security completely out of the Federal budget and it requires the surplus to be used only for Social Security benefits. Social Security reform and debt reduction. It creates a super-majority point of order for using this surplus for other purposes. The amendment also ensures all Social Security benefits will be paid in full.

Many of us in Congress agree with the President that we should, and indeed must, devote the entire Social Security surplus to saving Social Security, not just to talk about it, but do it; not spend the money, but to set it aside. However, his plan does not do what he says while ours does. Again, I urge my colleagues to support this amendment.

I thank the Chair, and I yield the floor.

Mr. ROTH. Mr. President, I rise in support of the Abraham amendment. This amendment expresses the sense of the Senate that the Social Security surpluses be used only for preserving and protecting Social Security, and that new procedural safeguards be enacted to ensure this outcome.

The Abraham amendment provides an important first step in saving Social Security, and is an excellent occasion to reflect on the issues before the Con-

gress in preserving Social Security for the long-term. Social Security's financial problems of Social Security are well known, but bear repeating. In just 15 years, in 2013, Social Security benefit payments will exceed revenues, and Social Security will need to tap its Trust Fund.

Today's Trust Fund is relatively small, equal to about a year-and-a-half benefits and intended as a cushion in an economic downturn. However, the Trust Fund will swell over the next 15 years because of payroll tax surpluses and interest. Between 2013 and 2032, Social Security Trust Fund will need to spend over \$6 trillion for benefits. But the Trust Fund is simply a claim on the U.S. Treasury. Future taxpayers—our children, our grandchildren, even our great grandchildren—will have to pay off this debt. Even so, the Trust Fund will be empty in 2032, and Social Security can pay only 75 percent of benefits from annual revenues.

Worse yet, the President has proposed to add even more debt to the Trust Fund. Although the President claims his plan would extend solvency to 2050, in fact the President would simply commit another \$24 trillion of future Federal budgets to Social Security. David Walker, head of the General Accounting Office, delivered this stark assessment of President's proposal at a February 9th Finance Committee hearing: "It would be tragic indeed if [the president's] proposal, through its budgetary accounting complexity, masked the urgency of the Social Security solvency problem and served to delay much-needed action."

Most traditional fixes won't work, either. Social Security has faced financial crises before—in 1977 and again in 1983. Both times, the biggest part of the solution was a hike in payroll taxes. The result? Today, 80 percent of American families pay more in payroll taxes than income taxes (with the employer share factored in). And let's remember, Social Security taxes are on the first dollar of income—no deductions, no exemptions.

Mr. President, there is broad bipartisan agreement that there may be another way to preserve and protect Social Security benefits—personal retirement accounts. While proposals differ, personal retirement accounts would provide each working American with an investment account he or she owns. With even conservative investment in stocks and bonds and the power of compound interest, personal retirement accounts can provide a substantial retirement nest egg.

As Senator PAT MOYNIHAN, my colleague on the Senate Finance Committee, has pointed out, with annual deposits equal to just 2 percentage points of the current payroll tax, "A worker who spent 45 years with the Bethlehem Steel Company could easily find himself with an estate of half a million dollars. The worker could pass on that wealth to his or her heirs."

How remarkable!

Personal retirement accounts embody other enduring American values as well. Creating these accounts would give the majority of Americans who do not own any investment assets a new stake in America's economic growth—because that growth will be returned directly to their benefit. More Americans will be the owners of capital—not just workers.

Creating these accounts may encourage Americans to save more. Today, Americans save less than people in most countries, and even this low savings rate has declined in recent years. Personal retirement accounts will demonstrate how even small personal savings grow significantly over time.

Creating these accounts will help Americans to better prepare for retirement. According to one estimate, 60 percent of Americans are not actively participating in a retirement program other than Social Security. Indeed, most Americans have little idea of what they will need in order to retire when and how they want. Personal retirement accounts can help Americans—particularly Baby Boomers—better understand retirement planning.

And these accounts may point the way to a more flexible Social Security program. Today, Social Security is a "one-size-fits-all" program. People receive a fixed benefit based on earnings and the number of years worked, with the earliest benefits available at age 62. But if an individual takes early retirement but still wants to work, Social Security cuts his or her benefits. Personal accounts can be crafted to give individuals more control over retirement decisions, and eliminate the penalty for working.

Setting up a personal retirement accounts program will be a big job. Who will hold, manage, and invest the accounts? How much will it cost to run the program? What kinds of investment choices should be allowed? How to finance the accounts? The White House Conference should tackle each of these issues. Fortunately, there are proven models, such as the Federal Thrift Savings Plan, a pension savings and investment plan for Federal employees.

Indeed, I have introduced legislation, S. 263, the Personal Retirement Accounts Act of 1999, that would get accounts up and running with a portion of the budget surplus to answer just these questions.

Mr. President, personal retirement accounts have one other big promise. Poll after poll find that Social Security is the most popular Federal government program, deservedly so. But the same polls also show that many Americans, particularly young Americans, doubt they will receive benefits when they retire. Personal retirement accounts can provide the accountability and assurances that Americans are asking for, and restore the confidence of the American people in Social Security.

Ms. COLLINS. Mr. President, I ask unanimous consent the Senator from

Arizona, Senator MCCAIN, be added as a cosponsor of the ABRAHAM amendment.

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

Ms. COLLINS. Mr. President, I want to start by commending the distinguished chairman of the Budget Committee for his outstanding work in producing this budget. He has been such a leader in fiscal responsibility. Once again he has done an outstanding job in crafting this budget resolution. I am pleased to be a cosponsor of the amendment offered by my friend and colleague from Michigan, Senator ABRAHAM. This amendment would preserve and protect Social Security. I also commend Senator DOMENICI for his very innovative work in crafting this very important amendment.

President Clinton has proposed devoting 62 percent of the surplus over the next 15 years to shoring up Social Security. On the surface, that sounds good. After all, we are all committed to protecting Social Security. But let's take a closer look at the President's proposal.

On closer examination, the President's plan is nothing but a shell game. First, he devotes to the Social Security trust fund trust fund payroll taxes that already belong to Social Security. Then he lends this money to the Federal Government for new programs. The bottom line is that instead of preserving the money for Social Security, President Clinton actually ends up spending \$158 billion of Social Security's money for programs completely unrelated to Social Security. Both the General Accounting Office and the Congressional Budget Office have pointed out the double counting and the other significant flaws in the President's proposal.

Social Security is currently running a surplus because the program is taking in more in payroll taxes than it is paying out in benefits. But, as the Presiding Officer well knows, this will not always be the case.

In 2013, payroll taxes will not be sufficient to pay benefits and the Social Security program will either have to raise taxes, cut spending, go further into debt, or use more general fund money, if we are to continue to meet our full obligation to Social Security beneficiaries. By the year 2030, the trust fund will be completely exhausted if we do not take steps to save the program. We certainly, given this dire picture, cannot afford to squander the Social Security surpluses by spending them on other programs.

The current Social Security surplus conceals the true picture of our national budget. But for the temporary Social Security surplus, the Federal Government would actually be running a \$6 billion deficit this year. I want to repeat that. There is a lot of misunderstanding. A lot of people think that we actually have a surplus in this upcoming year. The fact is, the surplus is due entirely to the surplus in the Social Security trust fund. If we take out the

Social Security surplus, we would in fact be running a \$6 billion deficit.

The fact is, there is no real surplus in fiscal year 2000. We do not start to see real surpluses in the rest of the Government programs until the fiscal year 2001.

The amendment that I have cosponsored, which is before us today, expresses the sense of the Senate that we pass legislation that would lock in Social Security surpluses by mandating that trust fund dollars could be spent only for the payment of Social Security benefits for Social Security reform or to pay down our national debt. Under this lockbox proposal, Social Security funds could not be spent on non-Social Security programs. They also could not be used to finance tax cuts.

This legislation would establish in law a declining limit on the level of debt held by the public. These limits would decline in 2-year intervals by an amount equal to the Social Security trust fund surpluses for those years. Under this proposal, trust fund balances could be used to retire the debt, but not for new spending on programs unrelated to Social Security. The result of this innovative program is that public debt would decline by \$417 billion. That is 32 percent more than it would under the President's proposal.

Mr. President, in 1998 alone, the Federal Government spent nearly \$162 billion to make interest payments on our national debt. That amounts to more than 6.7 percent of total Federal spending. In passing this important legislation, we would free up this money that otherwise would have to be spent on interest payments on our national debt.

This amendment clearly affirms our commitment to preserving and protecting Social Security. It safeguards the Social Security trust fund from spending raids. It reduces our public debt. It lowers our interest payments.

I urge all of my colleagues to join me in supporting this very important initiative.

Once again, I commend the Senator from Michigan, Mr. ABRAHAM, and the Senator from New Mexico, Mr. DOMENICI, for their innovative approach in coming up with a program that will truly protect our Social Security surpluses.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, I will be offering an amendment. Have we dealt with the amendment of the Senator from Minnesota? I ask unanimous consent that the amendment be laid aside.

The PRESIDING OFFICER. Is there objection?

Mr. CRAPO. Reserving the right to object, I want to speak briefly on that

amendment before we lay it aside, if possible, or can we come back to it?

Mr. LAUTENBERG. I have no objection.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I am pleased to join my good friends, Senators ABRAHAM, DOMENICI, and ASHCROFT, in supporting this amendment. I appreciate the courtesy allowing me to make these remarks before we set the amendment aside.

I particularly thank Senator DOMENICI for putting together a well-crafted budget that achieves the important principles of protecting Social Security, paying down the debt, and staying within the budget caps.

I have a very specific interest in the lockbox legislation that is being proposed, because over the last 6 years as I served in the House of Representatives, I advocated a lockbox concept which was, at that time, focused on taking the spending we save through budget battles and locking it away for paying down the national debt or reducing the deficit at that point in time, rather than allowing it to be spent on further Federal spending.

This lockbox legislation which I worked on in the House for the last 5 or 6 years passed the House four times, never to make it through the Senate or signed into law. So it is particularly pleasing to me to see the concept now being used as we move into a surplus environment in our budget process to allow us to lock away the Social Security surpluses and make sure that Congress does not continue the practices of the past in spending those surpluses on other Federal spending.

This amendment which is being discussed in this proposal recommends locking the Social Security surpluses by requiring that they are to be used to pay down the public debt, rather than allowing Congress to continue to spend those funds elsewhere. It is no different from what should happen under current practices when the entire Government runs a total surplus, but there is no mechanism to lock these funds away and prevent Congress from spending them.

Social Security surpluses help to pay for the rest of Government when it runs a deficit. Starting in 2001, it is expected that the Federal Government will run surpluses in the rest of the Government and will not rely on Social Security surpluses.

The amendment recommends establishing a declining limit on the level of debt held by the public. These limits would decline in 2-year intervals by the amount equal to the Social Security trust fund surpluses for those years, and those declining limits would dedicate Social Security surpluses to reducing the public debt, thereby not only reducing our debt but strengthening and stabilizing the Social Security trust funds at the same time.

The amendment also recommends establishing a 60-vote point of order

against any legislation which results in the public debt limits specified in the law being exceeded.

This amendment reaffirms the off-budget treatment of Social Security and prohibits the inclusion of Social Security funds in budget totals.

A point I think that needs to be made is this: Today, across America, you hear many, many people calling for us to strengthen and protect Social Security. There are lots of different ideas being discussed about how we should accomplish that, but this proposed amendment does what everyone else is talking about. It makes it absolutely clear that those Social Security trust fund dollars will be set aside, they will be locked up, so they can be used for nothing other than reducing the public debt or funding a Social Security reform piece of legislation.

I do not see how anyone who professes to support stabilizing and strengthening our Social Security system cannot support this amendment. It is time we put into effect a lockbox mechanism to assure that neither this Congress, nor future Congresses, can take the Social Security trust funds and use them for any purposes other than that for which they were intended.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Does the Senator from Illinois want to respond to this amendment?

Mr. FITZGERALD. Mr. President, yes, I would like to speak to Senator ABRAHAM's amendment.

Mr. LAUTENBERG. I will be happy, Mr. President, to yield to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. FITZGERALD. I thank the Chair.

Mr. President, I rise to speak in favor of Senator ABRAHAM's amendment to ban our Government from continuing to plunder the Social Security trust funds. For many years, our Government has taken all of the money that goes into the Social Security trust funds, taken every cent and spent it on other programs. The fact of the matter is, there is now no money in the Social Security trust fund. There is just a pile of IOUs, and those IOUs do our country no good when we hit 2013 and Social Security taxes are insufficient to pay current benefits.

Come 2013, no matter what the balance of IOUs is in the Social Security trust fund, we are either going to have to cut benefits or raise taxes or dramatically increase our Government's borrowings in order to pay Social Security benefits. I applaud Senator DOMENICI, Senator ABRAHAM, and those who are working to ban our Government from plundering the Social Security trust fund.

I want to show the Senate what the President's budget projections are for the next few years and to raise some questions about those projections.

The President claims the budget will be in surplus through the year 2004 and is suggesting in the current fiscal year we will have a \$79.3 billion surplus; next year, \$117 billion; rising to a surplus of \$207 billion in 2004.

There is a problem with this. As some may have noticed, our national debt is continuing to grow despite these proposed budget surpluses. In fact, if you look at the appendix to President Clinton's budget, which he claims is going to be in surplus from now until 2004, if you look in the back, you will find that our national debt is going to continue to rise.

I ask the Members of this body, Does it make any sense for our national debt to continue to rise when we have surpluses? How can our national debt rise if we have surpluses? Well, the answer to that question is, we do not really have surpluses. They are borrowing all of this money from the Social Security trust fund.

If you look back in history, we have borrowed \$1.67 trillion from Government trust funds. And to date, as of the end of the last fiscal year, our Government had borrowed \$730 billion from the Social Security trust fund. All that money that people all across the country have been paying for years in Social Security taxes, they knew some of it was going out to pay current benefits, but they also thought some of it was being set aside in a trust fund.

It turns out they have plundered that trust fund. There is no money in it except a bunch of IOUs. And when we borrow from these trust funds, it gets added to our national debt. So right now, people in this country are being told that we are running surpluses, but what they are not being told is that we are continuing to borrow from Social Security and other trust funds and that we are digging our hole deeper. We are making the national debt worse.

These are the amounts the President proposes to continue borrowing from the Social Security trust fund in his budget which makes projections out through 2004. This year he proposes borrowing \$121 billion from the Social Security trust fund and \$67 billion from other trust funds. That is the source of the surplus they have. But when you take that out, if you had an honest accounting, if the Government were not allowed to use deceptive accounting practices, it would be forced to show that, in fact, there is an ongoing deficit.

In any case, I applaud Senator ABRAHAM. He is absolutely on the right track. We need to protect the Social Security trust fund. That Social Security trust fund lockbox idea that Senator DOMENICI has worked on with many others is worthy of our pursuit. This is the only plan out there that will protect 100 percent of the Social Security trust fund.

I come from a banking background. For many years I worked in banking in my home State of Illinois. There is nothing more abhorrent to me than the

notion of a trust fund being managed by the Government that is being raided by the Government. In our law in the private sector, the highest burden is imposed upon those who manage trust funds. Anybody who plundered a trust fund in the private sector would be sent off to prison. Any private employer in the United States who reached into their employees' pension fund and took all that money out and spent it on other programs would, under Congress' own laws, go to jail.

It is high time that Congress stop itself from raiding the Nation's pension funds, from raiding Social Security, and instead try to save the money that is going in there; do not spend it on other programs; do not touch it but treat it like a real trust fund. And I am delighted that we have made this effort. I think it will be a great fundamental breakthrough.

I applaud Senator DOMENICI and look forward to working with the rest of the Members of the Senate to achieve this very important goal.

Mr. President, thank you very much.

The PRESIDING OFFICER (Mr. VOINOVICH). Who yields time?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, we are going to offer an amendment, and we had worked out an understanding, one where we would have two Members on the Democrat side with an opportunity to speak. I expect to hear from Senator DURBIN after I am done.

Mr. DOMENICI. I ask the Senator, are you going to offer an amendment while this amendment is still pending?

Mr. LAUTENBERG. We will set this aside. I ask—

Mr. DOMENICI. I wonder if you could tell us, if we leave things like they are, there is about how much time left on this amendment?

The PRESIDING OFFICER. The Senator has 21 minutes 10 seconds. The Senator from New Jersey has 45 minutes.

Mr. LAUTENBERG. Forty-five minutes on—

Mr. DOMENICI. This amendment.

Mr. LAUTENBERG. We looked at the amendment. I have not worked out an understanding yet. Why don't we take a couple minutes to see what we have there so we can be responsive. Is the debate wrapped up on your side?

Mr. DOMENICI. One more Senator wants to make brief comments, but that will be brief.

Mr. LAUTENBERG. Is that Senator here now?

Mr. DOMENICI. I am willing to set it aside. I just wanted to see if we could understand how much time was still on it when we got back to it. But we can resolve that later.

Mr. LAUTENBERG. Mr. President, I assume this is working off a 2-hour or 1-hour—

The PRESIDING OFFICER. First-degree amendments are covered by 2 hours.

Mr. LAUTENBERG. Two hours. All right.

I ask unanimous consent that we lay aside the pending amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I want to speak before I offer my amendment, so I ask my time be taken off the bill itself.

The PRESIDING OFFICER. The Senator has that right.

Mr. LAUTENBERG. I thank you, Mr. President.

I want to try to organize a point of view here that is substantially different than we have heard for the past while, and I say that with all due respect to my colleagues. And I mean that sincerely.

We have developed in the Budget Committee, I think, an operating mode that says that everybody, every member of that committee, is entitled to respect for their point of view, with adequate time to discuss it. I have served on that committee for many years, and I think it is perhaps the most amiable, the most cooperative operation of the Budget Committee that I have seen. I commend the chairman, Senator DOMENICI, for his effort.

We have struck an agreement, kind of informally, about it, but it has worked. And we disagree sharply on points of view. And sometimes, as Senator DOMENICI has said, our faces get red. But he was warned, he told me, that red faces do not win amendments or win points of view. So we kind of dropped the red-face approach, the swollen veins, that kind of thing.

But here I will venture a little bit into dangerous territory, because what we have heard so far is the accusation of double counting and talking about the structure, not the significance, not the meaning, not the value of the program, but whether or not this counts doubly when we credit Social Security or credit Medicare by giving them Government IOUs. The U.S. Government IOUs have the full faith and credit of the U.S. Government.

I do not know where it is better, because I have met lots of people who have made lots of money. I was in the business world for years before I came to the Senate. I ran a big company, and a lot of the people I know who got surpluses, significant surpluses, invested them in Government bonds because they wanted to know that a certain part of their portfolios are protected by the full faith and credit of the U.S. Government.

So even though interest rates are lower than you might normally get, that is the reserve, the kitty, as we call it sometimes, that they can always count on, no matter what happens with the stock market. So I do not know why it is such a sin to say to the Medicare trust fund or the Social Security trust fund, "Hey, invest your money in Government IOUs," because they are protected—first line—by the full faith and credit of the U.S. Government.

To me, it makes sense, because to have the money lie there, funds lie there fallow, without gathering interest or return on the funds, depreciates the amount of spending that can be offered to beneficiaries in the later years.

I don't understand some of the scorn with which Government IOUs are treated. It doesn't make sense to me. I know and meet rich folks who keep much of their money in the U.S. Government IOUs.

In order to make the argument, there are some negatives applied with reference to those who made money paying the biggest taxes. If we have a tax reduction of 10 percent, why shouldn't the people who make all that money get a commensurate reduction, an equal reduction?

I want to confirm something because there is a question raised about whether a 10-percent tax cut is really there by direction of the Budget Committee. It certainly is not, because the Budget Committee doesn't have the right to do that; the Finance Committee does. And the chairman of the Finance Committee, the distinguished Senator from Delaware, Mr. ROTH, told Reuters that he was very much in favor of using the bigger-than-expected budget surplus to fund across-the-board income tax of 10 percent or more.

He goes on to say, "I don't think it's too big [the 10 percent income tax cut]; if anything, I would like to see it bigger."

That says something about someone of influence in the Republican Party and in this Senate. Again, he is a very distinguished Senator, long-serving Senator, and chairman of the Finance Committee. He is probably the most powerful Chair position that we have in the Senate.

He said it, 10 percent.

Now, back to where we were. Someone who earns an average of \$800,000 a year, the top 1 percent of the income earners in the country, would get \$20,000; and someone who earns \$38,000 would get \$99. The sarcastic or the sardonic tone that was used was if they made more, why shouldn't they get more? The difference is that when someone has earned \$800,000, they don't need the \$20,000 as much as the person who is making \$38,000 or \$39,000 needs some relief. Any family that has a \$38,000-a-year income is not looking at luxury. They are not looking for a tax cut so they can buy a car or a boat.

I have heard it said that a rising tide lifts all boats. I know if you want to buy an expensive yacht, one that is over 100 feet long, the typical wait is 2 to 3 years. If someone has to wait 2 or 3 years to buy a yacht, I assure you that is quite a different position than someone who is making \$700 or \$800 a week supporting a family of four, trying to make sure that the kids can get an education, make sure there is a roof over their heads, and a decent homelife so they can enjoy some degree of the comforts of life. They can use the tax cuts.

Boy, I am for it 100 percent—targeted tax cuts to people who work hard and who need the money. I approve of the tax cuts that would support long-term care. I approve of the tax cuts that would support child care for modest-income people. Those are the kinds of tax cuts that distinguish this side of the aisle, the Democrats, from those on that side of the aisle.

I heard someone say something that struck me as being rather amusing—that the Democrats are the ones with the personal money. Some have it and some don't. That is true on both sides of the aisle. I am trying to think it through, but those I know who have worked hard to make their fortune earn respect for having done that, whether they are Republicans or Democrats. Some Members who didn't work hard but have money anyway are also decent people. It doesn't matter how much money you have; it is how much you have in your heart.

I come from a poor family, a family that hardly ever had a dinner together because we were always working in the store; one of us would be standing while the others were sitting and eating.

I have an understanding of what poverty or small incomes mean. I always thought that a good idea for incoming Senators and Congresspeople would be to spend a month or two in poverty, live in the kind of circumstances that we see in our cities and our rural communities. Live where you don't know what kind of food you will be able to give your children. Live where you don't know whether you will be dispossessed because you haven't paid the rent, and live where the best fun a child can have is to play ball in the street. We need a sprinkling of that in this place to bring an element of reality about what life is about and not talk about tax cuts for the rich in the same terms that we discuss tax cuts for hard-working people who need a little help with long-term care for a sick relative or an elderly parent. It is quite a different thing when we discuss things from that point of view.

The thing that matters most to modest-income people who have worked hard all their lives is to save Social Security. Turn the promise into reality, the promise that was made in 1935 when Social Security was conceived, the program that was conceived that said to people, work as hard as you can. Whether you work for a company and you lose your job along the way or you don't lose your job, Social Security is there for you. Full faith and credit of the U.S. Government will pay for it.

One of the worst afflictions we have in our society today, one of the worries we have, is that people are afraid they will lose their health insurance. It was said by one of my colleagues before, over 40 million people in this country are without health insurance. It is a devastating thought—the prospect of someone getting sick and not being

able to maintain their health care coverage, watching not only their health go down the drain but their finances as well.

We have an obligation, I think, to make sure that every one of our citizens in this country has a chance at some kind of minimum health care, so they don't have to worry about going bankrupt if they run into an illness along the way.

AMENDMENT NO. 144

(Purpose: To ensure that Congress saves Social Security and strengthens Medicare before using projected budget surpluses for new spending or tax breaks)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 144.

Mr. LAUTENBERG. I ask unanimous consent that 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, add the following new section:

SEC. ____ SAVING SOCIAL SECURITY AND MEDICARE FIRST.

(a) **IN GENERAL.**—It shall not be in order in the Senate to consider—

(1) any bill, resolution, motion, amendment, or conference report that would reduce revenues without offsetting them in accordance with the Congressional Budget Act of 1974 until Congress first enacts legislation that—

(A) ensures the long-term fiscal solvency of the Social Security Trust Funds and extends the solvency of the Medicare Hospital Insurance Trust Fund by at least 12 years; and

(B) includes a certification that the legislation complies with subparagraph (A); or

(2) any bill, resolution, motion, amendment, or conference report that would increase spending above the levels provided in this resolution, unless such spending increases are offset in accordance with the Congressional Budget Act of 1974 until Congress first enacts legislation that—

(A) ensures the long-term fiscal solvency of the Social Security Trust Funds and extends the solvency of the Medicare Hospital Insurance Trust Fund by at least 12 years; and

(B) includes a certification that the legislation complies with subparagraph (A).

(b) **SUPERMAJORITY WAIVER.**—

(1) **WAIVER.**—The point of order in subsection (a) may be waived or suspended only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) **APPEALS.**—An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

Mr. LAUTENBERG. Mr. President, this amendment stands for the proposition that before we spend a penny of any surplus we ought to work hard to save Social Security and Medicare. That is what our primary obligation ought to be.

This amendment would make it out of order to consider any new spending

or revenue reductions before we have enacted legislation to ensure the long-term solvency of Social Security, and to extend the solvency of the Medicare hospital insurance trust fund by at least 12 years.

It has been said by our friends on the other side that we don't add a penny. Well, it is not so. We can disagree. I wouldn't call my friends on the other side dishonest if they disagree with me. I don't like it when we are called dishonest or deceptive or that the President of the United States is lying when he lays down a budget.

You can argue this thing from all sides of the discussion. Some think that OMB has a more reliable forecasting ability; some think CBO. We are obliged to respond to our needs by using CBO as a reference. The fact of the matter is, if there is a difference, it is not because someone is trying to cheat here or someone is being dishonest; it is a difference of view. Let the public hear it. Let the public listen to this debate.

As I look at things now, times are good today, but we still face tremendous long-term challenges. This is the time to deal with those challenges. We don't know how much of projected surpluses we will need. The Social Security trust fund is projected to become insolvent in 2032, and I don't hear many arguments about that.

At that point, revenues will only be sufficient to fund about three-quarters of the benefits that were initially promised. Mr. President, 2032 is not a long time in the scheme of things. It is long when you have as much white hair as I have, or as much as the chairman has, but it is only three decades away. Relatively small changes today can have a significant impact in the long run. If we wait too long, the changes necessary to establish long-term solvency may be too wrenching and too difficult to accomplish.

Meanwhile, Mr. President, Medicare's problems are even more urgent. The program's trust fund faces insolvency in 2008. That is not a long time away. We can't afford to wait much longer before we act to extend its life and to make those changes that would prolong the life of Medicare beyond even 2020, which we are trying to establish here.

This amendment simply asks the Senate to set its priorities straight. It says our first priority should be to save Social Security and Medicare. It says before we squander surpluses on new initiatives, on major tax cuts, let's do first things first and prepare for the future, because the retirement of millions of baby boomers and other younger Americans depends upon it. Once we have protected Social Security and Medicare, we can consider using any remaining surpluses for other purposes.

Mr. President, I want to be clear that this is not an anti-tax-cut amendment. Like the President, I strongly support targeted tax relief for middle-class families. I hope we are going to ap-

prove the child care and long-term tax credits that the President proposed, along with further tax cuts to promote savings. Nothing in this amendment would block those or any other tax cuts. The amendment simply says that before we use any of the surpluses—and I have to take one moment to remind everybody about where we were and where we are. In 1992, when President Clinton won the election, we were \$290 billion in annual debt. Despite the optimistic forecasts of some, nobody really who thought a lot about the budget a year or two ago would have thought they would be looking at a potential budget surplus of over \$100 billion in this year—\$100 billion.

So I want to give credit where it is due. I don't always agree with the President. I don't agree, necessarily, with some of the budget proposals that his budget laid out before us. We voted against it in the Budget Committee. But the fact of the matter is, yes, with the work of people like Senator DOMENICI and others on the Republican side, as well as those of us on the Democratic side, we worked together in 1997, as I think we had never done before—at least in my memory here—to get a balanced budget in front of us, to get our fiscal house in order. It was a tremendous accomplishment. It is reflected in the confidence that people have in our stock markets and in investments in the country.

Mr. President, we can pass all kinds of tax cuts, but we must remember that all of these things come in priority order. This amendment, again, says before we use our surpluses, we should save Social Security and Medicare. So Congress can still pass as many tax cuts as it wants, even before we address those long-term problems—we would just have to pay for them—just so we don't use up projected surpluses. That should help give us the incentives we need to get the job done.

I also point out, Mr. President, that this amendment applies not just to tax cuts but also to new spending. We should not go on any big spending binges, even for worthy causes, until we know we have saved Social Security and Medicare. That is done in a prospective manner. It is a point in time when we can say with a degree of confidence that this is going to take care of the elongation of the life of Medicare; this is going to take care of the solvency of the Social Security program until 2075. That is what we want to do. We want to know that those things are accomplished, and it doesn't matter whether the spending on top of that is pursued through direct appropriations or through the Tax Code.

So, Mr. President, this amendment says let's keep our focus on the future, let's keep our priorities straight, let's save Social Security and Medicare first—that we do that before we pass either new spending or tax cuts that use projected budget surpluses. I hope we can assemble a point of view that constitutes agreement in that direction, and that we will join together and

get enough votes from our friends on the other side of the aisle. I hope we can do it.

Mr. DORGAN. I wonder if the Senator will yield.

Mr. LAUTENBERG. Yes, I am delighted to yield.

Mr. DORGAN. I found the presentation interesting. I ask the Senator from New Jersey, is it not the case that both of the proposals, the one from the majority side and the one from the minority side, coming from the Budget Committee, save all of the Social Security surplus, but the major difference is that the proposal offered by the Senator from New Jersey also proposes to move some resources to help deal with the Medicare issue?

Mr. LAUTENBERG. That is right.

Mr. DORGAN. As I ask that question, I intend to come to the floor following the Senator from Illinois and make a presentation on this issue of saving Social Security. I can recall a few years ago when dozens of people on the floor stood up and said that proposition is nothing but a gimmick. In fact, the proposal was to put in the Constitution a requirement that the Social Security revenues be considered part of ordinary revenues for the purpose of determining whether or not you have a budget surplus. I will come to the floor to talk about that.

I just say I am delighted that everybody apparently has now come to the same position on this question of whether we ought to save the Social Security surpluses for the purpose which they were intended in the first instance. But those of us who insisted that be done, against the wishes of those who wanted to put that practice in the Constitution about 3 or 4 years ago, were told our position was gimmickry.

It not only was not gimmickry, it was transcendental truth about what we ought to do with these resources. The Senator has it right, as does now the Senator from New Mexico: Let us save the Social Security surplus, but let us at the same time allow room, as the Senator from New Jersey does, to invest and strengthen Medicare at the same time. That is, I think, the purpose of the alternative offered by the Senator from New Jersey, which I think should commend it here to the Senate.

Mr. LAUTENBERG. I thank my friend from North Dakota.

With that, Mr. President, I yield the floor. There is an understanding—just to confirm it—that the next speaker will also be from this side of the aisle. I assume the Senator from Illinois would have our amendment laid aside. Is that the idea?

Mr. DURBIN. Mr. President, I ask unanimous consent that the amendment be laid aside and I be allowed to address the bill.

Mr. DOMENICI. I didn't hear the request.

Mr. DURBIN. I asked that the amendment be laid aside for the pur-

pose of a statement in support of the bill.

Mr. DOMENICI. Of course.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the ranking Democrat on the committee, Senator LAUTENBERG from New Jersey, for his leadership. I also thank Senator DOMENICI for his leadership. We have disagreed, and in the course of my speech you will hear our areas of disagreement. My respect for him has not been diminished by those disagreements, and I continue to believe he is making a good-faith effort, as we all are, to come up with a responsible way to deal with our Federal budget in this challenging year. Oh, what a different challenge it is.

It was only 2 years ago on the floor of the Senate, we must recall, that we initiated the session by Senator ORRIN HATCH, chairman of the Judiciary Committee, coming to the floor and stacking up over the top of his head all of the deficit-ridden budgets of the last 30 years. He pointed scornfully at these budgets and said, "This Congress cannot contain itself and control its spending, and only with a constitutional amendment, the balanced budget amendment, giving to Federal judges and the courts the authority to stop Congress from spending, can we ever hope to reach the day where we will put deficits behind us and live in that wonderful land of milk and honey called surplus."

Well, here we are 24 months later with no constitutional amendment, no balanced budget amendment, no new authority in the Federal courts to restrain congressional spending, and we are debating a surplus. Now, I will concede, as my colleague from Illinois mentioned earlier, that the surplus in the initial years we are discussing is a surplus in trust funds, particularly the Social Security trust fund.

What that means, of course, is that employers and employees across America are paying more into the Social Security program than is needed to pay out to the beneficiaries. The excess is being saved for the eventuality that people like myself—the baby boomer generation—will live long enough to go to the Social Security window and pick up a check. We want to make sure there is some money there not only for ourselves but for others. The question is, What to do with the remainder of the surplus? If we are going to dedicate 62 percent of any surplus in the future to the Social Security trust fund, what will we do with the rest?

That is what this budget resolution debate is all about, because it comes down to some very basic choices. As a family's budget is a series of choices, so the Nation's budget is a series of choices. The choices that have been made by the Republican majority in presenting their budget resolution are different than those of us on the Democratic side. We believe, as they do, that at least 62 percent of all of the sur-

pluses in the near future should be dedicated to making sure that Social Security is solvent. Not good enough that the program will be solvent until the year 2032. We want to have an extended life beyond that.

Then we get into our areas of controversy—a significant controversy for American families—because we believe on the Democratic side that 15 percent of any surpluses should then be dedicated to reducing the debt in Medicare, the health insurance program for the aged and disabled, a program that is literally a lifeline—for 40 million Americans will go broke in the year 2008 if Congress does not act. The Democrats believe that we need to commit ourselves to Medicare solvency and, therefore, we seek in our budget resolution to dedicate 15 percent of future surpluses to Medicare.

On the other side of the ledger is a stark contrast, because the Republican budget resolution does not dedicate one penny—not one penny—to Medicare. Instead, they want the money to go toward tax cuts. There can't be two more appealing words in the English language for a politician to utter than "tax cuts." To think that you could stand before an audience and say to them, "We are going to let you keep more of your money, the Government won't take it," is appealing.

I suppose we on the Democratic side could join in that chorus, but we don't believe that is a responsible course of action. We believe that we have an obligation to Medicare to make certain that its future is strong and is right. Before we suggest a tax cut of any magnitude to any person in America, first we must meet our responsibilities. The good part of meeting our responsibility is that we not only guarantee the future solvency of Medicare but at the same time we pay down the national debt.

Arranged before me here on the Senate floor are Senate pages, young people from high school who come here and work in the Senate, and do a great job. I am glad they are here. I am sure they are hoping that some of the laws that we will pass will make America a better place for them to live. This is a law which I think addresses the concern that they may not have today but they might in the future.

If we have our way, in the Democrat budget resolution, we will start reducing the national debt that we have to pay interest on every year. How much is the interest payment this year on the national debt? It is about \$1 billion a day, \$355 billion that we are paying with Federal tax dollars each year to service the national debt that has been accumulated over the history of the United States.

We believe on the Democratic side that we should set on a course of action dedicating money to Social Security and Medicare at the same time bringing down that national debt, so that we can see in the lifetime of the young people who serve as pages here a

dramatic decline in the annual interest cost to the Federal Government. What it means for their generation is more money available, either for tax cuts or for programs they think are important for the future of this country. But we hope to give them that choice.

On the other side of the aisle, the Republican budget resolution says: "No. Let's not save the money. Let's not put the money in Medicare. Let's give it away as tax cuts."

In fairness to the chairman of the Budget Committee, he has not specified what kind of tax cut package he has in mind. Some Members of his party have already expressed themselves. For example, the House Budget Committee chairman, Mr. KASICH of Ohio, has suggested a 10-percent across-the-board tax cut. I want the American people to understand what that tax cut means to them as opposed to the Democratic budget which seeks to bring down the national debt and to make sure that Medicare is well funded.

The Kasich tax cut, the 10-percent tax cut, would mean for 60 percent of American working families an average of \$8.25 a month in tax cuts. That is a lot of money to put away and to save up for a vacation. In all honesty, it is not enough money to pay for the cable TV bill. But there are those who believe—as I mentioned, Mr. KASICH, proposals on the Republican side—that is preferable, to give that sort of tax cut as opposed to putting the money into Medicare, as opposed to paying down the national debt. I think they are wrong.

I think, if you look at the alternatives, it is very graphically demonstrated that in this budget that we are presently considering—the Republican budget—there will be some \$831 billion in tax breaks, and nothing for Medicare; not a penny for Medicare. That, I think, is a serious mistake. It is a serious mistake, because, frankly, for 40 million Americans it results in some very, very grave decisions. Some people say, "Well, Medicare is just a program for the elderly." I know better. I think most families do. It is not just for the elderly. It is for the children and grandchildren of the elderly to have the peace of mind that their parents and grandparents are going to have good, quality, affordable medical care. It meant a lot to my family, and I think it means a lot to families across America.

If we don't take the money that the Democrats propose in their budget resolution and put it into Medicare, I would suggest to you that the alternatives for that program are grim—cutting benefits for seniors, asking seniors and disabled Americans who are often on fixed incomes to shoulder substantially higher costs, significantly reducing payments to providers, well below the cost of providing quality medical care, or increasing payroll taxes. I don't want to be a party to that. I think that is one of the most

onerous taxes in America. If we don't face our obligation to make sure Medicare is sound, it could lead to increases in payroll taxes.

There was a question raised by some as to whether or not the Democratic budget resolution will, in fact, do any good for Medicare. I have in my hand here a letter that was sent to Members of Congress that is offered by the Department of Health and Human Services, Health Care Financing Administration, which says quite clearly, yes, the Democratic budget resolution is good for Medicare. It will make sure that Medicare remains solvent up to 10 years beyond the date that we currently see solvency ending.

And, of course, if we face Medicare without these additional funds, take a look at what it does. In the area of provider cuts, to extend Medicare to 2020 without new investment, as the Democrats propose, and without benefit cuts of payroll tax increases, we would have to cut payments to providers by 18 percent or more. That is a cut in the Nation of \$349 billion, and over 10 years in Illinois alone \$14.3 billion.

I contacted the Illinois hospital administrators a few years ago when we were in the midst of the same debate, and said to the Illinois hospital administrators, if we have this kind of cut in Medicare payments, what will happen? For many of the hospitals dependent on Medicare—these are hospitals in rural areas, hospitals in the inner city—they would face closure. It is just that serious. The Illinois Hospital Health System Association tells me that even before the last round of cuts, 25 percent of Illinois hospitals were taking a loss on their in-patient Medicare costs.

If we don't act responsibly and adopt President Clinton's approach and the Democratic budget approach, if we don't put money in Medicare, hospitals all across America—in New Jersey, in New Mexico, in Maine, in States across America—are going to face the same kind of pressure.

Second, there are those who suggest let's put the burden of the cost of Medicare reform on the backs of the seniors and disabled. That might extend the solvency of Medicare, but at a very high cost. To date, on average, seniors pay 19 percent of their income to purchase the health care that they need. And Medicare is currently only paying half of their bills. Many seniors live on fixed incomes. The median total annual income of Americans over the age of 65 is a mere \$16,000. And that is hardly a huge sum of money for people to survive. For seniors over 85 it plummets to \$11,251. For the oldest and frailest in America, such as those using home health services, the average income is less than \$9,000.

Can someone with this level of income really afford to pay more for Medicare so we can give tax cuts to some of the wealthiest people in this country? I think that is really not fair. I think most Americans would react

the same: \$8.25 in tax cuts for 60 percent of America's working families, is that really a valid tradeoff if we are going to impose greater burdens on seniors under the Medicare program?

Medicare reform may involve tough choices but it should not involve mean choices. Reform and investment are needed to strengthen Medicare. There are those who say if you just put the money in Medicare as the Democrats propose, they are just never going to reform the system. But the reality is, the Medicare program has grown. The number of beneficiaries has doubled since the program was created, and Americans are living longer. I think there is a fair argument to be made that one of the reasons Americans are living longer is because they now have access to quality health care after retirement.

There was a day, and I can remember as a child, when grandparents moved into the homes of your parents. It was expected. Then we tried to scrape up enough money to make sure medical bills were paid, and often they were not. Those days are behind us because of Social Security and Medicare. Before Medicare, less than 50 percent of retirees had health insurance. Now virtually every elderly American has health insurance.

So here is the priority question for us. How much do we value increased life expectancy? How much do we value the independence of seniors who can live confident that they will receive quality health care under Medicare? Are the people of my generation, who are working and contributing to the surplus, hopefully soon, willing to defer gratification of a tax cut of small magnitude to invest in a retirement insurance program for 40 million Americans? I think they are. The choice, of course, is whether or not we forgo the Republican tax cut and put the money into Medicare and reducing the national debt.

I would like to take that question to the American people by way of referendum. I think I know what the answer is. It is not just a Democratic idea. It was Alan Greenspan who came to Congress and said: Suppress the urge to cut taxes or to increase spending. You should, instead, reduce the national debt, the debt that is taking so much money in interest service payments each year. It is sound economics and it is sound for this country.

We need the strength to address the needs of the Medicare program. Changes will have to be made. But none of the programs being considered presently by the bipartisan Medicare Commission really save much money in the short term. Some of the proposals, such as raising the age of retirement, ask beneficiaries to pay a lot more. They even eliminate graduate medical education, so important to medical schools across America. We need to make sure there is an infusion of money into Medicare now to keep it strong. It is very unwise to enact large

tax cuts, to commit to those tax cuts before we secure both Medicare and Social Security.

Let me say a word about one Medicare reform, too, that I have addressed in the past. I, for one, am opposed to the concept of raising the eligibility age for Medicare. Some have suggested we raise it to the age of 67 as a way of reforming Medicare. The reason for my opposition is personal and it is strong. I had a brother who retired from a well-paid job, working for a major company. He retired early. They promised him a pension and health care benefits. He ran into some problems with his health. He was required to have some major surgery and after his retirement with his company his plan canceled his health care benefits. It was before he reached the age of 65. He literally, then, had everything at risk in terms of his family's life savings and his plans for retirement because he had no health insurance protection and had to wait until he reached the age of 65 to qualify for Medicare.

There are too many Americans falling into this trap. I do not want to see us extend it. Instead, I think we need to have reforms in Medicare that are sensible and we need to have a budget that is dedicated to making certain that the surplus that we have now and in the near future is really focused on reducing the national debt and focused, first and foremost, on strengthening Social Security and Medicare.

Ask the American people: Would you give up the tax cut proposed on the Republican side of the aisle to guarantee that Medicare is going to be solvent for 10 more years? That we will not have to close hospitals? That we will not have to increase payroll taxes for Medicare? That we will not have to slash benefits? I think the answer will come back resoundingly: Stick with the programs that are so critical to millions of Americans. Make certain the Democratic approach in the budget resolution is the one that finally succeeds.

We can put off this tax cut debate to a later time, and let's hope our economy continues to grow so we can consider it. But before we do it, the tax cuts, if any, should be targeted to those who really need them, and we should make sure that Social Security and Medicare are still our highest priority.

I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 1 minute. I just want to say to Senator DURBIN, I did not know my colleague before he came to the Senate. Obviously, we do not agree on a lot of things. But I compliment him on his participation. He had, I think, many things going on, but he is a valued member of the committee and I think he lent some of that atmosphere, that we were all working very hard to get our job done. It was about as good a 3 days as I have spent on committee

work, and I thank the Senator for his share in that.

Mr. President, this consent agreement has been cleared on the minority side and on our side.

I ask unanimous consent that at 3 this afternoon, the Senate proceed to a vote on or in relation to the Abraham amendment No. 143, to be followed by a vote on or in relation to the Lautenberg amendment No. 144, with the time between now and then equally divided in the usual form. Finally, I ask that no second-degree amendments be in order to the amendments.

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

Mr. DOMENICI. I thank the Chair.

Would the Senator like to use part of this 22 minutes? The Senator is free to speak on whatever he likes.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we have a magnificent contrast in approaches to the budget here this year, as we often have in the past.

The budget resolution that the Senator from New Mexico has presented to us is, in fact, a true balanced budget. The budget resolution presented to us by the President of the United States, in fact, spends more than 20 percent of the Social Security surpluses over the next 5 years on programs that are totally unrelated to Social Security.

The President has promised that all of the Social Security surpluses will go into the Social Security system. In fact, his budget does not keep that promise. The proposal before us from the Budget Committee and from the Senator from New Mexico does keep that promise and calls for the creation of a lockbox that prevents the spending of Social Security money for other purposes and for other programs.

Secondly, we do face a crisis in Medicare. The Medicare Part A hospital insurance trust fund will, in fact, go bankrupt in the year 2008, postponed by actions taken by the Congress just a year ago.

We have had as our creation a bipartisan Medicare Commission work on long-term solutions for Medicare over the course of the last year. A majority of the members of that Commission, but not a sufficient number, have voted for true reform in Medicare. That true reform has been blocked by the President who instead proposes simply a paper transfer, which will literally paper over the serious problems that Medicare faces until they are far more serious than they are today and provide a burden for our children and grandchildren that in all probability cannot be met.

The current issue of Newsweek puts this dilemma in graphic terms, stating:

Can the faltering Medicare system be saved? Probably not this year. The reason is politics. Democrats privately admit they do not want a Medicare deal because it would deprive them of a powerful campaign issue. What many Democrats want is a good issue, not good policy, and good policy is what is needed.

Good policy will be available. The politics are reflected in the amendment on which we will vote shortly from the Senator from Illinois that simply papers over the problem itself.

Third, tax relief. This budget resolution, sponsored by the senior Senator from New Mexico, calls for real tax relief for the American people to be taken out of the non-Social Security surplus over the course of the next decade. It gives that offer because it presumes the logical conclusion that if we have a surplus over and above a Social Security surplus, it means that the people of the United States have been overtaxed and that that money should stay in their pockets to be used in the way in which they wish.

The President's proposal, which actually increases taxes over the next decade by almost \$100 billion, feels that the worst thing we can possibly do is allow Americans to spend more of their own money. Amendment after amendment, which we will be facing today and tomorrow and Friday, attempt not only to prevent tax relief from taking place this year, but prevent tax relief from taking place for 10 years, for 12 years and, in the case of one amendment we expect, for 75 years. The worst thing that could possibly happen, according to many on the other side, would be to provide tax relief for the American people out of a genuine non-Social Security surplus.

How do they do that? Partly by amendments such as the Durbin amendment, but primarily through the 70 or more new spending programs that the President has included in his budget, new spending programs that will spend money not only from the non-Social Security surplus but to the tune of more than \$100 billion out of the Social Security surplus itself.

Mr. President, that is the improper way in which to go. We should deal with the Medicare crisis in a straightforward Medicare reform—a difficult debate but a solution that is actually possible, as indicated by one of the leading Members of the Democratic Party in this body, Senator BREAUX, in his chairmanship of that Medicare Reform Commission—through real Social Security reform. We must put the entire Social Security surplus aside in a lockbox so that it cannot be spent on all of the new and increased programs advocated by the President's budget. As a consequence, the Abraham amendment is a vitally important amendment and a key to the debate on this budget resolution.

To summarize, the budget resolution before us proposed by the Budget Committee, under the leadership of my friend, the senior Senator from New Mexico, the chairman, truly protects Social Security, truly balances the budget of the United States, and pays down the debt, truly anticipates Medicare reform that is substantive and not inform only, truly limits spending on other programs and truly returns the surpluses that are appropriately returned to the people of the United

States to the taxpayers who now are overtaxed in a good economy to pay for them.

Mr. President, the Abraham amendment should be supported, the Durbin amendment should be rejected, and we should go forth and adopt this budget resolution, generally speaking, in the form in which it finds itself at the present time. It is only the first step. Many difficult steps remain. But if we do so, if, in fact, we limit our insatiable appetite for spending, I believe we can promise the American people a strong and growing economy for a considerable period of time in the future.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have conferred with the distinguished Senator from New Jersey, Mr. LAUTENBERG, the ranking member of this committee, and we concur that I should seek unanimous consent of the Senate, and I so do, that the time that we use for the vote be counted against the basic budget resolution time.

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

Mr. DOMENICI. I thank the occupant of the Chair for the excellent suggestion, which is where I got the idea.

Mr. President, we had two people speak under the 22 minutes. Maybe the Senator from New Jersey would like to speak or someone else.

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. The Senator from New Mexico has 9½ minutes, and the Senator from New Jersey has 18 minutes.

AMENDMENT NO. 144

Mr. DOMENICI. I am going to proceed for 3 or 4 minutes on my time awaiting the arrival of Senators with whom Senator LAUTENBERG is in touch.

First of all, everybody should know this amendment, offered by the distinguished Senator from New Jersey, is not germane to the budget resolution. So at an appropriate time, when all the time has been yielded back, I will raise a point of order, at which time I assume the Senator from New Jersey will seek to waive that.

I will suggest some things now about why our budget is right and why this amendment, even though it is not germane, is not the right thing to do. I want to start by quoting a Democratic Senator who spent a great deal of time and effort trying to reform the Medi-

care program. The amendment of the distinguished Senator from New Jersey says, "I like the spending part of Senator DOMENICI's budget," although I am sure he would not like to see it in effect for awhile. He said, "Leave that alone." If he had not done that, we would have said you can spend all the surplus. Obviously, he did that.

Then the Senator said, "You can't return any of this surplus tax money to the American taxpayer unless and until you have a reform for both Social Security and Medicare." Here is what one of the Democratic Senators, Senator BREAUX from Louisiana, said:

Medicare must not be used as a wedge issue any longer. The question before this Congress is not whether to cut taxes or whether to save Medicare. That is not the choice we are facing. I support a tax cut [although he says targeted] and I am dedicated to saving Medicare. It is not an either/or proposition.

I am glad that is not the Senator from New Mexico making that statement, although I could make it. There is no question in my mind that is correct. As a matter of fact, it seems to this Senator that if all we had before us was the President's proposal on Medicare, which gradually, bit by bit—most of the proposals of the President's budget are going to be refused in the Senate. We are going to adopt the Abraham amendment. That says to the President: "You were not right in saying you were saving Social Security trust funds; you were saving only a part of it and you were spending a part of it." This first vote is going to say you cannot spend any of it and proposes how a lockbox might be structured if and when we can get the legislation up to vote on that.

Now we are talking about Medicare and, obviously, before we are finished here, no one is going to be for the President's Medicare proposals—or few are—because actually it does not do anything. It purports to do something, but it does nothing. It does not spend a penny on prescription drugs. As a matter of fact, it does not spend a penny of new money to fix Medicare at all.

The budget before us spends \$190 billion to \$200 billion more than the President and fully funds Medicare. It does not cut \$20 billion out of Medicare, which the President cut out.

Then it says: "Let's get on with reform and fix it; let's stop talking about things in the air; let's put it on paper and let's start voting."

We say there is another \$100 billion left over, not from Social Security, not for returning money to the taxpayers, another 100 that we say can be used, if needed, for Medicare.

That is going to solve Medicare well beyond the 12 years that the distinguished Senator from New Jersey seeks. He seeks a 12-year extension of the program. That program, which is described in our budget, can solve it for much longer than 12 years.

The problem is, we do not want to give the American taxpayers a break unless and until we have the reform ac-

complished, and we do not even have a proposal from the President of the United States. It is grossly unfair, in my opinion.

Clearly, the time has come to reward the taxpayers who have been working hard to keep this economy going, putting in more and more of their tax dollars. They ought to get some of it back. We ought to be for keeping the economy expanding and growing, producing jobs and vitality.

If you look around the world, West Germany is in trouble, and that means most of Europe is going to be in trouble, not just Asia, and we are going to be the bastion of growth and prosperity. We better be ready with some tax cuts for American business and for the American taxpayer if we want another 6 or 7 years of prolonged, sustained recovery. That is the kind of thing we ought to be doing, and it is done by this budget, leaving the Congress to decide what kind of tax reductions they want in the future.

This budget does not prescribe that. Certain Republicans have ideas, and certain Democrats have ideas. This Senator, my good friend from Louisiana, has ideas. His would be for targeted tax cuts. I do not know what the occupant of the Chair would be for, but he would have some.

Only one set of ideas is going to be passed. It is going to be passed ultimately by committees after debate and committee hearings and the like. The question is not whether some of us are for an across-the-board tax cut like John Kennedy was for; the question is, Are we going to provide anything for tax cuts? The Lautenberg amendment says no. I believe we should not adopt it, and we should get on with the budget format and plan contained in the budget before us.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Will the Senator yield 6 minutes?

Mr. LAUTENBERG. If the Senator will just give me about 2 minutes to respond to Senator DOMENICI.

I just say that though the quote from Senator BREAUX is that it is not an either/or proposition, the fact is that the Republican priority—and I will do the unheard of; I will hold up my own sign—that the Republican priority for the surplus has made it either/or. We have tax breaks for the 10-year period, over \$800 billion, \$831 billion, and Medicare, zero. So if we want to discuss what we are going to do for Medicare, I guess there is some thought that you can help it by giving it nothing, because that is what is planned. So if we are going to use the quote here, then I think we have to use it in the context of reality.

With that, since the Senator from Massachusetts had asked for the floor, Mr. President, I yield—how much time?

Mr. KENNEDY. Six minutes.

Mr. LAUTENBERG. I yield 6 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I have listened over the course of the presentations earlier this morning about how the Republican budget is going to try and solve the problems in Medicare and also with regard to prescription drugs, and how inadequate the President's program has been in terms of resolving Social Security and Medicare. I am glad to hear the interpretations of my good friends on the other side.

The fact of the matter is, the President's program, in allocating the resources for Social Security with 62 percent of the surplus, has been basically endorsed by eight Nobel laureates in economics and over 100 economic professors, along with Alan Greenspan. If you listen to our colleagues out here, you would think it was a nondescript program. But the fact is, it is a solid program. It is a sensible program and a responsible program.

The chairman of the Budget Committee talks about all the money that is going to be there in Social Security. He talks about how they are going to add \$190 billion to Medicare. They have to have it. They are not adding any money. That is what the cost of the program is going to be in the outer years. They do not dare cut back on that program. That is necessary for the very existence of the program over that period of time.

So when they come out and say, "We're adding all of this money and protecting the Medicare program," that is poppycock; otherwise, they would have to justify further cuts in the program. These are the best estimates for a continuation of the program at the present rate. That is all.

They have this wonderful other program that they talk about that is going to be available. I just refer our colleagues to the Budget Committee report for the concurrent resolution on the budget, and look on page 4, at about the middle of the page, about "Additional On-Budget Surpluses." They talk about:

It is estimated, at this time, that nearly \$133 billion in on-budget surpluses could result if the resolution were . . . implemented.

That has been revised to \$100 billion. Now, listen—listen—to this fund that is going to be there. At one moment it is for prescription drugs and at another moment it is for Medicare and at another moment it is for the transition to Medicare reform and at another moment it is for national disasters. Look what they say:

These additional funds, if estimates prove accurate, would further retire debt held by the public or could be made available to assist funding of any transition costs to implement reforms in the Medicare programs that would significantly extend the solvency of that program through a reserve fund mechanism adopted by the Committee. Alternatively, the on-budget surplus projected by the resolution could be needed for funding unexpected disasters and emergencies over this period.

It does not even refer to prescription drugs. It does not even mention it. You

talk about double counting—you can come over to page 90, and you will see how they double count it over there. We will come back to that. You tie up that fund in terms of prescription drugs in such a way you will not even get an aspirin out of this particular proposal, Mr. President.

I just want to point out that they talk about the fund that they are going to have with the \$100 billion surplus. It may be for emergencies. The Budget Committee knows you average \$9- or \$10 billion a year in that particular program. But if we look at the payout for the budget—and I just refer you to the budget, S. Con. Res. 20.

Look on page 5, look at line 18. For the year 2000, is there going to be anything in there for Medicare? No. It is \$6 billion in debt. How about line 19, fiscal year 2001? Anything in there for Medicare transition? Anything in there for prescription drugs? Anything in there for emergencies? Zero. What about line 20, for the fiscal year 2002? Zero. What about for fiscal year 2003? Zero. What about for fiscal year 2004? There is \$2,899,000,000. Isn't that something? This is their program for saving Medicare. This is their program, their own figures.

If I have ever heard something that makes absolutely no sense—how can any member of the majority in the Budget Committee stand up on this floor and say that they have anything worthwhile in here to protect Medicare?

I say to the Senator, it is \$686 billion. Even if you use the whole \$100 billion, it is \$686 billion you are going to need over 15 years, so you do not have enough in here to even begin to save Medicare. All we are trying to get is honesty in budgeting.

Under the Democratic program, we take all 15 percent and set it aside. You can make these debatable points that, well, you can't really transfer the funds. Of course you can't. You have to change the law to be able to do it. But we understand what is being done out here, Mr. Chairman and Senators. We understand what is being done. We are allocating and indicating what our priorities are. And we are going to save Social Security on the one hand, and we are going to use that 15 percent for Medicare. And we are not going to use this \$100 billion that does not provide a single cent for 5 years and can be used either for disasters or for any other program that has been outlined in the Budget Committee's report.

That is not saving Medicare. The amendment of the Senator from New Jersey, Senator LAUTENBERG, does the job. And the amendment of Senator CONRAD does the job. We will also have an opportunity to offer something that will do it.

So Mr. President, I think it is worthwhile going beyond the rhetoric and giving our Members a chance to look through both the report and the legislation to try and find out who really is interested in preserving Medicare. The

votes that are going to be offered here later this afternoon, starting with Senator LAUTENBERG's, and Senator CONRAD's, will give us an opportunity to do that.

The principle set forth in the Lautenberg amendment goes to the heart of this budget debate: We should not liquidate the surplus by enacting tax cuts before we solve the significant financial problems facing Social Security and Medicare. I wholeheartedly agree. Placing Social Security and Medicare on a firm financial footing should be our highest budget priorities. The surplus gives us a unique opportunity to extend the long-term solvency of those two vital programs without hurting the vulnerable elderly who depend upon them. We should seize that opportunity. Two-thirds of our senior citizens depend upon Social Security retirement benefits for more than fifty percent of their annual income. Without it, half of the nation's elderly would fall below the poverty line. These same retirees living on fixed incomes rely upon Medicare for their only access to needed health care. For all of them, this budget does absolutely nothing. It does not provide one new dollar to support Social Security or to support Medicare. It squanders the historic opportunity which the surplus has given us.

On the subject of Social Security, the Republican budget is an exercise in deception. The rhetoric surrounding its introduction conveys the impression that the Republicans have taken a major step toward protecting Social Security. In truth, they have done nothing to strengthen Social Security. Their budget would not provide even one additional dollar to pay benefits to future retirees. Nor would it extend the life of the Trust Fund by one more day. It merely recommitts to Social Security those dollars which already belong to the Trust Fund under current law. That is all their so-called "lockbox" does. By contrast, President Clinton's proposed budget would contribute \$2.8 trillion new dollars of the surplus to Social Security over the next fifteen years. By doing so, his budget would extend the life of the Trust Fund by more than a generation to beyond 2050.

Not only does the Republican plan fail to provide new revenue to extend the life of the Social Security Trust Fund, it does not even effectively guarantee that the existing payroll tax revenues will be used to pay Social Security benefits. In essence, there is a trap door in the Republican "lockbox". Their plan would allow Social Security payroll taxes to be used to finance unspecified "reforms". This opens the door to risky schemes that would use the Social Security surplus to finance private retirement accounts at the expense of Social Security's guaranteed benefits. Such a privatization plan could actually make Social Security's financial picture far worse than it is today, necessitating deep benefit cuts. A genuine "lockbox" would prevent

any such diversion of funds, but not the Republican version. A genuine "lockbox" would guarantee that those dollars would be in the Trust Fund when needed to pay benefits to future recipients. The "lockbox" in this budget does not.

While the Republicans claim that they too support using the surplus for debt reduction, they are still unwilling to use it in a way that will help save Social Security for future generations. There is a fundamental difference between the parties on how the savings which will result from debt reduction should be used. The federal government will realize enormous savings from paying down the debt. As a result, billions of dollars that would have been required to pay interest on the national debt will become available each year for other purposes. President Clinton believes those debt service savings should be used to strengthen Social Security. So do I. But the Republicans refuse to commit those dollars to Social Security. Their budget does nothing to increase Social Security's ability to pay full benefits to future generations of retirees.

Currently, the federal government spends more than 11 cents of every budget dollar to pay the cost of interest on the national debt. By using the Social Security surplus to pay down the debt over the next fifteen years, we can reduce the debt service cost to just 2 cents of every budget dollar by 2014; and to zero by 2018. Such prudent fiscal management now will produce an enormous savings to the government in future years. Since it was payroll tax revenues which made the debt reduction possible, those savings should in turn be used to strengthen Social Security when it needs additional revenue to finance the baby boomers' retirement after 2030. Rather than paying interest to bond-holding investors today, our plan would use that money to finance Social Security benefits tomorrow.

This is analogous to the situation of a couple with young children and a mortgage. They know they will have a major expense fifteen years down the road when their children reach college age. They use their extra money now to pay down their home mortgage ahead of schedule. As a result, in fifteen years the mortgage will be greatly reduced or even paid off. Thus, the dollars that were going to pay the mortgage each month will become available to finance college for the children. In the same way, the federal government is reducing its debt over the next fifteen years, so that it can apply the savings to Social Security when the baby boomers retire.

That is what the President's budget proposes. It would provide an additional \$2.8 trillion to Social Security, most of it debt service savings, between 2030 and 2055. As a result, the current level of Social Security benefits would be fully financed for all future recipients for more than half a

century. It is an eminently reasonable plan. But Republican members of Congress oppose it.

During the budget debate, the Republicans will proclaim that this year, unlike last year, Social Security tax dollars are not being used to pay for their tax cut. This year they are not proposing to loot billions of dollars from the Social Security Trust Fund. Undeniably a step in the right direction. But hardly sufficient progress. They are still unwilling to use the surplus to save Social Security, still unwilling to use surplus dollars to extend the ability of the Social Security Trust Fund to pay full benefits to future generations.

Sadly, the Republican response to the financial problems facing Medicare is the same. The crisis facing Medicare is much more severe than the financial problems facing Social Security. Medicare will become insolvent in less than a decade unless we take decisive action to extend it. President Clinton's budget would do that. It would devote fifteen percent of the surplus, nearly \$700 billion, over the next fifteen years to financially strengthening Medicare. As a result, it would have sufficient resources to fully fund current health care benefits to at least 2020. This would give us the time which is necessary to gradually reform the program in a way which will protect the elderly beneficiaries who depend upon it. However, the Republicans rejected this initiative to save Medicare. Their budget will not extend the life of the Medicare Trust Fund for one day. I will have a great deal more to say later in the debate about the harm that this budget will do to Medicare.

The budget Republicans have brought to the floor does not provide one new dollar to finance Social Security or Medicare benefits. What it does provide is nearly \$800 billion new dollars for tax cuts over the next decade. Tax cuts, not strengthening Social Security and Medicare, is their first priority. Budgets speak louder than words. The Republican budget tells us much more candidly than their rhetoric where the GOP's real commitment lies.

The Republican budget would devote \$778 billion to tax cuts during the next ten years—before fixing Social Security, and before funding Medicare for the next generation. Those who wrote this budget were not thinking about the two-thirds of our senior citizens who rely on Social Security retirement benefits for more than half their annual income. They clearly were not thinking of the elderly who depend on Medicare for their only access to health care. The pleas of the elderly have fallen on deaf ears.

When the Republicans wrote this budget, they had a very different group of people in mind. While the budget itself does not specify the precise form of tax cut, the Republican leadership has already called for a 10% across-the-board tax rate cut. Such a tax cut would disproportionately benefit the

nation's highest-income taxpayers. The Treasury Department's analysis of this proposal shows that the top one percent of earners would receive 35% of the benefits. The top twenty percent of earners would receive 65% of the benefits. By contrast, approximately 45 million Americans would get no benefit at all.

While an across-the-board income tax cut may sound fair at first hearing, it would in fact be grossly inequitable. Under the Republican leadership's proposal, sixty percent of American taxpayers would share just nine percent of the total tax savings, an average of less than \$100 per person per year. Clearly, the Republicans are not thinking about the needs of working families and their elderly parents.

This amendment offered by Senator LAUTENBERG would set us on a different, more responsible course. It would prevent using the surplus to fund tax cuts until we have solved the financial problems facing Social Security and Medicare. This approach would preserve the resources which are needed to guarantee the long-term solvency of these two historic programs without harming future beneficiaries. It is the right thing to do.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, I yield 8 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I want to follow on the remarks of my good friend from Massachusetts, Senator KENNEDY, because I think he, with great articulation, hits the nail on the head. We are talking here not about gimmicks but what is the right way, the most solid way to put a budget together and to protect Social Security.

There is a right way; there is a wrong way. The Lautenberg amendment is the right way to preserve Social Security. The amendment of the Senator from Michigan is a good example of an idea that sounds good, but is the wrong way.

Mandated reductions in our Nation's debt limit are irresponsible. They are dangerous. They could hurt the very people that the proponents claim they want to help; namely, Social Security beneficiaries.

As a member of the Finance Committee, I understand very clearly the risks this amendment poses. Debt is incurred solely to pay expenditures that Congress has already authorized. The time to limit spending is when Congress is considering the underlying bills, whether they be appropriations bills or tax bills, not after the bills have already been enacted into law. By the time the debt limit is reached, the Government is already obligated to make payments and must have enough money to do so.

The debt obligations of the United States are recognized as having the least credit risk of any investment in the world. That credit standing is a precious asset for the American people and helps our economy by reducing the costs of borrowing.

Remember, the last time we came face to face with a debt limit crisis in November 1995, Moody's credit rating service placed Treasury securities on review for possible downgrade. They did this because it appeared possible for the first time in our Nation's history that the United States might be forced to default on our debt obligations. From the safest investment in the world, America overnight became comparable to that of countries which we do not hold in as high regard.

If the debt limit is reached and Congress cannot quickly obtain a super-majority to increase the limit, Treasury might easily be forced to stop honoring any payments. The largest single recurring monthly expenditure for the Treasury comes every month when Social Security checks are sent out.

The effect of this amendment, which is being touted as helping to preserve Social Security for the future, could easily be to force current beneficiaries to live without the monthly checks that so many depend upon for their livelihood. Those who support this amendment—that is, of the Senator from Michigan—seem to feel that we must in effect destroy Social Security in order to save it. Obviously, the majority of Members disagree.

I believe we can save Social Security for the future without putting current beneficiaries at risk of losing their monthly checks. We can do this not by supporting the Abraham amendment but by sticking to the budget enforcement tools that have successfully brought us this far, from a time of red ink as far as the eye could see to a day of projected budget surpluses.

That is why I support strongly the amendment offered by Senator LAUTENBERG. Simply put, we should reach agreement on a solution to the Social Security problem before we begin spending money we don't yet have. Until that happens, we should keep the pay-go rules and discretionary spending caps in place. This is the only way to truly save Social Security first.

I believe if we pursue this course we can make room in the budget for a number of critical priorities. In addition to saving Social Security, we can preserve Medicare. We all know that Medicare is in dire straits, worse shape than Social Security, and I am astounded that the majority party does not want to save Medicare, a program that is in worse shape even than Social Security.

I might also say that the balanced budget amendment which we passed a couple of years ago has a disproportionately detrimental effect on rural hospitals and rural doctors. In my State of Montana, rural hospitals lost 6.5 percent in 1997 in spite of the news

that hospitals nationwide are making big profits—a 6.5-percent loss. That was before the balanced budget amendment cuts. If, as some suggest, we don't infuse the Medicare trust fund with some surplus monies, there is a very real possibility that providers could suffer further cuts. If that happens, small rural hospitals will not just lose money, they will close.

For all the very real danger in the social security system, did you know that if we do nothing Medicare will be insolvent in about the next ten years? Think about that.

We are less than a decade away from allowing a major piece of our nation's security to whither on the vine.

Let's consider how quickly that date is coming. Only eight years ago, we launched Operation Desert Storm in Iraq. Ten years ago the Berlin Wall fell. Seems like yesterday, doesn't it?

And just a couple of years ago, Mr. President, Congress passed the Balanced Budget Act. In the BBA, we extended the life of the Medicare Trust Fund.

But we also implemented over \$100 billion in cuts to health care providers. I hear about those reductions from Montanans every day.

Montana small rural hospitals lost 6.5 percent in 1997, in spite of news that hospitals nationwide were making a killing. 6.5 percent, Mr. President. And that was before the BBA cuts. If, as some have suggested, we don't infuse the Medicare Trust Fund with some surplus monies, there is a very real possibility that providers could suffer further cuts. If that happens small rural hospitals will not just lose money, they will close.

And patients—not just providers—will suffer. This Congress should do the responsible thing by not balancing the budget on the backs of Medicare patients and providers. The Senate should dedicate 15 percent of the budget surplus to save Medicare.

Mr. President, saving Social Security and shoring up Medicare must be our two top priorities.

I don't think that precludes us from passing targeted tax cuts, though. I think we can make room for tax cuts by getting rid of wasteful spending wherever it occurs.

Let me tell you a few tax cuts I will personally work for this Congress:

We should end the marriage penalty for Montana and American families.

We should provide tax cuts to promote education for our children. I will push this year to further expand the student loan interest deduction. I'll introduce legislation to encourage greater donations of computers and technology to schools. And I'll expand the lifelong learning credit so our workers can get the vital training they need to adapt to today's changing, global economy.

We should expand pension coverage particularly for our small business. Only one in five Montanans working for small businesses have access to re-

tirement plans. I am introducing legislation to try to make pension plans more affordable and less complicated for small businesses and their employees.

And, as part of my safety net to help farmers weather these turbulent times, I am promoting a new farm savings account.

Mr. President, in conclusion, I believe that the pending amendment is the right way to go. We must save Social Security first. We should not use gimmicks like the "lock box" that could jeopardize our ability to issue social security checks and hurt the very people that we are trying to help.

Mr. President, I believe that, without such a gimmick, we can make room in the budget for what should be our three biggest priorities: Social Security, Medicare, and targeted tax cuts.

Let's seize this opportunity and do what's right for our country.

In summary, I am quite concerned about the priorities that are in the majority budget. A budget sets a country's priorities. For me, one of the main priorities should be saving Social Security, which, in effect, the majority budget does not do. Certainly we should help do what we can to save Medicare, to shore up Medicare, shore up the Medicare trust fund, which certainly the budget resolution before the Senate does not do.

We should not use gimmicks like lockboxes, and so forth. It may sound good, but they do not provide the benefits they purport to have.

I very much hope we adopt the amendment offered by the Senator from New Jersey, the amendment that sets the priorities that this country really needs and want.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time remains?

The PRESIDING OFFICER. The Senator from New Mexico has 3 minutes 32 seconds, and the other side has 3 minutes 17 seconds.

Mr. DOMENICI. Who wants to speak on the Democratic side?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 1 minute 15 seconds.

Mr. President, I want to direct the chairman's attention to page 90 of the report. Here is the reserve fund for Medicare and the prescription drugs. I hope that anyone who believes we are really establishing a reserve fund in here for prescription drugs will take a little time to read it. We don't have the time to do so right now.

The point I want to make is this: When my good friend from New Mexico is talking about the \$190 billion that is going to Medicare, as I mentioned, that is what will be necessary to just continue the program without any kind of adjustment. Then they have this \$100

billion out there. In this report they say it can be used for prescription drugs, it can be used for disaster relief, it can be used for anything. Any time I hear someone come over and talk about a particular subject, it seems that they are using the same \$100 billion for that particular purpose.

Now back to page 90 and restrictions placed here in terms of prescription drugs. There is absolutely no reason to expect there will be a prescription drug provision under this particular provision that has been added in the budget legislation. We will have an opportunity later in the afternoon to debate it, but there is nothing here to guarantee the availability of even one additional dollar for Medicare.

Mr. DOMENICI. Mr. President, I will reserve as best I can the decibel level until later in the day when I feel more like arguing with the distinguished Senator from Massachusetts, but he will hear it before we are finished, as I will hear his.

The Republican package is by far better than anything the President of the United States has offered to the people of this country on Medicare. Let me suggest that maybe before we are finished, we will put the President's Medicare package before the Senate and see how many Senators vote for it. As a matter of fact, it doesn't pay a penny of prescription drugs and doesn't provide for any method or manner of doing it. The 15 percent of the surplus that is put in there is clearly identified as being placed in there to elongate the trust fund. But you can't spend it under the President's plan. You get back IOUs, which means generations to come will have to pay whatever it is that is spent on Medicare over the years.

We did better than the President in that he cut \$20 billion out of Medicare and we did not during the next decade. When you add that together with more than \$100 billion that is not allocated anywhere out of the surplus that can be used for Medicare reform, including prescription drugs, we have a very good package.

The only thing missing is a proposal, a reasonable proposal, by the President of the United States to put into effect the use of that money and the kinds of reforms that are suggested by the committee which worked so long and was one vote short of what they needed.

We can go on forever this year debating Medicare, but the truth of the matter is, we have a solution in mind. There are others who talk about the problem and indicate that it will be fixed in some miraculous way when they don't have a plan.

I yield the remaining time to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan has 45 seconds.

Mr. ABRAHAM. I will speak quickly.

Our plan, which will be voted on, is a sense-of-the-Senate amendment that

we should create a Social Security lockbox. This would make sure that any Social Security surplus dollars are used either to fix Social Security or pay down the national debt. People on both sides of the aisle have been claiming that is what they wanted to do. We just heard the first spokesperson in opposition to that raising issues that I think are very dubious complaints.

If you don't want to reduce the national debt and you want to spend the Social Security surplus, then vote against this amendment. However, I can't think of any other reason, other than that, to vote no on our amendment. This is a sense of the Senate to set us in the direction of making sure we protect those surpluses.

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

The Senator from New Jersey has 1 minute 48 seconds.

Mr. LAUTENBERG. Mr. President, I don't think I will use all that time, but I will take a moment to respond in case my colleague from Massachusetts needs any shoring up.

The fact of the matter is that the reserve fund, this mythical reserve fund, that was going to be \$132 billion has, by osmosis, shrunk to \$101 billion and it is headed in the wrong direction.

If there is going to be any participation at all in establishing solvency for another 12 years for Medicare, we have to make our judgment based on where things stand, not the kind of things that are said in honest debate.

Mr. KENNEDY. Will the Senator yield?

Mr. LAUTENBERG. I yield.

Mr. KENNEDY. Mr. President, the alternative under the Lautenberg amendment is, we will not have the tax cuts until we have the solvency of Social Security and Medicare. Is that the effect of the Lautenberg amendment?

Mr. LAUTENBERG. That is our amendment.

I yield back the remaining time.

Mr. DOMENICI. I yield back all time I might have.

The PRESIDING OFFICER. All time has expired.

Mr. DOMENICI. I ask for the yeas and nays on the Abraham amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. I ask unanimous consent it be in order for me to make a point of order against the Lautenberg amendment so we can stack that vote.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. DOMENICI. The Lautenberg amendment is not germane to the budget resolution; therefore, I raise a point of order under section 305(b)(2) of the Congressional Budget Act.

Mr. LAUTENBERG. Mr. President, pursuant to section 904 of the Congress-

sional Budget Act of 1974, I move to waive the applicable sections to that act for the consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 143

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Indiana (Mr. LUGAR) is absent because of a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—99

Abraham	Enzi	Lott
Akaka	Feingold	Mack
Allard	Feinstein	McCain
Ashcroft	Fitzgerald	McConnell
Baucus	Frist	Mikulski
Bayh	Gorton	Moynihan
Bennett	Graham	Murkowski
Biden	Gramm	Murray
Bingaman	Grams	Nickles
Bond	Grassley	Reed
Boxer	Gregg	Reid
Breaux	Hagel	Robb
Brownback	Harkin	Roberts
Bryan	Hatch	Rockefeller
Bunning	Helms	Roth
Burns	Hollings	Santorum
Byrd	Hutchinson	Sarbanes
Campbell	Hutchison	Schumer
Chafee	Inhofe	Sessions
Cleland	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
Crapo	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Voinovich
Dorgan	Levin	Warner
Durbin	Lieberman	Wellstone
Edwards	Lincoln	Wyden

NOT VOTING—1

Lugar

The amendment (No. 143) was agreed to.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act in relation to the Lautenberg amendment No. 144. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Indiana (Mr. LUGAR) is absent because of a death in the family.

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

The yeas and nays resulted—yeas, 45, nays 54, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—45

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Graham	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Byrd	Kennedy	Robb
Cleland	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Schumer
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

NAYS—54

Abraham	Fitzgerald	McConnell
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Gramm	Roberts
Bond	Grams	Roth
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Burns	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Mack	Voinovich
Enzi	McCain	Warner

NOT VOTING—1

Lugar

The PRESIDING OFFICER. On this vote, the yeas are 45, the nays are 54. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent that all first-degree amendments to be in order to S. Con. Res. 20 must be offered by 12 noon on Thursday, March 25, 1999, and at 11:40 a.m. on Thursday, Senator LAUTENBERG be recognized to offer and lay aside amendments on behalf of Members on his side of the aisle, and at 11:50 a.m., Senator DOMENICI be recognized to offer and lay aside amendments on behalf of Members on this side of the aisle.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. Mr. President, I thank the managers, Senator LAUTENBERG and the chairman of the committee, Senator DOMENICI, for the work they are already doing, for the cooperation we have been receiving from Senator DASCHLE, and the fact that we started off last night with an agreement that we would have 35 hours remaining.

These Senators have worked through the debate this morning. We just had two back-to-back votes. Getting this agreement to have the first-degree amendments offered by 12 noon is also an important step in the right direction. I know they are going to continue to push aggressively.

Let me say to Members on both sides of the aisle, I know how prolific we are

and how much we enjoy having amendments with our names on them. However, if we come up with 40 amendments on this side of the aisle and 40 amendments on that side of the aisle—80 amendments on top of the remaining 26 or 27 hours—we are not going to be able to make it by Friday.

In view of that, I have already made arrangements for my flight to be Saturday, not Friday. I also want to notify Members that in order to accomplish this goal of finishing up by Friday, we are going to have to go late—unless we can work out some other arrangement—Wednesday night and Thursday night, possibly Friday night. We already have presiding officers signing up for hours to go all night Wednesday and Thursday night. We only have a couple vacancies here. We have a 4 to 5 a.m. slot that will be left for somebody to sign on to. Maybe Senator BROWNBACK will sign up for that slot. We need to fill in these time blanks for both nights.

I know the managers are going to need help in order to get through this, especially if we have to go all night. I hope we can work out a way to avoid that, but it is going to take the cooperation of Members on both sides with the managers.

I am serious about doing this, not for punishment, but so we can do our work. I have Senators on both sides of the aisle coming up to me saying: "I really need to get out of here Thursday night." "Can I be gone by 1 Friday?" "I must be out of here by Friday night." In order to achieve that, we have to come to additional agreements, drop some amendments, and perhaps seriously go around the clock one night.

Please cooperate with the managers. You will have the chance on both sides to make your principal points, get votes on those amendments, and then we can move on to conclusion.

Thank you for the cooperation we have already received.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. First, I thank the distinguished majority leader for his assistance. I think that is a very good start.

I also ask unanimous consent that heretofore any votes that we have had, that the time used up on votes count against the total time under the resolution.

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

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I, too, extend my appreciation to the Democratic leader, Senator DASCHLE, for the hard work he did to try to get people to understand that we do not want to deprive anybody at all of their opportunity to offer amendments, but we make the case, as we all heard from

the majority leader, that we are prepared to stay here as late as necessary tonight. And Senator DOMENICI and I, as usual, have been working cooperatively. I just wonder whether the majority leader asked the freshman class over there whether they would stay all night. But I thank you.

I ask permission, if it is all right with the Senator from Missouri, if the Senator from Wisconsin, who has a fairly short 6-minute presentation to make, could be recognized at this time.

Mr. DOMENICI. We have no objection.

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

The Senator from Wisconsin is recognized.

Mr. KOHL. Thank you, I say to Senator LAUTENBERG and Senator ASHCROFT.

Mr. President, I rise in opposition to the budget resolution. This budget is senseless, arrogant, and dishonest.

If this were an employee, you would fire him. If this were a house guest, you would boot him. But since this is a budget, our only option is to vote it down—and spend the few hours we have left in this debate hammering out a fiscal plan of which we can be proud.

When I call this budget senseless, I mean it literally: The budget does not make sense. The United States is experiencing the longest peacetime economic expansion in our history. We are projected to run budget surpluses totaling almost \$5 trillion over the next 15 years.

In goods times like these, we ought to have the confidence to be bold, to pay our debts from the past, to solve the problems, like runaway entitlement spending, that will plague us in the future, and indeed, to invest wisely in a strong nation.

Instead, this budget makes a series of incomprehensible tradeoffs.

It increases funding for elementary and secondary education, while removing 100,000 young students from Head Start, and eliminating child care subsidies for 34,000 low-income children. If we follow this budget, we will be ready to teach children who, because we have neglected them in their first 5 years, are not ready to learn.

The budget increases spending for research into new diseases, while cutting spending for the vaccines that protect our children from old diseases.

The budget increases military spending beyond what the President wants, and cuts diplomatic spending below what the Secretary of State believes is feasible. We are sending the administration out into a world of shifting borders and allegiances armed with a stick too big to lift and a carrot too small to see.

The budget fully funds the Violent Crime Trust Fund and cuts 2,700 FBI agents. Now how do we reduce violent crime while also reducing the number of people specifically charged with fighting it?

And in perhaps the crudest mismatch of all, this budget chooses an

enormous tax cut over shoring up the Medicare Trust Fund. The budget trades a long-term policy of health and security, for those who really need it, for a short-term policy of giving cash to those who already have it.

These sort of confusing tradeoffs are enough for most of us to reject the budget. But these policy missteps are compounded by the fact that they are continued for many years.

The budget includes tax cuts that grow exponentially as far as the eye can see, and huge increases in military hardware purchases in contracts stretched out almost as far. Have we not learned from the past? This is the same combination of defense spending and tax cuts that led to the record budget deficits of the 1980s. Have we no respect for the future? It is the height of arrogance for politicians today to lock future generations into evermore expensive contracts and commitments.

And finally, the budget is dishonest. By the admission of several congressional leaders, there is no way the draconian cuts in domestic spending envisioned by this budget will last the year.

What that means is, sometime in November, we will all be voting for, and lamenting over, a hastily thrown together omnibus appropriations bill that funds all the needs this budget proposes to ignore.

That is a sloppy way to do our business. If these domestic programs are priorities—and I believe they should be—then we ought to discuss them now, plan for them now, budget for them now. It is dishonest to trumpet this budget as responsible spending, while fully expecting to spend irresponsibly and freely at the end of the year.

This budget is not evil; it is sloppy. It reflects priorities so misguided and mismatched that no one expects they will be implemented at the end of the day. The budget is not so much a crime as it is a mistake and a missed opportunity.

We had a chance to behave responsibly and wisely, using our current surplus and strong economy to underpin a visionary plan for this Nation's fiscal future. We could not have done something for the future, but instead we have a budget that, at best, will get some of us through tonight's 6 o'clock news sound bites. After that, it will be shoved aside for a last minute, unplanned and probably unwise spending spree.

So, let's not wait until tomorrow. Let's put this budget out of its misery now. Let's not stumble into the new century with a senseless spending plan. Let's adopt a fiscal framework that makes sense for old and young—that will stand today and in the future.

I thank you, Mr. President, and yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

AMENDMENT NO. 145

Purpose: To express the sense of the Senate that the Federal Government should not directly invest the social security trust funds in private financial markets

Mr. ASHCROFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] for himself, Mr. BROWNBACK, Mr. GREGG, Mr. SMITH of New Hampshire, Mr. ABRAHAM, Mr. ENZI, Mr. INHOFE, Mr. ROTH, and Mr. WARNER, proposes an amendment numbered 145.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that 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. . SENSE OF THE SENATE THAT THE FEDERAL GOVERNMENT SHOULD NOT INVEST THE SOCIAL SECURITY TRUST FUNDS IN PRIVATE FINANCIAL MARKETS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that the Federal Government should not directly invest contributions made to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) in private financial markets.

Mr. ASHCROFT. Mr. President, the amendment which I have sent to the desk is a simple one. It is an amendment forbidding the Government to invest Social Security trust funds in the stock market.

We have talked a lot about Social Security in relation to the budget and that it is important that we not invade the Social Security trust fund to undertake spending to cover deficits in other areas, and that is really a way to protect the trust fund. This amendment is another way to protect the trust fund and to protect the retirement security of Americans from the risks of the stock market.

So this amendment expresses the sense of the Senate that the Federal Government should not invest the Social Security trust fund in the stock market. Having the Government invest the trust fund in the stock market is a gamble. It is a gamble Congress should be unwilling to make on behalf of the millions who receive and depend on Social Security to meet their retirement needs.

First, let me say that there is no more worthy Government obligation than ensuring that those who paid a lifetime of Social Security taxes will receive their full Social Security benefits. Social Security is our most important social program, and I believe it is a contract, an agreement between the citizens and their Government. Americans, including 1 million Missourians, depend on this commitment. And I am determined to ensure that Social Security meets that commitment.

The President has suggested, and for the first time in history, that the Gov-

ernment should invest as much as \$700 billion worth of Social Security surpluses in the stock market. In my view, and in the view of many Missourians who depend on Social Security, this would unnecessarily gamble with the Social Security trust funds.

For more than 60 years, Social Security law has forbidden the trust funds from being invested in the stock market. The pending amendment will express our support for that law, making explicit what is now implicit, that this kind of governmental meddling into private markets should not be allowed to happen.

Federal Reserve Board Chairman Alan Greenspan says that investing Social Security funds in the market is bad for Social Security and, he says, bad for the economy. Now, when Alan Greenspan talks, virtually everyone listens. And Congress ought to listen.

Chairman Greenspan has said this plan "will create a lower rate of return for Social Security recipients," and he "does not believe that it is politically feasible to insulate such huge funds from a governmental direction."

I think what he is saying is it is not time to let some bureaucrat play broker-for-a-day with the Social Security trust fund. The last thing we need in America is the Federal Government directing the investment of Social Security trust funds based on some trendy politically driven notion of which industries or which countries or which policies are in political favor at the moment.

Of course, Alan Greenspan is not the only Government official entrusted with and ensuring our economic well-being who is gravely concerned or who has expressed grave concerns about this proposal. Arthur Levitt, the Chairman of the Securities and Exchange Commission, the country's top investment official, has said,

We have an obligation to think long and hard about the implications of Social Security reform. Investing Social Security in the stock market, by its very nature involves heightened obligations, difficult questions and new challenges.

Chairman Levitt is worried about the "large-scale market effect." In other words, what does this proposal do to the market, including whether the Government would "have an even greater incentive, if not the market itself." We know that America has prospered because of free markets, not Government-directed markets. The prospect of the market trying to control market fluctuations is disturbing.

In this scenario, the Government could subsidize companies that were losing market value, regulate companies that pursued risky or innovative strategies, and pursue policies based on which companies would benefit. If the Federal Government tried to pick market winners and losers, all of us, companies and citizens alike, Social Security recipients, and those paying the taxes would end up as losers.

When officials of the stature of Chairman Greenspan and Levitt, officials who are responsible for the health

of the Nation's economy and of the stock market, warn us when they speak, we ought to tread very carefully.

In addition to the concerns of the experts, I am listening to the concerns of individual Missourians. I recently received a letter from Todd Lawrence of Greenwood, MO, who wrote,

It has been suggested that the government would invest in the stock market with my Social Security money. No offense, but there is not much that the government touches that works well. Why would making my investment decisions for me be any different. Looking at it from a business perspective, would the owner of a corporation feel comfortable if the government were the primary shareholder?

Todd Lawrence understands what President Clinton apparently does not. No corporation would want the Government as a shareholder, and no investor would want the Government handling their investment.

Even if the Government were able to invest without adding new levels of inefficiency to the process, the Government putting Social Security taxes in the stock market adds an unacceptable level of risk to retirement. This risk is a gamble I am unwilling to make for the one million Missourians who are the recipients of Social Security. This amendment puts Congress on record that Government will not gamble Social Security in the stock market.

While I understand the impulse to attempt to harness the great potential of the stock market, significant Government involvement in the stock market could tend toward economic nationalization, excess Government involvement in private financial markets, and short-term, politically motivated investment decisions that could diminish Social Security's potential rate of return.

It is hard to overestimate how dangerous this scheme really is. Imagine, if you will, what would happen if the Government had \$2.7 trillion in the market on Black Monday, October 19, 1987, when the stock market lost 22 percent of its value. The trust fund's owners, America's current and future retirees, would have lost a collective total of \$633 billion that day alone. Imagine seniors who depend on Social Security watching television, watching the news of the stock market collapse, wondering, even fearing, their Social Security would be in danger.

While individuals properly manage their financial portfolios to control risk, the Government has no business taking these gambles with the people's money.

Even President Clinton has expressed skepticism with this idea. In Albuquerque last year, the President said the following,

I think most people just think if there is going to be a risk taken, I'd rather take it than have the government take it for me.

He was right then and he is wrong now. While Americans as individuals should invest as much as they can, as much as they can afford in their pri-

vate equities to plan for their own retirements, the Government should stay out of the stock market.

I urge my colleagues to join me in support of this amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SESSIONS). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ASHCROFT. I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I rise to express my support for the amendment put forward by the Senator from Missouri. I join him in this amendment and I join him in the sentiment that he has put forward and articulated, I think very well, about the potential problems and pitfalls if we go this route of the Government investing the Social Security trust fund surplus in the stock market.

Now, a lot of us would say if we want to have private sector individuals take certain portions of their surplus and put them in investments they deem worthy and sound, that is one thing to consider; but when you have the Government looking at potentially investing \$2.7 trillion over a period of time and directing that in the stock market, I think you are asking for a whole boat load of problems.

Having the Government invest the Social Security trust fund in the stock market, I believe, is dangerous because of the Government having cross-purposes when it frequently seeks to do various things.

We heard the Senator from Missouri talk about some "for instances." If we have a poor economy taking place and people are looking around saying what can we do to stimulate the economy, what we need to do is put more money in the stock market to stimulate its growth and hopefully that will stimulate the economy. People say, "Raid the trust fund and move it into the stock market." That may be a fine thing for macroeconomics, it may not be. It could be a very poor thing for Social Security and trust funds and pension funds. We should look at these as people's pension funds. That is just not a wise policy to take place.

We could also have all sorts of political pressures—the Senator from Missouri or the Senator from Kansas saying, "Not enough of this money is being placed by the Government into Kansas. I think they ought to be investing more money in Kansas rather than less money," so I start lobbying, or others do, to get the Government to invest more of the Social Security money, these pension funds of the American public, into Kansas.

That may be a good and laudable purpose. From my perspective, it is a great purpose. Is that the sort of thing we ought to be doing with our pension funds, though? Is that the sort of cross-purpose that we should invite by encouraging and allowing the Federal Government to invest money in the private stock market? I think not.

President Clinton has suggested that the Government invest up to \$700 billion in surplus payroll taxes in the stock market. I applaud the President for recognizing the strength of our economy. I have to seriously question this proposal. The dangers of a Government-controlled economy are vast and they are far reaching. Socializing our free market economy through Government-controlled investments in the stock market would have a chilling effect on future economic growth. The markets would become more sensitive to the executive branch decisions and less sensitive to market forces and factors.

The potential abuses are easily seen, and I have already articulated a couple of them. Businesses that are not supportive of the administration could be punished and those that are supportive would be rewarded. Again, a cross-purpose with people's pension money—not a good idea.

Federal Reserve Chairman Greenspan has been previously quoted as saying he deems this to be a bad idea for Social Security and a bad idea for the economy.

I think his one quote bears repeating at this time because it goes to the heart of the issue. Alan Greenspan said he "does not believe that it is politically feasible to insulate such huge funds from a governmental direction."

Now, imagine that—\$700 billion multiplied over time being directed by Government and an administration that might be at cross purposes with saying what is the best thing to do for these pension funds, or even if we had the best of purposes, you are going to invite manipulation taking place in the market with pension funds.

The last thing this country needs is the Federal Government directing the investment of Social Security funds based on politics. That is simply what we are inviting if we seek to have the Government do this investment. This is something private individuals should do. They should be allowed to do that on certain portions of it, but the Government should not.

Our amendment states that it is the sense of the Senate that the Government should not be allowed to invest the trust funds in the stock market. I hope all of our colleagues, seeing the dangers of this proposal, will vote in favor of our amendment.

With that, I yield the floor.

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I would like to speak for 6 minutes on this amendment.

The PRESIDING OFFICER. The Senator is recognized for 6 minutes.

Mr. ENZI. Mr. President, I rise as an original cosponsor of the Ashcroft-Brownback amendment voicing opposition to the President's plan of having the Federal Government invest our Social Security funds in the stock market.

We all understand and, hopefully, agree that, if left unchanged, the future of Social Security is in jeopardy, as the program will begin running deficits in 2013 when 71 million baby boomers begin collecting retirement benefits. We know the number of retirees will double between 2008 and 2018, narrowing the ratio of workers to beneficiaries to less than 3-to-1. I point out that in 1950 there were 16 workers for every single beneficiary. We all know that all trust funds, if they even exist, will be completely exhausted in 2032.

We have a responsibility to save this program from a fate that everyone agrees will happen without change. The Ashcroft-Brownback amendment is a solid first step in assuring the American people that Congress is committed to fixing this problem, while preempting the President's "Big Brother" philosophy. I am deeply concerned by the message the President is sending to the American people. The very reason Social Security has a solvency problem is that it is a federally administered program with IOUs that are disguised as real trust funds.

The President wants to right a wrong with another wrong. Not only has he failed to provide Congress with actual reform legislation, the Social Security Administration has neglected its responsibility to make legislative recommendations to Congress as well. To think that the President now wants to embrace the benefits of private aggregate investment by playing the stock market and have Government select the winners and the losers is simply bad policy.

Last week, I spent 13 hours in executive session in the Health, Education, Labor, and Pensions Committee marking up S. 326, the Patients' Bill of Rights. We debated a sizable number of amendments. Members of the committee may have substantially disagreed on a majority of these amendments, but there was no conflict regarding individual control and choice over one's health care. It is a fundamental premise that respects each person's right to exert some control over decisions involving their own health.

During that debate, several of my Democratic colleagues touted patient control and choice. Why, then, why isn't that choice and control being extended to Social Security? Is a person's health care more sensitive or politically appealing than that person's Social Security? I have trouble separating the two. However, the President seems to have found a way to advocate consumer control and choice in health care while denying individuals that same right with their Social Security.

The lack of consistency in the President's message is disturbing. If the President really believes in personal control and choice, he should abandon the notion of federal government investment of America's retirement on the stock market and support personal investment accounts. That's choice. That's giving Americans some say in

this debate. Taxpayers don't need big brother to make this decision nor do they want it to. But the President's plan would authorize the federal government to invest hard-earned payroll tax dollars on the stock market. No personal control, choice or say by the individual. The President needs to stop polling and start listening to what the majority of Americans want.

The Ashcroft/Brownback amendment is an insurance policy for the American people. It insures them that their Social Security will not be invested and managed by the federal government—an idea that's been condemned by Federal Reserve Chairman, Alan Greenspan; Comptroller General for the General Accounting Office, David Walker; and, Congressional Budget Office Director Dan Crippen—all three are federal agency heads. Is the President listening to them?

How about the labor community? I received a letter signed by 10 prominent labor unions—including the Teamsters, United Workers of America, United Steel Workers as well as the United Mine Workers indicating their opposition of "the President's proposal to allow the government itself to invest part of the Social Security Trust Fund surpluses in corporate stocks and bonds." Is the President listening to them?

While serving on the Senate Labor Committee, I rarely see organized labor and the business community agree. This issue, however, is one exception. The Alliance for Worker Retirement Security, which the National Association of Manufacturers founded last year, strongly criticized President Clinton's plan to have the government manage the investment of Social Security trust funds in the stock market. According to NAM, "government ownership—in other words, control of private enterprise—is a mockery of the principles on which this country is founded."

A majority of opinions agree that the President's message is flawed and that it constitutes bad policy. We often have trouble arriving at a consensus in the Senate. But since federal agency heads, the labor community and the business community share the same concern, this Administration and the Senate have a duty to listen.

I strongly support the Ashcroft/Brownback amendment and I'm pleased to be an original cosponsor. It shows that the Senate isn't turning a blind eye on this important policy decision. I urge my colleagues on both sides of the aisle to vote in favor of this amendment.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, I rise today in support of the Ashcroft amendment. This Sense of the Senate expresses the Senate's opposition to the Federal government directly investing the Social Security Trust Funds in the nation's financial markets, that is, making the Federal government or Social Security the owner of stocks and bonds.

The risks of this kind of investing are well known, but bear repeating. Put simply, many believe, with good reason, that there would be a strong, irresistible temptation by future Administrations or Congresses to invest according to political considerations, rather than seeking the best rate of return. Let us consider just a few of these ways. For example, some stocks might be avoided because of public policy concerns. For example, last year the State of Minnesota decided to divest tobacco stocks from its state employee pension fund, losing \$2 million in the process. Others might want to invest in particular businesses to create or protect jobs.

But even if proponents of direct Federal investing are right that firewalls could be built to insulate Trust Funds investments from political considerations, such investing would almost certainly be contentious. Americans are very diverse, with diverse views, and groups would almost certainly organize to bring those views to bear on Trust Fund investing. Frankly, we need to solve Social Security's future problems, not add new ones.

Nonetheless, there is broad, bipartisan agreement that the future of Social Security may be improved by reaping higher returns from investments in the nation's securities markets, in stocks and bonds. The President has generally endorsed this approach, as well as many lawmakers, economists and other policy experts, and millions of average Americans. The issue is how to conduct such investments.

One promising approach is personal retirement accounts. While proposals differ, personal retirement accounts would provide each working American with an investment account he or she owns. With even conservative investment in stocks and bonds and the power of compound interest, personal retirement accounts can provide a substantial retirement nest egg.

Indeed, I have introduced legislation, S. 263, the Personal Retirement Accounts Act of 1999, that would get accounts up and running with a portion of the budget surplus.

Still others may have ideas to secure the benefits of investments for Social Security. In my view, the more ideas the better regarding investment—as long as the Federal government is not the owner of record.

AMENDMENT NO. 147

(Purpose: To use any Federal budget surplus to save Social Security and Medicare first)

Mr. CONRAD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 147.

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

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

The amendment is as follows:

After section 206, insert the following:

SEC. ____ SAVE SOCIAL SECURITY AND MEDICARE FIRST LOCKBOX.

(a) DEFINITION.—In this section, the term “Social Security and Medicare lockbox” means with respect to any fiscal year, the Social Security surplus (as described in section 311(b)(1) of the Congressional Budget Act of 1974), and the Medicare surplus reserve, which shall consist of amounts allocated to save the Medicare program as provided in subsection (b).

(b) MEDICARE SURPLUS RESERVE.—

(1) IN GENERAL.—Subject to adjustment pursuant to paragraph (2), the amounts reserved for the Medicare surplus reserve in each year are—

- (A) for fiscal year 2000, \$0;
- (B) for fiscal year 2001, \$3,000,000,000;
- (C) for fiscal year 2002, \$26,000,000,000;
- (D) for fiscal year 2003, \$15,000,000,000;
- (E) for fiscal year 2004, \$21,000,000,000;
- (F) for fiscal year 2005, \$35,000,000,000;
- (G) for fiscal year 2006, \$63,000,000,000;
- (H) for fiscal year 2007, \$68,000,000,000;
- (I) for fiscal year 2008, \$72,000,000,000;
- (J) for fiscal year 2009, \$73,000,000,000;
- (K) for fiscal year 2010, \$70,000,000,000;
- (L) for fiscal year 2011, \$73,000,000,000;
- (M) for fiscal year 2012, \$70,000,000,000;
- (N) for fiscal year 2013, \$66,000,000,000; and
- (O) for fiscal year 2014, \$52,000,000,000.

(2) ADJUSTMENT.—

(A) IN GENERAL.—The amounts in paragraph (1) for each fiscal year shall be adjusted each year in the budget resolution by a fixed percentage equal to the adjustment required to those amounts sufficient to extend the solvency of the Federal Hospital Insurance Trust Fund based on the most recent Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund (intermediate assumptions) through fiscal year 2020 or 12 years after the date of insolvency specified in the 1999 Report, whichever date is later.

(B) LIMIT BASED ON TOTAL SURPLUS.—The Medicare surplus reserve, as adjusted by subparagraph (A), shall not exceed the total budget resolution baseline surplus in any fiscal year.

(c) MEDICARE SURPLUS RESERVE POINT OF ORDER.—It shall not be in order in the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on the resolution) that would decrease the surplus in any of the fiscal years covered by the concurrent resolution below the levels of the Medicare surplus reserve for those fiscal years calculated in accordance with subsection (b)(1).

(d) ENFORCEMENT OF MEDICARE SURPLUS.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in the Medicare surplus reserve in any of the fiscal years covered by the concurrent resolution.

(e) SOCIAL SECURITY OFF-BUDGET POINT OF ORDER.—It shall not be in order in the Senate to consider a concurrent resolution on the budget, an amendment thereto, or a conference report thereon that violates section 13301 of the Omnibus Budget Reconciliation Act of 1990.

(f) SUPERMAJORITY WAIVER.—

(1) WAIVER.—A bill, resolution, amendment, motion, or conference report violating this section shall be subject to a point of order that may be waived or suspended only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEALS.—An affirmative vote of three-fifths of the Members, duly chosen and

sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph (1).

On page 46, strike section 204.

At the end of section 101, insert the following:

(7) MEDICARE SURPLUS RESERVE.—The amounts of the surplus that shall be reserved for Medicare are as follows:

- (A) Fiscal year 2000: \$0;
- (B) Fiscal year 2001: \$3,000,000,000;
- (C) Fiscal year 2002: \$26,000,000,000;
- (D) Fiscal year 2003: \$15,000,000,000;
- (E) Fiscal year 2004: \$21,000,000,000;
- (F) Fiscal year 2005: \$35,000,000,000;
- (G) Fiscal year 2006: \$63,000,000,000;
- (H) Fiscal year 2007: \$68,000,000,000;
- (I) Fiscal year 2008: \$72,000,000,000; and
- (J) Fiscal year 2009: \$73,000,000,000.

Increase the levels of Federal revenues in section 101(A) by the following amounts:

- (1) Fiscal year 2000: \$0;
- (2) Fiscal year 2001: \$3,000,000,000;
- (3) Fiscal year 2002: \$25,000,000,000;
- (4) Fiscal year 2003: \$13,000,000,000;
- (5) Fiscal year 2004: \$18,000,000,000;
- (6) Fiscal year 2005: \$31,000,000,000;
- (7) Fiscal year 2006: \$57,000,000,000;
- (8) Fiscal year 2007: \$58,000,000,000;
- (9) Fiscal year 2008: \$59,000,000,000; and
- (10) Fiscal year 2009: \$56,000,000,000.

Change the levels of Federal revenues in section 101(B) by the following amounts:

- (1) Fiscal year 2000: \$0;
- (2) Fiscal year 2001: \$3,000,000,000;
- (3) Fiscal year 2002: \$25,000,000,000;
- (4) Fiscal year 2003: \$13,000,000,000;
- (5) Fiscal year 2004: \$18,000,000,000;
- (6) Fiscal year 2005: \$31,000,000,000;
- (7) Fiscal year 2006: \$57,000,000,000;
- (8) Fiscal year 2007: \$58,000,000,000;
- (9) Fiscal year 2008: \$59,000,000,000; and
- (10) Fiscal year 2009: \$56,000,000,000.

Reduce the levels of total budget authority and outlays in section 101(2) and section 101(3) by the following amounts:

- (1) Fiscal year 2000: \$0;
- (2) Fiscal year 2001: \$0;
- (3) Fiscal year 2002: \$1,000,000,000;
- (4) Fiscal year 2003: \$2,000,000,000;
- (5) Fiscal year 2004: \$3,000,000,000;
- (6) Fiscal year 2005: \$4,000,000,000;
- (7) Fiscal year 2006: \$6,000,000,000;
- (8) Fiscal year 2007: \$10,000,000,000;
- (9) Fiscal year 2008: \$13,000,000,000; and
- (10) Fiscal year 2009: \$17,000,000,000.

Increase the levels of surplus in section 101(4) by the following amounts:

- (1) Fiscal year 2000: \$0;
- (2) Fiscal year 2001: \$3,000,000,000;
- (3) Fiscal year 2002: \$26,000,000,000;
- (4) Fiscal year 2003: \$15,000,000,000;
- (5) Fiscal year 2004: \$21,000,000,000;
- (6) Fiscal year 2005: \$35,000,000,000;
- (7) Fiscal year 2006: \$63,000,000,000;
- (8) Fiscal year 2007: \$68,000,000,000;
- (9) Fiscal year 2008: \$72,000,000,000; and
- (10) Fiscal year 2009: \$73,000,000,000.

Decrease the levels of public debt in section 101(5) by the following amounts:

- (1) Fiscal year 2000: \$0;
- (2) Fiscal year 2001: \$3,000,000,000;
- (3) Fiscal year 2002: \$26,000,000,000;
- (4) Fiscal year 2003: \$15,000,000,000;
- (5) Fiscal year 2004: \$21,000,000,000;
- (6) Fiscal year 2005: \$35,000,000,000;
- (7) Fiscal year 2006: \$63,000,000,000;
- (8) Fiscal year 2007: \$68,000,000,000;
- (9) Fiscal year 2008: \$72,000,000,000; and
- (10) Fiscal year 2009: \$73,000,000,000.

Decrease the levels of debt held by the public in section 101(6) by the following amounts:

- (1) Fiscal year 2000: \$0;
- (2) Fiscal year 2001: \$3,000,000,000;
- (3) Fiscal year 2002: \$26,000,000,000;
- (4) Fiscal year 2003: \$15,000,000,000;
- (5) Fiscal year 2004: \$21,000,000,000;

(6) Fiscal year 2005: \$35,000,000,000;

(7) Fiscal year 2006: \$63,000,000,000;

(8) Fiscal year 2007: \$68,000,000,000;

(9) Fiscal year 2008: \$72,000,000,000; and

(10) Fiscal year 2009: \$73,000,000,000.

Reduce the levels of budget authority and outlays in section 103(18) for function 900, Net Interest, by the following amounts:

(1) Fiscal year 2000: \$0;

(2) Fiscal year 2001: \$0;

(3) Fiscal year 2002: \$1,000,000,000;

(4) Fiscal year 2003: \$2,000,000,000;

(5) Fiscal year 2004: \$3,000,000,000;

(6) Fiscal year 2005: \$4,000,000,000;

(7) Fiscal year 2006: \$6,000,000,000;

(8) Fiscal year 2007: \$10,000,000,000;

(9) Fiscal year 2008: \$13,000,000,000; and

(10) Fiscal year 2009: \$17,000,000,000.

Reduce the levels in section 104(1) by which the Senate Committee on Finance is instructed to reduce revenues by the following amounts:

(1) \$0 in fiscal year 2000;

(2) \$59,000,000,000 for the period of fiscal years 2000 through 2004; and

(3) \$320,000,000,000 for the period of fiscal years 2000 through 2009.

Mr. CONRAD. Mr. President, the amendment that I am offering says simply, let us lock up in a safe-deposit box every penny of Social Security surplus and, in addition to that, 40 percent of the non-Social Security surplus for Medicare.

Mr. President, that is what this depicts: Social Security’s and Medicare’s first lockbox. Let’s save the Social Security surplus over the next 10 years. That is \$1.8 trillion. And we save every penny of the Social Security surplus each and every year.

In addition, we say let’s also save 40 percent of the non-Social Security surplus for Medicare. These are the two top priorities of the American people. We say let’s reserve funds for both of them. Let’s make certain that there are sufficient resources to do the reforms that are necessary to strengthen and preserve both Social Security and Medicare.

As I have looked at the lockbox offered by our friends across the aisle, it seems to me that there is a deficiency. I call this “the broken safe,” because, while I commend our friends on the other side of the aisle for locking up the Social Security surplus, they forgot something. They forgot Medicare.

I am simply saying we ought to not only reserve the Social Security surplus for Social Security, but we ought to also provide for Medicare. Medicare is on the brink of insolvency. In fact, it is closer to going under than Social Security. So let’s take the top priorities of the American people and put them at the top of the list for the Congress as well.

Let me make clear that under this plan we would have \$1.8 trillion over the next 10 years for Social Security. We would have over \$370 billion for Medicare. But those aren’t the only priorities. And we understand there would also be money left over—some \$385 billion over the 10 years—for top domestic priorities, including education, defense, and health care and, yes, tax relief for hard-pressed American families, but the difference is one of priorities.

If I could go to this next chart and show the comparison, under the plan that we are offering we are saving Social Security and Medicare first because we think those are the priorities of the American people. We save 100 percent of the Social Security surplus in every year. We save 40 percent of the non-Social Security surplus for Medicare. That means we are paying down more of the publicly held debt than the plan offered by our friends across the aisle. In fact, we will pay down \$300 billion more of the publicly held debt under the plan that I am offering in this amendment than the plan of our colleagues on the other side of the aisle.

So, over 15 years, we reserve \$700 billion for Medicare, over \$370 billion for 10 years, but over 15 years over \$700 billion for Medicare. Our friends on the other side, on the other hand, have tax cuts of over \$700 billion over that same period. But they have not one dime of the surplus saved for Medicare.

Mr. President, we think that is a mistake.

If we look at the combination and compare the two plans, here is what we see. The Republican plan is in blue. The plan I am offering is in red. In the years 2000 to 2004, the Republican plan would save \$768 billion. We would save \$833 billion for Social Security and Medicare. And over a 10-year period, the Republican plan would save about \$1.8 trillion. We would save \$2.155 trillion, because not only again are we protecting every dollar of the Social Security surplus for Social Security, but in addition we are reserving funds out of the surplus for Medicare. Why? Because no part of the Federal budget is in greater danger than Medicare. And, yes, we need to reform the program.

In addition to that, we need to put additional resources into Medicare to extend its solvency. Right now we know that Medicare is threatened by the year 2008. What is going to happen? What is going to happen to the millions of Americans who rely for their health care on the Medicare system? Not only is it important to our grandparents, it is important to their children, because what happens if the health care of their parents are not provided for? What happens if the promise is not kept? I think we all understand what happens. The responsibility and the debts shift, and the children will be put in an impossible position as well.

I believe this amendment reflects the priorities of the American people. The Republican plan basically says save money for Social Security. I commend them for that part of the plan. But almost all of the rest of the money they say is reserved for a tax cut will go disproportionately to the wealthiest among us.

We say those are not the priorities of the American people. Instead, we ought to save every dollar of the Social Secu-

rity surplus. But we also ought to reserve 40 percent of the non-Social Security surplus for Medicare. That will still leave nearly \$400 billion available for high-priority domestic concerns like education, defense, health care, and, yes, for tax relief as well.

That we believe reflects the priorities of the American people better than those offered by the other side. They have in their plan over \$800 billion reserved for tax cuts. They don't have one penny reserved out of the surplus for Medicare—not one penny. Mr. President, we don't think that is the right set of priorities.

I remind my colleagues of what they said last year in the Budget Committee debate. This is the chairman of the Budget Committee, the very able Senator DOMENICI. Last year he said this.

... Let me tell you, for every argument made around this table today about saving Social Security, you can now put it in the bank that the problems associated with fixing Medicare are bigger than the problems fixing Social Security, bigger in dollars, more difficulty in terms of the kind of reform necessary, and, frankly, I am for saving Social Security. But it is most interesting that there are some who want to abandon Medicare . . . when it is the most precarious program we have got.

Senator DOMENICI was right then. What a difference a year makes. I wish this budget reflected those priorities.

He went on to say:

... [W]e are very concerned about the long-term effect our population demographics will have on Medicare, and we are of the strong opinion that the second objective of this budget should be to preserve Medicare.

... We think the best way to do something commensurate with the depletion in the budget is to pledge any extra resources we have, not generating programs, but, rather, putting them in Medicare where they ought to be.

Again, the distinguished Senator from New Mexico was absolutely right. We ought to put additional resources that come to us to secure Medicare for the future as well as Social Security.

And Senator GRAMM of Texas said just a year ago in the Budget Committee, and I quote:

... [W]hat would we do if we had a half a trillion dollars to spend? . . . The obvious answer that cries out is Medicare.

... I think it is logical. People understood the President on save Social Security first, and I think they will understand save Medicare first.

... Medicare is in crisis. We want to save Medicare first.

That is Senator GRAMM of Texas, just a year ago. What has happened? Why is there not a dime of the surplus reserved for Medicare in the plan of our Republican friends? There is not one dime locked away for Medicare. They will say: But we do have a surplus of \$100 billion that we have not spent, that is really for Medicare. But, you know what, they did not do anything to protect it for Medicare, not one thing. Nothing has been done to protect one penny of that \$100 billion for Medicare.

Do you know what else, that money is also required for emergencies over the next 10 years. If we go back and look at the last 10 years, we know that \$100 billion will be spent just for emergencies because we are spending about \$9 billion a year for emergencies. Over the next 10 years, including debt service, we will use up that \$100 billion of their reserve just for disasters.

That leads me to the conclusion that without question they have not locked up one penny of surpluses for Medicare. The \$100 billion that they talk about has not been protected for Medicare, not a dime of it. And every penny of it will likely be used for disasters and other emergencies because that has been the historical record.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. CONRAD. I would be pleased to yield.

Mr. KENNEDY. Even if they use the \$100 billion, what part of the Medicare deficit would that make up?

It is my understanding that would not even begin to make a downpayment in terms of the financial insecurity of the Medicare trust fund. Could the Senator address that issue? Because I agree with the Senator, it has been pointed out by those on the other side about how much they have done for Medicare when, as the Senator has pointed out, there is not one additional cent, not one new cent. They are going to fund the program with \$190 billion which would be expended on the Medicare for current services. But not one additional cent.

But even if they allocated the \$100 billion for Medicare, given what the Medicare trust fund trustees have indicated was going to be a deficit of some \$686 billion, how significant would that really be in terms of giving a guarantee to our elderly people in this country?

Mr. CONRAD. Mr. President, unfortunately, when you pierce the veil on this one, what you find is there is not anything left. There is not any part of that money that is protected for Medicare, not a dime. There is \$100 billion that is not spent in their budget plan, but based on our history we know it will probably all go for disasters and emergencies. There will not be any money available to strengthen Medicare. There will not be any money available to extend the solvency of Medicare.

That is why I think this amendment is fundamentally important. Because we are saying: Yes, absolutely, save every penny of the Social Security surplus for Social Security. But, of the rest of the surplus, the non-Social Security surplus, we save 40 percent of it, lock it up, protect it by special budget points of order so it cannot be raided, it cannot be looted. It is there to strengthen Medicare.

These are the top priorities of the American people: Medicare and Social Security. We believe we ought to provide protection for both. That is the essence of my amendment and I hope my colleagues will support it.

Mr. KENNEDY. Will the Senator yield for one more question?

Mr. CONRAD. I will be pleased to yield.

Mr. KENNEDY. Could I ask the Senator to open up the copy of S. Con. Res. 20 to page 5? As I understand it, as you go down to lines 18, 19, 20 and 21, under the Republican budget, even for that fund that has been designated, \$100 billion as I read that, there would be a deficit in the year 2000 of \$6 billion; in fiscal year 2001 it is zero; in 2002 it is zero; in 2003 it is zero; and in 2004 it is only \$2.8 billion.

So even under the proposal that our friends talk about, there will not be any funds available, as I understand this, for the next 5 years. So, whether you are talking about disaster relief or inadequate funding for Medicare, even with the kind of restrictions that have been put on this fund that might be used for prescription drugs, we are talking about 5 years where there really is not anything there.

Am I correct?

Mr. CONRAD. The Senator is exactly correct. He is reading the table exactly in the correct way. I might just say to my friend, the Senator from Massachusetts, really I think our friends across the aisle have about spent this \$100 billion three or four times. Because, to anybody who comes to them and says there are any deficiencies in their budgets, they say we have \$100 billion we have not spent.

Of course all that money, based on history, will go for emergencies and disasters, every penny of it. That is why they have not put one penny of the surplus into a Medicare lockbox, because they really want to spend that money two, three, or four times. They say to the Medicare people who are interested in Medicare, "We have that \$100 billion. It will go for Medicare." They say to those who are concerned about disasters, "We have funded that. We have this hundred billion we have not spent. It's available for disasters and emergencies." They say to anybody else, "Your money is in that pot of \$100 billion."

Surprise, surprise, there are going to be an awful lot of people lining up for that \$100 billion who will find there is nothing there for them because the money has all gone for disasters and emergencies. That is really what it is reserved for. There is really not a penny of surplus that is lockboxed for Medicare—not a dime.

Mr. President, this amendment is an attempt to protect Social Security, to protect Medicare, to allow us to get ready for the challenge we face. We all understand Medicare is under enormous pressure. Social Security is under enormous pressure. Both of them need to be addressed. This is our opportunity.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I think Senator JUDD GREGG wants to

speak about the amendment we set aside, and I yield him time for that at this point.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I congratulate the Senator from New Mexico for this excellent bill. I think he has done a superb job of putting together a budget which is responsible and appropriates for the future of this country.

As long as we are on the subject, I also wanted to comment a little bit about the proposal of the Senator from North Dakota, because he keeps comparing some sort of lockbox concept on Medicare with the Social Security lockbox which is in our budget, which is in the Republican budget. You really cannot compare the two. You are comparing apples and oranges.

The Social Security lockbox that the Senator from New Mexico has created, along with the Senator from Michigan, Mr. ABRAHAM, is a real lockbox. It takes money which is being raised from the wage earner today under the FICA tax, the Social Security tax, and which is creating a surplus in the Social Security fund, and it keeps that money to benefit the Social Security fund. That is a very important point, because there is no money being proposed by the other side that comes from the Medicare fund which would be locked up and protected for Medicare.

What the other side is suggesting is that the Medicare trust fund should dip into the general fund, which, for Part A, is not traditionally done. And then we should take money from the general fund and transfer it over to support the Medicare trust fund. This is a whole new concept. It is an invasion of the general fund. It is a use of general tax revenues to support Medicare, Part A. That is the practical impact of the proposal of the other side.

If the other side really wanted to address Medicare, if it wanted to address it within the context of the revenue being raised by Medicare, if it wanted to have people who are paying Medicare premiums covered by Medicare, have those premiums fully ensure them, then the other side would have agreed with the Commission that was chaired by a Senator from the other side, Senator BREAUX. Because that Commission put forward a proposal which the majority of that Commission supported, including two of the Democratic Senators, which essentially put in place a structure to assure the solvency of Medicare. It was a good proposal. Yet when that proposal came forward, the rug was pulled out from under the chairman of that Commission, who was a Democrat, and the other members of that Commission, who had worked so hard to put together the proposal. A legitimate way of resolving the Medicare problem was essentially walked away from by the administration and by the other side of the aisle.

Now they come forward with this crocodile-tear approach relative to Medicare, which is exactly what it is. If they cared about Medicare, they would have supported the President's Commission. They would have supported the proposal from the President's Commission, and they didn't. They refused to do that. They certainly wouldn't be taking general funds to subsidize the Medicare Part A, which is what they are proposing under this. There is absolutely no comparison between what the Senator from New Mexico has done in absolutely protecting the Social Security trust fund under the lockbox, protecting FICA money to be used for Social Security, as compared with what is being proposed here by the Senator from North Dakota, which is to take general funds to support Medicare.

The PRESIDING OFFICER. The Senator will please come to order.

Mr. GREGG. If you wanted to help Medicare, if you wanted to make it solvent, you would have supported the proposals that came out of that Commission, the majority of that Commission.

There is another point to make here. That is this: You have to look at what was actually proposed by the President to see whether or not there was a sincere effort to address this issue or whether there was a political effort to address this issue. On the issue of Social Security, the President's budget, as it was sent to us, would have spent \$158 billion of Social Security funds for general operations of the Government. It would have invaded the surplus of Social Security to the extent of \$158 billion. Senator DOMENICI and Senator ABRAHAM's proposal does not allow that to happen. They say the Social Security surplus shall be sacred; it shall be used for senior citizens.

They do not say, as the President has said and as the other side has said, if they are supporting the President's proposal, that the Social Security fund is only sacred to the extent that we want it to be sacred, but if we have some special program, whether it is building schools or spending money on defense or, I guess in the case of AL GORE, trying to correct the traffic problems in D.C., we are going to invade the Social Security fund to do that.

Specifically, they were going to invade the Social Security fund to the extent of \$158 billion.

So there is an issue of truth in budgeting here that has to be addressed. Our budget honestly saves the Social Security fund. Their budget didn't save the Social Security fund at all. In fact, it invaded the fund for the purposes of operating the general Government. So there is a lack of consistency, as there is a lack of consistency on this Medicare hyperbole we are hearing from the other side, which is that they want to use the general fund to fund Medicare.

I originally rose to address, however, the amendment by Senator ASHCROFT, which I think is an extraordinarily

good amendment. It addresses another element of the President's proposal on Social Security, which is that the Federal Government should become the shepherd of the marketplace, that we should essentially have a reverse nationalization or take the Federal trust funds of Social Security and nationalize the capital markets of this country by having the trustees of the Social Security trust fund invest in the capital markets, in the equity markets, and control those investments as a block.

This is a really terrible idea. I mean, bad ideas come through this place occasionally; really, too often bad ideas come through this place. But when a really bad idea comes through this place, everybody should be concerned. You don't have to listen to me to see what a bad idea this is. All you have do is listen to Chairman Greenspan, who says that this would basically pervert the marketplace, pervert the flow of capital, and would inevitably lead to a diminution of our ability as a nation to be more competitive.

Or, if you want to listen to some other group that maybe is more liberal leaning, listen to the Democratic leadership of the UAW and the major labor unions of this country.

This is their statement relative to the investment of Social Security trust funds surpluses:

In particular, we are deeply troubled that stock market investments of the Social Security surpluses would result in public tax revenues being used to finance the construction of runaway steel mills in Thailand, apparel sweatshops in Malaysia, auto plants in New Mexico. . . .

The list goes on and on. They oppose that investment. Why do they oppose it? They oppose it because they do not want money of the trust fund being invested in stocks, which they deem to be undertaking political activity that is inappropriate. That is the whole reason not to do it, of course. They are making the case for why we should not have public investment in the stock market by the Social Security trustees.

The issue is this. If the Social Security trustees are going to invest and they are going to invest in the equity markets, they should do so in a manner which allows them to invest on the rate of return, not on the basis of some political issue. But the UAW and the USWA and the other labor unions are saying, no, any investment in companies that might be running a steel mill in Thailand or a sweatshop in Malaysia or an auto plant in Mexico or an electronics plants in China, that would be the wrong investment.

So we know exactly what is going to happen. The first time the Social Security trustees happen to invest in, let's say, a tobacco company, there is going to be a bunch of folks on this floor who are going to say: You cannot make that investment, Mr. Social Security trustee. You have got to abandon that investment. You have to let go of that

investment no matter what the rate of return is.

So investments aren't going to be made on the basis of what the rate of return is. They are not going to be made for the best interests of retirees. They are going to be made for the best interests of what happens to be the political fad at the moment. That, of course, is why everyone agrees, except for the President and those who support his plan, that this is a really terrible idea. This is one of those really bad ideas that comes through here every so often and should be killed.

Of course, the Ashcroft amendment accomplishes that or at least makes a statement to that effect, that we should not go forward.

If you don't think this is a problem, think about the size of the amount of money that may be invested here. By the year 2035, you are talking about a \$2.1 trillion investment, which would be controlled by the Social Security trustees; that investment being in private equities. This isn't the whole trust fund. This is just the percentage of the trust fund which would actually be invested in the private markets—\$2.16 trillion. That is a huge function. Think of the impact that would have on the market if suddenly the Senate said: Well, Social Security trustees, you cannot invest in autos, because we are upset about the automobiles because of emissions; you cannot invest in some sort of food product, because we are upset that there may be a tainted food; you cannot invest in some activity involving electronics, because maybe there is a competition issue, such as Microsoft, you can't put any money in Microsoft.

What a perversion of the marketplace it would be if you had that amount of money being invested on the basis of political events. Yet we know that is what is going to happen, because we have already been told by the unions that they are going to make that case. If this ever occurs, they are going to argue that you shouldn't be able to invest that way. They are going to pick different companies that shouldn't be invested in.

As a practical matter, the opportunity for creating chaos in our capital markets is huge, if we go down the President's route of allowing the Social Security trustees to control the investment, to control the investment decisions as a unit, as a block. That is why those of us have been supporting—and this is on both sides of the aisle—personal accounts, which give individuals that decision, versus the Social Security trustees that decision. It makes so much more sense.

Yes, we should have some sort of investment of the Social Security trust funds in equities. Why? Because if you happen to be 25 years old today and you are working and you are paying FICA taxes, which happen to be very, very high taxes, you are never going to recover the amount of money you pay into the Social Security trust fund.

This is especially true if you are an African American. Why? Because the rate of return on those taxes that you are paying is extraordinarily low because, unfortunately, the benefit structure is so high and the generation that is about to retire is so large that they are going to take all that money before you can get there to retire. So your rate of return represents basically a negative rate of return, if you about 20 to 25 years old. If you happen to be 25 to 35 years old, it is about 1.1 percent. If you are 35 to 45 years old, it is about 2.5 percent. Terrible rates of return.

We do need to invest the Social Security trust fund in something other than what it is presently being invested in so that we can get a better rate of return. What is the logical place to do it? It is to put it in equity markets. But how you do it is the key. You cannot do it by giving that control over that investment to the Social Security trustees, because then you create an incentive for a perversion of the marketplace by having the market adjusted by whatever happens to be the local political fad at the time. Rather, you have to give control over the investment decision and ownership, most importantly over the asset, to the retiree, so that when you pay your taxes in FICA, you know that some percentage of those taxes—you are actually going to own that retirement benefit. If you die before you turn 60, your estate will get that benefit, and during your lifetime, you are going to be able to make the decisions on how that benefit is invested so that the investments get the best return for you, not the political return for some labor union or some fad of the moment.

This proposal by Senator ASHCROFT is an excellent one. It is only a sense of the Senate, but I think it is a shot across the bow of an element of the President's proposal on Social Security that needs to be made, and I strongly support it. I hope it will receive strong support in the Senate.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to finish the unanimous consent request. I was interrupted because it had not been cleared.

UNANIMOUS-CONSENT AGREEMENT

I ask unanimous consent that the votes occur on, or in relation to, the following four first-degree amendments at the conclusion, or yielding back, of time, and that no second-degree amendments be in order prior to the conclusion of the votes: Ashcroft amendment No. 145; Conrad amendment No. 147 regarding Social Security; a Bond amendment regarding the President's budget; and a Kennedy amendment regarding Medicare.

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

Mr. DOMENICI. Mr. President, I am not sure when we will vote on that. I

am going to have to leave for a little while. Senator KENNEDY has not argued and we have not responded, and I have not responded yet to Senator CONRAD. Of course, Senator BOND wants to talk about the President's budget and let us have a vote on it.

Mr. MOYNIHAN. And the Senator from New York.

Mr. DOMENICI. And the distinguished Senator from New York wants to speak.

Mr. KENNEDY. I had a chance to talk about some of the matters during the course of the afternoon, so I will be glad to work out a reasonable time with the floor manager.

Mr. DOMENICI. Mr. President, maybe we can just start and take a little—I say to Senator BOND, how much time does the Senator think he needs? I do not want to limit you.

Mr. BOND. Mr. President, if I may respond, my initial presentation will not be over 12 to 15 minutes, at the most. When we had debate on this in the committee, a number of others wanted to join in. I do not know whether there will be others who want to join either on my side or the other side. But to answer the chairman's question, I personally need only about 15 minutes.

Mr. DOMENICI. Does anybody on the Democratic side have an idea of how long they would want to speak?

Mr. MOYNIHAN. Five minutes.

Mr. DOMENICI. We will get to you in a minute. We will give you time to speak in favor of the Conrad amendment.

Mr. MOYNIHAN. Five minutes.

Mr. DOMENICI. In opposition to the President's budget, does anybody have any idea how much time? Fifteen minutes? A total of 30 minutes on the President's budget sounds about right.

Mr. KENNEDY. Twenty minutes.

Mr. DOMENICI. Senator KENNEDY wants 20 minutes. Why don't we just say if you take 20, we will allocate 20.

Mr. President, I say to Senator CONRAD, is he finished? Does he want more time?

Mr. CONRAD. Yes, I would like more time after I hear the argument of the distinguished chairman.

Mr. DOMENICI. Senator MOYNIHAN wants 5 minutes on the Conrad amendment; right?

Mr. MOYNIHAN. Yes.

Mr. REED. Less than 10—10 will be fine, but I will try to be quicker.

Mr. DOMENICI. Did the Senator say 5 is enough or 10?

Mr. REED. Ten.

Mr. DOMENICI. I am trying to see if we can start voting by 6:30. That will help some of our Senators, and I am sure it will help Senators on the other side.

Mr. GRAMM. Some of us need time to respond to the Conrad amendment.

Mr. DOMENICI. Adding up all this, it seems to me we need collectively among us 1 hour 45 minutes, which could put us in a position to start voting at a quarter of 7. Can we set that as the time that we are going to start vot-

ing on these amendments in the order we have already agreed, and we will allocate the time as per the discussion here?

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield the floor?

Mr. DOMENICI. I will be pleased to yield.

Mr. CONRAD. I want to make sure we have an equivalent amount of time on both sides. I don't know what you have taken down in terms of response on the Conrad amendment, but we want to make certain we have an equivalent amount of time on our side to answer.

Mr. DOMENICI. Mr. President, the only thing is, the Senator has had a long time to already talk, and we have not had any time to talk.

Mr. CONRAD. I understand. But now we are in a unanimous consent posture, and if we are going to do that, to get unanimous-consent we are going to have to have an equivalent amount of time or there will not be a unanimous-consent agreement.

Mr. DOMENICI. I cannot set the time, then. What I will ask—we all understand most of the players are here—why don't we do it this way: The managers, respectively, can allocate the time, as per this understanding, to each Senator rather than entering into a consent agreement that binds us at this point. I think we are pretty close to having enough time.

Mr. CONRAD. We will be ready to vote, then, at approximately 7 o'clock.

Mr. DOMENICI. Approximately, but I don't know that we want to set that at this point. Approximately, the word should go out.

Mr. CONRAD. Fair enough.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator FITZGERALD be added as a cosponsor to the Abraham amendment, which we agreed to earlier. I mistakenly did not ask for that, and I should have.

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

Mr. DOMENICI. I will indicate that when I return I want to argue a few moments with reference to the Conrad amendment, but in the meantime, what I am going to do is ask Senator GRAMM if he will manage the bill for me. He has been here, so he can just as well accomplish what I have. That means at this point, we will recognize Senator BOND and set aside the previous amendments, as per the understanding we had heretofore.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair, and I thank my distinguished chairman.

Mr. CONRAD. May I intercede with a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. What is the pending business before the Senate?

The PRESIDING OFFICER. The Conrad amendment was debated and has been set aside.

Mr. CONRAD. How did the Conrad amendment get set aside?

Mr. DOMENICI. It was set aside by consent.

The PRESIDING OFFICER. The Conrad amendment was set aside by unanimous-consent.

Mr. CONRAD. There was not consent on this side for setting aside the Conrad amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, as I understand the discussion that Senator DOMENICI just had, the target was to try to finish all of these amendments at 6:30. Obviously, since we are going back and forth and sharing the time, the Senator, and anyone else, can debate his amendment.

The objective was and the unanimous-consent request which was agreed to, as I understand, was that between now and 6:30, we would have these amendments offered, but you can debate your amendment at any point and anyone on your side can debate it, and Senator DOMENICI and I will debate it. We have been setting aside amendments to stack them, and that, I understand from the Chair, is where we are. No one is trying to preclude the Senator from debating his amendment.

Mr. LAUTENBERG. There is apparently a misunderstanding on a UC for a 6:30 deadline.

The PRESIDING OFFICER. There is not an agreement.

Mr. LAUTENBERG. None exists.

Mr. GRAMM. That was the target that was set.

Mr. CONRAD. If I might just state, there was not consent granted to go off the Conrad amendment, and the reason consent was not granted is we have two Senators who have been here for a considerable amount of time waiting to talk about the Conrad amendment. We allowed the other side to speak to their pending amendments. I twice gave consent for the other side to argue the amendment of Senator ASHCROFT, and then it returned to a discussion on the Conrad amendment.

I think it is only fair that those Members who are here be given a chance to address the Conrad amendment. They were here for that purpose, and then we go to the Bond amendment, which is on a different matter and is a different amendment. So I ask, in fairness, that those Senators who are here, specifically Senator REED of Rhode Island, and the Senator from New York, be given an opportunity to discuss the Conrad amendment which is the pending business. I did not give consent to going off my amendment to go to the next amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, we want to do everything we can to satisfy every Member. No one is trying to deny the distinguished Senator the right to debate his amendment. But it is my

understanding that there was a unanimous consent request, and that it was granted, so that we could set the amendment aside and offer these other amendments so that they would all be pending simultaneously and that we would have the vote at approximately 6:45. No one agreed to the specific time, but the general principle was largely agreed to.

On that basis, it is my understanding that Senator BOND has been recognized. If that is not the case, if the Chair could give us a ruling. We want to follow the regular order. And no one is trying to be unfair in any way.

The PRESIDING OFFICER. The Conrad amendment was set aside, but a call for the regular order will bring it back.

AMENDMENT NO. 147

Mr. CONRAD. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The clerk will report the CONRAD amendment.

The legislative clerk read as follows:

Amendment No. 147 previously proposed by the Senator from North Dakota [Mr. CONRAD].

Mr. CONRAD. Mr. President, I ask that Senator REED be recognized for 10 minutes to speak on the amendment.

The PRESIDING OFFICER. The Senator is recognized.

Mr. REED. Thank you, Mr. President.

I thank the Senator from North Dakota for yielding time to speak about his amendment, the essence of which is protecting both the Social Security trust fund and also the Medicare fund.

One of the deficiencies in the Republican budget before us today is a failure to seize a historic opportunity to strengthen the Medicare program in the United States. I argue it is not just an opportunity, but it is a necessity. This is the program that benefits countless Americans, it is the program that is strongly supported by all Americans and it is the program that is facing serious challenges, serious demographic challenges, serious structural challenges.

One thing we can do at this moment to ensure that we have the opportunity to effectively address the issue of Medicare is to, in fact, invest dollars into the Medicare program today. But, regrettably, the Republican budget proposal, rather than doing that, would reserve budget surpluses for tax cuts, denying us the opportunity today to strengthen the Medicare system.

We have come a long way since 1993 when we were looking each year at soaring annual deficits in the order of \$300 billion or more. Today, we are facing a unified surplus. With that unified surplus, we can do many things. But I believe one of the principal things we must do is strengthen both the Social Security system and the Medicare system. Senator CONRAD's amendment goes a long way toward achieving that goal.

Because of our prudent fiscal decisions over the last 6 years, we have

seen a growing economy. We have seen growing prosperity. All of this is contributing to a future, we anticipate, of unified budget surpluses. Simply to step back now and say the work is done, now we can simply initiate tax cuts, misses the point. And that point is, we have to protect, we have to ensure the longevity, the stability, the predictability of the Social Security system and the Medicare system.

Now, of the two, the Medicare system faces the most immediate threat. By the year 2008, the trust funds are projected to become insolvent. This is a situation that requires immediate action. The most prudent thing to do is to reserve the resources to meet this impending situation of insolvency. There are, as I said before, millions of Americans who depend upon it, and not just those direct beneficiaries.

We have come—all of us have come—to a sense of appreciation and, in fact, consideration that if any of our relatives, our mothers, our fathers, our aunts or uncles, would be sick, they would have the Medicare system to fall back on. That allows young families the freedom to know that the health care of their parents will be protected. It gives them the freedom to concentrate on their own needs and the needs of their children. So this is not just a situation with respect to seniors; this is a situation that affects all Americans.

We tried in the Balanced Budget Act of 1997 to make changes to prolong longevity of the Medicare trust fund. Today, we are beginning to realize that some of these changes have created negative consequences. In fact, we are looking to make some adjustments so that we can guarantee quality health care for all of our seniors.

We have come to know that we have to make structural changes in Medicare, but it has to be done carefully and thoughtfully. We have also come to appreciate, I hope, that we must have the resources available, because the health care needs of seniors are not going to go away. In fairness, and in keeping faith with seniors, we have to make sure those resources are available.

We will have to make hard choices about the structure of the Medicare program. But these choices will be infinitely more difficult if we take the path that is suggested by the budget resolution, that is, if we deny additional resources to the Medicare program.

I argue that in order to keep the faith of our seniors and our whole population, we have to make sure that we use the projected surplus to strengthen the Medicare system, and that the idea of using the surplus to finance tax cuts, while we face an impending crisis in Medicare, is the wrong policy. We have to, as I said before, ensure that we have the resources to confront the situation we face. And the situation we face, frankly, is one where the demands on Medicare will increase. We know

that. Part of it is as a result of demographics.

Today, 39 million Americans are beneficiaries in the Medicare program. But by the year 2032, 78 million Americans will be eligible for Medicare. In terms of the sheer volume of new beneficiaries, we have to start reserving sufficient funds to meet their needs now. Not to do that, and to dissipate those funds through tax cuts, I think, might provide momentary benefits, but in the long run we will regret this.

We have to also recognize the fact that seniors will live longer, probably 6 years longer than they have in the past, so that the issues of health care for seniors will not get smaller in the future; they will become more and more important.

For all of these reasons, it is important today to recognize that we must maintain the strength and the resources for the Medicare program. That is why the amendments we are debating today, to a degree Senator CONRAD's, in some respects Senator KENNEDY's amendment, go to the simple truth: We have, through very difficult decisions over the last several years, reached a situation where we have a unified budget surplus. The question is whether we will take that surplus and strengthen Medicare, make it available for the next generation of Americans, and give us the opportunity to make structural changes, not out of dire necessity but because it will provide additional strength to the Medicare program. Or we will take these resources and dissipate them through tax cuts, which will not strengthen the Medicare system. In fact, when the system develops increased stresses and strains in the future, the budget resolution will leave us without the resources to step into the breach and do what we must do—keep the promise to our seniors, keep the promise to those who have relied upon and continue to rely upon Medicare.

So I urge careful consideration of these amendments. I hope, at the end of the day, we will have a budget that recognizes the opportunity and the necessity to invest in Medicare today so that it is there tomorrow for all of our citizens.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, normally we would go back and forth, but Senator MOYNIHAN is here and doesn't have a lengthy statement. As a courtesy to him I want to allow him to speak now and then have the rotation come back to me.

Mr. MOYNIHAN. I thank my good friend from Texas.

Mr. President, I rise in support of the amendment of my friend from North Dakota, Senator CONRAD. He proposes a budget point of order against the use of the Social Security surplus for new spending or tax cuts. He would also devote 15 percent of the unified surplus to Medicare.

There is broad agreement in the Senate that the Social Security surplus must be protected. Senator CONRAD's approach, in my view, is the right one, unlike a competing proposal under discussion. That proposal would create a new declining debt ceiling on debt held by the public. Inadvertently, but inevitably, it would jeopardize the credit of the United States by hampering the ability of the Treasury to meet the obligations of the Government, absent any financial crisis, but merely as a mechanical result of a bill.

Happily, our colleagues on the other side of the aisle have not brought the proposal to the floor yet, but the budget resolution includes "advisory levels" for such a new debt limit, and the Committee Report states that "it is assumed that separate and apart from the budget resolution a statute will be enacted to enforce these levels."

A simple explanation: We are going to buy down the debt. It is entirely correct that we should do so. However, anything can happen—a drought to the Midwest, a correction in the markets, a rise in the price of imported oil. In such an event, the revenues of the Government, although growing, will not have grown quite fast enough to have the debt being retired drop to the required level. In that circumstance, that perfectly prosperous economy, perfectly stable government, could find itself in default.

We have shut down the U.S. Government any number of times in the course of our history. We have never defaulted on our debt. It is the most secure instrument in the world. There is no reason whatever to put it in jeopardy at a time when we are making it even more secure by bringing the debt down to normal levels.

I hope we will not do that.

I ask unanimous consent that a letter from the Secretary of the Treasury be printed in the RECORD.

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

DEPARTMENT OF THE TREASURY,
WASHINGTON, DC.
March 17, 1999.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Washington, DC.

DEAR PAT: Thank you for inquiring about the impact of the new debt limits contained in the Social Security Surplus Preservation Act. I appreciate the opportunity to respond to your question. In brief, I am deeply concerned that these limits could preclude the United States from meeting its future financial obligations to repay maturing debt and to honor payments—including benefit payments—and could also run the risk of worsening a future economic downturn.

It has been this Administration's view that fiscal restraint is best exercised through the tools of the budget process. Existing enforcement tools such as the pay-go rules and the discretionary spending limits in the Budget Enforcement Act have been key elements in maintaining fiscal discipline in the 1990's. Debt limits should not be used as an additional means of imposing restraint. Debt is incurred solely to pay expenditures that have previously been authorized by the Con-

gress and for the investment of the Federal trust funds. By the time the debt limit is reached, the Government is obligated to make payments and must have enough money to do so.

If Treasury were prohibited from issuing any new debt to honor the Government's obligations, there could be permanent damage to our credit standing. The debt obligations of the United States are recognized as having the least credit risk of any investment in the world. That credit standing is a precious asset of the American people. Even the appearance of a risk that the United States of America might not meet its obligations because of the absence of necessary debt authority would be likely to impose significant additional costs on American taxpayers. Yet, in November 1995, a debt crisis was precipitated when Government borrowing reached the debt limit and in January Moody's credit rating service placed Treasury securities on review for possible downgrade.

As you know, there is currently a statutory limit on the amount of money that Treasury can borrow in total from both the public and from Federal trust funds. The proposed "lockbox" provision would add a new statutory limit on debt to the public.

The proposed new debt limit runs the risk of precipitating additional debt crises in the future. Although the proposal adjusts the debt ceiling for discrepancies between the actual and projected Social Security surpluses, it does not make similar corrections for unanticipated developments on the non-Social Security side of the budget. While our forecasts have been conservative, the current forecast of the non-Social Security budget could prove too optimistic because of changes in the economy, demographics, or countless other factors. This could cause the publicly held debt to exceed the new debt limit.

Furthermore, even if the debt limit appears sufficient because it covers the annual debt level—measured from end-of-year to end-of-year—it could easily be inadequate for the Government to meet its obligations at a given point during the year. Under normal circumstances, every business day, Treasury makes payments—including Social Security payments on certain days. In any given week, Treasury receives revenues, makes payments, and refinances maturing debt. Weekly and monthly swings in cash flow can easily exceed on-hand cash balances. When this occurs, Treasury then borrows from the public to meet its obligations. If the amount of publicly held debt were to reach the level of the debt limit—or if the debt limit were to decline to below the level of publicly held debt—Treasury could be precluded from borrowing additional amounts from the public. If Treasury could not borrow to raise cash, it is possible that it could simply have to stop honoring any payments—including Social Security payments.

In this case, Treasury could be prohibited from issuing any new debt to redeem maturing debt. Every Thursday, approximately \$20–23 billion of weekly Treasury bills mature and, every month, an additional \$60–85 billion in debt matures. These securities must either be paid off in cash or refinanced by issuing new debt. Treasury could be put in the position of having to default for the first time on our nation's history.

Congress could defuse the debt limit problems by immediately voting to raise the debt ceiling. Under the "lockbox" proposal, however, it would take sixty votes in the Senate to do so. As past experience indicates, obtaining a super-majority for this purpose is often time-consuming and difficult. Moreover, this requirement would greatly enhance the power of a determined minority to

use the debt limit to impose their views on unrelated issues.

Finally, the proposed debt limits could run the risk of worsening an economic downturn. If the economy were to slow unexpectedly, the budget balance would worsen. Absent a super-majority vote to raise the debt limit, Congress would need to reduce other spending or raise taxes. Either cutting spending or raising taxes in a slowing economy could aggravate the economic slowdown and substantially raise the risk of a significant recession. And even those measures would not guarantee that the debt limit would not be exceeded. A deepening recession would add further to revenue losses and increases in outlays. The tax increases and spending cuts could turn out to be inadequate to satisfy all existing payment obligations and keep the debt under the limit, worsening a crisis.

To summarize, these new debt limits could create uncertainty about the Federal government's ability to honor its further obligations and should not be used as a instrument of fiscal policy. While we certainly share the goal of preserving Social Security, this legislation does nothing to extend the solvency of the Social Security trust funds, while potentially threatening the ability to make Social Security payments to millions of Americans. I will recommend that the President veto the bill if it contains the debt limit provisions. If you have any additional questions, please do not hesitate to contact me.

Sincerely,

ROBERT E. RUBIN.

Mr. GRAMM. Mr. President, I want to speak on the pending amendment by Senator CONRAD, and then I understand the distinguished ranking member of the Budget Committee wants to speak on the Conrad amendment. Then we will set the Conrad amendment aside, if there is no objection, and yield to Senator BOND, who will offer his amendment. If anyone wants to give an immediate response, they can. Then we will yield to Senator KENNEDY, let him offer his amendment. At that point, Senator DOMENICI will be back to speak on the Conrad amendment. If Senator CONRAD wants to respond, he can. Then we are at least at that point closing in on a vote of all these amendments. None of this is agreed to, but follows that general parameter. If no one objects to it, let me proceed.

Mr. BOND. Will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. BOND. May I inquire of the Senator from Texas if there is immediate response or discussion of my amendment when we get around to it? Would it be possible to respond at that time?

Mr. GRAMM. Certainly.

Mr. BOND. Since we seem to be wanting to keep things in the same context, it would be appreciated.

Mr. GRAMM. Let me yield to Senator CONRAD and then I want to speak.

Mr. CONRAD. I just want to make clear that at the end of this discussion I want a chance to respond to any points that might have been raised in objection to the Conrad amendment before we go to another amendment.

Mr. GRAMM. The only problem will be that Senator DOMENICI wants to speak and he is not here. We are simply trying to accommodate everyone in terms of offering amendments and having a debate.

In any case, there are always limits to what we can do. We will do the best we can.

The PRESIDING OFFICER (Mr. ABRAHAM). There are time limits under the budget rules for discussion of amendments. If an amendment is set aside, that does not terminate the time that is still available.

Mr. GRAMM. How much time have we run off of the CONRAD amendment?

The PRESIDING OFFICER. Senator CONRAD has 28 minutes remaining on the amendment, and those who speak in opposition have 60 minutes remaining.

Mr. GRAMM. I certainly will not take 60 minutes.

Mr. President, in the Budget Committee we had a series of amendments and they all had a common theme: Do anything with the surplus except give it back to working Americans.

We had an amendment that said you could not give a tax cut until you had fixed Social Security for 75 years—that would be the year 2074, so you could not do a tax cut before the year 2074; you could not give a tax cut to working people until Medicare was fixed for a similar period. You could not give a tax cut until Jesus came back. You could not give a tax cut until Bosnia and Serbs and Bosnia and Croats routinely met, fell in love, got married and, like the lion and the lamb, lay down together.

When you listen to all this rhetoric and all these amendments, what they have in common is not all the things that have to happen before a tax cut, but what they have in common is our Democrat colleagues do not want working Americans to get any of the non-Social Security surplus back.

We find ourselves with the highest tax burden in American history. When you take Federal, State, and local taxes, 31 cents out of every dollar earned by every American goes to government and taxes. With the history of our country, such as at the peak of the war effort in World War II in 1944 when we had the largest defense spending in American history and the highest tax burden in American history prior to today, even with the highest tax rate in American history, our Democrat colleagues would say: "Defer tax cuts until the year 2074, defer tax cuts until all the problems of the world are solved, defer tax cuts."

The point is, they are not for letting working Americans keep some of the money that we are now taking from them above the level needed to pay the taxpayers' bills. Remember that every penny of the Social Security surplus by the pending budget will be set aside and locked away for Social Security. Now, this is the newest variant of this "anything but tax cuts" amendment. This variant says, "Don't give the money to tax cuts; reduce the debt and then give an IOU to Medicare."

I want to remind my colleagues that this doesn't provide a dime for Medicare.

Not one penny of this money can be spent under the budget. If we adopted this amendment, Medicare would not have one nickel that it doesn't have now. It would have an IOU from the Federal Government. But how would we pay the IOU? We would pay it by raising taxes, by cutting spending, by cutting Medicare, maybe, or by borrowing money from the general public. But nothing we do today in giving an IOU to Medicare provides any money for Medicare either today or in the future.

So this is not a real transfer of resources. When our dear colleague from Rhode Island on the Budget Committee says we need to give the resources to Medicare, no resources are given to Medicare in the budget of the United States. If you look at that budget, which has a \$199 billion increase, the amendment offered by the distinguished Senator from North Dakota doesn't change one penny of spending for Medicare over this period. In fact, what the Senator from North Dakota is doing is not changing Medicare spending, not providing any new benefit, not paying any old bill; he is simply giving Medicare an IOU.

Now, what is the net product of this IOU? That is the point I want to get to. The net product of this IOU is not more money for Medicare; the net product of this IOU is that in the year 2009, Medicare insolvency will occur unless we pass a reform bill, like the Breaux reform, which I strongly support and supported as a member of the bipartisan Medicare Commission. Unless we do something that is a real reform, in the year 2009 we are going to have to raise payroll taxes, or raise general taxes, or we are going to have to cut spending, or we are going to have to borrow money, whether or not we give an IOU to Medicare. Nothing in the Senator's amendment changes the amount of money that is available in the 10-year budget for Medicare.

But what is changed by the amendment? Medicare is no better off, no worse off; it has an IOU. We already have many IOUs to Medicare because of our commitment to the program. It is probably the second most popular program in American history and one to which we are all committed. Nothing changes for Medicare. No new resources are available to Medicare. No hard choices are avoided in Medicare. But what is changed? Well, what is changed is that this amendment will reduce the amount of money that is available for tax cuts by \$320 billion. That is what this amendment is about. The actual change in the budget as a result of this amendment is to reduce the amount of money that is available for tax cuts.

So what are we doing here? This is an amendment that has only one substantive effect; that is, it reduces our ability to eliminate the marriage penalty. Americans meet and fall in love and get married, only to discover that they pay the Federal Government, on average, \$1,400 a year for the right to

be married. Knowing the Presiding Officer's wife, I know she is worth \$1,400 a year, but I believe—and so does the Presiding Officer—that she ought to get the \$1,400, not the Federal Government. In fact, I know the wife of the distinguished Senator from North Dakota, and I know she is worth \$1,400 a year, and we want her to have the money. We don't understand why the Senator from North Dakota doesn't think she ought to have it instead of the Government. In any case, that is a matter of personal choice.

The point is, what we are doing here does nothing for Medicare, but it affects our ability to repeal the marriage penalty. There are many people who believe it is not right to force farmers and ranchers to sell the farm and sell the ranch when papa dies. He spent his whole life building up the farm or the ranch and put every penny of after-tax money he ever had into the farm or ranch. When he dies, the children have to sell the farm or ranch to give the Federal Government 55 cents out of every dollar. We want to end that.

The amendment of the Senator from North Dakota doesn't help Medicare a bit, but it takes away from our ability to exempt farms and ranches from this confiscatory death duty and exempts small businesses from this confiscatory death duty. We believe we ought to have an across-the-board tax cut.

Now, we know many of our Democrat colleagues don't believe we should have an across-the-board tax cut, and they very quickly point out, well, with an across-the-board tax cut, some people don't get a tax cut. That is true. But across-the-board tax cuts are for people who pay taxes. So everybody who pays taxes would get an across-the-board tax cut, and people who pay a lot of taxes would get 10 percent of that back. People who pay a little would get 10 percent of that back, and they would both be happy to have it back.

Now, what the Senator from North Dakota is saying is that he would rather not repeal the marriage penalty, or repeal or reduce the inheritance tax, or have a tax cut across the board, or any of the many other ways we could give this money back, because he would rather it not go back to the taxpayers. So the net effect of this amendment is that it doesn't change Medicare, doesn't change a single spending figure over the 10-year budget; it gives Medicare a meaningless IOU, basically. But what is changed, what is substantive, is that it lessens our ability to reduce the tax burden for working Americans by \$320 billion.

Let me make one final point on this. Let me give you the advantage of giving some of this non-Social Security surplus back to taxpayers rather than having the Government keep it and ultimately spend it. We all remember last year when President Clinton stood at the rostrum of the House and said:

Social Security first. Every penny of this surplus will go to Social Security. I won't allow it to go on tax cuts, I won't allow it to be spent.

Yet, the President, as a tribute for adjourning, required that \$21 billion of it be spent. Every penny of it came right out of Social Security. So if we don't give this non-Social Security surplus back—or at least part of it—to workers, we are going to end up squandering it; we are going to end up spending it.

Now, the advantage of giving it back is, first, it is their money to begin with. This money came from the working people. The economy is doing better because they are working and saving and investing more. Why should they not get some of the benefit—in fact, a very small percentage under our budget?

Another thing is important. If we need the money back, we can take it back. But if you spend it on a bunch of new programs creating a bunch of new constituencies, it is gone; you will never get it back. How many Government programs have we ever eliminated in American history? Virtually none.

So I just want to urge my colleagues, when they listen to the debate on this amendment, to remember that these amendments aren't about denying a tax cut until 2074 to save Social Security, or put off a tax cut until Medicare's problems are forever solved, or to wait until the second coming and let Jesus worry about it, or to wait until world peace is enshrined. That is not what these amendments are about. These amendments are about some of us not wanting to give people a tax cut. That is what it is about.

So if you think that out of the massive surpluses we are projected to have over the next 10 years, giving a modest tax cut to working Americans in things like repealing the marriage penalty, reducing or repealing the death tax, and giving a little across-the-board tax cut to everybody—if you think workers deserve some of the benefits of the good economy and the impact it has had on taxes, rather than giving every penny of it to the Government, then you want to vote no on this amendment, and you want to vote no on a whole series of amendments, each of which is going to be tied to some other issue, like research to prevent meteorites from causing tidal waves or destroying New York City—or it will go on and on and on. But the bottom line is, this is about tax cuts.

And our colleagues are desperate. They want to spend the money. They want to do everything with the money except give a little of it back. That is where we have a disagreement.

Do not be confused. This doesn't have anything to do with Medicare. Nothing in this amendment in any way provides another nickel to pay Medicare benefits. Nothing in this amendment changes the Medicare numbers in this budget at all. This simply reduces debt; God's work, if it really happened. But what it does is give a meaningless IOU to Medicare. We already have written Medicare so many IOUs that we will

never pay back the ones we have written. If you want to, give them a cigar box full. And, if it makes you feel better, great. But still, it is a promise to pay money. It is not money.

So I hope our colleagues will reject this amendment and realize it is not about Medicare. It is not about Social Security. It is not about meteorites. It is not about the second coming. It is about taxes. Some people are against them. Other people are for them.

That is what the vote will be about. I reserve the remainder of our time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. LAUTENBERG. Mr. President, I will yield such time as the Senator from North Dakota needs.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair.

I have been delighted at hearing the description of my amendment by the Senator from Texas. He has probably the greatest imagination in the Chamber. Unfortunately, his imagination has been working overtime, because his description of my amendment has virtually nothing to do with my amendment. The Senator from Texas suggests that my amendment is to prevent a tax cut. That is not the purpose of my amendment. My amendment is very clear. My amendment provides a lockbox that reserves every penny of the Social Security surplus for Social Security. It then goes to the next step and reserves 40 percent of the non-Social Security surplus for Medicare because Medicare is in imminent danger.

I point out that the Senator from Texas knew that last year. I don't know what happened in the last year that has caused him to forget it. But here is what he said last year. What a difference a year makes. He said:

... [w]hat would we do if we had a half a trillion dollars to spend?

He said then:

The obvious answer that cries out is Medicare.

... I think it is logical. People understood the President on save Social Security first and I think they will understand save Medicare first.

... Medicare is in crisis. We want to save Medicare first.

The Senator from Texas said that last year. This year, the budget that he is advocating doesn't save one penny of the surplus for Medicare. That is where the difference lies. He wants all of the non-Social Security surplus to go for an across-the-board tax cut.

Where does that go? Guess where that goes. That goes to the richest among us. Here is what the top 1 percent gets in his proposal. They get \$20,000 of tax cut. What happens to the bottom 60 percent? They get on average \$99.

Maybe that is why now the Senator from Texas doesn't want to lock up and protect one penny of surplus for Medicare, because he wants to send it back not to Dicky Flatts. He wants to send

it back to Dicky Flatts' wealthy friends, 20,000 bucks apiece to them; \$99 to the rest of the people. The vast majority of the people, the top 1 percent, get \$20,000. The bottom 60 percent get \$99 on average.

Mr. President, the Senator from Texas suggests there is no money available for a tax cut under the Conrad amendment. That is not my amendment.

That is a great speech. It is a great political argument. The only problem with it is that it is not true. It doesn't have anything to do with my amendment.

Let's be honest. Let's be honest. What does the Conrad amendment do with the surplus over the next 10 years? Over the next 10 years the surplus is \$2.6 trillion. Under my amendment, the \$1.8 trillion that comes from Social Security would be reserved for Social Security.

Second, another \$376 billion would be reserved to strengthen Medicare.

Interestingly enough, last year the Senator from Texas said what happens if you have a windfall? The first priority ought to be Medicare. This year, he doesn't want to provide one thin dime out of the surplus for Medicare. He wants it all to go to a tax cut, an across-the-board tax cut that has this result. I don't think that is the priority of the American people to give a \$20,000 tax cut to folks who are in the top 1 percent, people who have an average income of \$833,000. I don't think that is a priority of the American people. Not one dime of surplus for Medicare, but provide it all to a tax cut for people who earn \$833,000, give them \$20,000, when Medicare is the program that is in the deepest trouble. What sense does that make? Let's go back to what the Conrad amendment provides, because the Senator from Texas talks about an amendment that is not the amendment that is before the body. It doesn't prevent tax relief. It doesn't prevent correcting the marriage penalty. The Senator from Texas knows better.

The amendment that I have offered offers of the \$2.6 trillion of surplus over the next 10 years \$1.8 trillion that comes from the Social Security surplus which goes to Social Security; \$376 billion goes to Medicare. That leaves nearly \$400 billion that is available for tax relief and for domestic priorities like education and defense and health care and, yes, tax relief. In fact, you could easily accommodate taking care of the marriage penalty under my amendment. You could provide other forms of targeted tax relief under my amendment, because those are the priorities of the American people. Save Social Security, dedicate every penny of the Social Security surplus for Social Security, and then 40 percent of the non-Social Security surplus for Medicare, because it needs money, a need that the Senator from Texas himself recognized just a year ago. In addition to that, \$400 billion available over

the next 10 years for high priority domestic needs like education and defense, and yes, money available for tax relief as well.

Mr. President, that is what this amendment provides, not the description given by the Senator from Texas that bore absolutely no relation to the amendment that is before us.

I thank the Chair.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. CONRAD. I would be happy to yield for a question.

Mr. KENNEDY. I know the time has moved along, so I will just take a moment. If I understand the Senator's amendment effectively, what will be the situation under your amendment with regard to the continued solvency of the Medicare system? As I understand it, besides strengthening Social Security, one of the purposes was to extend solvency of the Medicare system in order to permit time to consider sensible reforms. Will the Senator just tell me this: Under the Conrad amendment, what is the life expectancy of the Medicare system, and what would it be without the Conrad amendment under the budget resolution that is now before the Senate?

Mr. CONRAD. The Senator from Massachusetts asks a good question. The simple answer to the Senator is: By locking up additional funds for Medicare, we would be in a position at a later point, because we cannot do that in the context of the budget resolution, to extend the solvency of the Medicare system for at least another 12 years. That is the goal of this effort; to first lock it up and protect it so it cannot be diverted for some other purpose and then, when we get at a later point where we can make transfers which we are precluded from doing in a budget resolution, to then extend the solvency of the Medicare system. That is what this is all about: Protecting, strengthening Medicare, as well as strengthening Social Security.

Mr. KENNEDY. Is it the position of the Senator, when you have the extension of the Medicare system, that at that time there would be the opportunity to consider the kinds of other reforms that might continue the Medicare system even beyond the 2020 period?

Mr. CONRAD. That is exactly correct. As the Senator may know, as a member of the Finance Committee I have voted repeatedly to reform Medicare in order to further extend its solvency. But it is my conviction, and I think the failure of the Medicare Commission so indicates, the need is for additional resources into Medicare. We also need to reform that system. But without additional resources I do not believe we will succeed in extending the solvency of the Medicare system.

So, there is really a two-part test here, to reform the system and to provide additional resources. If we do not protect them, if we do not lock them up, I assure you, Senators like our col-

league from Texas will take the money and he will send it back to those who are earning over \$833,000 a year. He will send them a \$20,000 check and we will find our grandparents and our parents, who are dependent on Medicare for their health care, are not going to have it. That is the choice before the body. That is the choice before the body.

Mr. KENNEDY. I have a final question, if I could, of the Senator. Would this, now, be the longest period of financial security for the Medicare system that we would have had since, actually, Medicare has been established? It is my understanding with the additional revenues we would effectively guarantee the financial security of the Medicare system for the longest period since the Medicare system has been established.

Mr. CONRAD. That is correct, because this would extend it at least another 12 years beyond 2008 to 2020. With the new projections that are coming in, I believe it will be extended even beyond that.

That is fundamentally the question and the choice before this body. What are we going to do with these surpluses? Our friends on the other side of the aisle say: Social Security and tax cuts. We are saying in this amendment: Yes, Social Security, every dime of Social Security surplus for Social Security. But then let's provide additional resources to strengthen and preserve Medicare. And then, yes, let's also have funds that are available for high-priority domestic needs like education and health care and, yes, defense. And also have resources to provide some tax relief. I put marriage penalty right at the top of the list. That is provided for in this amendment.

Mr. KENNEDY. May I just ask a final question of the Senator? I notice in the report itself, under "Revenues" on page 75, it states this in the third paragraph:

The net tax cut in the Committee-reported resolution can accommodate a substantial tax cut package (the contents of which will be determined by the tax-writing committees), which may include across-the-board cuts in tax rates. . . .

The sentence does continue and list others, but it lists, No. 1, across-the-board tax cuts. Is that the kind of tax cut, if we were moving in that direction, the Senator believes would be the fairest to working families and to small farmers and the smaller business men and women of this country?

Mr. CONRAD. I do not think it would be the fairest. In fact, if you have a 10 percent across-the-board cut, the results are what I have shown here. For the top 1 percent, those whose income is over \$800,000 a year, they get \$20,000. The bottom 60 percent get, on average, relief of \$99.

Mr. LAUTENBERG addressed the Chair.

Mr. CONRAD. I am happy to yield to the ranking member.

Mr. LAUTENBERG. We are not surprised by incomes that exceed \$1 mil-

lion, \$5 million, \$10 million—some of the top corporate executives in this country, some of the athletes, some of the people in entertainment. So if someone earned \$10 million in a year and the tax rate was 39.6 percent for income tax, and if there was roughly a 4-percent decline in that, so that person then would have—if they earned \$10 million, they would get \$400,000 in tax relief? Is that the way the calculation is, as you see it?

Mr. CONRAD. That is roughly the calculation. It is hard to see that as fair.

Mr. LAUTENBERG. I think Michael Eisner in 1 year earned \$50 million. He might get a couple of million in tax relief. Is that not right?

Mr. CONRAD. That is correct.

Mr. LAUTENBERG. Would this amendment cause us to have to wait 75 years before tax cuts could be put in place?

Mr. CONRAD. No. Absolutely not. As I indicated, we are protecting Social Security by reserving every penny of the Social Security surplus. We are also reserving a substantial part of the non-Social Security surplus for Medicare. But that which remains, which is about \$400 billion over the next 10 years, is available for high-priority domestic needs including education, health care and defense, and for tax relief.

Mr. LAUTENBERG. So the thing that triggers this is whether or not we prepared Social Security and Medicare for its survival. That is the triggering mechanism that enables other things to be considered—tax cuts, targeted tax cuts or other programs to be exercised, is that right?

Mr. CONRAD. It is all really a question of priorities. How should these surpluses be used? Our view is, the priorities of the American people are to safeguard Social Security, to safeguard Medicare, to provide for education and defense and health care, and also tax relief. The other side says there are only two priorities. They say the priorities with these surpluses are Social Security—and I commend them for that. But then they say virtually all the rest of the money ought to go for tax cuts. When you look at what they are proposing, the Senator from Texas was very clear. He likes across-the-board. The chairman of the Finance Committee has indicated he likes the 10 percent across-the-board.

That is not fair. That is not fair. It is not the priorities of the American people. That is why this amendment is important.

Mr. LAUTENBERG. Mr. President, how much time do we have left on our side?

The PRESIDING OFFICER. The Senator from North Dakota has 11 minutes 20 seconds. The Senator has Texas has 45 minutes, approximately.

Mr. GRAMM. Will the Senator from North Dakota yield?

Mr. CONRAD. Not on my time I will not yield.

Mr. GRAMM. Yield on my time. We have been very good in going back and forth. We have almost an hour. We have a few minutes. Would it not make sense to let us speak—let me say a few words, let Senator DOMENICI speak, and then continue this, rather than shutting us out? If you want to do it, you obviously have the right under the rules.

Mr. KENNEDY. May I just ask one final question?

If we do not do what is included in the Conrad amendment, if we are looking at the financial security of Medicare to the year 2020, is it the understanding of the Senator that we would have to somehow find \$686 billion that would either have to be a combination of tax increases or benefit cuts in order to reach the \$686—in order to ensure that the Medicare trust fund would be financially sound by 2020, if we do not accept the Conrad amendment?

Mr. CONRAD. I suppose what we could do is write to these folks to whom Senator GRAMM is going to send the money and ask them to make voluntary contributions so the Medicare system could go forward. I do not think that would work very well, probably.

The problem, the fundamental question before us, is, How do we use these surpluses? I think the priorities of the American people are very clear. They have told us: Social Security, Medicare, education, health care, defense, and, yes, tax relief. Those are their priorities, and that is what this amendment represents.

The PRESIDING OFFICER. Has the Senator from North Dakota yielded the floor?

Mr. CONRAD. I do.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Texas.

Mr. GRAMM. Mr. President, I want to be careful in what I say. But our colleague suggested that we be honest.

I want to be very honest. What we have before us is a totally phony amendment. Let me go through and explain why. Let me touch a couple points.

First of all, this save Social Security business and lock the money away for Social Security, that didn't come from Bill Clinton. That came from PETE DOMENICI. That is in the budget before us. I want to thank Senator DOMENICI for that.

Let me just run down the list of things here. First of all, our dear colleague brought out a quote from me about using money from Medicare. To paraphrase Paul Harvey, let me tell you the rest of the story.

Last year, our Democrat colleagues were trying to raise taxes on the poorest among us, on a tax where 60 percent of the tax was paid for by Americans who made \$25,000 a year or less. It was a cigarette tax. The claim that the Government had the right to part of the money was that people smoke. They get smoking-related diseases and it costs us money in Medicare.

So Senator DOMENICI and I said, If you are going to collect money in cigarette taxes and you suddenly have this giant windfall—as one of the lawyers, I guess, of these people that our dear colleagues talk about, these rich people, said, "This is like winning a lottery," talking about the millions of dollars that had gone from the settlements—Senator DOMENICI and I said last year, Well, if you are going to tax tobacco and you are going to impose the tax on people making \$25,000 a year or less that pay the bulk of tobacco taxes—they are concerned about poor people today, but last year they were raising their taxes—Senator DOMENICI and I said, Well, if you are going to do that, at least spend the money on Medicare for health care.

Now, when it was clear they weren't going to be able to spend it on all their social programs, their amendment died. But that is where that quote came from, if we are going to be honest.

Let me make it clear that all this business about "the Domenici budget does not provide a penny for Medicare," not so. The Domenici budget provides more money for Medicare than any budget ever written in American history. It provides \$199 billion of new money. It funds every penny for Medicare. The President proposed cutting Medicare funding by \$20 billion over the same period. So this is not about Medicare. This is about tax cuts, and it is about politics.

Now, this "richest among us"—I do not understand people who love capitalism and hate capitalists. I do not understand people who love investment but hate the people who make investments. I don't make \$1 million a year. If I were really productive, maybe I would. But let me just tell you the trick behind all these charts. The trick behind all these charts is that tax cuts are for taxpayers. So if you don't pay any income taxes and we cut income taxes, you don't get a tax cut. Some people say, Well, that's not fair; I don't pay income taxes, but if they are going to give a tax cut, I ought to get some of the money.

Well, ask working people. Do they get Medicaid? No. Do they get food stamps? No. Do they get housing subsidies? No, because they are not poor. Those programs are not for working people. Tax cuts are for working people. So if you don't pay any taxes, you don't get any tax cuts.

Now to this business about what if somebody makes \$800,000 a year and they get a \$20,000 tax cut. Outrage. Well, if they get a \$20,000 tax cut, it meant they paid \$200,000 of taxes. So if I paid \$20,000 of taxes and I get a \$2,000 tax cut, why shouldn't somebody who paid \$200,000 get a \$20,000 tax cut? Do we have to debate every issue by trying to pit Americans against each other? What is wrong with people making money? What is wrong with people being rich? They didn't make the money by stealing it from somebody.

They made it by producing something of value and selling it. I would just like to say that we get tired of having the people who are making \$1 million a year tell us about tax cuts for rich people.

I don't get it. Senator DOMENICI is from an immigrant family. I told the story earlier about him almost being born in a lettuce patch where his mama was picking lettuce. Neither of my parents went to high school. Suddenly we care about rich people and our colleagues, many of whom are rich, are going to protect people against rich people.

Here is the point. Why not give everybody a tax cut? This bill does not give an across-the-board tax cut. It just provides money for tax cuts. Obviously, one of the ones that will be debated, everybody will get a chance to give their speech about these outrageous rich people who paid \$1 million a year in taxes and we want \$2 million. We want every penny they have. We want to put them in prison. The point is, with an across-the-board tax cut, you get 10 percent, whatever you pay, you get 10 percent of it back.

If that hurts your feelings, you live in the wrong country. It doesn't hurt my feelings.

Final points and I will get out of Senator DOMENICI's way. Senator KENNEDY asked, What does this do to the lifespan of Medicare? Well, let me tell him. Nothing is the answer, zero, zip. The lifespan of Medicare is supposedly to 2008, but it is only to 2008 because President Clinton took part of the cost out of the trust fund and put it into general revenue. So Medicare already went broke. But it is 2008 today and, if this amendment were adopted, it would still be 2008, because this amendment provides not one nickel, one penny, one million, one billion, nothing to Medicare. It gives Medicare a meaningless IOU, and we still have to cut spending or raise taxes or borrow money in order to pay it.

Mr. DOMENICI. Mr. President, let me correct the Senator. He didn't even give them an IOU. He just reduced the debt.

Mr. GRAMM. That is right, and claims that they get credit for it.

Mr. DOMENICI. Correct.

Mr. GRAMM. Well, let me say that this is a phony amendment in every respect except one. It has nothing to do with Medicare. It doesn't have any impact on Medicare. Normally in these amendments, you have all this folderol and meaningless stuff at first, but when you get to the last page and the last paragraph, you get to the bottom line. What this amendment does is, it reduces the levels of funds in section 104(l) by which the Senate Committee on Finance is instructed to reduce revenues.

So what this amendment is about is denying people a tax cut. Our colleagues are for tax cuts in general, even though both our colleagues voted for the last amendment which would

have denied any tax cut. They are for them in general. They are for eliminating the marriage penalty in theory. They are for changing inheritance taxes in theory. But when it gets right down to giving somebody a tax cut, they are against it.

Why are they against it? As long as we have been asked to be honest, they are against it because they want to spend this money. They are against it because they want to spend this money on programs, just as they did last year when we busted the budget by \$21 billion and stole every penny of it right out of the Social Security trust funds and they voted for it.

So let's not be deceived. I was asked to be honest and I wasn't going to be, because I didn't want to be unkind. But since I have been asked to be honest, let me be honest. This is a phony amendment. It has nothing to do with Medicare and everything to do with denying tax cuts. Our colleagues on the left side of this Chamber want to spend this money, and we don't want them to spend it. We want people to have it back.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time do we have on the amendment?

The PRESIDING OFFICER. The Senator from New Mexico has 35 minutes 20 seconds. The Senator from North Dakota has 9 minutes 57 seconds.

Mr. DOMENICI. Let me assure Senators here on the floor, I do not intend to use 35 minutes. I am fearful if I say anything, we will have to hear the same song and dance over again from the other side. We have heard it about 10 times today, but that is all right.

First of all, we all know what this is about. Last year the President of the United States said to the Congress, Democrat and Republican, we have taken Medicare out of politics. Let us move arm in arm and let us fix Medicare. Everybody said great. The President was active in this regard, and he said, let us have this commission look at it. We have taken it out of politics, because we want to fix it.

The truth of the matter is, the President decided to make Medicare a political issue in his budget this year. He didn't wait around for the commission. He made it a political issue in his budget.

Those who are now arguing on the floor about the budget we produced in committee are continuing the political fight rather than a factual fight.

I want to say a couple of things. There is a lot to get excited about here, but I promise myself I will not do that, other than I will say to my good friend, you should never, never have put the Social Security lockbox money in the same lockbox with yours. If you would like to have a second lockbox and call it yours, you are welcome to do it. But it is a fraud to put it in the same lockbox with the Social Security trust

fund. It is nothing similar to it. It has no relationship to it, and all it does is say, "We're going to reduce the debt more than the Republicans want to, and we're hoping that by reducing that debt, there will be money available for Medicare." That is it plain and simple.

In case anybody is interested, on this chart, this red line is the President's debt reduction for which he is taking credit and have Nobel laureates saying it is great. The committee bill before you is the blue line which reduces the debt \$400 billion more than the President, which, incidentally, is more than the distinguished Senator is going to take out of the tax cut to make a case—not a case for Medicare—a case against giving back to the American people any of their hard-earned money.

This amendment, which will fall because it is not germane, is an antitax amendment. Let me tell you, I am tired of Democrats getting up and saying, "We don't want to vote for tax relief because Republicans are talking about an across-the-board tax cut." I am tempted to offer an amendment to strike the 10-percent tax cut from this tax cut and put in marriage penalty and any other family-related tax cuts. Take it out. Let's see if they are for it then.

What will the argument be? The argument can't be 10 percent because it is not even mentioned in this resolution. What they can get up and say is, "We have a better idea for tax cuts than the Republicans." And we say, "Wonderful, if you do, that's fine." But it is not a wonderful idea to cut the tax cut almost in half and claim you are for tax cuts and you did something for Medicare when, as a matter of fact, all we need to do for Medicare is to get the Democrats and the President—and I will not include every Democrat because there are some who already know what they want to do—but all we need to do is get them to tell us what we ought to do for Medicare.

This idea that my friend, Senator KENNEDY, got up and said, "We are in the red \$860 billion over," I don't know how many years, Mr. President, that is saying if the program stays just like it is and there is no reform, that is what we would need to keep it going like it is.

Let me assure you that not even the distinguished Senator who is proposing this so-called Medicare amendment thinks we should leave the Medicare program like it is. In fact, there is a quote—we are going to find it in a minute—where the distinguished Senator said Medicare does not have a chance to survive unless we reform it. That is what he was saying last year.

Reforming it means you save money by making the program more efficient, less apt to have fraud injected into the program and, yes, being realistic. There are those who say this commission that worked on this didn't come up with a good product and they used that one idea. Thirty years from now, the age for receiving Medicare will go

up piecemeal, and in 30 years, it will be up 2 years. Maybe they can fix that if they are serious. But, Mr. President, that reform package saved enough money to pay a prescription benefit. They did not need to take away this tax cut to do it. They had \$61 billion left over from reform, and they said, "Let's use it for prescription drugs."

Any talk on the floor that the Conrad amendment is going to fix Medicare like it has never been fixed before is pure, absolute demagoguery and speculation at the highest. Nobody has any idea what that is going to do for Medicare, if it is even available for Medicare. It might not even be there. It can be spent for anything else.

I submit, talking about what the American people want most and coming down here and telling us that 20 times does not mean that that is what they are getting in that amendment by my good friend, Senator CONRAD, because it is not doing what he says the American people want. If you look at it, it does not accomplish what he continually claims the American people want.

Frankly, I believe we ought to get serious and we ought to take the politics out of this, but if you do not want to, we will take this one as far as we can because we understand what is right, what is fair, and what is fair to future generations, not just our senior citizens.

From my standpoint, the truth of the matter is, this is plain and simple: an effort to increase taxes that would otherwise be reduced by \$320 billion over 10 years. What is really incredible about it is that it does not provide \$1 for Medicare. Not one. It reduces the debt of the United States temporarily until it is spent by someone with no real way of saying it is to go to Medicare because there is no way to do that.

It is no lockbox; it is a wish box. In fact, you should take it out of my lockbox and make your own wish box out of it, and maybe mine should be green and yours should be—I don't know what color—surely a shade of yellow, something slightly brown, something like that.

In any event, all this amendment purports to do is to reduce the debt held by the public because the Senator could not even put it into the Medicare fund, as the President did, in his phony budget because if he did that, he would have to raise the gross debt of the United States and would be vulnerable here on the floor for having done that, so it doesn't even do that.

I understand my friend, Senator CONRAD, is anxious to get up and talk again. He has made so many arguments today, I don't know if he needs any more, but the Senate accommodates him because that is the way the budget process works.

Let me conclude. The budget before us fully funds Medicare assuming no reform. Reform will save a lot of money, and there will be money around from these numbers in this budget

which is fully funded. We do not cut the \$20 billion that the President does, and regardless of what they say on that side, within the 10-year period, there could be up to \$100 billion. And if we get on with reform, that \$100 billion will be available. If we wait around forever with no proposal, then who knows.

I believe we are going to get serious. The President is going to send us a package. I only hope he does not send us one that is irresponsible because of this debate. I don't think he will. He understands the issue. We can get on to doing Medicare right, not act like this amendment fixes it.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me just say, sometimes voices are raised here on the floor, mine included. But let there be no mistake, I have great respect for the chairman of the Budget Committee.

Mr. DOMENICI. And I for you.

Mr. CONRAD. I appreciate that, and absolute affection for the Senator from New Mexico as well. We have a disagreement. I think both of us are being honest and direct about that disagreement.

Let me be clear. The Senator from New Mexico says that my amendment does not fix Medicare. That is true. That is absolutely true. My amendment does not fix Medicare; it does not solve the problem. But my Medicare amendment, or the part of my amendment that deals with Medicare, does make a difference, because it reserves funds to strengthen Medicare—nearly \$400 billion over the next 10 years.

The lockbox offered by our friends across the aisle does not provide one penny of the surplus for Medicare. They say, in answer, "But we fund Medicare." Yes, of course they fund Medicare. That is a budget requirement. Of course they fund it. But in the surpluses that are projected over the next 10 years, they are not setting aside one penny of that surplus to strengthen Medicare. That is a deficiency of their proposal.

Let's go back to what the Conrad amendment really does. The Conrad amendment reserves, in a lockbox, every penny of the Social Security surplus over the next 10 years for Social Security.

No. 2, the Conrad amendment takes \$370 billion over the next 10 years of non-Social Security surplus and reserves that for Medicare. That is a critical first step to solving and resolving the Medicare crisis.

No. 3, we still then have about \$400 billion left over the next 10 years to deal with high-priority domestic needs—education and health care and, yes, defense and, yes, tax relief—\$400 billion that is available for those categories.

Our friends on the other side say that is not what we want to do. They say, we just want the money for Social Security and tax cuts, nothing out of the

surplus—nothing out of the surplus—for defense, for education, for Medicare. Well, we do not believe those are the priorities of the American people. That is the difference. And that is what this amendment is about.

I ask my colleagues, just for a moment, to suspend partisanship on both sides and really look at what this amendment says—not to the characterization of the Senator from Texas. His characterization was his imagination working overtime. It is what he hoped my amendment said, not what my amendment does say. The argument that he made was an argument not against the amendment that is before us but an argument against an amendment that he wished I was offering.

My amendment does pay down the publicly held debt more than the budget resolution—by about \$300 billion. My proposal pays down publicly held debt more than what is being offered on the other side.

I think that is a good priority as well. So not only do we strengthen Social Security, strengthen Medicare, or at least make it possible to strengthen Medicare and also provide for high-priority domestic needs such as education, health care, defense, and tax relief, but we also are in a position to further pay down the public debt. Because every economist who has come before us in the Budget Committee, in the Finance Committee, has told us that that is the highest priority of all—pay down this publicly held debt, to put us in a position to keep interest rates down, to have a stronger economy for the future.

Mr. President, I yield the floor and reserve my time.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that my time come off the budget resolution itself and not off the amendment.

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

Mr. LAUTENBERG. I want just a few minutes to respond.

Mr. President, I rise in strong support of Senator CONRAD's lockbox amendment, which reserves approximately 45 percent of the non-Social Security budget surplus for Medicare over the next 10 years.

Mr. President, we have heard a lot about the Republican lock box here on the floor. But so far, it's been all conversation and no action and no amendment. Nothing was offered in Committee, except for a sense of the Senate that merely endorses current law. And we don't expect to see anything on the floor.

What we have before us is a budget that spends nearly every dollar of the projected \$1 trillion surplus on tax cuts. And the numbers don't lie.

On page 5 of the budget resolution, the amounts of surpluses remaining after the Republican tax cut are as follows:

A \$6 billion on-budget deficit in 2000; A surplus of zero in 2001; A surplus of zero in 2002; A surplus of zero in 2003; and A small \$3 billion on-budget surplus in 2004.

Mr. President, nothing in this budget is reserved for Medicare, although the program goes bankrupt in just eight years. But Senator CONRAD's amendment would correct this obvious oversight by reserving approximately 45 percent of the onbudget surplus for Medicare over the next 10 years.

This amendment is more than rhetoric, Mr. President. And it's more than a press release. It's a new Senate rule that reserves \$707 billion for the Medicare program over the next 15 years. That's fully \$707 billion more than the Republican budget.

Over ten years, this amendment would reduce debt by over \$300 billion more than the Republican plan. Over the long-term, these reserves would be instrumental in crafting a comprehensive Medicare reform package that modernizes the program for the 21st century.

In the Budget Committee mark-up last year, Chairman DOMENICI stated that "for every dollar you divert to some other program you are hastening the day when Medicare falls into bankruptcy." Well, Mr. President, we are one year closer to bankruptcy but a giant step back from where we were last year, when this program was a priority for both Republicans and Democrats.

Not only does our lockbox do more to protect Medicare and reduce debt, it also has a stronger lock and more responsible enforcement procedure for both Social Security and Medicare.

Mr. President, we enforce the lockbox through the tried and true mechanisms of the pay-go rules. If Congress attempts to spend part of the Social Security surplus or Medicare reserve, the sequester rules of the Balanced Budget Act would make automatic spending cuts in order to keep the reserve intact.

But in their budget, Republicans have weakened the pay-go rule by allowing all funds not saved for Social Security to be used for tax cuts, right away, regardless of whether we ever act to reform Social Security and Medicare. Our lockbox, however, creates a powerful incentive for Congress to address the long-term problems of Social Security and Medicare by prohibiting surpluses outside of the lockbox from being used until we reform Social Security and Medicare.

To sum up, Mr. President, the Republican budget ignores Medicare, but the Democratic lockbox protects both Social Security and Medicare. The Republican budget reduces public debt, but our lockbox reduces it more. The Republican budget does nothing to further protect Social Security, but our proposal adds a new super-majority point of order to make certain that Social Security surpluses remain out of

the budget. And finally, the Republican budget puts tax breaks first and tax breaks only, but our lockbox puts Social Security and Medicare first.

Mr. President, this is an easy choice. Our proposal is better for Social Security, better for Medicare, and better for debt reduction. And our proposal is a more responsible alternative to a Republican budget that does absolutely nothing to protect or strengthen Medicare.

Mr. President, I think securing Social Security, the Social Security trust fund, the Medicare trust fund, is of great help. And whether issuing more IOUs or not, we could put cash in there. And if we left it in cash, then what we would do is lose the purchasing power that is eroded by inflation or that would fail to replenish the fund as the number of recipients grows, even though the promise is made to each individual.

But it also does something else, I think. What it does do is it attempts to secure longer life for Social Security and for Medicare, to at least remove it from the likelihood that the appropriators one day—someday in the future, if things get tough—would be able to say, "Well, listen, we just can't afford to do that. We're going to legislate reductions in the benefits." And I think it is the right way to go.

Mr. President, I must take a couple minutes because one of the things that I find terribly bothersome here is the fact that we are now down to where we are saying, "stole money," "phony accounting," "fraud," and the Director of the OMB—a brilliant, educated man—was called the "most deceptive witness to ever appear before the Finance Committee" by one of our Senators.

I think that that language ought to be out of order because it accomplishes nothing except to get everybody a red neck. That is what happens. We all get excited about it because we are offended, insulted, by the trivial language that goes through this place when we are talking about something so serious.

"Taxes on poor people" it was proposed because we were going to impose a burden on the tobacco users for the amount of the health care system that they used. "Taxes on poor people," the plea was. "We've got to feel sorry for those people who are going to pay more for their tobacco, for their cigarettes," even though they have consumed more of our health care costs in the country in lost productivity, et cetera; it is estimated as much as \$100 billion a year. "Poor people, they are addicted to tobacco; and, therefore, we ought not to ask them to pay more for the programs they use."

I agree with that of sorts, but, on the other hand, in the State of Texas, \$15 billion was accepted by the State of Texas as a resolution, a settlement of the case they had against the tobacco companies—\$15 billion. And I did not hear anybody say, "Well, Texas ought not to take that money becauseulti-

mately the consumers, the smokers, are going to pay for it." I did not hear anybody say that when tobacco companies raise the price of cigarettes 45 cents a pack, "Oh, what a pity for those poor people to have to pay it." Of course, it goes into the profits of the tobacco companies, but I did not hear anybody pleading the case for those poor people who are going to pay it.

I heard a description of capitalists who hate capitalism. Well, you are looking at one. You are looking at one. And there is one sitting in the chair of the President, as well, a capitalist. He made his money through hard work and diligence. And I know, in my discussions with his wife, how she tends the business while he serves the country.

I came from a poor immigrant family. And I was struck by the comparison between the Senator from New Mexico and myself. I was born at home, but it was not in rural country; it was in New Jersey. I was born at home. The doctor came to visit and delivered this beautiful package to my mother. That is what happened. But I did not have the benefit of the hospital, and she didn't either. And maybe that is the result of what we have here.

But the fact is, I came from immigrant parents. I came from a father who worked in a silk mill. And perhaps that was the reason that this man, at 43 years of age, died of colon cancer. He was a weight lifter, he played basketball, he wrestled, he loved the outdoors, and he ate healthy foods, even in the 1930s when no one was talking about it. And my father would laugh at you if you smoked, but he died very young. He died young because he worked in a place that is believed was unhealthy to work in. There was no OSHA protection. There was nothing against fumes or film or dust in those mills.

My uncle worked in the same industry. My father was 43. My uncle died when he was in his early 50s. And my grandfather, who worked in this same business, died in his early 50s. I know what it is like to have come from the other side of the tracks.

I helped create one of the great businesses in America. And I brag here for a moment. And, please, I hope everybody will forgive this immodesty. We started the company without a dime, two other friends and I. Those two were brothers, and their father, as my father, worked in the silk mill. His health, however, was better and was not harmed. None of us had 15 cents to call our own, and we created a business that today employs 33,000 employees, and has one of America's most successful records for return on investment to the investors. If you invested \$300 in my company in 1961—we went public—it is worth almost \$2 million today. So I am a capitalist.

I served my country 3 years in the military, and I was in Europe during the war despite my youthful appearance. The fact of the matter is I did ev-

erything I was supposed to, and I did it the old-fashioned way—by working hard. It took us a long time to build that business, but we did succeed.

I used to serve with the Hall of Famer here, Bill Bradley, a great, great Senator, a great person, who was a member of the Basketball Hall of Fame. New Jersey was the only State in the whole country that had two Hall of Famers. I was a member of the Hall of Fame of information processing. You should have seen the kids running after me for my autograph. We were the only two.

I got there because I helped create not just a company but an industry. So I know a capitalist when I see one, and I like them because they contribute and they create jobs. As I mentioned, 33,000 people work for ADP today. I don't know where they would have had jobs elsewhere, but they like their jobs in that company.

When you disparage attempts to say we have a progressive system, that is what has made this country great. People pay their taxes based on their ability to pay and pay the lowest tax rate on a relative basis that we have seen in this country. Yes, there is more tax being paid because we have more people earning more money. It was never dreamed that people would be worth \$30 billion or \$10 billion.

One of the reasons I am worried about abolishing an inheritance tax is a guy leaves his heirs \$30 billion, and the heirs have to do nothing but sit there, accumulate interest worth \$1.5 billion a year, and pretty soon they own a large part of America and you can't take it away.

When we describe people as having ulterior motives or being of lesser character than others, I think it is the wrong way to go. I don't think it is a good example for people across America or children who might be interested. This is an honorable body and everyone on that side of the aisle or this side of the aisle I consider an honorable person.

Do we have differences? Absolutely. I think we have to tone down the rhetoric. I guess I have to tone down the decibels of my voice.

Whether or not we feel sorry for the farmer, for the rancher, who when he or she sells their property has to pay a tax, then we ought to feel just as sorry for the guy who owns the hotdog stand on the boardwalk in Atlantic City who works and supports his family that way. What is the difference between the person who owns a retail store or the person who owns a farm? There isn't any, in my view. That is my perspective, living in the most densely populated State in the Union.

I plead with my colleagues. I agree with Senator CONRAD. I think we have to make sure that Social Security is protected. My friends on the Republican side—and we all talk about PETE DOMENICI, Senator DOMENICI, affectionately, as well as respectfully. The fact is we differ with him, because I don't

see one thing in this Republican budget that says we are going to put 5 cents in Medicare. They say nothing about it. Wishful thinking.

They will continue present levels of funding; OK. The fact of the matter is that doesn't help protect Medicare in the years ahead.

I will yield back the floor, much to the distress of the listening audience.

Mr. DOMENICI. Before I yield back any time I have on the amendment, I want to say I hope I didn't say anything that prompted the Senator to worry about whether I was levying a personal attack on the Senator. I don't believe I was. If I did, I apologize.

Let me ask unanimous consent—and this has been cleared with Senator LAUTENBERG—that the time on all amendments from this point on be reduced to 1 hour equally divided and the time on second-degree amendments be reduced to half an hour equally divided.

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

Mr. DOMENICI. I yield to Senator BOND who has been patiently waiting to give us the President's budget so we can vote on it.

AMENDMENT NO. 151

(Purpose: To propose the President's budget)

Mr. BOND. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 151.

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

The PRESIDING OFFICER. Without objection, it is so ordered. (The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BOND. Mr. President, I apologize, but I want to take a break from the fascinating discussions, the dissertations on autobiographical materials, and raise a new subject. I will talk about the budget. I apologize for making this major shift in the direction of the debate, but I am offering today the President's budget.

We offered this in the Budget Committee because a lot of people have been talking about the President's budget. Unfortunately, nobody has offered it here to date. I thought we ought to have an opportunity to discuss it.

Some of our colleagues waxed very eloquent in the Budget Committee on the benefits of the President's budget. Of course, people who know budgets know that they are just basically a bunch of numbers, but those numbers do have consequences. When people talk about how great the President's budget is, when it comes time to vote on it, nobody seemed to want to do that in the Budget Committee, so I thought I would give all of our colleagues an opportunity to vote.

As I look at the President's budget plan, it reminds me of the so-called garbage boat, the garbage barge that floated in the Atlantic a few years ago. Everybody kept saying how important it was to get the garbage buried somewhere but nobody wanted the barge to land on their shores. A lot of our colleagues have talked about how important and how wonderful the President's plan is, but no one wants to take custody of it, nobody wants to take responsibility for it.

I suggest that this substitute would be a great opportunity for somebody who wants to work from the principles and the ideas of the President's plan to vote for it. Then we can move forward and work on it.

Why do our friends on the other side keep running away from the President's plan? The problem comes up when we move away from talking about general principles, platforms, and commitments and start talking about the details of the plan. I agree we ought to talk about principles, but principles are not enough. We have to get down to the point of talking about some plans, some numbers.

In the Senate, we vote on a plan, not on some vague statements claiming to be principles. I am from Missouri and, of course, our motto is "Show Me." Show me how these principles translate into a budget. That is what this amendment is all about. This is putting before the Senate the actual numbers that the President has set out to implement the details of his budget plan outlined to us and to the Nation just a month and a half ago. It is a vote on the specific plan proposed by the President.

Now, let's take a look at what the President's plan does. This is just in summary, and there are a lot of things we can say about it. First and foremost, the President's plan breaks the budget discipline we worked so hard to achieve, the spending caps we agreed to in the balanced budget amendment that helped get control over spending and produced a surplus. These caps would be shattered by the President's plan.

We would not have any surplus to be worrying about if we had not, under the leadership of our distinguished chairman of the Budget Committee, Senator DOMENICI, fought and fought and fought against plans that were vetoed, against objections from the other side, against every manner of obstacle, finally to get a plan in place which capped spending and produced a budget, where we are reducing the deficits and moving toward a surplus in the future.

This has been stated by many observers as one of the reasons why there has been some strength in the economy, because after years of watching a totally undisciplined Federal spending machine raise the deficit and build on the debt of this Nation, we finally are getting spending under control.

We have had good monetary policy. Our fiscal policy has been a disaster.

Under the leadership of Chairman DOMENICI, we have finally gotten a handle on the fiscal policy. But the President's budget plan proposes to spend \$30 billion more than we agreed to in the balanced budget amendment. He breaks the cap. This is going back to the old spend and spend and spend proposals that put us in the position where we have run up trillions of dollars of debt on our children's and our grandchildren's credit cards.

I think it is very important that we focus on the budget caps. The plan goes against the principles we supposedly agreed to around here. I was very interested that, on February 28, the distinguished minority leader was being questioned by Cokie Roberts on the "This Week" program. When asked if we should keep the caps, his response was, "Absolutely." Cokie Roberts says, "So you are against breaking the caps?" Senator DASCHLE says, "Absolutely. I think we've got to live within those caps. We set them out. We all voted for them, agreed to them. We knew the ramifications when we did so. We know what kind of a surplus we are going to enjoy if we have them. I think we ought to stick with them."

Well, that is a strong statement of principle in favor of the caps. I agree with it. But that principle is violated by the budget plan submitted by the President. That is why I think we are going to see a significant number of Members on the other side of the aisle vote against the President's plan, because the plan does not carry out the principles that he has so widely espoused and been so roundly cheered for espousing.

Here is another principle from the President himself. This is from the State of the Union Message, January 27, 1998. Within the first portion of the remarks, he said:

If we balance the budget for next year, it is projected we will have a sizable surplus in the years immediately after. What should we do with the projected surplus? I have a simple four word answer: save Social Security first. Tonight, I propose that we reserve 100 percent of the surplus—that is, every penny of any surplus—until we have taken all the measures necessary to strengthen the Social Security system for the 21st century.

That was one time I was pleased to stand up and applaud the President, because I agreed with that principle. I agreed with the principle that we ought to take the money from the surplus, the surpluses we are seeing now, and apply them against Social Security. But what does the President's plan do? The President's plan, as outlined in the budget—you have heard about the devil being in the details. Man, that is an understatement when it comes to the President's budget, because it is full of devils. You can imagine what you call a place that is full of devils. There is a place named for that. That is what the President's budget is. The President's plan would spend a whopping \$158 billion of the Social Security surplus on the President's big spending schemes.

Let me show you this chart. Here is an opportunity to take a look at the difference in the two plans. Here is the plan before us, Senator DOMENICI's plan, "The Fate of the Social Security." It says here is the surplus. Here is the President's plan. He says we can save this much, and then we want to invest some in equities. I believe Senator ASHCROFT addressed that equity question. He wants to have the Federal Government investing in the stock market and taking control, potentially, of companies through ownership—a new form of nationalization, a national economic scheme that would make a central planner of the Marx or Lenin era salivate with anticipation. And then the President wants to spend \$158 billion out of that surplus. That, Mr. President, is not saving the Social Security surplus for Social Security.

These are some of the specifics of the plan. That is why we need an up-or-down vote on the President's plan, not on some vague statement by the President on the principles. That is why I have offered the plan.

Let's talk a little bit about Medicare. We have heard that the President does wonderful things about Medicare. Well, you know, I was very interested. I want to look at this because the President's plan cuts about \$9 billion out of Medicare for the next 5 years to pay for new spending programs.

Mr. President, in my State, if you freeze hospital payments and you squeeze down on the money that the providers are getting, you are on the verge of doing something disastrous. Many of the small rural hospitals and rural health care providers in my State are at the point where they can no longer stay in business if the reimbursements are ratcheted down. The system has fatal flaws in it that need to be corrected. Throwing money at a fatally flawed system will not save it, and ratcheting it down further is going to wind up having small rural hospitals closed, having rural hospitals no longer able to take Medicare patients. It is going to wind up in denying Medicare to the people who most need it.

If we are serious about Medicare reform—and I hope we all are—we had better go to work on the recommendations made by the bipartisan members of the Medicare Commission, led by our colleagues, Senators BREAUX and KERREY on the other side, with the active leadership of Senators GRAMM and FRIST on our side, and others, because throwing money at Medicare is not going to save a system that is fatally flawed.

I wish to clear away some of the chaff that has been thrown out in discussions about Medicare by citing a fellow who I believe is a rather credible observer, David Broder. On March 15, he wrote an article that appeared in the St. Louis Post Dispatch, talking about the fury of some of the Finance Committee members in the Senate. He explained it. He said:

The committee had just received prepared testimony saying in unusually blunt lan-

guage that Clinton, far from cracking the Medicare problem, may be making it worse. Dan Crippen, the director of CBO, said that by transferring \$350 billion from the anticipated budget surpluses to the Medicare trust fund, the Clinton plan would "delay the date of insolvency."

But the transfer would do nothing to address the underlying problem: "Rapid growth in spending for Medicare...will still outstrip anticipated revenues."

Listen to what Broder said:

The prescription drug benefits Clinton touted (but left out of his budget because he has no way to pay for them) "would be popular with beneficiaries," Crippen said, "but the additional program costs would be large."

Broder goes on to opine:

By raising expectations, Clinton has made the Medicare problem worse.

David M. Walker, the head of GAO, was even more biting. By proposing a large-scale shift of general revenues to a program now largely financed by payroll taxes, Walker said, the Clinton proposal "could serve to undermine the remaining fiscal discipline associated with a self-financing trust fund concept."

Meantime, he said, "it has no effect on the current and projected cash-flow deficits" in Medicare and "would not provide any new money to pay for medical services." The Clinton program, he said, "does not include any meaningful program reform that would slow spending growth. ...At the same time, it could strengthen pressure to expand Medicare benefits in a program that is fundamentally unsustainable in its present form."

There you have it. You have the President's budget plan, which is smoke and mirrors as far as Medicare goes. We have had the testimony before the Budget Committee from the Director of CBO and the Director of the General Accounting Office. It does nothing for Medicare. It provides some transfer of trust fund balances and shifts money back and forth with funny accounting. It gives new life to that old meaning that, "I'm from the Federal Government, trust me. I am going to shuffle notes around and claim that we have solved some problems."

The Clinton plan puts more IOUs into Social Security that will increase the debt held by the public. It is likely that the plan that he has presented will actually increase the debt that my son and the children and grandchildren of this country will have to carry for the rest of their lives. By raising the debt, it does nothing to save Social Security; it just increases the burden. Oh, yes. And taxes. At a time when we are looking at surpluses, he increases taxes so there will be more money to spend. This is a real plan. These are not principles. This is what his plan does. If there are some in this body who think that the President outlined the right way to go, I would say show me. Show me your support for it. Here is what it does. Show me if you are willing to vote for it.

Mr. President, I don't know a lot of our colleagues who want to endorse a plan like that. I certainly wouldn't. But I appreciate the opportunity to give them the chance to speak up for the President's plan.

I thank the Chair. I reserve the remainder of my time.

Ms. SNOWE. Mr. President, will the Senator yield? Does the Senator intend to use the remainder of his time?

Mr. BOND. I would be happy to yield to any of my colleagues, or turn the time over to our distinguished chairman to allocate to such colleagues if they wish to speak on related areas. I would be happy to have the chairman of the committee allocate the time to any of our colleagues.

Mr. DOMENICI. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 14 minutes.

Mr. DOMENICI. We have 14 minutes under the agreement on first-degree amendments. How much time would the Senator like? The Senator can have 14 minutes. There is still time on the bill.

Ms. SNOWE. No. Actually less, I say to the chairman. Mr. President, I want to speak on one facet of this issue, and I will speak again later. I thank the chairman. I appreciate his yielding me this time.

I had intended to address the entire issue of the budget resolution as a member of the Budget Committee, because I think this was an extraordinary process in the Budget Committee. I want to commend the chairman of the Budget Committee, Senator DOMENICI, for doing an outstanding job, and for his exceptional leadership in balancing the many issues that came before the Budget Committee in crafting a budget that strengthens and improves some areas of the budget, preserves the Social Security surplus, and also addresses an issue that the debate is now apparently focusing on, and that is, of course, the issue of Medicare.

The reason I decided to take to the floor at this time is because I thought it was important to talk about the issue of the Medicare prescription drug benefit in the budget resolution. First of all, I was somewhat surprised to hear the tenor of the debate that has occurred on the floor with respect to a particular provision—the reserve fund for the Medicare prescription drug benefit program that is included in the budget resolution.

I should point out that it was the reserve fund that will provide for the assurance and the guarantee that if we get a Medicare reform package, we will also be able to fund a prescription drug benefit program. Thanks to the chairman of the Budget Committee, who was willing to agree to use the onbudget surpluses as a way to preserve the prescription drug benefit program. I had offered an amendment in the committee that provided for a reserve fund for the prescription drug benefit program so that we would not have to have the 60-vote hurdle on the floor of the Senate in order to provide funding for that program. The very fact that we have a reserve fund in this current budget resolution allows for a prescription drug benefit program and

gives all the more certainty that is going to occur.

We include language that that prescription drug benefit program is also contingent on a reform package that would advance the solvency of the Medicare program. I think we all agree that is of necessity, given the fact that the Part A program is going to go bankrupt by the year 2008. Given the fact that we now have a reserve fund for the prescription drug benefit program in this budget resolution, I think it will give confidence and will serve as a catalyst for reform of the Medicare program.

But what is also important here in this debate this evening—that is why I decided to take to the floor tonight at this time, I say to my colleagues and to the Senator from Oregon, Senator WYDEN—is to restore some bipartisanship and stability to this debate on this particular issue. The fact is my amendment which created the reserve fund for the prescription drug benefit program and Medicare garnered the support of all of the Democrats and all of the Republicans on the committee. It received a bipartisan vote of 21 to 1 in the Budget Committee—almost unanimous support for this provision. It received bipartisan support for this new Medicare prescription drug benefit, if legislation that reforms the Medicare program is reported out of the Senate Finance Committee.

Crafting that reserve fund ensures that there will be a prescription drug benefit program of some kind using the onbudget surpluses.

But what is important here this evening is to underscore the fact that it received overwhelming bipartisan support in the committee, because we recognize that there is a glaring need for prescription drug coverage in the Medicare package in the Medicare benefit program. Senator WYDEN and I will be working with senior citizens groups and health care experts over the coming weeks to develop bipartisan legislation to try to see what we can do to ensure that coverage is provided. But currently it is important for Members to understand that there is a reserve fund in this budget resolution for that very purpose.

I am somewhat surprised to hear the statements that have been made here on the floor of the Senate suggesting that somehow there is no coverage for a prescription drug program, that there is no way that there is any money for Medicare or the drug benefit program when nothing could be further from the truth. The fact is that was one of the issues in the Budget Committee that received overwhelming bipartisan support. That is the way we want to keep it. Senator WYDEN and I will be working to do just that, because we know that it is absolutely imperative that we provide this benefit to the senior citizens of this country.

Medicare currently does not provide that benefit. Yet, 12 percent of the elderly in this country are the ones who

spend more than a third of all of the costs of prescription drugs in this country. So, therefore, we need to provide some kind of comprehensive package and benefit program for our senior citizens on how we do that. We plan to work on it over the weeks and months ahead.

But I do think it is important for Members to realize that there is a reserve fund for this purpose in this budget. It is not IOUs, as in the President's plan, I might add. In fact, as part of my amendment, it prohibits the transfer of these IOUs to the Medicare trust fund as proposed by the President. So they can't allow a transfer. That is an artificial benefit to the Medicare program. It doesn't essentially do anything to the Medicare program. I think we all recognize that. And, therefore, there is a prohibition against the transfer of IOUs to the trust fund, because it is not going to do anything to enhance the solvency of the Medicare trust fund. In fact, to the contrary.

We are going to try to do everything that we can, not only to use the onbudget surpluses, but any other additional funding that could be available to ensure that there will be permanent funding of the prescription drug benefit program in the future. We think it is absolutely essential. We think it is a priority. That is why it is in this budget resolution. And thanks to the leadership of the chairman of the Budget Committee, it happens to be there.

I hope Members will in no way denigrate what is in the committee resolution, because, if this provision wasn't in the budget resolution, we would have no way of assuring that there would be funding of the prescription drug benefit program that we addressed in the Medicare reform in this session of the Congress.

Mr. President, I hope that we understand exactly what is in this budget resolution.

I hope we do not make this a partisan debate. Many of us have worked across the aisle to ensure that we maintain bipartisanship when it comes to the reforming of the Medicare program. We hope we can preserve that approach. We will continue to do everything that we can to ensure that is the case. That is why I am pleased to have been able to work with Senator WYDEN to see how we can further develop initiatives to ensure that prescription drug benefit program does get funded in this budget and in this reform effort of the Medicare program in the future.

I want to make sure Members understand. If this reserve fund was not in the budget resolution, which was supported on a bipartisan basis, there would be absolutely nothing for prescription drugs. Because the President did not provide anything for prescription drugs. There was not one penny that was provided for, as far as this benefit is concerned, in his budget; not even a plan. So there was no mechanism and this reserve fund establishes

this mechanism. It was supported by almost everybody on the Senate Budget Committee.

Now I will be pleased to yield to my colleague from Oregon, Senator WYDEN.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I thank my colleague from Maine.

Mr. DOMENICI. Will the Senator yield?

Mr. WYDEN. I will be happy to yield to the chairman.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I know everyone is wondering when we are going to vote. I ask unanimous consent we will start rollcall votes at 8 o'clock and we will have at that time stacked—you can write this up for me in more eloquent language if it needs it—Ashcroft, Conrad, Bond, and I assume it is Wellstone-Johnson or Johnson-Wellstone, and if we have time we will call Senator SPECTER down before that and have that one. Those will be at least the four that will be stacked and we will see what happens after that.

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

Mr. LAUTENBERG. Is it the intention of the chairman that we have these votes consolidated, the first one maybe the regular 15, and then 10-minute votes after that?

Mr. DOMENICI. I think what I ought to do is let that sink in around here first before we see if anyone would really complain to a shortened timeframe.

I thank Senator WYDEN for yielding to me.

Mr. LAUTENBERG. Mr. President, I yield up to 10 minutes off the resolution to our colleague from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I thank the Senator from New Jersey for giving me this time, and also, before he leaves, the chairman of the full committee, Senator DOMENICI. Since I have been here, both Senator LAUTENBERG and Senator DOMENICI have worked very closely with me on a special passion I have in terms of public service, which is health care. I thank them for all their assistance.

Let me also say to the Senator from Maine, I am so glad she has been willing to put in all this time on this issue because it seems to me, colleagues, that after the Medicare Commission it is especially important that the Senate demonstrate that it is possible to take on this Medicare issue in a bipartisan fashion. The reserve fund that Senator SNOWE and I have developed, that will be perfected tomorrow, is going to allow for a significant step forward in Medicare reform. It is an addition to the Medicare program that is so important to the vulnerable elderly, but also will ensure it is responsibly financed.

Suffice it to say, the legislation Senator SNOWE and I have pursued is not

going to be seen as perfection to partisans on either side. But I will tell you the seniors that we represent, and there are more than 20 percent of them who spend over \$1,000 a year out of pocket on their prescription medicine, they are going to say this legislation is a significant step forward.

We have millions of older people in this country who are walking on an economic tightrope. They are balancing their food costs against their medical bills and their medical bills against their housing expenses. They do not want to see the Senate spend its time bickering about Medicare reform. They want to see, as Senator SNOWE has just said, the Senate get serious about real reform as we have tried to do with the overwhelming vote that we got in the Budget Committee on the question of prescription drugs.

I think it is well understood we are literally on the cusp of a pharmaceutical revolution today. A lot of the therapies and the drugs and devices today constitute perhaps the very best health care preventive program we could have in our country, because what they do is prevent unnecessary hospitalizations. They keep older folks out of these acute care facilities.

I say to the Senate today, if we can take the first step, the first step in the next couple of days, with this breakthrough in Medicare in terms of covering pharmaceutical services, I think it will also constitute a breakthrough in terms of preventive health care, because I believe a lot of these new medicines can prevent hospitalizations and costly institutional care.

As the Senator from Maine has indicated, the heart of our bipartisan proposal is to stipulate that a portion of the onbudget surplus could be used to meet the needs of vulnerable older people. I will also say I think as the Senate Finance Committee goes forward with this issue—because, of course, it will be their job to actually craft a number of the details of this legislation—it will be possible for the Senate Finance Committee to look at a variety of ways to fund this important breakthrough in Medicare reform. But the bottom line is they will have some options in looking at this issue because, as part of the budget process, we will have set out a general outline, the overall parameters of what really would be after the Medicare Reform Commission has reported—and we have seen the frustrations that surround it. We can then say to the country we at least have made the beginnings of real Medicare reform, responsibly financed.

I will also say I think as we go forward we ought to make some tough choices with respect to this drug benefit. Perhaps not all of our colleagues agree, but I happen to think the Senate should not say that Lee Iacocca ought to have access to the same kind of prescription benefit as would an elderly woman, a 78-year-old who has Alzheimer's, an income of \$13,000 a year, and a prescription drug bill out of

pocket of \$2,000. I do not think we ought to treat those two the same. But that is an issue we can talk about as this legislation goes forward.

I indicated I would be brief. I want to wrap up by thanking our colleague from Maine, Senator SNOWE. She and I have been active in these senior issues since our days in the House of Representatives. I want to tell her I think it is especially helpful that she has been willing to come forward and lead this kind of bipartisan effort after the frustrations of the Medicare Commission so we can show the country we are at least making a beginning.

I know a number of our other colleagues care greatly about this issue. Senator KENNEDY from Massachusetts has been a leader in this effort to extend prescription drug coverage as well. He and I both feel strongly that the key to getting started with this issue is to use a portion of the onbudget surplus to make sure seniors, vulnerable seniors, will have access to this benefit.

I think there is a reason that the Senate Budget Committee voted 21 to 1, I believe, for this benefit. We are going to refine it in the next day or so, but I think we are showing the country we can expand coverage for the vulnerable and do it in a responsible way. I hope our colleagues will support our effort in the next day or so as we move to a final vote on that.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, may I have 2 minutes?

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to congratulate our friends and colleagues from Maine and from Oregon for their focus on the issue of prescription drugs. I look forward to the proposal that we are going to have tomorrow.

I am looking through the reserve fund language now. There are a number of constraints on the reserve fund. For example, before that reserve fund can be triggered, there has to be the guarantee that there is going to be financial solvency for Medicare from anywhere from 9 to 12 years, without any revenues from the President's program or other sources.

I wonder how we could possibly meet that requirement without having dramatic and significant cuts in the Medicare program. I welcome the opportunity to have a reserve fund that can really do the job on this issue. I welcome the chance to work with our colleagues to make sure that it is done. Hopefully, we can do it in a way that is going to be meaningful, because we do not want to represent that we are making significant progress in the area of expanding access to prescription drugs without really doing so.

I know the Senators from Maine and Oregon are really interested in the substance of it. I know they want to do the right thing. The current proposal is unacceptable, but I look forward to sup-

porting efforts to make sure that we get a substantial downpayment to provide prescription drugs in Medicare this year.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I want to respond to the amendment which was offered by the Senator from Missouri, who had essentially presented President Clinton's budget recommendations to us. I want to make note of a couple of things.

While I support the direction of the President's budget, I am going to oppose this amendment, because I believe it isn't a serious attempt to enact the President's plan. Rather, I see it as a transparent political gimmick that has been reviewed in our committee and voted upon. Democrats, like Republicans, voted against the budget. That does not mean we are against the general theme or the thrust of the President's budget. There are things in the budget that we want to examine specifically.

Frankly, I think it is pretty obvious that it is designed to discredit the President's budget. It dismisses the contribution to Medicare that we have established in some of the amendments we tried to offer in the Budget Committee discussions on the budget resolution.

What I heard said was that if we are serious about reform, then we ought to get on with it. The fact that we are going to increase the longevity of Medicare from 2008 to 2020, a period of 12 years, is dismissed as casual, trite—"chaff" was the word that was used—as not being serious. On the other hand, what I heard the Senator say is that he was looking at reform. He thought there was a good program that was proposed there, a proposal that would take higher deductibles, higher co-pays, perhaps reducing some of the hospital availability.

That sounded like what the Senator was proposing in terms of his view of what we had to do with Medicare, that his reform was designed to, other than adding financial stability to it, to do these other things.

Well, maybe he wants to discuss the Medicare reform this evening, because it looks like, in its present condition, some of the changes in the program would be fairly painful to the Medicare beneficiaries.

One of the things I do not think I made clear in my remarks before, when I responded to the challenge to capitalists, one of the things that causes me to want to pay my share, whatever that fair share is, to support the programs that this country offers, like health care through Medicare, like a chance at an education, like a chance at a job, like a chance to bring children up in a safe environment—that is why we have our police program adding 100,000 policemen to the streets of our cities—like adding teachers, like reducing class size, I want to live in that

kind of a country. I want to live in the kind of a country that says people who are in the middle, people who are hard-working, people of modest income, people are not looking at this society and saying: Wow, it is really unfair; those guys, those people at the top, get everything, and we are left with the dregs.

Not so. That is why this country, despite its growth, its absorption of different cultures and ethnicities, is able to get on so relatively peacefully. Why? It is because people believe they have a chance at success. That is the way I want to do it. I want to make my contribution. It is made by way of taxes. It is made by way of other things that many of us do, whether it is philanthropic activity or otherwise.

I want to do it, because I want to do it for my children. I do not want them to live in a society where everybody is so angry that they want to take it out on my family and other families. We have enough of that violence on our streets and in our communities. I want to get rid of that.

You either pay or you hire security guards or you make sure your burglar alarm is on every minute of the day and night. That is the condition we have arrived at.

I see a lessening of that. I see a lessening, very frankly, of the racial distrust that exists. It is not perfect by a longshot. That is what I see as America.

I am happy to say that if you make \$800,000, you pay and you don't get a \$20,000 rebate. I want to trust this Government that those of us here have a share of running and say, OK, we will watch you; we will watch the way you spend the money and so forth. But I do not see the kinds of result that others talk about here at times, throwing your money to the Government where they put it down the drain, where they squander it on things, where they just disregard the importance of the resource. I don't see it.

What I see is that this is a trick tactic. This presentation of the President's budget is designed to embarrass Democrats, and the majority is proposing an amendment that they intend to oppose. This is an amendment that is being offered that is going to be opposed by the offerer. That should make it clear enough that this is political hijinks and not a serious amendment.

We should not spend our time debating every dot and comma in the President's budget, because every one of us can find something to criticize in that budget. Republicans have the luxury of not presenting a budget that goes into the same level of detail as the President's budget. Their budget, the Republican budget, is a rough outline, and that is what we should be debating here—basic principles, broad outlines of the budget. I think it is clear that there is broad Democratic support for the framework in the President's budget.

The President wants to reserve 77 percent of projected surpluses to re-

duce debt, save for Social Security and Medicare, and I think that is the right approach for our future. But the BOND amendment is not asking us to support the general approach of the President's budget. It is asking us to support the entire budget, that presumably means that every single item in that budget is satisfactory.

Mr. President, if I can lift it, I want you to take a look at the President's budget. This is the size of the President's budget. It has 1,291 pages, and that is what we are being asked to approve tonight in this gimmicky amendment that we are looking at.

I think the public sees through this. Certainly Senators see through it, even some of those who are on the side of the proposers. I ask if any Senator wants to endorse every single number in this volume. I doubt it.

I turn to page 105 of the budget. It says that we should provide \$400 million for the Dairy Recourse Loan Program. There might be some in here who like that program, but I bet you that the majority are not going to like it, and I am not sure we should be endorsing that specific kind of a figure here today.

There are literally thousands of other very specific numbers in this budget, and nobody here is fully familiar with it. Nobody is going to agree to all of these numbers and these conclusions. But that does not mean we are repudiating the general theme of the President's budget, and no one should be confused about that.

I am going to ask my Democratic colleagues to join me, and all those who want to make sense out of what we are doing here and want to be serious, to vote against this amendment because it is, again, designed, I think, to be hijinks, tricks, gimmicks.

I yield the floor.

Mr. DOMENICI addressed the Chair. The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, does the distinguished Senator from Oregon desire to ask the Senate something?

Mr. SMITH of Oregon. Mr. President, I have an amendment that Senator SARBAKES and I wish to offer. It will take but a few minutes, if we can do that. I think it will be accepted by both sides.

Mr. DOMENICI. We have agreed that we are going to vote at 8 o'clock. We have another amendment to take up. I hope you will not take too long. Do you think you can do it in 2 minutes?

Mr. SARBAKES. Two each?

Mr. DOMENICI. Two each, that makes 4. Go ahead.

AMENDMENT NO. 152

(Purpose: To express the Sense of the Senate on providing adequate foreign affairs funding.)

Mr. SMITH of Oregon. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is laid aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. SMITH], for himself and Mr. SARBAKES, proposes an amendment numbered 152.

Mr. SMITH of Oregon. 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 in the bill, insert the following new section and number it accordingly:

SEC. . SENSE OF THE SENATE ON PROVIDING ADEQUATE FUNDING FOR U.S. INTERNATIONAL LEADERSHIP.

(a) **FUNDINGS.**—The Senate finds that—

(1) U.S. international leadership is essential to maintaining security and peace for all Americans;

(2) such leadership depends on effective diplomacy as well as a strong military;

(3) effective diplomacy requires adequate resources both for embassy security and for international programs;

(4) in addition to building peace, prosperity and democracy around the world, programs in the International Affairs (150) account serve U.S. interests by ensuring better jobs and a higher standard of living, promoting the health of our citizens and preserving our natural environment, and protecting the rights and safety of those who travel or do business overseas;

(5) real spending for International Affairs has declined more than 50 percent since the mid-1980s, at the same time that major new challenges and opportunities have arisen from the disintegration of the Soviet Union and the worldwide trends toward democracy and free markets;

(6) current ceilings on discretionary spending will impose severe additional cuts in funding for International Affairs; and

(7) improved security for U.S. diplomatic missions and personnel will place further strain on the International Affairs budget absent significant additional resources.

(b) **SENSE OF THE SENATE.**—It is the sense of the Senate that the levels in this resolution assume that additional budgetary resources should be identified for function 150 to enable successful U.S. international leadership.

Mr. SMITH of Oregon. Mr. President, my friend from Maryland and I rise today to offer a sense of the Senate out of the concern for the 150 account out of the U.S. budget. It is an account that funds our efforts abroad, our foreign relations.

As we speak this evening, bombs are falling on Serbia. I simply note that there are a lot of bombs falling in the world today. It seems like more all the time. Yet, since the mid-1980s, our foreign affairs budget has fallen by 50 percent.

I supported the President last night. It was a difficult decision. We are picking among bad options, but, frankly, a good option for us is to wage more peace, a little less war. It seems to me we ought to find a way to limit within the caps but recognize the value to this country of waging peace through diplomacy.

Senator SARBAKES and I have held hearings, at the instruction of the chairman, on the 150 account in the last Congress and share a concern

about the direction of the 150 account and stand together today to offer this and hope that the Senate can find the resources to do better by our efforts at waging peace.

I turn to my colleague from Maryland, Senator SARBANES, and yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I thank the able Senator from Oregon for joining in this initiative. This is an effort to focus attention on the need to provide adequate funding for International Affairs, the so-called 150 account, which is essential for maintaining our security and building peace. U.S. international leadership requires effective diplomacy, which is in many ways our first line of defense. If we do it effectively, we do not have to resort to using our military strength.

I want to make it very clear that the chairman of the Budget Committee has been sensitive to this problem. We appreciate the constraints within which the committee has had to work, and in the past the chairman has been responsive to our concern.

Secretary Albright, of course, has just made some very strong statements about how pressed and handicapped she feels by the funding levels proposed in this budget. This amendment is an effort to show that the Members of this body recognize the importance of providing the necessary resources for the conduct of U.S. diplomacy, and our intention, as we move through this budget process, to find additional funds with which to address the programs in the 150 account.

We have an urgent and sustained requirement to provide for upgrades in embassy security. We do not want to take that out of the other international programs, because that account is already at rock bottom—indeed, below rock bottom.

Mr. President, recently I received a letter from the Coalition for American Leadership Abroad, which stated in part:

We are deeply concerned that over the last decade our institutions, programs, and the necessary resources to support diplomacy, America's front line in today's world, have been seriously impacted by budget cuts. Our organization, the Coalition for American Leadership Abroad (COLEAD), a nonpartisan coalition of 37 non-profit foreign affairs organizations, seeks to support and strengthen American engagement in world affairs. We believe that we should not withdraw from the world and that American leadership in world affairs is not only vital for our national interests and security but also to build a better world community. We should not turn our backs on the 95% of mankind beyond our borders.

U.S. funding for our diplomatic effort, in its many forms, has decreased by some 50% in real terms over the past dozen years. We are especially concerned about the projected downward trend in the foreign affairs budget for the next three years. Thus, we need to restore a rational sense of balance and proportion to our funding allocations for programs that preserve and protect our interests abroad. Effective American diplomatic lead-

ership cannot exist without resources. We strongly believe that the time has come to examine American interests and programs in order to develop a broad bi-partisan consensus which would gain public and leadership support. We need to develop a better and wider consensus about how best to support these efforts in terms of institutions and resources. Our goal should start and end with a stronger America abroad, rather than a weaker nation in world affairs.

Mr. President, hopefully, as we work through this budget process over the coming weeks and months, we will be able to find a way to respond to the challenges that we are facing with respect to the various programs and policies that are contained in the 150 account.

As Secretary Albright has pointed out, there is a clear and present danger to American safety, prosperity, and values if we do not adequately address the resource question.

I am very hopeful that we will be able to come to grips with this in a realistic way, and I appreciate the initiative of my distinguished colleague from Oregon in this regard. This is simply a call to begin confronting this problem as we move down the budget path. I am pleased to join in support of this amendment.

Finally, Mr. President, I ask unanimous consent that an article by Robert Oakley be printed in the RECORD.

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

[From the Washington Post, March 16, 1999]

NICKELS AND DIMES FOR THE STATE
DEPARTMENT

(By Robert Oakley)

There is an urgent need for the president, the Office of Management and Budget, the State Department and Congress to increase funding for the newly reorganized foreign policy establishment. This need starts with the unbudgeted security improvements of some \$10 billion identified by the Crowe Report but does not stop there. As it is, a large part of the additional—but inadequate—funding already requested for security will come at the expense of substantive personnel and operations, which are already hurting badly. This is directly contrary on Adm. Crowe's warning that "additional funds for security must be obtained without diverting funds from our major foreign affairs programs."

In the immediate aftermath of the African embassy bombings, the State Department consulted with OMB and agreed upon an FY 1999 emergency supplemental request of \$1.4 billion for immediate security needs in Nairobi, Dar es Salaam and worldwide, including more than \$250 million for additional security personnel. For FY 2000, OMB has approved the request of an additional one-time security increase for the State Department of \$3 billion, using the gimmick of an advance appropriation "borrowed" from FY 2001-2005. This is far below what Adm. Crowe recommended. Moreover, this approach is almost certain to damage seriously through FY 2005 the continuing substantive operations of the reorganized State Department (including the U.S. Information Agency, the Arms Control and Disarmament Agency and the Agency for International Development), given the ceilings currently stipulated by OMB and the balanced-budget act.

One has heard and read a great deal during the past year about serious problems of read-

iness, morale, retention and recruitment of the top-flight men and women of our armed forces. Action has been taken to correct these problems. We have also heard about accumulated difficulties affecting our intelligence agencies. Here, again, major increases in funding have been provided to assist the CIA. No such action has been taken, and none appears envisaged for the foreign affairs agencies, although we are in a period of relative peace rather than under the threat of the Cold War. The last assignment cycle of the Department of State had 3,300 vacant positions but only 2,700 people to fill them.

There is no question that our military and intelligence personnel and operations have been seriously stressed by the large number of unexpected crises over the past decade (Somalia, Haiti, Bosnia, Kosovo, Sierra Leone, Congo, etc.), yet deployments of military forces have been matched by the need for additional civilian personnel in equal or greater proportion. Conflict, prevention, containment and resolution require civilian personnel from the State Department, USIA and AID. They not only manage their own, new programs but also assist the United States and other military forces and international and non-governmental organizations to take the comprehensive approach required for success.

This involves much more than important negotiations by experienced diplomats such as Dick Holbrooke, Chris Hill and their teams. It also means humanitarian assistance, monitoring of human rights, promotion of democracy, processing of refugees and controlling displaced persons outside this country, and rehabilitation of economic, political and security institutions.

Aside from the crises and conflict-related civilian activities, there have also been increased requirements to promote U.S. business interests in the era of globalization, protect U.S. citizens, generate cooperation by other governments in preventing the proliferation of weapons of mass destruction and confronting narcotics, terrorism and organized crime, and deal with pollution and disease before they threaten the United States. Much of this is mandated by Congress. All of this is important for U.S. national interests.

Prominent senior statesmen have recently completed two major studies of the State Department and the conduct of foreign affairs for the Stimson Center and the Center for Strategic and International Studies. They identify major shortcomings and call for major improvements in our civilian foreign affairs agencies. This will require substantial additional funding, yet the trend has been and apparently will continue to be the other way. The security problem highlighted by Adm. Crowe's report, his followup letter and public comments is only part of this growing problem.

Some say that OMB and Congress are not really interested in more money for foreign affairs because the matter does not have the domestic political appeal and support that our military and intelligence establishments enjoy. Let us hope that this is not the case. It is very doubtful that the large numbers of American people who travel or have business interests abroad, or who worry about the global economy and the global environment, feel this way. They would understand and support an increase for combined State Department operations and security. The amount needed is small compared with increases for the Defense Department. The State Department must fight harder in requesting what it really needs, and the president must reinforce the request so that Congress will be able to debate and decide upon what to approve.

Mr. FEINGOLD. Mr. President, I rise in support of the amendment (Amendment # 152) being introduced today by the Senators from Oregon [Mr. SMITH] and Maryland [Mr. SARBANES].

This amendment expresses the Sense of the Senate that the resources identified in the underlying budget resolution for Function 150 (International Affairs) be sufficient to enable successful U.S. international leadership.

Mr. President, this is an enormously important amendment that comes at a critical time. Function 150 encompasses the majority of our international programs including the operating budget of the Department of State. Representing barely one percent of our entire federal budget, our investment in Function 150 is the American investment in our national security.

The post-Cold War era has brought with it new challenges and new responsibilities for the world's only remaining superpower. Yet real spending for International Affairs has declined more than 50 percent since the mid-1980s.

Mr. President, national security can not be viewed solely through a defense lens, but also must comprise all the critical preventative measures offered through an active foreign affairs program. This means continuing to be active in fighting the spread of disease and drugs, providing adequate nutrition for children and families, and pursuing U.S. goals in arms reduction. I also believe we should continue to make appropriate contributions to the multilateral institutions, in particular the United Nations, on which the United States relies.

In short, Mr. President, only through committed support to both diplomacy and defense can we utilize all the tools available to us to protect our national security and advance our overseas interests.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment.

Mr. LAUTENBERG. No objection.

Mr. President, I just say that I commend both the Senator from Oregon and the Senator from Maryland for offering this. I think that it is appropriate that we, as we assert our military might into the world arena, try to establish the fact that we obey and want to see the rule of law observed, and yet we do not always pay our bills as we should. I think that is kind of a contrary action to be taking. So I know the chairman is going to agree with me.

As I see members of our committee, I say to Senator DOMENICI, I see people who are thoughtful and working hard, regardless of which side of the aisle. We can get argumentative at times, but I am proud to work with the members of the Budget Committee. I am particularly, obviously, impressed with the work that is done by my colleagues on my side, but that does not mean that I am not equally as impressed with what happens with colleagues on the other side. It is just that we disagree on some things.

So I wanted to make that statement.

Mr. Chairman?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I have no objection to the resolution. I hope that we can find the resources that are alluded to. I do not think there should be any false hope. It will be very difficult, unless they somehow or other decide to do something completely different from this budget. I regret that we had to establish priorities.

But I have great empathy. Since we live in this very tumultuous world, we do want our foreign policy to be funded as well as possible. We will work together and, hopefully, you will succeed.

Thank you very much.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 152) was agreed to.

Mr. DOMENICI. Mr. President, we are going to go on to the next amendment, which I understand is an amendment regarding veterans. But I just want to take 3 or 4 minutes and talk about the President's budget. I note my good friend, Senator LAUTENBERG, was talking about Senators should not use words like "embezzlement" and that kind of thing to describe other people's motives. I do not think he should use the word "gimmick" either. He called this proposal a gimmick. It is no gimmick at all.

In the committee, we just adopted the President's budget by a sense of the Senate. In this one, they actually prepared a budget that looks like our kind of budget; that is, the President's budget. It took a lot of time. We used the Congressional Budget Office, and it is right. If you want the President's budget, in a broad sense, you vote aye on the Bond amendment.

Frankly, it is difficult for me to see those who have been praising the President with reference to two very, very important things—Social Security and Medicare—vote against this budget, because I do believe that is a recognition that on neither count does the President's budget do what it says. Because I believe if it was a good Social Security proposal and a good Medicare proposal, those who are advocates for those two programs on the other side would be voting for it even if the rest of it was not right up to snuff because those are the big issues.

The truth of the matter is, 100 Senators already said, in an early vote, on Senator ABRAHAM's amendment—100 Senators—the President's approach to saving the Social Security trust fund is wrong. Now, they might want to turn around and vote for the budget anyway, but they already said, "We don't want to spend \$158 billion of the Social Security's money on programs." That was the vote.

Senator BOND says, "Do you like the President's budget enough to vote for it?" That is one of the things you would be voting for. I guarantee you, if

that budget of the President's really fixed Medicare, there would be no one on the other side who would be voting against this, because they would be ashamed and embarrassed to find somebody to ask them, "How come you voted against this wonderful fix, reform, saving of the Medicare system by the President?" It is because it does not do that. That is why.

So I do not think we need a lot of time trying to find excuses. It is a pure, simple vote, up or down. Do you want the President's budget, with all its claims for Social Security and Medicare, or do you not? I do not think there would be very many Senators who say they do. And that ought to take care of the issue once and for all as to this President running around saying what he does and what we don't do. Now, he can talk about what we don't do, but he surely can't talk about what he does. I guess he can, but he would have to acknowledge, if he wants to be fair, that nobody in the Senate agrees with him.

I yield the floor.

AMENDMENT NO. 153

(Purpose: To increase funding in FY 2000 for veterans' health care by taking an across-the-board cut in all discretionary programs, except veterans and defense)

Mr. JOHNSON. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. JOHNSON] for himself, Mr. WELLSTONE, Mr. CONRAD, Mr. KERRY, Mr. REID and Mr. JEFFORDS, proposes an amendment numbered 153.

Mr. JOHNSON. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 31 line 23 strike "44,724,000,000". and insert "46,724,000,000".

On page 31 line 24 strike "45,064,000,000". and insert "47,064,000,000".

On page 38 line 15 strike "8,033,000,000". and insert "10,033,000,000".

On page 38 line 16 strike "8,094,000,000". and insert "10,094,000,000".

At the appropriate place insert the following:

"(A) It is the sense of the Senate that the provisions in this resolution assume that if CBO determines there is an on-budget surplus for FY 2000, \$2 billion of that surplus will be restored to the programs cut in this amendment.

"(B) It is the sense of the Senate that the assumptions underlying this budget resolution assume that none of these offsets will come from defense of veterans, and to the extent possible should come from administrative functions."

PRIVILEGE OF THE FLOOR

Mr. JOHNSON. I ask unanimous consent that my legislative director, Dwight Fettig, be permitted on the floor.

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

Mr. JOHNSON. I ask unanimous consent that the Senator from Minnesota,

Mr. WELLSTONE, be added as a cosponsor of this amendment.

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

Mr. JOHNSON. As well as the Senator from North Dakota, Mr. CONRAD, and the Senator from Massachusetts, Mr. KERRY, and the Senator from Nevada, Mr. REID.

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

Mr. JOHNSON. Mr. President, I think we can engage in this debate in a relatively brief amount of time. But it is, I think, an issue that is fundamental. I applaud the Budget Committee chairman, Mr. DOMENICI, for working to try to find ways to augment the veterans health care budget for the coming fiscal year.

The Presidential budget called for a flatline budget going on for 4 years. We have had 3 years already in the flatline budget at the VA, despite the fact that we have an enormous number of World War II age vets needing a greater amount of medical care and that we have increased inflation in health care costs.

The independent budget, prepared by prominent veterans organizations in this country, has proposed conservatively that we need an additional \$3 billion for veterans' health care in the coming year. Chairman DOMENICI has provided for a \$1 billion increase. I applaud him for that but recognize that still falls far short of where we need to go.

It is clear, from testimony that this Congress has received, that if we do not make some further adjustments upward we are going to wind up with a train wreck in terms of veterans health care. We are going to wind up with mandatory employee furloughs, a severe curtailment of services, or the elimination of programs and, inevitably, facility closures around this country.

The amendment pending before the Senate would add the additional \$2 billion to provide for that \$3 billion increase for fiscal year 2000. The offset would come from an across-the-board reduction in the nondefense discretionary budget for this year.

Along with that goes a sense of the Senate that states:

(A) It is the sense of the Senate that the provisions in this resolution assume that if CBO determines there is an on-budget surplus for FY 2000, \$2 billion of that surplus will be restored to the programs cut in this amendment.

(B) It is the sense of the Senate that the assumptions underlying this budget resolution assume that none of these offsets will come from defense or veterans, and to the extent possible should come from administrative functions.

We clearly have a crossroads we need to deal with here, Mr. President. We have to make some decisions now whether this country will remain committed to our veterans, remain committed to the people who have given us the ability to speak here on this floor.

Earlier this year, we passed S. 4 having to do with retaining the best, the

brightest of our military personnel. It seems to me that this follows on in that same general logic, recognizing that it is futile for us to ask our military personnel to stay with us, to continue to put their lives at risk, to put up with all the hardships that they and their families suffer serving in our military, if they look around and find we have reneged on our commitment to their fathers, to their uncles, to the generations that have gone before them.

If we do that, we undermine our very attempt earlier on this year to retain these people in our military service. At a time when we are yet again undertaking a military action, in Kosovo, where the best and brightest of our military personnel are, in many instances, jeopardizing their lives once again for us, it seems to me it is not asking too much for our Senate to provide for a full health care budget, adequate to meet the needs of our U.S. military veterans.

I hope we will be able to continue this level of funding in future years. This amendment applies only to fiscal year 2000. We will have further opportunities to talk about what needs to be done next year as we deal with the budget resolution again, as we deal with the appropriations process, as, hopefully, projected budget surpluses will occur and we will have those opportunities to use those kinds of surpluses for offsets that will make sense.

However, it appears to me that the amendment, put together with the extraordinary assistance of the Senator from Minnesota, Mr. WELLSTONE, and his staff, as well as with the budget staff, creates an offset that is as painless as we can provide while, at the same time, providing for this \$2 billion infusion that is so badly needed, if, in fact, we are going to live up to our word to our American veterans.

Mr. President, I reserve the remainder of my time and yield such time as he may consume to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. Mr. President, I thank my colleague, Senator JOHNSON from South Dakota. We have been working pretty closely with the veterans community and, in particular, from the time they came out with their independent budget. I have read that very carefully and I think this work by Veterans of Foreign Wars, DAV, PVA, and AmVets is a very important document. I might also add that many other organizations all around the country have added their strong support to this independent budget.

In addition to talking about the independent budget, let me discuss what the veterans community has said based upon their own very careful assessment of this. We start off with the President's flatline budget which is woefully inadequate. Let me say right away as a Democrat, I think the budget is woefully inadequate, and certainly the President's budget was no way to say thanks to veterans.

The Budget Committee has called for an increase of \$1 billion, but that still leaves a \$2 billion shortfall. I want to also quote from a letter from the Senate Committee on Veterans' Affairs to the Senate Budget Committee which pointed out that the VA is facing \$3 billion in costs above and beyond what was proposed in the President's budget. That would make it \$2 billion right now given the \$1 billion increase we have in the budget resolution.

I will quote the precise figures from the Senate Veterans' Affairs Committee:

* * * an additional \$1.26 billion to meet unanticipated spending requirements; an additional \$853.1 million to overcome the effects of inflation and other "uncontrollables" in order that it may contain current services; and at least \$1 billion in additional funding to better address the needs of aging, and increasingly female, veterans population.

In other words, our own Senate Veterans' Committee, under the able leadership of Senator SPECTER and Senator ROCKEFELLER, has basically echoed the same analysis of the independent budget. This is specific and it bears out what I have heard from veterans at rallies. The veterans community is very galvanized on this question. I have heard stories or received letters from veterans at our office—I am sure Senator JOHNSON gets the same kind of letters from the veterans community.

The budget resolution goes a third of the way toward covering this cost. We need to go all the way for the veterans community. We don't ask our troops to take a third of a hill, we don't ask them to win a third of a battle, and in this particular budget we ought not to go just a third of the way toward providing the resources so that we can get good medical care to veterans in this country.

Both in the President's proposal and in the budget resolution that we have before the Senate, the veterans are not a top priority. There is no doubt whatever that we should be doing much better. This amendment that we introduce tonight does the job.

Let me put this in personal terms for a moment. I don't want to see a good friend, Lyle Pearson from North Mankato—a decorated World War II vet, past commander of the national Disabled American Veterans—I don't want to see him in a position where he doesn't receive the kind of decent health care coverage that he deserves. I don't want to see an ever aging veterans population not receiving the kind of assisted care they will need. Many of our veterans are elderly.

The question is, How will we respond to that? I don't want to see a third of the homeless population continue to be veterans, many of them struggling with substance abuse problems, many of them struggling with posttraumatic syndrome, many of them Vietnam vets. I think we can do better. I don't want

to see the kind of backlog we have right now.

Let me just simply talk about veterans in Bangor, ME, who were concerned after a VA inspector general report noted their outpatient clinic had a 10-month backlog of new patients. Things were so bad last fall that the clinic couldn't see walk-in patients or urgent-care patients and there was a 4-month wait to see the clinic's part-time psychiatrist.

Veterans in Iowa are facing the possible closure of one of three major veterans hospitals because of the budget shortfalls. The Veterans Under Secretary of Health, Kenneth Kizer, warned that the VA health care system is in a "precarious situation." Under Secretary of Health for the Veterans' Administration, Ken Kizer, went on to say that the proposed fiscal year 2000 budget—and he was talking about the President's budget—posed very serious financial challenges and that it would require a number of different things that might happen if, in fact, we don't provide adequate funding. Among them:

... mandatory employee furloughs, severe curtailment of services or elimination of programs and possible unnecessary facility closures.

Let me be really clear about the amendment we have introduced. The veterans community was asked by the Congress—they are always asked—to give their positive proposal about what we need to do to have a budget that will serve their needs so that we can live up to our commitment to veterans. We have the independent budget. It was done well. We have a Senate Veterans' Affairs Committee which came out with its own report that said we have a \$3 billion shortfall here between what the veterans community needs by way of a real investment in health care and veteran services and other services, versus the President's budget proposal. The President's budget proposal was unacceptable.

Now the Budget Committee brings a resolution before the floor and adds an additional \$1 billion, but we are still \$2 billion short. We ought not to go just a third of the way. We ought not to make estimates that make it clear that if we are really serious about our commitment to veterans, we are going to make up this \$3 billion debt. We ought not say that and then not reflect that in our budget resolution.

My colleague, Senator JOHNSON, has done an excellent job of summarizing the offset, and I do not need to repeat it. I conclude this way: I have never, in my 8 years in the Senate, seen the veterans community so galvanized and so focused on any question. There is a tremendous amount of anger. People are smart. Four years of flatline budgets have not served the veterans community well. This budget by the President and what we have in the Budget Committee resolution does not go far enough. It doesn't do the job. It does not enable us to live up to our commit-

ment to veterans. I feel very strongly about this.

This amendment we have introduced tonight provides the funding that will make sure we have the health care and decent services. It lives up to the very words that all of us have spoken as Senators. If we are serious about our commitment to veterans, then we have an opportunity to show that commitment and to vote for this resolution that Senator JOHNSON and I and other Senators have introduced.

Mr. KERRY. Mr. President, I want to take a few minutes today to share with my colleagues my support of this amendment—offered by my friend from South Dakota, Senator JOHNSON—an amendment which would increase funding for veterans health care services by \$2 billion for Fiscal Year 2000. I believe that this funding level is necessary for the VA to provide the high quality of care it promises our nation's veterans. It is absolutely critical that we reverse the downward trend in VA health care funding and address the abhorrent deficiencies that exist currently in our VA health care system. We, as a nation, must keep our commitments to ensure that our nation's veterans receive consistent, high-quality, and reliable health care services.

I am convinced we cannot fulfill these commitments under the current level of funding provided both in the Administration's budget request and in the Chairman's mark which came out of the Budget Committee. I have expressed my concern in a number of letters to the Administration, both before and after their budget numbers came over to Congress—as I know many of my colleagues in both the House and Senate have done—about the Administration's decision to maintain a flat-lined budget for VA health care for the fourth consecutive year.

I also recently met with VA Under Secretary of Health Kenneth Kizer to make him aware of the severe effects that this level of funding has had already in Massachusetts. I told him that many of our VA hospitals and clinics are under serious budget strain and cannot provide sufficient care to the many veterans who need—and rightly deserve—to receive it. I expressed my concern that VA Hospital Directors have contacted me to say that, if they have to incorporate the same cuts in the coming fiscal year as they did this year, they will be forced to close wards, eliminate programs, and reduce staff. In fact, this already is happening.

In the Brockton, Massachusetts VA hospital, service providers have made it clear to me and my staff that they aren't able at times to provide adequate care for their patients. They are being forced to move psychiatric patients out into the community long before they are ready. The hospitals are unable to sufficiently help homeless veterans struggling with substance abuse problems. All of these troubles in taking care of our veterans are the result of one problem—today there is not

enough money to care for those veterans who so badly need our help.

Our Northampton VA hospital—which has a nationally renowned reputation for its care of combat-wounded veterans—is facing the same challenges as the hospital in Brockton. They have a Post Traumatic Stress Disorder Unit there in Northampton—the only one of its kind in the entire Northeast. Veterans come hundreds of miles to find help in either putting their lives back together or keeping them from falling apart. The unit is always filled to capacity and requires a full-time, experienced staff that can address the needs of veterans who go there. But because we aren't doing right by our veterans, that unit is in jeopardy. Three years ago, this unit had a dedicated staff of twenty. Today, it has fourteen. There is only one overnight nurse to deal with 25 combat veterans. I don't believe this Senate can say that the quality of care in that unit has not been diminished.

These examples are part of a far broader crisis in veterans health care. Consider the VA nurses who haven't seen a substantial vacation for as long as they can remember and haven't received pay raises in five years, years when our economy has been growing in leaps and bounds. Put that crisis into a larger context: we have to ensure that adequate incentives exist for VA health care providers so that the VA can recruit and retain highly skilled staff.

As U.S. military personnel are going over to defend U.S. national interests in Kosovo, we must do all we can to let them know that their country is united behind them. We must do this for all the brave men and women who served and who have served our nation. Veterans are the brave men and women who already have served our nation, who have been on the front lines fighting for the freedoms Americans care about so deeply. How can we ask today's soldiers to represent our values around the globe if we're not willing to provide adequate health care services for those who have already made the sacrifice? How can we give so little to those who have already given so much to their country?

These are questions that I don't believe any of us want to ask. They are not ones that our country should be asking—Americans everywhere deserve a different and better debate than this one.

Mr. President, when the VA Under Secretary of Health asserts in a memo that the VA's flat-lined health care budget "poses very serious financial challenges which can only be met if decisive and timely actions are taken," I believe that there is one critical action we must take. We must provide a significant increase over the Administration's request for VA health care. We ought to begin listening to our veterans and listening to those who care for them. We ought to provide the level of investment the national veterans service organizations have endorsed in

their Independent Budget for FY 2000—\$3 billion over the Administration's request—the level of investment I believe is so badly needed just to fund the programs we already have while ensuring that future programs can address the needs of an aging veterans population.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I know that each Senator has his own story and experience with respect to problems of veteran health care in his or her home State. I am just going to take a couple of minutes to explain some problems that rural States have with which I am particularly familiar.

Today I spoke to Tom Pouliot. Who is Tom? Tom is a vet from my hometown of Helena, MT. He is also the national commander of the Veterans of Foreign Wars.

Let me tell you a story that Tom has explained to me, which I know is a major problem in rural States. I say "rural." I mean really rural. I am not talking about eastern rural, although veterans in all parts of the country obviously need health care, and aren't getting the health care that they need. But I am talking about western rural, west of the 100th meridian where it doesn't rain, where the distances between towns are vast.

Let me tell you a story I repeat sometimes to my colleagues.

When the First Lady was in Montana not too many years ago, she got off the plane, and says, "This isn't rural. This is mega-rural. This is hyper-rural." I mean, for those who haven't been in the West west of the 100th meridian, I don't know, with all due respect, that one gets the sense of just how rural it is until you are there.

What is the problem? The problem is that tonight we can vote to increase veterans' health care by an additional \$2 billion. That is the amendment offered by the Senator from South Dakota, Mr. JOHNSON.

Why do I think that is a good idea? It is a good idea because the VA has had a flatline appropriations for veterans' health care for 3 consecutive years. Just think of it. For 3 consecutive years, there has been no increase for veterans' health care, something that is very important and desperately in need of. I believe that a fourth year of a flatline health care budget would be deeply irresponsible.

Let me explain a couple of reasons why. Not only Tom, but I and others who have visited the VA facilities in Montana, of which there are not many, found this problem firsthand. I asked the VA in Montana to visit Miles City, Billings, and Helena, so they could get a firsthand look of what veterans face in getting the health care that they need.

The PRESIDING OFFICER. All of the time of the proponent of the amendment has expired. The Senator from New Mexico controls 5½ minutes at this point in time.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak for 4 more minutes.

Mr. DOMENICI. We have a vote at 8 o'clock. It is ordered.

Mr. BAUCUS. That is 5 minutes from now. I am asking for 4 minutes.

Mr. DOMENICI. It is four votes.

Mr. BAUCUS. Just 4 minutes. That is not 8 o'clock. That is 5 minutes from now.

Mr. DOMENICI. I haven't spoken on either amendment.

Mr. BAUCUS. Mr. President, I ask for 1 minute.

Mr. DOMENICI. I ask that we vote at 8:01.

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

Mr. BAUCUS. Mr. President, in a nutshell, the problem is this: Veterans in Montana get appointments at Fort Harrison and other veterans facilities. They drive hundreds of miles for the appointments. They get there, and it is canceled. They have to get in their car, or have someone drive them back to their home hundreds of miles away again. This is very common. Why? Because of personnel cuts. It is going to get worse unless we increase the veterans' health care budget.

Tonight I plead with my colleagues to support the Johnson amendment. Give our veterans a break. Men and women who have fought so hard for America, particularly our elderly vets, who in, say, World War II, or in the Korean war, fought for America. Here we are increasing the defense budget. We are not helping veterans' health care. That is just not right.

All we are asking is to take a little bit of a nick out of the defense budget, just a little, and increase veterans' health care just a little.

As I mentioned, there has been no increase in the last 3 years. This budget this year has no increase. That will be the fourth year. Let's just add a little bit to veterans' health care. I think it is the right thing to do for America's veterans.

I thank the Senator from New Mexico for the extra minute.

I yield the floor.

Mr. JOHNSON. Mr. President, I ask unanimous consent that Mr. FEINGOLD and Senator ROBB be added as cosponsors to the Johnson amendment.

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

Mr. JOHNSON. As Senator WELLSTONE expressed so eloquently, this adjustment would allow for the VA to keep up with medical inflation and for them to retain the needed employees that they need to deliver these services. It would allow for new medical initiatives the Congress had been pushing the VA to begin, including hepatitis C screenings and emergency care services. It would allow for addressing long-term care costs, funding for homeless veterans, in compliance with any Patients' Bill of Rights legislation this Congress enacts.

Mr. President, I reserve the balance of my time. Mr. President, 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. DOMENICI. 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. DOMENICI. Mr. President, I wonder if I might ask unanimous consent that we set aside this amendment temporarily while an NIH amendment is offered by Senator SPECTER.

The PRESIDING OFFICER. Is there objection?

Mr. WELLSTONE. Reserving the right to object, Mr. President. What is the request? Is it that we lay aside our amendment so our colleague could offer an amendment on NIH?

Mr. DOMENICI. Yes.

Mr. WELLSTONE. No objection.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

AMENDMENT NO. 157

(Purpose: To provide for funding of biomedical research)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself, Mr. HARKIN, Mr. DEWINE, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. JOHNSON, Ms. MIKULSKI, and Mr. LAUTENBERG, proposes an amendment numbered 157.

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

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

The amendment is as follows:

At the end of title II, insert the following:

SEC. ____ RESERVE FUND.

(a) IN GENERAL.—In the Senate, revenue and spending aggregates and allocations may be revised under section 302(a) of the Congressional Budget Act of 1974 for legislation disallowing a Federal income tax deduction for any payment to the Federal Government or any State or local government in connection with any tobacco litigation or settlement and to use \$1,400,000,000 of the increased revenues to fund biomedical research at the National Institutes of Health.

(b) REVISED AGGREGATES.—Upon the consideration of legislation pursuant to subsection (a), the Chairman of the Committee on the Budget of the Senate may file increased aggregates to carry out this section. These aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as the aggregates contained in this resolution.

Mr. SPECTER. Mr. President, we have been accorded the opportunity to offer this amendment slightly out of turn, and I had already asked my distinguished ranking member, Senator HARKIN, to come to the floor. The amendment is with Senator HARKIN as the principal cosponsor.

The thrust of this amendment is to provide the financial base to increase funding in the National Institutes of Health by \$2 billion this year. The budget resolution had increased the

budget authority by \$600 million. This amendment seeks to increase that budget authority by another \$1.4 billion and applies as an offset to the provision to disallow tax deductions from the settlement of cigarettes, which would yield in excess of \$1.4 billion, the amount which is covered in this amendment.

In November 1998, 46 States agreed to a settlement with the tobacco industry requiring the tobacco companies to pay the States some \$206 billion over 25 years. Four other States had settled separate lawsuits with the tobacco companies. The Internal Revenue Service considers those settlement payments as tax deductible business expenses, and this deduction effectively reduces the amount tobacco companies pay by 25 to 30 percent. Obviously, the tobacco companies will write off these payments as business expenses on their Federal tax returns. The amount of funding for next year, the year 2000, is \$1.8 billion.

When we look for offsets to fund matters like increased funding for the National Institutes of Health, it is obviously a very difficult matter with the type of budget constraints that we are under. And in searching the nooks and crannies of the potential offsets, a very diligent staff came up with the idea that the deductibility of these payments was of lesser public policy importance than to increase the funding for the National Institutes of Health.

Now, public policy obviously depends upon someone's vantage point, and to have a change in law that would deny a tax deduction is not easy for anyone concerned. But where you have the kinds of funds that are involved in the tobacco settlement, and where you had a much larger figure being talked about for the Federal settlement, and where you have all of the money going to the States, and the Federal Government doesn't get any of the funds as determined by the emergency appropriations bill that we voted on last week on an amendment that Senator HARKIN and I offered, I think that all factors considered, it is a fair and just and equitable consideration. That is especially true in a context where you have tobacco being the cause of so many major health ailments in the United States. So in searching for a way to find an offset, we have come up with the idea of disallowing this as a tax deduction, which would provide the full funding in fiscal year 2000 for this \$1.4 billion.

Now, with respect to the justification for increasing NIH funding, Mr. President, I think that is a matter which virtually speaks for itself. The National Institutes of Health is the crown jewel of the Federal Government. The advances that have been made in the National Institutes of Health covering a range of ailments is just nothing short of marvelous.

It is worth just a moment to run through the list of ailments that NIH is studying where such magnificent

progress has been made: Alcoholism; Alzheimer's disease; Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease; AIDS; arthritis; asthma; autism; cancers of so many different classifications, such as breast cancer, cervical cancer, prostate cancer, and other cancers; cystic fibrosis; deafness and communications disorders; dental diseases; diabetes; digestive disease; epilepsy; heart disease; hemophilia; hepatitis; Huntington's disease; kidney ailments; liver disorders; lung disease; macular degeneration; osteoporosis; Parkinson's disease; schizophrenia; scleroderma; stroke; sudden infant death syndrome. That is not even a complete list.

I might comment, Mr. President, that the efforts made by various interest groups, where people suffer from a variety of ailments, is really overwhelming as those groups come to Washington to lobby for an increase in funding for the National Institutes of Health. We had a resolution introduced by the distinguished Senator from Florida, Senator MACK, several years ago calling for the doubling of NIH over the course of 5 years, and it passed 98-0.

Two years ago, when Senator HARKIN and I sought to increase the budget resolution by \$1.1 billion, we found it was defeated by 63-37. Last year, when we offered an increase in the budget resolution by \$2 billion, it was defeated, my recollection is, by a vote of 57-41. When it comes to translating druthers to dollars, we have not seen the kind of support for NIH funding that I think is really warranted, given all the facts of the case.

We have some 19 cosponsors on the resolution to increase funding by some \$2 billion. But, in the course of soliciting our colleagues for cosponsorship on this amendment, we found substantially less than that number stepping forward. When it comes to illness, when you have a loved one with Parkinson's, or a parent with Alzheimer's, or a family member with cancer, or one of the ailments yourself such as heart disease, no sum of money within conception is too much, and is really not enough to really move to conquer that disease. At the National Institutes of Health they do perform miracles.

In the course of last November, NIH came out with disclosures on research on stem cells, which has the potential to be a veritable fountain of youth. The estimate has been given on Parkinson's disease, to be within the range of conquering Parkinson's within 5 years, perhaps 10 years at the outside. As these stem cells replace other disease cells in the body, the sky is the limit as to what can be accomplished. But all of this takes money.

There are still a limited number of research grants which are awarded by the National Institutes of Health, and an increase of \$2 billion will be the best spent money which the Federal Government could allocate.

We all know we have a budget in excess of \$1.7 trillion, a staggering sum of

money. And it is a question of priorities. This, I suggest, is at the top of the line.

Mr. President, if I may, I see my distinguished colleague, Senator HARKIN, has come to the floor. But recognition is determined by the Chair, so I simply yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. We are going to vote at 8:01. Before we proceed, let me ask unanimous consent, so everybody will know where we are going. This has been cleared with the two leaders, and Senator LAUTENBERG obviously, and whoever else needs to be conferred with.

I ask unanimous consent that the next four votes occur in a stacked sequence, with 2 minutes between each vote for an explanation, 1 minute on each side, that the other votes in the voting sequence be limited to 10 minutes each.

I further ask that when the Senate resumes the concurrent resolution at 9 a.m. on Thursday there be 10 hours remaining for consideration.

However, for the information of all Senators, these votes will be the last votes of the evening. But any Senator who wishes to remain, we plan to be here open for business all night, if it is necessary. If Senators want to come and offer amendments, we will be here. If they will come and offer them tonight, they will be stacked for an orderly hour tomorrow.

I am hopeful that some Senators—a few—will avail themselves of that time. But I am certain that it will not be 4 o'clock in the morning with Senators still around offering amendments. That is why we proposed the unanimous consent as we have.

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

Mr. LAUTENBERG. Mr. President, if I might say to my colleague, I support the unanimous consent agreement. I want to point out to Senators who are interested in offering amendments that we are here as long as amendments are going to be offered. If there are none offered at the conclusion of the votes, then we are going to be prepared to close shop, as we say. As long as amendments are offered, we are here. If they are not, we are closing up. But there will not be time to drag out tomorrow. We are willing to work all night, if necessary. But we are going to conclude with 10 hours tomorrow, which would then be roughly 35 hours' worth of time spent.

With that, I assume, Mr. President, that the unanimous consent request was agreed to.

Mr. DOMENICI. Mr. President, I want to ask the distinguished Senator, Senator JOHNSON—Senator SPECTER is on the floor—has he joined as a cosponsor of the amendment?

Mr. SPECTER. Mr. President, I ask unanimous consent that I be listed as

an original cosponsor. We have surveyed our committee members. Senator THURMOND, may we list you as an original cosponsor?

Mr. THURMOND. Yes.

Mr. SPECTER. Senator THURMOND, and also Senator TIM HUTCHINSON as cosponsors.

Mr. DOMENICI. I think anybody who wants to join this amendment ought to join it. We are going to let you have a vote, but not without my making an observation about it.

I have been asked not to use strange words to describe amendments. So I will try to be very accurate.

This is a feel-good, do-nothing amendment, and the veterans of the United States ought not think that they are getting \$2 billion. As a matter of fact, there is \$1.1 billion more than the President in this budget. But, for some, whatever you put in—I should have put \$4 billion in. Then we want \$7 billion.

The truth of the matter is, this amendment is a do-nothing, feel-good amendment because it requires that we cut some other programs, following the format of the budget. That would mean we would have to cut education, environment, NIH, international affairs, housing, WIC—all of which we heard complaints all day long have been cut too much already. Nonetheless, this amendment chooses to cut none of them and just says we will find it in an allowance, which means all these programs will be cut for this \$2 billion.

I do not think that is right. But neither do I want Senators to vote against veterans. So let us all vote "aye" and have a great big hurrah about the amendment.

I ask for the regular order.

VOTE ON AMENDMENT NO. 145

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the Ashcroft amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Indiana (Mr. LUGAR), is absent because of a death in the family.

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

The result was announced, yeas 99, nays 0, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—99

Abraham	Byrd	Edwards
Akaka	Campbell	Enzi
Allard	Chafee	Feingold
Ashcroft	Cleland	Feinstein
Baucus	Cochran	Fitzgerald
Bayh	Collins	Frist
Bennett	Conrad	Gorton
Biden	Coverdell	Graham
Bingaman	Craig	Gramm
Bond	Crapo	Grams
Boxer	Daschle	Grassley
Breaux	DeWine	Gregg
Brownback	Dodd	Hagel
Bryan	Domenici	Harkin
Bunning	Dorgan	Hatch
Burns	Durbin	Helms

Hollings	Lincoln	Sarbanes
Hutchison	Lott	Schumer
Inhofe	Mack	Sessions
Inouye	McCain	Shelby
Jeffords	McConnell	Smith (NH)
Johnson	Mikulski	Smith (OR)
Kennedy	Moynihan	Snowe
Kerry	Murkowski	Specter
Kohl	Murray	Stevens
Kyl	Nickles	Thomas
Landrieu	Reed	Thompson
Lautenberg	Robb	Thurmond
Leahy	Roberts	Torricelli
Levin	Rockefeller	Voinovich
Lieberman	Roth	Warner
	Santorum	Wellstone
		Wyden

NOT VOTING—1

Lugar

The amendment (No. 145) was agreed to.

AMENDMENT NO. 147

The PRESIDING OFFICER. There will now be 2 minutes of debate equally debated on the Conrad amendment.

The Senate will be in order.

The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair.

Madam President, this amendment is very direct. It creates a lockbox to protect every dollar of Social Security surplus for Social Security. In addition, it creates a lockbox to add 40 percent of the non-Social Security surplus for Medicare.

Medicare is in danger. It is on the brink of insolvency. It is time not only for reform of Medicare, but to add additional resources so the promise of Medicare can be kept.

In addition, this amendment will pay down the debt by \$300 billion more than the budget resolution alternative. I ask my colleagues to support this amendment to create a safe lockbox, not only for Social Security but for Medicare. That leaves sufficient resources—

Mr. BURNS. Madam President, the Senate is not in order. The Senator should be heard.

The PRESIDING OFFICER. The Senator's time has expired, but because the Senator from Montana is correct, the Senator may take another 3 seconds to finish.

Mr. CONRAD. I thank the Chair, and I thank my colleague from Montana.

This leaves sufficient resources for \$400 billion over the next 10 years for high-priority domestic issues, like education and defense, as well as room for tax reduction. But, fundamentally, it puts Social Security and Medicare first.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New Mexico.

Mr. DOMENICI. Madam President, this amendment is an anti-tax-relief amendment, plain and simple. Compared to the chairman's mark, which is before you, this amendment increases taxes by \$320 billion over 10 years.

As to Medicare, let us get it straight once and for all. What is really incredible is that there is no lockbox for Medicare. There is a wish box. All we do with the money that is claimed for Medicare is apply it against the debt so

that it can be spent by anyone anytime. As a matter of fact, if it is done to reduce the debt so as to strengthen the economy, our budget does more than the President plus this amendment by way of deficit reduction.

There is not one nickel in it that is spent on Medicare. It is a wish and a hope. We don't even know we need \$320 billion over 10 years.

It violates the Budget Act because it is not germane to the budget, and the vote will be on a motion to waive, which I recommend Senators vote no on.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. Madam President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of the act for the consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act in relation to the Conrad amendment No. 147. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Indiana (Mr. LUGAR) is absent because of a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 45, nays 54, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—45

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Graham	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Byrd	Kennedy	Robb
Cleland	Kerry	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Schumer
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

NAYS—54

Abraham	Fitzgerald	McConnell
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Gramm	Roberts
Bond	Grams	Roth
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Burns	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Mack	Voinovich
Durbin	McCain	Warner