

I would like to wrap up with a couple of minutes on an issue that I know is important to South Carolina and in Minnesota, as well as my home State of Oregon. That is the plight of rural older people. There has been some discussion of this prescription drug issue, of course, on the floor of the Senate, but never before has there been a focus on the special needs of older people in rural communities.

In my State—and I know in the States of Senator HOLLINGS and Senator GRAMS as well—if you live in a rural community, you have fewer physicians available to write medications. You have fewer pharmacies so that medication is not accessible. You have to drive longer distances in order to get your medicine.

We found, according to the Oregon Health Sciences University's Office of Rural Health, that a conservative number of seniors in rural Oregon who live in poverty is 16,500. I can tell you, having gone through many of those rural communities during the break, that there is a special need for coverage for prescription drugs for older people in rural communities.

I will wrap up by reading a few of the accounts older people from rural Oregon have sent me about the problems they are having in affording their medicine. An elderly couple, for example, in Baker City depending solely on Social Security takes prescription drugs for chronic back ailments. After they purchase their monthly medication, they have only \$200 for that month left over to pay for their necessities.

They wrote me, and I am going to quote: "... that is not living, that is existing."

I think all of us know you cannot live on \$200 a month. Yet that is what an older couple in Baker City, OR, are faced with after they finish paying for their prescription medicine.

In Clatsop County, after an older couple paid for their supplemental coverage, they had to spend \$450 a month on their prescription medicine. They fear their supplemental insurance premium is going to go up again this year. That is always the case. They are then going to have to stop taking their medication altogether.

In Coos County, a 75-year-old female resident is getting by on a fixed income of about \$800 a month. Every single month she is spending more than 25 percent of her monthly income on prescription medicine.

One older woman in that county lives on Social Security and doesn't have any prescription drug coverage at all. She is now at the point where she cannot afford spending the necessary \$200 a month for her medications.

Before I came to Congress, I tried to specialize in the gerontology field. As sure as night follows day, when we have a vulnerable older woman who cannot, in a cold Oregon winter, afford to take her medications, she is going to get much sicker. Very often she will end up in the hospital needing exten-

sive medical services that are available under what is called Part A of the Medicare program, the institutional program.

We ask: Can we afford to cover prescription drug medicine? That example I just gave of the older woman in Coos County makes it very clear this country cannot afford not to cover prescription drugs for older people under Medicare. If older folks do not get these medications, they are going to get sick and the medical bills will be far higher.

I ask unanimous consent to have printed in the RECORD many other cases from rural Oregon.

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

#### RURAL CASE STUDIES

A 75-year-old hearing impaired woman from Coquille living on Social Security does not have any prescription drug coverage. She cannot afford spending the necessary \$200 a month for her medications.

*Deschutes County:* An 83-year-old woman from Sisters and her 79-year-old husband are currently taking 12 prescription drugs to treat diabetes, osteoarthritis and hypertension. Their sole source of income is Social Security, and they incur a cost of \$400 a month for these medications, which represents 25% of their income.

*Lincoln County:* An 81-year-old widow from Toledo currently takes eight prescription drugs daily for glaucoma, angina and high blood pressure. Social Security is her only income, and her Medicare supplemental insurance policy does not cover the medication. If she doesn't use her eye drops she will go blind, and if she cuts down the dosage on her other medication, due to expense, she is in danger of having a stroke or a heart attack.

*Linn County:* A 78-year-old woman living in Lebanon suffers from hypertension. She is presently taking six prescription drugs: Atenolol, Ziac, Zestril, Cimetidine, Quinidine and Xanax. She spends an average of \$236.92 a month on these drugs. This figure does not count her considerable expense on over-the-counter medication and vitamins.

A retired couple from Lebanon live on a combined Social Security income of \$990 a month. They suffer from arthritis, high blood pressure and osteoporosis. Because of the increasing financial strain, they can no longer afford their medications.

*Umatilla County:* An elderly couple from Pendleton lives on a combined fixed income of \$1,269 a month from Social Security and relies solely on Medicare for their health insurance. The 76-year-old husband has Parkinson's disease and glaucoma, while his 73-year-old wife, who suffers from heart problems, has skipped her medication at times when she couldn't afford it. Without any drug coverage, they collectively spend \$800 a month—63% of their income—on their 14 prescriptions.

A 74-year-old man who takes six prescription drugs a month cannot survive on his Social Security and Medicare benefits. His niece must help him pay the \$500 month for his prescriptions.

A retired teacher from Pendleton is taking eight medications for chronic back pain. She spends \$200 a month on her prescription drugs.

*Wasco County:* An elderly couple from The Dalles depends on their combined monthly Social Security income of \$1,263 and profits from the sale of their family farm to survive. Even though they have supplemental insurance, health care costs are still high. In addi-

tion to considerable medical expenses for eyeglasses, hearing aids and other health care needs, they spend over \$250 a month on prescription drugs to treat asthma and high blood pressure.

Mr. WYDEN. Mr. President, I will come to the floor of this Senate again and again and again these next few months to urge bipartisan action on this issue. The Snowe-Wyden legislation is one approach. Certainly, our colleagues will have other good ideas. There are a variety of ways this issue can be addressed in a bipartisan way. I am pleased our approach garnered 54 votes when it came to actually paying for it.

I intend, with Senator SNOWE, to continue to urge older people to send in copies of their prescription drug bills to each Member in the Senate in Washington, DC, so we can read their personal accounts into the RECORD.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from South Carolina.

#### SEATTLE

Mr. HOLLINGS. Mr. President, the World Trade Conference in Seattle was violence run amok. But it was a good reminder of the trauma that brought about our nation's high standard of living. Labor rights were obtained only after the murder of workers at Hay Market Square in Chicago. Environmental protection was obtained only after poisoned deaths at Love Canal. Safety laws were obtained only after poisoned food, poisoned drugs, and babies burned in their cribs. It took the trauma of class actions to make America aware of tobacco's injury, and it took President Teddy Roosevelt to hem in the robber barons with antitrust laws. The excesses of the free market—of free trade—can only be controlled by government. The peaceful demonstrators in Seattle were demonstrating against government's failure to control.

The threat of "free trade" was America's first lesson. The fledgling colony had just won its freedom when the mother country counselled "free trade". It was Riccardo's famous doctrine of "comparative advantage". Britain would trade with us what it produced best—the United States would trade back what it produced best. Alexander Hamilton, in his famous booklet "Reports on Manufacturers," told the Brits to "bug off." "We are not going to remain your colony, exporting our timber, iron, and agriculture—and importing the finished products from England." The second bill (the first was for the U.S. Seal) to pass the national Congress on July 4, 1789 was "protectionist"—a tariff bill of 50 percent over sixty-some articles. Later, when it was suggested that we import the steel for the transcontinental railroad, Abraham Lincoln said, "No", and a high tariff was imposed on steel. In the Depression, Roosevelt saved the family farm with subsidies and protective quotas. And it

was President Eisenhower who placed quotas on oil. World War II was won in the main by the United States' industrial and agricultural might—might built with protectionism.

After World War II the United States had the world's only industry. The task was to build a free market—to defeat communism with capitalism. The government—not the free market—instituted the Marshall Plan; sent money, equipment and expertise abroad for Europe and the Pacific Rim to rebuild. Today, our problem is that the Marshall Plan worked. The vanquished of World War II have become victors in production, in market share, in the global competition. Today, Japan produces more than the United States—and has the largest balance of trade; the United States the largest deficit in trade. We have tried and tried to open markets by setting the example, pleading "free trade," giving away market share, giving away our technology, giving away our production. But nations, like the United States in the early days, are determined to build their industrial strength, and today controlled capitalism governs trade. Technology is obtained; market share is seized; production is transferred with controlled capitalism. Trade is not free, not controlled.

The fall of the Wall has presented us with a new threat. Four billion workers have been liberated from communism and oppression. They are ready to work regardless of pay, safety or the environment. It's a given in manufacture that labor costs represent 30 percent of volume and you can save as much as 20 percent of volume by moving your production to a low wage country. Technology now can be transferred on a computer chip to any place in the world—and finance it by satellite. A corporation with \$500 million in sales can retain its executive office and sales force in-country, but move its production to a low wage country and make \$100 million before taxes. Or it can continue to work its own employees and go bankrupt. The rush is for production offshore—downsize onshore—and keep crying "free trade."

These corporations and our competitors have been spoiled. At all the trade conferences they have come to expect the Special Trade Representative to arrive bearing gifts. They know the United States doesn't enforce its trade laws. They know the President and the Congress are controlled by corporate money. They have come to expect the United States to come crying "fair trade", but giving away the store. President Clinton's invitation to Seattle was like an invite to a birthday party. But rather than bearing gifts, the demonstrators caused the President to call for labor rights and environmental protection. The competition was so spoiled they took the United States' position at Seattle as an invasion of their sovereignty.

The security of the United States is like a three legged stool. The one leg of

the Nation's values is admired the world around. The second leg of military power is unquestioned. But the third leg of economic strength has been fractured. For 50 years we have been losing production, technology and market share. Today, this threatens a loss of the middle class, the weakening of our democracy—the loss of our security as a nation. When Henry Ford started the assembly line he wanted to be sure that his workers could make enough to buy the car they were producing, thus began the strong middle class in America. The labor movement brought health care and other benefits so that the worker could buy a home, pay for health care, send their kids to college and afford a vacation trip. The WTO puts this social contract in jeopardy. It's one-size-fits-all capitalism only dumbs down America's standard of living.

For years the United States has had and continues to have the most productive industrial worker in the world. But we have less and less of them each year. The cold war policy of free trade sacrificed our electronics, textiles, shoes, steel, hand tools, shipbuilding, etc. Jack Welch of General Electric has just instituted an affirmative action plan to export GE's jobs to Mexico. Now, with NAFTA, the rest of our manufacturing is headed South. Worse, the internet doesn't provide enough jobs to build a nation—and it doesn't export. Microsoft, rated the No. 1 industry in America, has only 22,000 jobs in the United States compared to General Motors with 250,000. As Akio Morita cautioned years ago, "That world power that loses its manufacturing capacity will cease to be a world power." The United States becomes weaker each day.

The time has come to break with the failed trade policies of the past and instead pursue a policy that zealously promotes the national interest while at the same time remains true to our core values of promoting both economic growth and social justice. This will only be accomplished by recognizing that the WTO system is a relic of a by-gone era. The WTO system was an instrument of the cold war. It served as an adjunct in the much larger strategic struggle between East and West. It required the U.S. to sustain concessions necessary to maintain the cohesion of the Western alliance. For all the talk about opening markets, WTO and its predecessor, the GATT, have proven to be abysmal failures. In 1979, Ambassador Robert Strauss proclaimed that the Tokyo round will open new markets for U.S. companies, yet from the Tokyo round to the Uruguay round, the U.S. racked up over a trillion dollars worth of trade deficits. In 1994, President Clinton proclaimed that the Uruguay round would crack open markets. Since that time the U.S. continued with record trade deficits and last year recorded its first \$300 billion deficit. In each successive round, the U.S. agreed to asymmetrical market opening com-

mitments. Each time we concluded a round, the trade deficit widened. Perhaps the WTO system's biggest failure is its claim that it is raising living standards. The argument made in Seattle was that market forces alone would raise living standards—an argument we rejected in our own country at the turn of the century.

The reality is that unfettered free trade has unleashed a race to the bottom as nations in the developing world engage in a vicious competition to attract foreign investment. For example, in his book "One World Ready or Not," Bill Greider vividly describes this race to the bottom, "The toy industry—much like textiles and garments, shoes, electronics assembly and other low-wage sectors—existed (and thrived) by exploiting a crude ladder of desperate competition among the poorest nations. Its factories regularly hopped to new locations where wages were even lower, where the governments would be even more tolerant of abusive practices."

We must rebuild. Get real! No more of this "setting the example." No more crying, "free trade," "fair trade," "level the playing field." No more of this harassing others to be like us. Our job is to compete; to protect labor, protect our environment, protect our production—to protect the United States' standard of living. The free market won't do this. Only government will. Protection is the fundamental of government. We have the Army to protect us from without, the FBI to protect us from within. We have Social Security to protect us from the ravages of old age, Medicare and Medicaid to protect us from ill health. We have EPA to protect the environment, FDA to protect our food and drugs, the FCC to protect communications, the FAA to protect air travel, the Consumer Protection Agency to provide safe products, and the Federal Trade Commission to protect us from the restraint of trade. Don't be misled by the cry of "globalization." This is the chant of our corporate fifth column. Silicon Valley is not the answer. This is the crowd that government gave the Internet; that government trained at Illinois and Stanford; that government subsidized with sematech; and now the billionaires all want to eliminate the estate tax, eliminate capital gains, eliminate state tort laws, eliminate the immigration laws, eliminate taxes on the Internet, eliminate the anti-trust laws—just eliminate the government. Let's stop running against government. We are the government. Our task is to make government work. Our responsibility, is to keep America strong.

We must organize to do battle. The first order of business is to eliminate the Special Trade Representative who looks to desert and represent some country against us. Next, merge and downsize the 28 departments and agencies that now deal with trade into a Department of Trade and Commerce.

Then organize Congress' handling of trade issues. Our competition presents a solid front. Any trade measure to protect America's jobs is immediately opposed by Japan's 100 consultants and law firms, by America's big banks, the Trilateral Commission, the Business Roundtable, the National Manufacturers Association, the United States Chamber of Commerce, the National Federation of Independent Business, the consultants and campuses financed by corporate America, the retailers, the newspaper editorialists financed by the retailers, the business lobbyists, and most of the 60,000 lawyers in Washington. Trade bills today are passed in Congress by multinational corporations joining with the foreigners and, thereupon, the President garners the votes with local pork. The common good is ignored.

Once organized, we must repeal the tax laws that subsidize the export of American jobs. Then abolish the International Trade Commission that habitually cancels the findings of injury by the International Trade Administration. Remove the Executive veto of trade findings so that an industry fighting for relief can count on it when upheld by the courts. In short, enforce our trade laws now on the books. This will stabilize domestic production. This will restore trust in government.

The symbol of the Seattle ministerial was not the black hooded hoodlums intent on causing mayhem. Instead, they were Boeing machinists who led the large labor marches that snaked through the streets of Seattle. Boeing, an export powerhouse, was supposed to stand out as a shining example of the open trading system. But Boeing is experiencing the loss of jobs to government-financed Airbus; to China where the price of admission into the Chinese market is an agreement to shift production from the United States to factories in mainland China. The machinists did not join the mayhem. They trust the government to act in their interest—to act in the United States' interest. For this to happen, as Lincoln said, "The dogmas of the quiet past, are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country."

The PRESIDING OFFICER. The Senator from Minnesota.

#### PROTECT THE SOCIAL SECURITY AND MEDICARE SURPLUS

Mr. GRAMS. Mr. President, tonight at the very beginning of the second session of the 106th Congress, I rise to talk about legislation that I introduced earlier today—on a vitally important issue: protection of the Social Security and Medicare surplus.

My legislation reassures the American people that Congress and the Administration will not spend a penny of

their Social Security and Medicare money and it creates a mechanism to enforce our commitment to protecting these surpluses.

This "look-back" enforcement mechanism is simple and straightforward. It basically says if Congress and the Administration indeed spend any of the Social Security and Medicare surplus in the previous fiscal year, an automatic reduction in Government discretionary spending, including congressional Members' pay, will be triggered. The money will be returned to the Social Security and Medicare trust funds. It would work similarly to the sequester of Gramm-Rudman-Hollings, but applies to spending of Social Security and Medicare surplus funds. I stress the sequester could not cut any Medicare or other entitlement programs.

Unlike similar legislation I introduced last year, this bill adds the Medicare surplus into the protection. The Medicare part A surplus will be about \$20 billion this year. This surplus should also be preserved for senior's medical expenses only, not for any general Government spending.

My legislation would in effect prevent anyone, whether it is the Congress or the administration, from raiding the Social Security and Medicare surplus.

I believe this is a crucial step to truly protect the Social Security and Medicare surplus and save it exclusively for Americans' retirement and medical needs, not for tax relief, and not for government spending.

Let me explain why we need this legislation.

First and foremost, the American people do not understand why budget rules do not protect the Social Security and Medicare surplus. I have traveled intensively throughout Minnesota during this congressional recess. Everywhere I went, Minnesotans told me that the Federal Government's practice of so-called "borrowing" from the Social Security and Medicare trust funds must be stopped, and Americans' retirement funds must be secured.

They are very worried that the retirement funds will not be there for them, and they are concerned that the Government will not be able to return the over \$750 billion already "borrowed" and spent by the Government. They want me to take every measure possible to protect their retirement security and their future health care needs.

Last December, the Congressional Budget Office's end of the session summary estimated that Congress spent \$17 billion of the Social Security surplus and exceeded the spending caps by \$7 billion in budget authority and \$17 billion in outlays.

In addition, Congress spent every penny of the \$14 billion non-Social Security surplus which we promised to return to working Americans as tax relief.

The Congressional Budget Office also reported that increased revenue would present a more favorable picture. On

Wednesday, the CBO is expected to issue its new estimates and it appears likely that Americans' tax overpayments will enable us to avoid spending any of the Social Security surplus.

However, my concerns are, first, the CBO December estimate gives the general public the impression that we failed to keep our promise to protect the Social Security surplus and that we are now covering it up with budgetary smoke and mirrors.

Second, as a result, we have to use additional tax overpayments to fund the increased government spending, even if the new CBO estimate shows we did not spend the Social Security surplus.

Already, lawmakers are talking about how to spend the rest of the non-Social Security surplus in an Supplemental emergency early this year.

Because of this propensity to spend, I believe the look-back proposal is essential to protect us now and in the future from the temptation to spend "just a little" the Social Security and Medicare surpluses.

Further, I have argued repeatedly before the Senate that economic forecasting is more of an art than a science. Many uncertainties, risks, and factors are involved. We have a budget of over \$1.8 trillion based on a variety of assumptions, estimates, forecasts and projections, with people using both Congressional Budget Office numbers and Office of Management and Budget. It is highly likely that there are errors in this budget. If the error occurs in Social Security spending, we must have a mechanism to correct it.

Another compelling reason for this legislation is that we are facing even more severe budget constraints and spending pressures this year because according to the CBO, the discretionary budget authority for fiscal year 2001 is about \$542 billion, which is \$18 billion less than the amount appropriated for 2000.

What's worse, \$23 billion out of the \$542 billion cap has already been appropriated as advance funding in the 2000 appropriations bills. President Clinton has already talked about breaking the caps which he agreed to, by the way, in 1997.

Although we may have more on-budget surplus this year, which is supposed to be returned to the taxpayers in the form of tax relief and debt reduction, there is no guarantee Congress and the administration will not touch the Social Security and Medicare surplus.

Since we all have agreed that saving Social Security should be our top priority and have committed to not spending the Social Security surplus for Government programs, we must do everything we can to prevent the Government from spending the Social Security and Medicare surpluses. We need to find a better way to keep our promise to the American people.

Senators on my side of the aisle have made a number of attempts to create a